

PROGRAMME CIRCULAR

Commonwealth Bank Australia
Commonwealth Bank of Australia, A.B.N. 48 123 123 124



Incorporated in Australia with limited liability

U.S.\$70,000,000,000*

Euro Medium Term Note Programme

**Combined programme limit for the Euro Medium Term Note Programme of ASB Finance Limited and Commonwealth Bank of Australia. This Programme Circular relates to Notes to be issued under such programme by Commonwealth Bank of Australia only.*

Commonwealth Bank of Australia (the "Issuer" or 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 "Overview of the Programme" herein.

The Notes will be issued from time to time to one or more of the Dealers specified on page 22 (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), or offered by the Issuer through one or more Authorised Offerors (as defined below) to the public in the Public Offer Jurisdictions indicated in the applicable Final Terms. References in this Programme Circular to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

The Issuer has been rated AA- by Standard & Poor's (Australia) Pty Ltd. ("S&P"), Aa2 by Moody's Investor Service Pty Ltd. ("Moody's") and AA- by Fitch Australia Pty Ltd ("Fitch"). None of S&P, Moody's or Fitch is established in the European Union or registered in accordance with Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"). However, Commission Implementing Decision 2012/627/EU provides that the Australian legal and supervisory framework for credit rating agencies shall be considered as equivalent to the requirements of the CRA Regulation and each of Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Service Ltd. and Fitch Ratings Ltd. which are established in the European Union and registered under the CRA Regulation (and, as such are included in the list of credit rating agencies published by the European Securities and Markets Authority ("ESMA") on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with such Regulation) currently endorse the credit ratings of S&P, Moody's and Fitch, respectively, for regulatory purposes in the European Union. There can be no assurance that such endorsement of the credit ratings of S&P, Moody's and Fitch will continue.

Notes issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Issuer by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Application has been made to the Financial Conduct Authority acting in its capacity as the competent authority (the "UK Listing Authority") for Notes to be issued during the period of 12 months from the date of this Programme Circular under this U.S.\$70,000,000,000 Euro Medium Term Note Programme (the "Programme") to be admitted to the official list of 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 regulated market. References in this Programme Circular to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange's regulated market and have been admitted to the Official List. The London Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes, and certain other information which is applicable to each Tranche (as defined under "*Conditions of the Notes*") of Notes will be set out in a final terms document (the "Final Terms") which will be delivered to the UK Listing Authority and, where listed, the London Stock Exchange. Copies of Final Terms in relation to Notes to be listed on the London Stock Exchange will also be published on the website of the London Stock Exchange through a regulatory information service.

This document is issued in replacement of a Programme Circular dated 19 June 2013 and accordingly supersedes that earlier Programme Circular. This does not affect any Notes issued under the Programme prior to the date of this Programme Circular.

Arranged by:

UBS Investment Bank

Dealers:

Barclays

BofA Merrill Lynch

Commonwealth Bank of Australia

Daiwa Capital Markets Europe

Goldman Sachs International

J.P. Morgan

Nomura

UBS Investment Bank

BNP PARIBAS

Citigroup

Credit Suisse

Deutsche Bank

HSBC

Morgan Stanley

The Royal Bank of Scotland

Dated 24 June 2014

IMPORTANT INFORMATION

This Programme Circular comprises a base prospectus for Commonwealth Bank of Australia only for the purposes of Article 5.4 of Directive 2003/71/EC as amended (including the amendments made by Directive 2010/73/EU) (the “Prospectus Directive”).

The Issuer accepts responsibility for the information contained in this Programme Circular and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Programme Circular, is in accordance with the facts and does not omit anything likely to affect the import of such information.

The fact that as at 30 April 2014, the Issuer was Australia’s largest bank in terms of housing loans and retail (household) deposits is sourced from the Australian Prudential Regulatory Authority monthly Banking Statistics April 2014 (issued 30 May 2014) (Tables 2 and 4). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the Australian Prudential Regulatory Authority, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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.

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 issuer of the Notes) have not 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 as to the accuracy or completeness of the information contained in this Programme Circular or any further information supplied by the Issuer 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 Issuer or any of the Dealers.

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 Issuer or any of the Dealers 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 Issuer. 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 Issuer or any of the Dealers 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 Issuer 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 expressly do not undertake to review the financial or other condition or affairs of the Issuer or any of its subsidiaries during the life of the Programme. Investors should review, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase any of the Notes.

IMPORTANT INFORMATION RELATING TO PUBLIC OFFERS OF NOTES WHERE THERE IS NO EXEMPTION FROM THE OBLIGATION UNDER THE PROSPECTUS DIRECTIVE TO PUBLISH A PROSPECTUS

Restrictions on Public offers of Notes in relevant Member States where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus

Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive

to publish a prospectus. Any such offer is referred to as a “Public Offer”. This Programme Circular has been prepared on a basis that permits Public Offers of Notes in each Member State in relation to which the Issuer has given its consent as specified in the applicable Final Terms (each specified Member State a “Public Offer Jurisdiction” and together the “Public Offer Jurisdictions”). Any person making or intending to make a Public Offer of Notes on the basis of this Programme Circular must do so only with the Issuer’s consent to the use of this Programme Circular as provided under “*Consent given in accordance with Article 3.2 of the Prospectus Directive*” and provided such person complies with the conditions attached to that consent.

Save as provided above, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any Public Offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

Consent given in accordance with Article 3.2 of the Prospectus Directive

In the context of a Public Offer of such Notes, the Issuer accepts responsibility, in each of the Public Offer Jurisdictions, for the content of this Programme Circular in relation to any person (an “Investor”) who purchases any Notes in a Public Offer made by a Dealer or an Authorised Offeror (as defined below), where that offer is made during the Offer Period specified in the applicable Final Terms and provided that the conditions attached to the giving of consent for the use of this Programme Circular are complied with. The consent and conditions attached to it are set out under “*Consent*” and “*Common Conditions to Consent*” below.

None of the Issuer or any Dealer makes any representation as to the compliance by an Authorised Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Public Offer and none of the Issuer or any Dealer has any responsibility or liability for the actions of that Authorised Offeror.

Except in the circumstances set out in the following paragraphs, neither the Issuer nor any Dealer has authorised the making of any Public Offer by any offeror and the Issuer has not consented to the use of this Programme Circular by any other person in connection with any Public Offer of Notes. Any Public Offer made without the consent of the Issuer is unauthorised and neither the Issuer nor any Dealer accepts any responsibility or liability for the actions of the persons making any such unauthorised offer.

If, in the context of a Public Offer, an Investor is offered Notes by a person which is not an Authorised Offeror, the Investor should check with that person whether anyone is responsible for this Programme Circular for the purposes of the relevant Public Offer and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Programme Circular and/or who is responsible for its contents it should take legal advice.

Consent

In connection with each Tranche of Notes and subject to the conditions set out below under “*Common Conditions to Consent*”:

Specific consent

- (a) the Issuer consents to the use of this Programme Circular (as supplemented as at the relevant time, if applicable) in connection with a Public Offer of such Notes during the relevant Offer Period stated in the applicable Final Terms by:
 - (i) the relevant Dealer(s) or Manager(s) stated in the applicable Final Terms;
 - (ii) any financial intermediaries specified in the applicable Final Terms;
 - (iii) any other financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the Issuer’s website (www.commbank.com.au) and identified as an Authorised Offeror in respect of the relevant Public Offer; and

General consent

- (a) if (and only if) Part B of the applicable Final Terms specifies “General Consent” as “Applicable”, the Issuer hereby offers to grant its consent to the use of this Programme Circular (as supplemented as at the relevant time, if applicable) in connection with a Public Offer of Notes during the relevant Offer

Period stated in the applicable Final Terms by any other financial intermediary which satisfies the following conditions:

- (i) it is authorised to make such offers under the Financial Services and Markets Act 2000, as amended, or other applicable legislation implementing the Markets in Financial Instruments Directive (Directive 2004/39/EC) (in which regard, Investors should consult the register maintained by the Financial Conduct Authority at: www.fsa.gov.uk/register/home.do); and
- (ii) it accepts the Issuer's offer to grant consent to the use of this Programme Circular by publishing on its website the following statement (with the information in square brackets completed with the relevant information) (the **Acceptance Statement**):

We, [insert legal name of financial intermediary], refer to the [insert title of relevant Notes] (the "Notes") described in the Final Terms dated [insert date] (the "Final Terms") published by Commonwealth Bank of Australia (the "Issuer"). In consideration of the Issuer offering to grant its consent to our use of the Programme Circular (as defined in the Final Terms) in connection with the offer of the Notes in [specify Member State(s)] during the Offer Period and subject to the other conditions to such consent, each as specified in the Programme Circular, we hereby accept the offer by the Issuer in accordance with the Authorised Offeror Terms (as specified in the Programme Circular) and we are using the Programme Circular accordingly."

The "Authorised Offeror Terms", being the terms to which the relevant financial intermediary agrees in connection with using this Programme Circular, are that the relevant financial intermediary:

- (A) will, and it agrees, represents, warrants and undertakes for the benefit of the Issuer and the relevant Dealer that it will, at all times in connection with the relevant Public Offer:
 - (I) act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "Rules"), including the Rules published by the United Kingdom Financial Conduct Authority ("FCA") (including its guidance for distributors in "*The Responsibilities of Providers and Distributors for the Fair Treatment of Customers*") from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential Investor;
 - (II) comply with the restrictions set out under "*Subscription and Sale*" in this Programme Circular which would apply as if it were a Dealer;
 - (III) ensure that any fee (and any other commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Notes does not violate the Rules and, to the extent required by the Rules, is fully and clearly disclosed to Investors or potential Investors;
 - (IV) hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules, including authorisation under the Financial Services and Markets Act 2000;
 - (V) comply with applicable anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules (including, without limitation, taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential Investor prior to initial investment in any Notes by the Investor), and will not permit any application for Notes in circumstances where the financial intermediary has any suspicions as to the source of the application monies;
 - (VI) retain Investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested and to the extent permitted by the Rules, make such records available to the relevant Dealer, the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer in order to enable the Issuer and/or the

relevant Dealer to comply with anti-money laundering, anti-bribery, anti-corruption and “know your client” Rules applying to the Issuer and/or the relevant Dealer;

- (VII) ensure that it does not, directly or indirectly, cause the Issuer or the relevant Dealer to breach any Rule or subject the Issuer or the relevant Dealer to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;
- (VIII) immediately inform the Issuer and the relevant Dealer if at any time it becomes aware or suspects that it is or may be in violation of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all respects;
- (IX) comply with the conditions to the consent referred to under "*Common conditions to consent*" below and any further requirements or other Authorised Offeror Terms relevant to the Public Offer as specified in the applicable Final Terms;
- (X) make available to each potential Investor in the Notes this Programme Circular (as supplemented as at the relevant time, if applicable), the applicable Final Terms and any applicable information booklet provided by the Issuer for such purpose, and not convey or publish any information that is not contained in or entirely consistent with this Programme Circular and the applicable Final Terms;
- (XI) if it conveys or publishes any communication (other than this Programme Circular or any other materials provided to such financial intermediary by or on behalf of the Issuer for the purposes of the relevant Public Offer) in connection with the relevant Public Offer, it will ensure that such communication (A) is fair, clear and not misleading and complies with the Rules, (B) states that such financial intermediary has provided such communication independently of the Issuer, that such financial intermediary is solely responsible for such communication and that none of the Issuer and the relevant Dealer accepts any responsibility for such communication and (C) does not, without the prior written consent of the Issuer or the relevant Dealer (as applicable), use the legal or publicity names of the Issuer or the relevant Dealer or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest, except to describe the Issuer as issuer of the relevant Notes on the basis set out in this Programme Circular;
- (XII) ensure that no holder of Notes or potential Investor in Notes shall become an indirect or direct client of the Issuer or the relevant Dealer for the purposes of any applicable Rules from time to time, and to the extent that any client obligations are created by the relevant financial intermediary under any applicable Rules, then such financial intermediary shall perform any such obligations so arising;
- (XIII) co-operate with the Issuer and the relevant Dealer in providing such information (including, without limitation, documents and records maintained pursuant to paragraph (VI) above) upon written request from the Issuer or the relevant Dealer as is available to such financial intermediary or which is within its power and control from time to time, together with such further assistance as is reasonably requested by the Issuer or the relevant Dealer:
 - (i) in connection with any request or investigation by the FCA or any other regulator in relation to the Notes, the Issuer or the relevant Dealer; and/or
 - (ii) in connection with any complaints received by the Issuer and/or the relevant Dealer relating to the Issuer and/or the relevant Dealer or another Authorised Offeror including, without limitation, complaints as defined in rules published by the FCA and/or any other regulator of competent jurisdiction from time to time; and/or
 - (iii) which the Issuer or the relevant Dealer may reasonably require from time to time in relation to the Notes and/or as to allow the Issuer or the relevant Dealer fully to comply with its own legal, tax and regulatory requirements,

in each case, as soon as is reasonably practicable and, in any event, within any time frame set by any such regulator or regulatory process;

- (XIV) during the period of the initial offering of the Notes: (i) only sell the Notes at the Issue Price specified in the applicable Final Terms (unless otherwise agreed with the relevant Dealer); (ii) only sell the Notes for settlement on the Issue Date specified in the applicable Final Terms; (iii) not appoint any sub-distributors (unless otherwise agreed with the relevant Dealer); (iv) not pay any fee or remuneration or commissions or benefits to any third parties in relation to the offering or sale of the Notes (unless otherwise agreed with the relevant Dealer); and (v) comply with such other rules of conduct as may be reasonably required and specified by the relevant Dealer; and
 - (XV) either (i) obtain from each potential Investor an executed application for the Notes, or (ii) keep a record of all requests such financial intermediary (x) makes for its discretionary management clients, (y) receives from its advisory clients and (z) receives from its execution-only clients, in each case prior to making any order for the Notes on their behalf, and in each case maintain the same on its files for so long as is required by any applicable Rules;
- (B) agrees and undertakes to indemnify each of the Issuer and the relevant Dealer (in each case on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer or the relevant Dealer; and
- (C) agrees and accepts that:
- (I) the contract between the Issuer and the financial intermediary formed upon acceptance by the financial intermediary of the Issuer's offer to use this Programme Circular with its consent in connection with the relevant Public Offer (the "Authorised Offeror Contract"), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law;
 - (II) subject to (IV) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Authorised Offeror Contract (including any dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) (a "Dispute") and the Issuer and the financial intermediary submit to the exclusive jurisdiction of the English courts;
 - (III) for the purposes of (C)(II) and (IV), the financial intermediary waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any dispute;
 - (IV) to the extent allowed by law, the Issuer and each relevant Dealer may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions; and
 - (V) each relevant Dealer will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for their benefit, including the agreements, representations, warranties, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms.

The financial intermediaries referred to in paragraphs (a)(ii), (a)(iii) and (b) above are together the “Authorised Offerors” and each an “Authorised Offeror”.

Any Authorised Offeror falling within (a) above who meets the conditions set out in (b) and the other conditions stated in “Common Conditions to Consent” below and who wishes to use this Programme Circular in connection with a Public Offer is required, for the duration of the relevant Offer Period, to publish on its website the Acceptance Statement.

Common Conditions to Consent

The conditions to the Issuer’s consent to the use of this Programme Circular in the context of the relevant Public Offer are (in addition to the conditions described in paragraph (a) above if Part B of the applicable Final Terms specifies “General Consent” as “Applicable”) that such consent:

- (i) is only valid during the Offer Period specified in the applicable Final Terms; and
- (ii) only extends to the use of this Programme Circular to make Public Offers of the relevant Tranche of Notes in Austria, France, Germany, Ireland, Italy, Luxembourg, the Netherlands and the United Kingdom, as specified in the applicable Final Terms.

The consent referred to above relates to Offer Periods (if any) occurring within 12 months from the date of this Programme Circular.

The only relevant Member States which may, in respect of any Tranche of Notes, be specified in the applicable Final Terms (if any relevant Member States are so specified) as indicated in (ii) above, will be Austria, France, Germany, Ireland, Italy, Luxembourg, the Netherlands and the United Kingdom, and accordingly each Tranche of Notes may only be offered to Investors as part of a Public Offer in Austria, France, Germany, Ireland, Italy, Luxembourg, the Netherlands and the United Kingdom, as specified in the applicable Final Terms, or otherwise in circumstances in which no obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

ARRANGEMENTS BETWEEN INVESTORS AND AUTHORISED OFFERORS

AN INVESTOR INTENDING TO PURCHASE OR PURCHASING ANY NOTES IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE PUBLIC OFFER OR SALE OF THE NOTES CONCERNED AND, ACCORDINGLY, THIS PROGRAMME CIRCULAR AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER. NONE OF THE ISSUER OR ANY DEALER HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF THE INFORMATION DESCRIBED ABOVE.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS PROGRAMME CIRCULAR AND OFFERS OF NOTES GENERALLY

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 European Economic Area (including the United Kingdom), Japan, Australia, New Zealand, Hong Kong, Singapore and Taiwan (see “*Subscription and Sale*”).

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (“the Securities Act”) and the Notes include Notes in bearer form that are subject to U.S. federal tax law

requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see “*Subscription and Sale*”).

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Programme Circular or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor’s currency;
- (iv) understands thoroughly the terms of the Notes and be familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

PRESENTATION OF INFORMATION

In this Programme Circular, all references to:

- “U.S. dollars”, “USD” and “U.S.\$” are to United States dollars;
- “JPY”, “Yen” and “¥” are to Japanese yen;
- “Sterling”, “GBP” and “£” are to pounds sterling;
- “AUD” and “A\$” are to Australian dollars;
- “NZD” and “NZ\$” are to New Zealand dollars;
- “Renminbi” and “RMB” are to the lawful currency of People’s Republic of China (the “PRC”) which for purposes of this Programme Circular excludes the Hong Kong Special Administrative Region of the PRC, the Macao Special Administrative Region of the PRC and Taiwan;
- “euro” and “€” refer to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended.

STABILISATION

In connection with the issue of any Tranche of Notes, one or more relevant Dealers (the “Stabilisation Manager(s)”) (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than

the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

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Summary of the Programme

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A – E (A.1 – E.7). This Summary contains all the Elements required to be included in a summary for the Notes and the Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in a summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element should be included in the summary explaining why it is not applicable.

Section A – Introduction and warnings

Element	
A.1	<ul style="list-style-type: none"> • this summary should be read as an introduction to the Programme Circular; • any decision to invest in any Notes should be based on a consideration of the Programme Circular as a whole by the investor; • where a claim relating to the information contained in the Programme Circular is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Programme Circular before the legal proceedings are initiated; and • civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Programme Circular or it does not provide, when read together with the other parts of the Programme Circular, key information in order to aid investors when considering whether to invest in the Notes.
A.2	<p>Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a “Public Offer”.</p> <p>Issue specific summary:</p> <p>[Not Applicable: the Notes are issued in denominations of at least €100,000 (or its equivalent in any other currency).]</p> <p>[Not Applicable – the Notes are not being offered to the public as part of a Public Offer.]</p> <p>[<i>Consent:</i> Subject to the conditions set out below, the Issuer consents to the use of this Programme Circular in connection with a Public Offer of Notes by the Managers[, [<i>names of specific financial intermediaries listed in final terms,</i>] [and] [each financial intermediary whose name is published on the Issuer’s website (www.cba.com.au) and identified as an Authorised Offeror in respect of the relevant Public Offer] [and any financial intermediary which is authorised to make such offers under the Financial Services and Markets Act 2000, as amended, or other applicable legislation implementing the Markets in Financial Instruments Directive (Directive 2004/39/EC) and publishes on its website the following statement (with the information in square brackets being completed with the relevant information):</p>
	<p><i>“We, [insert legal name of financial intermediary], refer to the [insert title of relevant Notes] (the “Notes”) described in the Final Terms dated [insert date] (the “Final Terms”) published by Commonwealth Bank of Australia (the “Issuer”). In consideration of the Issuer offering to grant its consent to our use of the Programme Circular (as defined in the Final Terms) in connection with the offer of the Notes in [specify Member State(s)] during the Offer Period</i></p>

	<p><i>and subject to the other conditions to such consent, each as specified in the Programme Circular, we hereby accept the offer by the Issuer in accordance with the Authorised Offeror Terms (as specified in the Programme Circular) and we are using the Programme Circular accordingly.”]</i></p> <p><i>Offer period:</i> The Issuer’s consent referred to above is given for Public Offers of Notes during <i>[offer period for the issue to be specified here]</i> (the “Offer Period”).</p> <p><i>Conditions to consent:</i> The conditions to the Issuer’s consent [(in addition to the conditions referred to above)] are that such consent (a) is only valid during the Offer Period; and (b) only extends to the use of this Programme Circular to make Public Offers of the relevant Tranche of Notes in <i>[specify each relevant Member State in which the particular Tranche of Notes can be offered]</i>.</p> <p>AN INVESTOR INTENDING TO PURCHASE OR PURCHASING ANY NOTES IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER.</p>
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Section B – Issuer

Element	Title	
B.1	Legal and commercial name of the Issuer	The legal name of the Issuer is Commonwealth Bank of Australia. The commercial name of the Issuer is Commonwealth Bank.
B.2	Domicile/ legal form/ legislation/ country of incorporation	The Issuer is a public company domiciled in Australia and incorporated under the Corporations Act 2001 of the Commonwealth of Australia and certain provisions of the Commonwealth Banks Act 1959 of the Commonwealth of Australia.
B.4b	Trend information	[Not Applicable - There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer’s prospects.]
B.5	Description of the Group	The Issuer and its subsidiaries (the “Group”) provide a comprehensive range of banking, financial, life and risk business insurance and funds management services in Australia, New Zealand, throughout Asia, Europe and the United States of America. The Issuer controls and is the ultimate parent of the Group.
B.9	Profit forecast or estimate	[Not Applicable - No profit forecasts or estimates have been made in the Programme Circular.]
B.10	Audit report qualifications	[Not Applicable - No qualifications are contained in any audit or review report included in the Programme Circular.]
B.12	Selected historical key financial information: <i>Income Statement</i>	

	<p>The table below sets out certain consolidated summary financial data relating to the Group. This data has been extracted without material adjustment from the audited consolidated income statement of the Group for each of the years ended 30 June 2013 and 30 June 2012 and the unaudited consolidated income statement of the Group for each half year ended 31 December 2013 and 31 December 2012, respectively:</p>	
	<i>As at 30 June</i>	
	<i>2013</i>	<i>2012</i>
Income Statement	<i>(in millions A\$)</i>	
Net interest income	13,934	13,122
Other operating income ⁽¹⁾	7,620	7,262
Loan impairment expense	(1,146)	(1,089)
Operating expenses	(9,680)	(9,331)
Net profit attributable to Equity holders of the Bank	7,677	7,090
	<i>As at half year ended 31 December</i>	
	<i>2013</i>	<i>2012</i>
Income Statement	<i>(in millions A\$)</i>	
Net interest income	7,454	6,852
Other operating income ⁽¹⁾	3,706	3,457
Loan impairment expense	(457)	(680)
Operating expenses	(4,788)	(4,504)
Net profit attributable to Equity holders of the Bank	4,207	3,631
Balance Sheet		
<p>The table below sets out certain consolidated summary financial data relating to the Group. This data has been extracted without material adjustment from the audited consolidated balance sheet of the Group as at 30 June 2013 and 30 June 2012 and the unaudited consolidated balance sheet of the Group as at 31 December 2013 and 31 December 2012:</p>		
	<i>As at 30 June</i>	
	<i>2013</i>	<i>2012</i>
Balance Sheet	<i>(in millions A\$)</i>	
Lending Assets ⁽²⁾	562,711	535,399
Total Assets	753,876	718,859
Deposits and other public borrowings	459,429	437,655
Shareholders' equity attributable to Equity holders of the Bank	44,955	41,041
	<i>As at half year ended 31 December</i>	
	<i>2013</i>	<i>2012</i>
Balance Sheet	<i>(in millions A\$)</i>	
Lending Assets ⁽²⁾	585,977	542,800

	Total Assets	782,301	722,183
	Deposits and other public borrowings	485,436	448,410
	Shareholders' equity attributable to Equity holders of the Bank	46,501	42,816
	Notes:		
	(1)	Includes other banking income, net funds management and net insurance operating income.	
	(2)	Includes loans, bills discounted, other receivables and bank acceptances of customers.	
	Statements of no significant or material adverse change		
	There has been no significant change in the financial position of the Group since 31 December 2013 and there has been no material adverse change in the prospects of the Group since 30 June 2013.		
B.13	Events impacting the Issuer's solvency	[Not Applicable - There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.]	
B.14	Dependence upon other group entities	[The Issuer is not dependent upon other members of the Group.]	
B.15	Principal activities	The Issuer provides a wide range of banking, financial and related services, primarily in Australia and New Zealand.	
B.16	Controlling shareholders	Not Applicable – The Issuer is not aware of any shareholder or group of connected shareholders who directly or indirectly control the Issuer.	
B.17	Credit ratings	<p>The Issuer has been rated AA- by Standard & Poor's (Australia) Pty Ltd., Aa2 by Moody's Investor Service Pty Ltd. and AA- by Fitch Australia Pty Ltd.</p> <p>Notes issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Issuer by the relevant rating agency.</p> <p>Issue specific summary:</p> <p>[The Notes [have been/are expected to be/have not been] rated [<i>specify rating(s) of Tranche being issued</i>] by [<i>specify rating agent(s)</i>].]</p> <p>A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>	

Section C – Securities

Element	Title	
C.1	Description of Notes/ISIN	<p>The Notes to be issued under the Programme may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or an appropriate combination of the foregoing.</p> <p>Issue specific summary:</p> <p>The Notes are [£/€/U.S.\$/other] ● [● per cent./Floating</p>

		<p>Rate/Zero Coupon/[<i>other</i>] Notes due ●.</p> <p>International Securities Identification Number (ISIN): ●</p> <p>[The Notes will be consolidated and form a single series with [<i>identity earlier Tranches</i>] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, which is expected to occur on or about [<i>date</i>]]]</p>
C.2	Currency	<p>Subject to compliance with all applicable laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealer at the time of issue.</p> <p>Issue specific summary:</p> <p>The currency of this Series of Notes is [Pounds Sterling (£)/Euro (€)/U.S. dollars (U.S.\$)/<i>Other</i> (●)].</p>
C.5	Restrictions on transferability	Not Applicable - There are no restrictions on the free transferability of the Notes.
C.8	Rights attached to the Notes, including ranking and limitations on those rights	<p>Notes issued under the Programme will have terms and conditions relating to, among other matters:</p> <p>Status (Ranking)</p> <p>Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank equally among themselves and equally with the Issuer's other present and future unsecured and unsubordinated obligations (except for certain debts that are required to be preferred by applicable law).</p> <p>Withholding Tax</p> <p>All payments in respect of Notes will be made without deduction for or on account of withholding taxes imposed by the Commonwealth of Australia. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances, be required to pay additional amounts to cover the amounts so deducted.</p> <p>All payments in respect of the Notes will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the Code) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code.</p> <p>Negative pledge</p> <p>The terms of the Notes will not contain a negative pledge provision.</p> <p>Events of default</p> <p>The terms of the Notes will contain, amongst others, the following events of default:</p>

		<p>(a) default in payment of any principal or interest due in respect of the Notes, continuing for a specified period of time;</p> <p>(b) non-performance or non-observance by the Issuer of any of its other obligations under the conditions of the Notes continuing for a specified period of time; and</p> <p>(c) events relating to the insolvency or winding up of the Issuer.</p> <p>Meetings</p> <p>The terms of the Notes will contain provisions for calling meetings of holders of such Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p> <p>Governing law</p> <p>English law.</p>
C.9	Interest/Redemption	<p>Interest</p> <p>Notes may or may not bear interest. Interest-bearing Notes will either bear interest payable at a fixed rate or a floating rate.</p> <p><i>Issue specific summary:</i></p> <p>[The Notes bear interest [from their date of issue/from ●] at the fixed rate of ● per cent. per annum. Interest will be paid [annually] in arrear on ● in each year. The first interest payment will be made on ●].</p> <p>[The Notes bear interest [from their date of issue/from ●] at floating rates calculated by reference to [<i>specify reference rate for Notes being issued</i>] [plus/minus] a margin of ● per cent. Interest will be paid [semi-annually] in arrear on ● and ● in each year, subject to adjustment for non-business days. The first interest payment will be made on ●.]</p> <p>[The Notes do not bear any interest [and will be offered and sold at a discount to their nominal amount].]</p> <p>Redemption</p> <p>The terms under which Notes may be redeemed (including the maturity date and the price at which they will be redeemed on the maturity date as well as any provisions relating to early redemption) will be agreed between the Issuer and the relevant Dealer at the time of issue of the relevant Notes.</p> <p><i>Issue specific summary:</i></p> <p>Subject to any purchase and cancellation or early</p>

		<p>redemption, the Notes will be redeemed on [●] at [par/● per cent. of their nominal amount].</p> <p>The Notes may be redeemed early for tax reasons [or [specify any other early redemption option applicable to the Notes being issued]] at [specify the early redemption price and any maximum or minimum redemption amounts, applicable to the Notes being issued].</p> <p>Indication of Yield</p> <p>The yield in respect of each issue of Fixed Rate Notes will be calculated on the basis of the Issue Price using the following formula:</p> $P = \frac{C}{r} (1 - (1 + r)^{-n}) + A(1 + r)^{-n}$ <p>Where:</p> <p>“P” is the Issue Price of the Notes;</p> <p>“C” is the annualised Interest Amount;</p> <p>“A” is the principal amount of Notes due on redemption;</p> <p>“n” is time to maturity in years; and</p> <p>“r” is the annualised yield.</p> <p>Yield is not an indication of future price.</p> <p><i>Issue specific summary:</i></p> <p>The yield of the Notes is ● per cent.</p> <p>Representative of holders</p> <p>Not Applicable – No representative of the Noteholders has been appointed by the Issuer.</p>
C.10	Derivative component in the interest payments	[Not applicable – There is no derivative component in the interest payments.]
C.11	Listing and Admission to trading	<p>Notes issued under the Programme may be listed and admitted to trading on the London Stock Exchange or such other stock exchange or market specified below, or may be issued on an unlisted basis.</p> <p><i>Issue specific summary:</i></p> <p>[Application [has been][is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [regulated market] of the [London/● Stock Exchange.] [The Notes are not intended to be admitted to trading on any market.]</p>

Section D – Risks

Element	Title	
D.2	Key risks regarding the Issuer	In purchasing Notes, investors assume the risk that the

		<p>Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified a number of factors which could materially adversely affect its businesses and ability to make payments due under the Notes. These factors include:</p> <ul style="list-style-type: none"> • the Issuer's businesses may be adversely affected by the current disruption in the global credit markets and associated impacts; • a downturn in the Australian and New Zealand economies could adversely impact the Issuer's results; • the Issuer may incur losses associated with its counterparty exposures; • adverse credit market conditions may significantly affect the Issuer's ability to access international debt markets and credit, on which it relies for a substantial amount of its wholesale funding; • adverse financial market conditions or specific Issuer circumstances may significantly affect the Issuer's ability to access domestic and international capital markets; • failure to maintain credit ratings could adversely affect the Issuer's cost of funds, liquidity, access to debt and capital markets, and competitive position; • failure to hedge effectively against adverse fluctuations in exchange rates could negatively impact the Issuer's results of operations; • the Issuer is subject to extensive regulation, which could impact its results; • regulatory actions taken now or in the future may significantly affect the issuer's operations and financial condition; and • reputational damage could harm the Issuer's business and prospects.
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D.3	Key risks regarding the Notes	<p>There are also risks associated with the Notes, including a range of market risks as follows:</p> <ul style="list-style-type: none"> • if the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds to achieve a similar effective return; • if the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned; • the conditions of the Notes may be modified or the Issuer substituted without the consent of the holder in certain circumstances; • the holder may not receive payment of the full amounts due in respect of the Notes as a result of amounts being withheld by the Issuer in order to comply with applicable law; • investors are exposed to the risk of changes in law or regulation affecting the value of Notes held by them; • the Notes will not have any covenant restricting the incurrence of liens for the benefit of other external indebtedness of the Issuer; • there may be no or only a limited secondary market in the Notes, an investor selling Notes in the secondary market may receive less than the investor's initial investment and implicit fees may impact on the price of the Notes in the secondary market; • the value of an investor's investment may be adversely affected by exchange rate movements where the Notes are not denominated in the investor's own currency; and • certain risks related to Notes denominated in Renminbi.
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Section E – Offer

Element	Title	
E.2b	Use of proceeds	<p>The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit, and may also be applied for particular uses, as determined by the Issuer.</p> <p><i>[Issue specific summary:</i></p> <p>The net proceeds from the issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit [and[]].</p>
E.3	Terms and conditions of the	Under the Programme, the Notes may be offered to the

offer		<p>public in a Public Offer in Austria, France, Germany, Ireland, Italy, Luxembourg, the Netherlands and the United Kingdom.</p> <p>The terms and conditions of each offer of Notes will be determined by agreement between the Issuer and the relevant Dealers at the time of issue and specified in the applicable Final Terms. An Investor intending to acquire or acquiring any Notes in a Public Offer from an Authorised Offeror will do so, and offers and sales of such Notes to an Investor by such Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocations and settlement arrangements.</p> <p>Issue specific summary:</p> <p>[Not Applicable - the Notes are issued in denominations of at least €100,000 (or its equivalent in any other currency.)]</p> <p>[Not Applicable – the Notes are not being offered to the public as part of a Public Offer.]</p> <p>[This issue of Notes is being offered in a Public Offer in <i>[specify particular country/ies]</i>].</p> <p>The issue price of the Notes is ● per cent. of their nominal amount.</p> <p>Offer Price: [Issue Price/Not Applicable/<i>specify</i>]</p> <p>Conditions to which the offer is subject: [Not applicable/<i>specify</i>]</p> <p>Description of the application process: [Not applicable/<i>specify</i>]</p> <p>Details of the minimum and/or maximum amount of application: [Not applicable/<i>specify</i>]</p> <p>Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not applicable/<i>specify</i>]</p> <p>Details of the method and time limits for paying up and delivering the Notes: [Not applicable/<i>specify</i>]</p> <p>Manner in and date on which results of the offer are to be made public: [Not applicable/<i>specify</i>]</p> <p>Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not</p>
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		<p>exercised:</p> <p>Whether tranche(s) have been reserved for certain countries: [Not applicable/specify]</p> <p>Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not applicable/specify]</p> <p>Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not applicable/specify]</p> <p>Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [None/specify]</p>
		<p>[Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment:] [None/specify]</p>
E.4	Interest of natural and legal persons involved in the issue/offer	<p>The relevant Dealers may be paid fees in relation to any issue of Notes under the Programme. Any such Dealer and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.</p> <p>Issue specific summary:</p> <p>The [Dealers/Managers] will be paid aggregate commissions equal to ● per cent. of the nominal amount of the Notes. Any [Dealer/Manager] and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.</p> <p>[Other than as mentioned above, [and save for ●,] so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer, including conflicting interests.]</p>
E.7	Expenses charged to the investor by the Issuer	[Not Applicable – No expenses will be charged to investors by the Issuer.]

Overview of the Programme

The following overview does not purport to be complete and is not a summary for the purposes of the Prospectus Directive (for such a summary, please refer to “Summary of the Programme”). The following overview is qualified in its entirety by the remainder of this Programme Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive (the **Prospectus Regulation**).

Words and expressions defined in “*Form of the Notes*” and “*Terms and Conditions of the Notes*” shall have the same meanings in this Overview.

Issuer: Commonwealth Bank of Australia

Description: Euro Medium Term Note Programme

Arranger: UBS Limited

Dealers: Barclays Bank PLC
BNP Paribas
Citigroup Global Markets Limited
Commonwealth Bank of Australia
Credit Suisse Securities (Europe) Limited
Daiwa Capital Markets Europe Limited
Deutsche Bank AG, London Branch
Goldman Sachs International
HSBC Bank plc
J.P. Morgan Securities plc
Merrill Lynch International
Morgan Stanley & Co. International plc
Nomura International plc
The Royal Bank of Scotland plc
UBS Limited

and any other Dealers appointed in accordance with the Programme Agreement.

Certain restrictions: Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time including the following restrictions applicable at the date of this Programme Circular.

Notes having a maturity of less than one year

Notes having maturity of less than one year from the date of issue will be issued (i) to a limited class of professional investors and will have a denomination of at least £100,000 (or an amount of equivalent value denominated wholly or partly in a currency other than sterling) and no part thereof will be transferable unless the redemption value of that part is not less than £100,000 (or such an equivalent amount) or (ii) in any other circumstances which do not violate section 19 of the Financial Services and Markets Act 2000.

Issuing and Principal

Paying Agent: Deutsche Bank AG, London Branch

Registrar: Deutsche Bank Luxembourg S.A.

Distribution: Notes may be distributed by way of private or public placement and in each case

	on a syndicated or non-syndicated basis.
Currencies:	U.S. dollars, euro, Yen, Sterling, Australian dollars, New Zealand dollars, Renminbi, Swiss Francs, Hong Kong dollars 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.
Form of Notes:	The Notes will be issued in bearer or registered form as described in “ <i>Form of the Notes</i> ”. Registered Notes will not be exchangeable for Bearer Notes and vice versa.
Fixed Rate Notes:	Fixed interest will be payable in arrear on such date or dates in each year as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	<p>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 2006 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.</p> <p>The Margin (if any) relating to such floating rate will be specified in the applicable Final Terms.</p>
Other provisions in relation to Floating Rate Notes:	<p>Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes will be payable on Interest Payment Dates, as agreed at the time of agreement to issue, and (where applicable) will be calculated on the basis of the Day Count Fraction specified in the applicable Final Terms.</p> <p>Details of the interest rate applicable to the then current Floating Interest Period in respect of the Floating Rate Notes of any Series will be available from the Principal Paying Agent.</p>
Redemption:	The applicable Final Terms 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 Issuer (in specified amounts if the applicable Final Terms so indicate) 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 Final Terms.

Risk Factors

In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deems not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Programme Circular a number of factors which could materially adversely affect its businesses and ability to make payments due under the Notes.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued by the Issuer under the Programme are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Programme Circular and reach their own views prior to making any investment decision.

Prospective investors should note that the risks relating to the Group, its industry and the Notes summarised in the section of this document headed "*Summary*" are the risks that the Issuer believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Notes. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "*Summary*" but also, among other things, the risks and uncertainties described below.

Words and expressions defined in "*Form of the Notes*" and "*Conditions of the Notes*" and not otherwise defined shall have the same meanings when used herein.

FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

The Issuer's businesses may be adversely affected by economic conditions, disruptions in the global financial markets and associated impacts

In recent years, global credit and equity markets have been characterised by pervasive uncertainty and volatility. The Issuer believes these challenging market conditions may return due to major central banks withdrawing or implementing further stimulative monetary policy measures, the uneven pace of economic growth in Europe, the tepid recovery in the US economy, investor concerns about the sustainability of economic growth in China and geopolitical risks.

While the global economic outlook has recently improved, as a diversified financial institution that operates in various financial markets the Issuer has in prior years been adversely impacted, both directly and indirectly, by the then difficult market conditions and could be adversely affected should markets deteriorate again in the future.

The Issuer's businesses operate in, or depend on the operation of, these markets, including through exposures in securities, loans, derivatives and other activities. In addition, turmoil in the financial markets can flow into the real economy.

By the nature of its operations, the Issuer is significantly exposed to the risk of financial contagion and its results of operations could be impacted, perhaps materially, if economic conditions in offshore economies deteriorate to the extent that sovereign or non-sovereign entities default on their debt obligations. Likewise, if the euro destabilises and one or more countries re-introduce country-specific currencies, the Issuer could suffer disruptions to its operations, including significant currency fluctuations and the inability to properly hedge against such fluctuations.

The Issuer continues to monitor industry and company specific developments and the state of the global and Australian economies.

A downturn in the Australian and New Zealand economies could adversely impact the Issuer's results

As a financial group whose core businesses are banking, funds management and insurance primarily located in Australia and New Zealand, the performance of the Group is dependent on the state of the Australian and New Zealand economies, customer and investor confidence and prevailing market conditions.

During the 2013 calendar year, the fundamentals of the Australian economy remained sound; however, uncertainty in the outlook for the Australian economy resulted in higher rates of savings, lower demand for credit and lower discretionary spending. The Issuer can give no assurances as to the likely future conditions of the Australian and New Zealand economies, which can be influenced by many factors within and outside Australia and New Zealand, which are outside of the Group's control.

A material downturn in the Australian and/or New Zealand economies could adversely impact future results and could potentially result in further increases in the amount overdue on individual loans. A downturn in China's economic growth could also adversely affect the Australian economy given the current dependence Australia (particularly in the mining and resources sectors) has on the performance of the Chinese economy. Recessive economic cycles also have a negative influence on liquidity levels, credit defaults of corporations and other borrowers and return on assets. The Issuer's banking business is affected by market conditions in that there may be less demand for loan products or certain customers may face difficulty in meeting their obligations. In particular, a significant or sustained decrease in the Australian and New Zealand housing markets or property valuations could adversely affect our home and commercial mortgage portfolio.

Furthermore, weaknesses in global securities markets due to credit, liquidity or other problems could result in a decline in our revenues from our funds management and insurance business.

The Issuer may incur losses associated with its counterparty exposures

The Issuer faces the possibility that a counterparty may be unable to honour its contractual obligations to the Issuer. These parties may default on their obligations to the Issuer due to bankruptcy, lack of liquidity, operational failure or other reasons. This risk may arise, for example, from entering into swap or other derivative contracts under which counterparties have obligations to make payments to the Issuer, executing currency or other trades that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries. This risk also arises from the Group's exposure to lenders mortgage, insurance providers and re-insurance providers (for the Group's insurance businesses).

Adverse financial and credit market conditions may significantly affect the Issuer's ability to access international debt markets, on which it relies for a substantial amount of its wholesale funding

In recent years, global debt and equity markets have experienced significant volatility due to factors such as concern over European sovereign debt levels and the downgrade of sovereigns and banks by the ratings agencies. While the Issuer is majority deposit funded, it remains reliant on off-shore wholesale funding markets to source some of its funding. Global market volatility may result in increased competition for deposits in Australia which could adversely impact domestic costs and increase the cost to access wholesale funding markets. If the Issuer is unable to pass its increased funding costs on to its customers, its net interest margins will contract, which will adversely impact the Issuer's results of operations and the ability of the Issuer to maintain or grow its current business operations.

Disruptions, uncertainty or volatility in financial markets may limit the Issuer's access to funding, particularly its ability to issue securities and, of those, most notably longer-dated securities, in international markets at a cost that is acceptable to the Issuer. These market conditions may limit the Issuer's ability to replace, in a timely manner, maturing liabilities and access the funding necessary to grow our business. As such, the Issuer may be forced to issue securities with shorter tenors than it prefers, or pay less attractive interest rates, thereby increasing the Issuer's interest expense, decreasing its profitability and significantly reducing its financial flexibility. If the Issuer is unable to source appropriate funding, it may also be forced to reduce its lending or begin to sell liquid securities. Such activities may adversely affect the Group's business.

Adverse financial market conditions or specific Issuer circumstances may significantly affect the Issuer's ability to access domestic and international capital markets

Disruptions, uncertainty or volatility in financial markets may limit the Issuer's ability to access capital markets in a timely manner or at a cost that is acceptable to the Issuer. There may be circumstances where Issuer specific conditions (for example reduced profitability), as opposed to general market conditions (for example a global recession), could also limit the Issuer's access to capital markets. The Issuer operates an Internal Capital Adequacy Assessment Process (ICAAP) to manage its capital levels and to maintain them above Board approved minimum levels (which in turn are set to exceed regulatory minima). The ICAAP includes forecasting and stress testing of capital levels which guides the Issuer in selecting any capital management initiatives it may undertake.

Failure to maintain credit ratings could adversely affect the Issuer's cost of funds, liquidity, access to debt and capital markets, and competitive position

A credit rating is an opinion on the general creditworthiness of an obligor. The Issuer's credit ratings affect the cost and availability of its funding from debt and other funding sources. Credit ratings also impact the cost and availability of capital. Credit ratings may be an important source of information used by current and potential customers, counterparties, intermediaries and lenders when evaluating the Issuer's products and creditworthiness. Investors also may also consider the credit rating prior to investing in the Issuer. Therefore, maintaining the Issuer's current high quality credit ratings is important.

The rating agencies determine the Issuer's credit rating after an initial assessment of a number of stand-alone factors including the Issuer's financial strength and outlook, its key operating environments (such as the Australian and New Zealand financial systems). The stand-alone assessment is then coupled with an assessed level of government support and hence also is determined by the credit rating of the Australian Federal Government. A downgrade in a credit rating could be due to a change in the rating agencies' assessment and rating methodology, or from an adverse change in the Issuer's financial position and outlook – or in terms of the outlook of the sovereign and their ability to provide support in times of stress. The manifestation of any of the Risk Factors highlighted in this section could affect the Issuer's financial position and outlook, and could drive a change in the Issuer's credit ratings.

A downgrade to the Issuer's credit ratings – or the ratings of the Australian Federal Government - could adversely affect the Issuer's cost of funds and related margins, liquidity position, collateral requirements and cost of capital. A downgrade to the Issuer's credit ratings could also negatively impact its competitive position. The extent and nature of these impacts would depend on various factors, including the extent of any ratings change and the Issuer's credit rating relative to its peers.

Failure to hedge effectively against adverse fluctuations in exchange rates could negatively impact the Issuer's results of operations

The Issuer undertakes the majority of its wholesale funding in international capital markets in currencies other than the Australian dollar, principally the U.S. dollar and the Euro. This exposes the Issuer to risks associated with exchange rates for the Australian dollar, which is the currency in which it prepares its financial statements and the principal currency of the Issuer's revenue and operating cash flows. The impact of such exchange rate risk cannot be predicted reliably. The Issuer attempts to manage its exchange rate risks to minimize any adverse effect on its financial position and performance. However, the level of the Issuer's hedging may change over time, and the Issuer may change its hedging policy at any time. The Issuer's results of operations may be adversely affected if its hedges are not effective to mitigate exchange rate risks or for balance sheet purposes, if the Issuer is inappropriately hedged or if a hedge provider defaults on its obligations under the Issuer's hedging agreements. There can be no assurance that the Issuer's exchange rate hedging arrangements or hedging policy will be sufficient or effective.

The Issuer is subject to extensive regulation, which could impact its results

The Issuer's banking, funds management and insurance activities are subject to extensive regulation, mainly relating to liquidity levels, solvency, provisioning and insurance policy terms and conditions. The Issuer's business and earnings are also affected by the fiscal or other policies that are adopted by various regulatory authorities of the Australian and New Zealand governments and the governments and regulators of the other jurisdictions in which we conduct business.

The requirement to maintain certain levels of Common Equity, Tier One and Total Capital determines the level of the Issuer's lending activity or, alternatively, requires the issue of additional equity capital or subordinated debt, which are additional sources of its funds. Any change in regulation, including changes that increase the requirements of regulatory capital could have an adverse impact on the Issuer's results of operations or the ability to maintain or grow the Issuer's current business.

Any changes to the regulatory liquidity requirements that increase the minimum level of liquid assets to be held could increase funding costs, and hence have a significant adverse impact on the Issuer's results of operations or the ability to maintain or grow the Issuer's current business. Significant breaches of regulatory requirements may have a material adverse impact on the Issuer's results of operations and financial condition.

Regulatory actions taken now or in the future may significantly affect the Issuer's operations and financial condition

The Issuer and its businesses are subject to extensive regulation by Australian regulators and regulators in other jurisdictions in which the Issuer conducts business.

The events in the financial services industry and, more generally, in the international financial markets and the global economy over the past six years, have led to various proposals for changes in the regulation of the financial services industry. In Australia, the Australian Prudential Regulation Authority ("APRA") is adopting regulations (in stages, beginning 1 January 2013) designed to enhance the capital adequacy of, and liquidity and funding risk management by, authorised deposit-taking institutions ("ADIs"), based on the proposals adopted by the Basel Committee on Banking Supervision ("Basel III").

APRA implemented the base capital requirements of Basel III on 1 January 2013. From 1 January 2016, APRA will require ADIs to maintain a capital conservation buffer (of 2.5 per cent. of risk weighted assets) above the Basel III minimum requirements and will also have the discretion to apply a countercyclical buffer (of up to 2.5 per cent. of risk weighted assets). APRA will also require domestic systemically important Australian banks to hold a further buffer (of 1 per cent. of risk weighted assets) from 1 January 2016.

From 1 January 2015, APRA will also implement the Basel III Liquidity Cover Ratio ("LCR"). The LCR will require ADIs to hold a stock of high quality liquid assets to meet expected cash outflows for a 30-day period under a severe stress scenario.

The Australian Federal Government has established a Financial Services Inquiry which has been given the task of examining how the financial system could be positioned to best meet Australia's evolving needs and support Australia's economic growth. In December 2014, the Financial Services Inquiry will then make recommendations to the Government for its consideration. The Financial Services Inquiry has the potential to recommend legislative changes which may or may not impact the operations or profitability of the Issuer.

In the United States, the Issuer is expected to be subject to the Volcker Rule provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank"), which, subject to certain exceptions and exemptions, generally prohibit banking entities from engaging in proprietary trading and sponsoring or acquiring an interest in, or transacting with, hedge funds and private equity funds. The Issuer is expected to be subject to regulation as a foreign banking organisation.

While there can be no assurance that any or all of these regulatory changes will ultimately be adopted, or the final form that any such regulations may ultimately take, any such changes, if enacted or adopted, may impact the profitability or size of the Issuer's business activities, require changes to certain business practices, and expose the Issuer to additional costs. Such additional costs may result from, among other things, holding additional capital and significant levels of liquid assets and undertaking changes to the wholesale funding profile. These changes may also require the Issuer to invest significant management attention and resources to make any necessary changes, and could therefore also adversely affect the Issuer's business and operations.

Regulation is becoming increasingly extensive and complex. Some areas of potential regulatory change involve multiple jurisdictions seeking to adopt a coordinated approach. Notwithstanding regulators' efforts to coordinate their approach, many measures adopted or proposed differ significantly across the major jurisdictions, making it increasingly difficult to manage a global institution.

The Issuer may face operational risks (including technology risks) associated with being a complex financial institution and may incur losses as a result of ineffective risk management processes and strategies

Operational risk is defined as the risk of economic gain or loss resulting from (i) inadequate or failed internal processes and methodologies, (ii) people, (iii) systems and models used in making business decisions, or (iv) external events.

The Issuer is exposed to the risk of loss resulting from human error, the failure of internal or external processes and systems or from external events including the failure of third party vendors or suppliers to provide contracted services. Such operational risks may include theft and fraud, improper business practices, client suitability and servicing risks, product complexity and pricing risk or improper recording, evaluating or accounting for transactions, breach of security and physical protection systems, or breaches of our internal policies and regulations.

As the Issuer increases its analytical capabilities and the use of models in its decision making, the reliability of the Issuer's data and models is becoming even more crucial. There is a risk that the Issuer makes inappropriate decisions due to poor data quality or models that are not fit for purpose, resulting in actual risk exposures being greater than expected by Management, leading to unexpected losses and depletion of capital levels.

While the Issuer employs a range of risk monitoring and risk mitigation techniques as part of the implementation of its Operational Risk Framework, there can be no assurance that the risk management processes and strategies that we have developed in response to current market conditions will adequately anticipate additional market stress or unforeseen circumstances. Therefore the Issuer may, in the course of the Issuer's activities, incur losses or reputational harm as a result of operational disruptions. Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer will be unable to comply with its obligations as a company with securities admitted to the Official List or that the Issuer will be unable to comply with its obligations as a supervised firm regulated by the Financial Conduct Authority.

The Issuer may face technology risks associated with being a complex financial institution and may incur losses as a result of ineffective risk management processes and strategies.

The Issuer's businesses are highly dependent on the Issuer's ability to process and monitor, in many cases on a daily basis, a very large number of transactions, many of which are highly complex, across multiple markets in many currencies. The Issuer's financial, accounting, data processing or other operating systems and facilities may fail to operate properly or may become disabled as a result of events that are wholly or partially beyond our control, such as a spike in transaction volume, adversely affecting our ability to process these transactions or provide these services.

As with any business operating in the financial services market, the Group utilises complex technology frameworks and systems to deliver its services and manage internal processes. Some of these technology systems are provided and/or supported by third party suppliers and vendors. Additionally, the Issuer's strategy seeks to establish long term global competitive advantage through leadership in the application of technology.

Disruptions to the technology framework can have a significant impact on the Issuer's operations. These disruptions can be caused from internal events (e.g. system upgrades) and external events (e.g. failure of vendors' systems or power supplies or technology attacks by third parties).

As part of its Technology Risk Management Framework, the Issuer employs a range of risk monitoring and risk mitigation techniques however there can be no assurance that the risk management processes and strategies that we have developed in response to current market conditions will adequately anticipate additional market stress or unforeseen circumstances. Therefore the Issuer may, in the course of the Issuer's activities, incur losses or reputational harm as a result of technology disruptions.

The Issuer may face information security risks

The Issuer's businesses are highly dependent on its information technology systems. The Issuer devotes significant effort to protecting the confidentiality, integrity and availability of its computer systems, software and networks, including maintaining the confidentiality of information that may reside on those assets. However, the Issuer's security measures cannot provide absolute security. It is possible that the Issuer (or its

third party suppliers) may not be able to anticipate or to implement effective measures to prevent or minimise damage that may be caused by all information security threats, because the techniques used can be highly sophisticated, can evolve rapidly and those that would perpetrate attacks can be well resourced. An information security failure could have serious consequences for the Issuer including operational disruption, financial losses, reputational damage, theft of intellectual property and customer data, and could result in violations of applicable privacy laws, all of which could have a material impact.

The Issuer maintains a Technology Risk Management Framework which covers information security risk. The Issuer believes that it, and its third party suppliers and vendors, have and maintain adequate anti-virus and malware software and have control frameworks in place to mitigate these risks, but no assurance can be given that such mitigation steps will be effective.

The Issuer may incur losses as a result of the inappropriate conduct of its staff.

The Group operates in a range of regulated markets both in Australia and globally and is highly dependent on the conduct of its employees, contractors and external service providers. The Issuer and other members of the Group could, for example, be adversely affected if an employee, contractor or external service provider does not act in accordance with regulations and associated procedures, or engages in inappropriate or fraudulent conduct. Losses, financial penalties or variations to the operating licenses may be incurred from an unintentional or negligent failure to meet a professional obligation to specific clients, including fiduciary and suitability requirements, or from the nature or design of a product. These may include client, product and business practice risks such as product defects and unsuitability, market manipulation, insider trading, misleading or deceptive conduct in advertising and inadequate or defective financial advice. While the Group has policies and processes to minimise the risk of human error and employee, contractor or external service provider misconduct, these policies and processes may not always be effective.

Market risks could adversely impact the Issuer's results

Market risk is the potential of loss arising from adverse changes in interest rates, foreign exchange rates, commodity and equity prices, credit spreads, lease residual risk values, and implied volatility levels for all assets and liabilities where options are transacted. For the purposes of market risk management, the Issuer makes a distinction between traded and non-traded market risks. The predominant non-traded market risk is interest rate risk in the banking book. Other non-traded markets risks are transactional and structural foreign exchange risk arising from capital investments in offshore operations, non-traded equity risk, market risk arising from the insurance business and lease residual value risk.

The Issuer trades and distributes financial market products and risk management services to customers on a global basis.

The objectives of the Issuer's financial markets activities are to:

- provide risk management and capital market products to customers;
- efficiently assist in managing the Issuer's own market risks; and
- conduct profitable trading within a controlled framework, leveraging off the Issuer's market presence and expertise.

Liquidity and funding, compliance, insurance and strategic risks could adversely impact the Issuer's results

The Issuer is subject to liquidity and funding risks, compliance, insurance and strategic risks, which could adversely impact its future results. Liquidity risk is the risk of being unable to meet financial obligations as they fall due. Funding risk is the risk of over-reliance on a funding source to the extent that a change in that funding source could increase overall funding costs or cause difficulty in raising funds. Further information on liquidity and funding risk is also included in note 40 to the Issuer's audited consolidated and non-consolidated annual financial statements for the financial year ended 30 June 2013.

Compliance risk is the risk of legal or regulatory sanctions, material financial loss, or loss of reputation that the Issuer may suffer as a result of its failure to comply with the requirements of relevant laws, regulatory bodies, industry standards and codes.

Insurance risk is the risk of loss due to increases in policy benefits arising from variations in the incidence or severity of insured events. Insurance risk exposure arises in insurance business as the risk that claims payments are greater than expected. In the life insurance business this arises primarily through mortality (death) and morbidity (illness and injury) risks being greater than expected whereas for the general insurance business variability arises mainly through weather related incidents (floods or bushfires) and similar calamities, as well as general variability in home, motor and travel insurance claim amounts (as further described in note 32 to the 2013 Financial Statements).

Strategic business risk is defined as the risk of economic loss resulting from changes in the business environment caused by the following factors:

- macroeconomic conditions;
- competitive forces at work; or
- social trends.

Strategic business risk is taken into account as business strategies and objectives are defined. The Board receives reports on business plans, major projects and change initiatives and monitors progress and reviews successes compared to plans.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer will be unable to comply with its obligations as a company with securities admitted to the Official List or that the Issuer will be unable to comply with its obligations as a supervised firm regulated by the Financial Conduct Authority.

The Issuer faces intense competition, which could adversely impact its results

The Issuer faces intense competition in all of its principal areas of operation and geographical markets, principally Australia and New Zealand. Competition in the banking and funds management markets has, however, had the most significant effect on its results of operations. As financial markets recover and the Issuer's competitors overcome any difficulties they have experienced, competition is expected to increase, especially if non-Australian financial services providers continue to expand in Australia.

If the Issuer is unable to compete effectively in its various businesses and markets, its market share may decline. Increased competition may also adversely affect its results of operations by diverting business to our competitors or creating pressure to lower margins.

The Issuer's business may be adversely affected by acquisitions of businesses

From time to time the Issuer evaluates and undertakes acquisitions of businesses. With acquisitions there is a risk that the Issuer may suffer a downgrade of its credit ratings, not achieve expected synergies from the acquisition as a result of difficulties in integrating information and other systems, may achieve lower than expected cost savings or otherwise incur losses, may lose customers and market share, or face disruptions to our operations resulting from integrating the systems and processes of the acquired business into the Issuer, or the acquisition may have other negative impacts on the Issuer's results, financial condition or operations. Where acquisitions are in emerging economies, the Issuer may be exposed to heightened levels of political, social or economic disruption that are currently intrinsic in many such economies. These risks are considered as part of any due diligence undertaken. The Issuer regularly assesses acquisition opportunities and if it were to undertake other acquisitions these risks may be exacerbated.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Issuer will be unable to comply with its obligations as a company with securities admitted to the Official List or that the Issuer will be unable to comply with its obligations as a supervised firm regulated by the Financial Conduct Authority.

Reputational damage could harm the Issuer's business and prospects

Various issues may give rise to reputational risk and cause harm to the Issuer's business and prospects. These issues include appropriately dealing with potential conflicts of interest, legal and regulatory requirements (such as, money laundering, trade sanctions and privacy laws), inadequate sales and trading practices, inappropriate

management of conflicts of interest and other ethical issues, technology failures, and non-compliance with internal policies and procedures. Failure to address these issues appropriately could also give rise to additional legal risk, subject the Issuer to regulatory enforcement actions, fines and penalties, or harm its reputation and integrity among customers, investors and other stakeholders.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

If the Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the

Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

If the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing market rates.

Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

The conditions of the Notes contain provisions which may permit their modification without the consent of all investors.

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority and therefore there is no guarantee that the resolutions approved will be consistent with the interests and/or the votes cast by each Noteholder.

Substitution of the Issuer

If the conditions set out in the Conditions of the Notes are met, the Issuer may, without the consent or sanction of the Noteholders, substitute in its place a new issuer as debtor in respect of all obligations arising under or in connection with the Notes (the “**Substituted Company**”). In that case, the Noteholders will also assume the insolvency risk with regard to the Substituted Company.

The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes.

Withholding under the EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent (as defined in the Conditions of the Notes) nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

U.S. Foreign Account Tax Compliance Withholding

Whilst the Notes are in global form and held within Euroclear Bank SA/NV or Clearstream Banking, société anonyme (together the “ICSDs”), in all but the most remote circumstances it is not expected that the new reporting regime and potential withholding tax imposed by Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“FATCA”) will affect the amount of any payment received by the ICSDs (see “*General Information - U.S. Foreign Account Tax Compliance Withholding*”). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements

related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the common depository for the ICSDs (as bearer or registered holder of the Notes, as the case may be) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries.

The value of the Notes could be adversely affected by a change in English law or administrative practice.

The Conditions of the Notes are based on English law in effect as at the date of this Programme Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Programme Circular and any such change could materially adversely impact the value of any Notes affected by it.

Investors who purchase Notes in denominations that are not an integral multiple of the Specified Denomination may be adversely affected if definitive Notes are subsequently required to be issued.

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

The Notes will not have any covenant restricting the incurrence of liens for the benefit of other external indebtedness of the Issuer

As at the date of this Programme Circular, a significant amount of the Issuer's long term indebtedness has the benefit of a covenant that the Issuer 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", as defined in the paragraph below, without according the same to the holders of that long term indebtedness. This covenant has not been given for the benefit of holders of any Notes issued under the Programme the terms and conditions of which are contained in the Programme Circular dated 13 October 2011 or any Programme Circular published by the Issuer after this date and will not be given for the benefit of the holders of any Notes the terms and conditions of which are those contained in this Programme Circular.

As used in the previous paragraph "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 Issuer 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.

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell its Notes

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market at prices higher than the relevant investor's initial investment. Therefore, in establishing their investment strategy, investors should ensure that the term of the Notes is in line with their future liquidity requirements. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. The liquidity of Notes is also influenced by whether or not the relevant Notes are exclusively offered to retail investors without any offer to institutional investors.

Each of the Issuer and any Dealer may, but is not obliged to, at any time purchase Notes at any price in the open market or by tender or private treaty. Any Notes so purchased may be held or resold or surrendered for cancellation. Any Dealer may, but is not obliged to, be a market maker for an issue of Notes. Even if a Dealer is a market-maker for an issue of Notes, the secondary market for such Notes may be limited and there is no assurance given as to the price offered by a secondary market-maker or the impact of any such quoted prices on those available in the wider market. The appointment of an entity acting as secondary market-maker with respect to Notes offered in Italy, may, under certain circumstances, have an impact on the price of the Notes in the secondary market. To the extent that an issue of Notes becomes illiquid, an investor may have to hold the relevant Notes until maturity before it is able to realise value.

Investors may receive less in the secondary market than their initial investment.

If it is possible to sell Notes, they would be sold for the prevailing bid price in the market and may be subject to a transaction fee. The prevailing bid price may be affected by several factors including prevailing interest rates at the time of sale, the time left before the stated maturity date and the creditworthiness of the Issuer. It is therefore possible that an investor selling Notes in the secondary market may receive a price less than that investor's initial investment in the relevant Notes.

Impact of implicit fees on the price of the Notes in the secondary market

Investors should note that implicit fees (e.g. placement fees, direction fees, structuring fees) may be a component of the Issue/Offer Price of Notes, but such fees will not be taken into account for the purposes of determining the price of such Notes in the secondary market.

The Issuer will specify in the relevant Final Terms, the type and amount of any implicit fees which are applicable from time to time.

Investors should also take into consideration that if Notes are sold on the secondary market immediately following the offer period relating to such Notes, the implicit fees included in the Issue/Offer Price on initial subscription for such Notes will be deducted from the price at which such Notes may be sold in the secondary market.

Certain considerations applying in relation to public offers of Notes

As described in the applicable Final Terms, Notes may be distributed by means of a public offer made during an offer period specified in the applicable Final Terms. During such offer period, the Issuer and/or any other person specified in the applicable Final Terms may reserve the right to cancel, withdraw or revoke such offer and/or to scale back applications for such offer in the event of over-subscription. In such circumstances, an applicant investor may not be issued any Notes or may be issued a number of Notes which is less than the amount for which such applicant investor applied. Any amounts segregated by a distributor as intended payments of the Offer Price by an investor will be released back to the relevant investor by the distributor with or without accrued interest, depending on the agreements between the investor and the relevant distributor or depending on the policies applied by the distributor in this regard. There may be a time lag in the release of any such amounts and, unless otherwise agreed with the relevant distributor, no amount will be payable as compensation and the applicant investor may be subject to reinvestment risk. Unless otherwise provided in the applicable Final Terms, the Issuer and/or the other entities specified in the applicable Final Terms may terminate the offer early by immediate suspension of the acceptance of further subscription requests and by giving notice to the public in

accordance with the applicable Final Terms. Early termination of the offer may occur even where the maximum amount for subscription in relation to that offer (as specified in the applicable Final Terms) has not been reached and, in such circumstances, the early closing of the offer may have an impact on the aggregate number of the Notes issued and, therefore, may have an adverse effect on the liquidity of the Notes.

Further, investors should note that, in certain circumstances, Notes may not be issued on the originally designated issue date, for example because either the Issuer and/or any other person specified in the applicable Final Terms has reserved the right to postpone such issue date or, following the publication of a supplement to the Programme Circular, the Issuer has decided to postpone such issue date to allow investors who had made applications to subscribe for Notes before the date of publication of such supplement to exercise their right to withdraw their acceptances. In the event that the issue date is so delayed, no interest shall accrue (if applicable) until the issue date of the Notes and no compensation shall be payable, unless otherwise agreed between the investor and the relevant distributor as payable by the distributor or where the policies of the distributor otherwise provide for the distributor to make any such payments.

If an investor holds Notes which are not denominated in the investor's home currency, that investor will be exposed to movements in exchange rates adversely affecting the value of his holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The above risks may be increased if any Specified Currency and/or an Investor's Currency is the currency of an emerging market jurisdiction.

The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time. In addition actual or anticipated changes in the credit ratings of the Notes will generally affect any trading for, or trading value of, the Notes.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of

registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Programme Circular.

Changes in any applicable tax law or practice may have an adverse effect on a Noteholder

Any relevant tax law or practice applicable as at the date of this Programme Circular and/or the date of purchase or subscription of any Notes may change at any time (including during any subscription period or the term of any Notes). Any such change may have an adverse effect on a Noteholder, including that Notes may be redeemed before their due date, their liquidity may decrease and/or the tax treatment of amounts payable or receivable by or to an affected Noteholder may be less than otherwise expected by such Noteholder.

Potential conflicts of interest

Where the Calculation Agent is an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and Noteholders, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Notes that may influence the amount receivable on redemption of the Notes.

Where Notes are offered to the public, as the relevant Manager(s)/Dealer and any distributors act pursuant to a mandate granted by the Issuer and they receive fees on the basis of the services performed and the outcome of the placement of such Notes, potential conflicts of interest could arise.

Risks relating to Notes denominated in Renminbi

Set out below is a description of the principal risks which may be relevant to an investor in Notes denominated in Renminbi (“Renminbi Notes”):

Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC which may adversely affect the liquidity of Renminbi Notes

Renminbi is not freely convertible at present. The government of the PRC (the “PRC Government”) continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite significant reduction over the years by the PRC Government of control over routine foreign exchange transactions. These transactions are known as current account items. Currently, participating banks in Singapore, Hong Kong and Taiwan have been permitted to engage in the settlement of Renminbi trade transactions.

On 13 October, 2011, the People’s Bank of China (the “PBoC”) promulgated the “Administrative Measures on Renminbi Settlement of Foreign Direct Investment” (the “PBoC FDI Measures”) as part of the implementation of the PBoC’s detailed foreign direct investment (“FDI”) accounts administration system. The system covers almost all aspects of FDI, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as Renminbi denominated cross-border loans. On 14 June, 2012, the PBoC further issued the implementing rules for the PBoC FDI Measures. PBoC further issued the “Circular on the Relevant Issues on Renminbi Settlement of Investment in Onshore Financial Institutions by Foreign Investors” on 10 October 2013 which provides further details for using Renminbi to invest in a financial institution domiciled in the PRC. Under the PBoC FDI Measures, special approval for FDI and shareholder loans from the PBoC, which was previously required, is no longer necessary. In some cases however, post-event filing with the PBoC is still necessary.

On 3 December, 2013, the Ministry of Commerce of the PRC (“MOFCOM”) promulgated the “Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment” (the “MOFCOM Circular”), which became effective on 1 January, 2014, to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. The MOFCOM Circular replaced the “Notice on Issues in relation to Cross-border Renminbi Foreign Direct Investment” promulgated by MOFCOM on 12 October, 2011 (the “2011 MOFCOM Notice”). Pursuant to the MOFCOM Circular, written approval from the appropriate office of MOFCOM and/or its local counterparts specifying “Renminbi Foreign Direct Investment” and the amount of capital contribution is required for each FDI. Compared with the 2011 MOFCOM Notice, the MOFCOM Circular no longer contains

the requirements for central level MOFCOM approvals for investments of RMB300 million or above, or in certain industries, such as financial guarantee, financial leasing, micro-credit, auction, foreign invested investment companies, venture capital and equity investment vehicles, cement, iron and steel, electrolyse aluminium, ship building and other industries under the state macro-regulation. Unlike the 2011 MOFCOM Notice, the MOFCOM Circular has also removed the approval requirement for foreign investors who intend to change the currency of their existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM Circular also clearly prohibits FDI funds from being used for any investments in securities and financial derivatives (except for investments in PRC listed companies by strategic investors) or for entrustment loans in the PRC.

As the MOFCOM Circular and the PBoC FDI Measures are relatively new circulars, they will be subject to interpretation and application by the relevant authorities in the PRC.

There is no assurance that the PRC Government will continue to gradually liberalise control over cross border remittance of Renminbi in the future, that the pilot schemes introduced in Hong Kong, Singapore and Taiwan will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Bank to source Renminbi to finance its obligations under Renminbi Notes.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of Renminbi Notes and the Bank's ability to source Renminbi outside the PRC to service such Renminbi Notes

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited.

Currently, licensed banks in Singapore and Hong Kong may offer limited Renminbi denominated banking services to Singapore residents, Hong Kong residents and specified business customers. The PBoC has also established a Renminbi clearing and settlement mechanism for participating banks in Macau, Singapore, Hong Kong and Taiwan through settlement agreements on the clearing of Renminbi business (the "Settlement Agreements") with Bank of China (Hong Kong) Limited in Hong Kong, Bank of China, Macau Branch in Macau, Industrial and Commercial Bank of China, Singapore Branch in Singapore and Bank of China, Taipei Branch in Taiwan (each, a "RMB Clearing Bank"), and are in the process of establishing Renminbi clearing and settlement mechanisms in France, Germany and the United Kingdom, the current size of Renminbi-denominated financial assets outside the PRC is limited.

There are restrictions imposed by the PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC. They are only allowed to square their open positions with the relevant RMB Clearing Bank after consolidating the Renminbi trade position of banks outside Singapore, Hong Kong, Macau and Taiwan that are in the same bank group of the participating banks concerned with their own trade position, and the relevant RMB Clearing Bank only has access to onshore liquidity support from the PBoC for the purpose of squaring open positions of participating banks for limited types of transactions. The relevant RMB Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside of the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent the Issuer is required to source Renminbi outside the PRC to service the Renminbi Notes, there is no assurance that the Bank will be able to source such Renminbi on satisfactory terms, if at all.

If the Bank is unable to source such Renminbi, the Bank's obligation to make a payment in Renminbi under the terms of the Renminbi Notes may be replaced by an obligation to pay such amount in U.S. dollars if "RMB Currency Event" is specified as being applicable in the relevant Final Terms.

An investment in Renminbi Notes is subject to exchange rate risks

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions and by many other factors. All payments of interest and principal will be made with respect to Renminbi Notes in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments in U.S. dollar or other foreign currency terms may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of an investment in U.S. dollar or other applicable foreign currency terms will decline.

An investment in Renminbi Notes is subject to interest rate risks

The PRC Government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. The Renminbi Notes may carry a fixed interest rate. Consequently, the trading price of such Renminbi Notes will vary with fluctuations in interest rates. If a holder of Renminbi Notes tries to sell any Renminbi Notes before their maturity, they may receive an offer that is less than the amount invested.

Where RMB Currency Event is specified in the applicable Final Terms, if the Renminbi is not available in certain circumstances as described in the Renminbi Notes, the Bank may make payments under the Renminbi Notes in U.S. dollars

There can be no assurance that access to Renminbi for the purposes of making payments under the Renminbi Notes by the Bank or generally will remain or that new PRC regulations will not be promulgated which have the effect of restricting availability of Renminbi outside of the PRC.

Although the Bank's primary obligation is to make all payments with respect to Renminbi Notes in Renminbi, where Renminbi Currency Event is specified in the applicable Final Terms, in the event access to Renminbi becomes restricted to the extent that, by reason of Renminbi Inconvertibility, Renminbi Non-Transferability or Renminbi Illiquidity (each as defined in the conditions of Notes), the Bank is unable to make any payment in respect of the Renminbi Notes in Renminbi, the terms of the Renminbi Notes permit the Bank to make payment in U.S. dollars at the prevailing spot rate of exchange, all as provided in the conditions of the Notes. The value of these Renminbi payments in U.S. dollar terms may vary with the prevailing exchange rates in the market place.

Payments for Renminbi Notes will only be made to investors in the manner specified in the terms and conditions.

Investors may be required to provide certificates and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong. Except in the limited circumstances stipulated in Condition 7(1), all payments to investors in respect of Notes denominated in Renminbi will be made solely (i) whilst the Notes are represented by a Global Note held with the common depositary, for Euroclear and Clearstream, with a sub-custodian for CMU or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing Euroclear and Clearstream rules and procedures or those of the CMU or such alternative clearing system, or (ii) for so long as such Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

Gains on the transfer of Renminbi Notes may become subject to income taxes under PRC tax laws

Under the New Enterprise Income Tax Law, the PRC Individual Income Tax Law and their relevant implementation rules as amended from time to time, any gains realised on the transfer of Renminbi Notes by holders who are deemed under the New Enterprise Income Tax Law as non-resident enterprises or individual

Noteholders may be subject to PRC enterprise income tax (“EIT”) or PRC individual income tax (“IIT”) if such gains are regarded as income derived from sources within the PRC. There is uncertainty as to whether gains realised on the transfer of the Renminbi Notes by individual holders who are not PRC citizens or individual Noteholders would be treated as income derived from sources within the PRC and subject to EIT or the IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules. According to the arrangement between the PRC and Hong Kong, for the avoidance of double taxation, Noteholders who are residents of Hong Kong including enterprise holders and individual holders, will not be subject to the EIT or IIT on any capital gains derived from a sale or exchange of Renminbi Notes.

If non-PRC resident enterprise or individual resident Noteholders are required to pay PRC income tax on gains derived from the transfer of Renminbi Notes (such EIT is currently levied at the rate of 10 per cent. of gains realised and such IIT is currently levied at the rate of 20 per cent. of gains realised (with deduction of reasonable expenses), unless there is an applicable tax treaty or arrangement that reduces or exempts such income tax.

If a holder of Renminbi Notes, being a non-resident enterprise or non-resident individual, is required to pay any PRC income tax on gains on the transfer of the Renminbi Notes, the value of the relevant holder’s investment in the Renminbi Notes may be materially and adversely affected.

Documents Incorporated by Reference

The following documents which have been previously published and have been filed with the Financial Conduct Authority shall be incorporated in and form part of this Programme Circular:

- (a) the audited consolidated and non-consolidated annual financial statements and auditors' reports for the financial years ended 30 June 2013 (set out on pages 70 to 184 (inclusive) and pages 186 and 187 of the Annual Report 2013) and 30 June 2012 (set out on pages 94 to 218 (inclusive) and pages 219 and 220 of the Annual Report 2012) of the Issuer;
- (b) the unaudited consolidated interim financial statements (including the auditor's review report thereon) as at and for the half year ended 31 December 2013 set out on pages 52 to 73 (inclusive) and page 75 of the Profit Announcement of the Issuer, dated 12 February 2014 (the "Profit Announcement");
- (c) the terms and conditions of the notes contained in the Programme Circulars prepared by ASB Finance Limited, ASB Bank Limited and the Issuer dated 26 September 2001, pages 17 to 36 (inclusive); 26 September 2002, pages 17 to 37 (inclusive); 26 September 2003, pages 17 to 37 (inclusive); 1 June 2004, pages 18 to 38 (inclusive); 21 October 2004, pages 20 to 43 (inclusive); 2 March 2005, pages 20 to 43 (inclusive); 14 October 2005, pages 31 to 54 (inclusive); 13 October 2006, pages 32 to 56 (inclusive); 15 October 2007, pages 47 to 71 (inclusive); 16 October 2008, pages 50 to 75 (inclusive); 16 October 2009, pages 62 to 87 (inclusive); 14 October 2010, pages 58 to 92 (inclusive), 13 October 2011, pages 62 to 97 (inclusive); 20 June 2012, pages 65 to 100 (inclusive); and
- (d) the terms and conditions of the notes contained in the Programme Circular prepared by the Issuer dated 19 June 2013, pages 59 to 84 (inclusive).

Following the publication of this Programme Circular a supplement may be prepared by the Issuer and approved by the Financial Conduct Authority in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall to the extent applicable (whether expressly by implication or otherwise) be deemed to modify or supersede statements contained in this Programme Circular or in a document which is incorporated by reference in this Programme Circular by way of a supplement prepared in accordance with Article 16 of the Prospectus Directive. Any statement so modified or superseded shall not except as so modified or superseded, constitute a part of this Programme Circular.

Copies of documents incorporated by reference in this Programme Circular will be available from the branch in London of Commonwealth Bank of Australia and from the London office of Deutsche Bank AG, London Branch specified at the end of this Programme Circular. In addition, copies of this Programme Circular and each document incorporated by reference herein are available on the London Stock Exchange's website at www.londonstockexchange.com.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Programme Circular shall not form part of this Programme Circular.

Any non-incorporated parts of a document referred to herein are either (i) not considered by the Issuer to be relevant for prospective investors in the Notes to be issued under the Programme or (ii) covered elsewhere in this Programme Circular.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Programme Circular which is capable of affecting the assessment of any Notes issued by it, prepare a supplement to this Programme Circular or publish a new Programme Circular for use in connection with any subsequent issue of Notes. The Issuer has undertaken to the Dealers in the Programme Agreement (as defined in "Subscription and Sale") that it will comply with section 87G of the FSMA.

Form of the Notes

The Notes of each Series will be in either bearer form (“Bearer Notes”), with or without interest coupons attached, or registered form (“Registered Notes”), without interest coupons attached. Notes will be issued outside the United States in reliance on Regulation S under the Securities Act (“Regulation S”).

Bearer Notes

Each Tranche of Bearer Notes will initially be represented by one or more temporary global Notes in bearer form (a “Temporary Bearer Global Note”) without Coupons, or Talons (each as defined in “Conditions of the Notes”) which will be deposited on the issue date with either (i) a common depository on behalf of Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”) or (ii) a sub-custodian for the Hong Kong Monetary Authority (“HKMA”) as operator of the Central Moneymarkets Unit Service (the “CMU Service”).

If an interest payment date for any Bearer Notes occurs whilst such Notes are represented by a Temporary Bearer Global Note, the related interest payment will be made through Euroclear and/or Clearstream, Luxembourg or the CMU Service against presentation of the Temporary Bearer Global Note only to the extent that certification of non-U.S. beneficial ownership (in the form set out in the Temporary Bearer Global Note) has been received by Euroclear or Clearstream, Luxembourg or any entity appointed in relation to the relevant Notes as the CMU Lodging and Paying Agent as specified in the applicable Final Terms (the “CMU Lodging and Paying Agent”).

On or after the date (the “Exchange Date”) which is 40 days after the date on which the Temporary Bearer Global Note is issued, provided that certification of non-U.S. beneficial ownership has been received, interests in the Temporary Bearer Global Note will be exchanged either for (i) interests in a permanent global Note in bearer form (a “Permanent Bearer Global Note” and, together with a Temporary Bearer Global Note, a “Bearer Global Note”) or (ii), at the option of the Issuer, Notes in definitive bearer form. The CMU Service may require that any such exchange for a Permanent Bearer Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report (as defined in the rules of the CMU Service (the “CMU Rules”)) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU Service) have so certified. No payments of interest will be made on a Temporary Bearer Global Note after the Exchange Date.

Payments of principal, premium (if any) or interest (if any) on a Permanent Bearer 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. In respect of a Bearer Global Note held through the CMU Service, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Bearer Global Note are credited (as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU Service) and save in the case of final payment, no presentation of the relevant Bearer Global Note shall be required for such purpose.

The applicable Final Terms will specify whether a Permanent Bearer Global Note will be exchangeable in whole for security-printed definitive Bearer Notes (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 Bearer Global Note or (ii) only upon the occurrence of an Exchange Event. For these purposes, “Exchange Event” means that (i) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg or, in the case of Notes held through the CMU Service, the CMU Service 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 is available or (ii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note to be in definitive form. The Issuer 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 (a) in the case of Notes held by a common depository for Euroclear and/or Clearstream, Luxembourg, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer

Global Note) and/or (b) in the case of Notes held through the CMU Service, the relevant accountholders therein, may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (ii) above, the Issuer may also give notice to the Principal Paying Agent or, as the case may be, the CMU Lodging and Paying 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 Principal Paying Agent or, as the case may be, the CMU Lodging and Paying Agent. At present, neither Euroclear nor Clearstream, Luxembourg regard Notes in global form as fungible with Notes in definitive form. Temporary Bearer Global Notes and Permanent Bearer Global Notes and definitive Bearer Notes will be issued by the Principal Paying Agent acting on behalf of the Issuer.

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.”

The exchange of a Permanent Bearer Global Note for definitive Bearer Notes upon notice from Euroclear and/or Clearstream (acting on the instructions of any holder) or at any time at the request of the Issuer should not be expressed to be applicable in the applicable Final Terms if the Bearer Notes are issued with a minimum Specified Denomination such as €100,000 (or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount such as €1,000 (or its equivalent in another currency). Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Bearer Global Note exchangeable for definitive Bearer Notes.

Registered Notes

Registered Notes will initially be represented by a global note in registered form (a “Registered Global Note” and, together with a Bearer Global Note, a “Global Note”). Registered Global Notes will be deposited with either (i) a common depository for Euroclear and Clearstream, Luxembourg and will be registered in the name of its nominee or (ii) a sub-custodian for the HKMA as operator of the CMU Service. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Registered Notes.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 7(b)) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the definitive Registered Notes will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7(b)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. The Issuer 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, (a) in the case of Notes registered in the name of a nominee for a common depository for Euroclear and/or Clearstream, Luxembourg, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global

Note) and/or (b) in the case of Notes held through the CMU Service, the relevant accountholders therein, may give notice to the Registrar or, as the case may be, the CMU Lodging and Paying Agent requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar or, as the case may be, the CMU Lodging and Paying Agent.

Clearing Systems

Pursuant to the Agency Agreement (as defined under “*Conditions of the Notes*”), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code, ISIN and, where applicable, a CMU instrument number which are different from the common code, ISIN and CMU instrument number assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

For so long as any of the Notes are represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg and/or the CMU Service, each person (other than Euroclear or Clearstream, Luxembourg or the CMU Service) who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg or the CMU Service 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 or the CMU Service 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 Issuer, any Paying Agent and any Transfer Agent or, as the case may be, the CMU Lodging and 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 Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and any Paying Agent or, as the case may be, the CMU Lodging and Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant Global Note and the terms “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly. Notes held in Euroclear and/or Clearstream, Luxembourg and/or the CMU Service 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 or the CMU Service, as the case may be. Notwithstanding the above, if a Note is held through the CMU Service, any payment that is made in respect of such Note shall be made at the direction of the bearer or the registered holder to the person(s) for whose account(s) interests in such Note are credited as being held through the CMU Service in accordance with the CMU Rules at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Note credited to its account, save in the case of manifest error) and such payments shall discharge the obligation of the Issuer in respect of that payment under such Note.

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

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 11. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or the CMU Service, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the “Deed of Covenant”) dated 19 June 2013 and executed by the Issuer.

Applicable Final Terms

NOTES WITH A DENOMINATION OF LESS THAN €100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY)

Set out below is the form of Final Terms which will be completed for each Tranche of Notes which have a denomination of less than €100,000 (or its equivalent in any other currency) issued under the Programme.

[Date]

**Commonwealth Bank of Australia
ABN 48 123 123 124**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the U.S.\$70,000,000,000
Euro Medium Term Note Programme**

Any person making or intending to make an offer of the Notes may only do so:

- (i) in those Public Offer Jurisdictions mentioned in Paragraph 8(vii) of Part B below, provided such person is a Dealer or Authorised Offeror (as such term is defined in the Programme Circular) and that the offer is made during the Offer Period specified in that paragraph and that any conditions relevant to the use of the Programme Circular are complied with; or
- (ii) otherwise in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or to supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

Part A– Contractual Terms

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Programme Circular dated 24 June 2014 [and the supplement[s] to it dated [] [and []] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the “Programme Circular”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Programme Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Programme Circular. A summary of the Notes (which comprises the summary in the Programme Circular as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Programme Circular has been published on [the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/news/market-news/rns/rns.htm>].

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Programme Circular dated [] which are incorporated by reference into the Programme Circular dated 24 June 2014. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Programme Circular dated 24 June 2014 [and the supplement[s] to it dated [] [and []] which [together] constitute[s] a Programme Circular for the purposes of the Prospectus Directive (the “Programme Circular”), including the Conditions incorporated by reference in the Programme Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Programme Circular. A summary of the Notes (which comprises the summary in the Programme Circular as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Programme Circular has been published on [the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/news/market-news/rns/rns.htm>].

1. Issuer:

Commonwealth Bank of Australia

2. (i) Series of which Notes are to be treated as forming part: []
- (ii) Tranche Number: []
- (iii) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a Series with [] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 20 below, which is expected to occur on or about []][Not Applicable]
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
- (i) Series: []
- (ii) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from []]
6. (i) Specified Denominations: []
- (in the case of Registered Notes, this means the minimum integral amount in which transfers can be made)*
- (ii) Calculation Amount: []
7. (i) Issue Date: []
- (ii) Interest Commencement Date: [[]/Issue Date/Not Applicable]
8. Maturity Date: [[]/ Interest Payment Date falling in or nearest to []]
9. Interest Basis: [[] per cent. Fixed Rate]
[[] month [LIBOR/EURIBOR] +/- [] per cent. Floating Rate]
[Zero Coupon]
(see paragraph [13]/[14]/[15] below)
10. Redemption/Payment Basis: [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [] per cent. of their nominal amount]
11. Change of Interest Basis: [] [Not Applicable]
12. Put/Call Options: [Not Applicable]
[Investor Put]
[Issuer Call]
[(see paragraph [16]/[17] below)]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (i) Rate[(s)] of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]
- (ii) (A) Interest Payment Date(s): [] in each year up to and including the Maturity Date

- (B) Fixed Interest Periods: [Adjusted/Unadjusted]
- (iii) Fixed Coupon Amount(s): [[] per [] Calculation Amount]/[Not Applicable]
- (iv) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
- (v) Additional Business Centre(s): [[]/Not Applicable]
- (vi) Broken Amount(s): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []]/[Not Applicable]
- (vii) Day Count Fraction: [Actual/Actual (ISDA)]
[Actual/365 (Fixed)]
[Actual/360]
[360/360][Bond Basis]
[30E/360][Eurobond Basis]
[Actual/Actual (ICMA)]
[30/360 (Fixed)][30/360, unadjusted]
[30E/360 (ISDA)]
- (viii) Determination Date(s): [[] in each year] [Not Applicable]
14. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (i) Specified Period(s)/Specified Interest Payment Date(s): []
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
- (iii) Additional Business Centre(s): []
- (iv) Manner in which the Rate of Interest and Interest Amount are to be determined: [Screen Rate Determination/ISDA Determination]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent): []
- (vi) Screen Rate Determination:
- Reference Rate: [] month [LIBOR/EURIBOR]
 - Interest Determination Date(s): []
 - Relevant Screen Page: []
- (vii) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (viii) Linear Interpolation: [Not Applicable/Applicable - the Rate of Interest for the [long/short] [first/last] Floating Interest Period shall be calculated using Linear Interpolation]

- (ix) Margin(s): [+/-] [] per cent. per annum
- (x) Minimum Rate of Interest: [] per cent. per annum
- (xi) Maximum Rate of Interest: [] per cent. per annum
- (xii) Day Count Fraction: [Actual/Actual (ISDA)]
[Actual/Actual (ICMA)]
[Actual/365 (Fixed)]
[Actual/360]
[30/360 (Floating)][360/360][Bond Basis]
[30E/360][Eurobond Basis]
[30/360 (Fixed)][30/360, unadjusted]
[30E/360 (ISDA)]

15. Zero Coupon Note Provisions

- [Applicable/Not Applicable]
- (i) Accrual Yield: [] per cent. per annum
- (ii) Reference Amount: []
- (iii) Day Count Fraction in relation to Zero Coupon Notes: Conditions 5(d) and 6(e) apply
[30/360 (Fixed)]
[30/360, unadjusted]
[Actual/360]
[Actual/365 (Fixed)]

PROVISIONS RELATING TO REDEMPTION

- 16. Issuer Call: [Applicable/Not Applicable]
 - (i) Optional Redemption Date(s): []
 - (ii) Optional Redemption Amount: [] per Calculation Amount
 - (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: []
 - (b) Maximum Redemption Amount: []
 - (iv) Notice period: [] Business Days
- 17. Investor Put: [Applicable/Not Applicable]
 - (i) Optional Redemption Date(s): []
 - (ii) Optional Redemption Amount: [] per Calculation Amount
 - (iii) Notice period: [] Business Days
- 18. Final Redemption Amount: [] per Calculation Amount]
- 19. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [[] per Calculation Amount/Condition 6(f) shall apply]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 20. Form of Notes: **[Bearer Notes:**
Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 45 days' notice/only upon an Exchange Event]

[Temporary Bearer Global Note exchangeable for

Definitive Notes on and after the Exchange Date]

[Registered Notes:

[Registered Global Note registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg]

[Registered Global Note held through the CMU Service]]

- 21. Payment Business Day Convention [Following Business Day Convention/Modified Following Business Day Convention]
- 22. Additional Financial Centre(s): [Not Applicable/[]]
- 23. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No.]

PROVISIONS APPLICABLE TO RMB NOTES

- 24. RMB Currency Event: [Applicable/Not Applicable]
- 25. Spot Rate (if different from that set out in Condition 7(1)) [[]/Not Applicable]
- 26. Party responsible for calculating the Spot Rate [[] (the “Calculation Agent”)]
- 27. Relevant Currency (if different from that in Condition 7(1)) [[]/Not Applicable]

Signed on behalf of Commonwealth Bank of Australia:

By:
Duly authorised

Part B– Other Information

1. LISTING AND ADMISSION TO TRADING

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the London Stock Exchange’s regulated market] [and, to be listed on the Official List of the UK Listing Authority] with effect from [].]

[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the London Stock Exchange’s regulated market] [and, to be listed on the Official List of the UK Listing Authority] with effect from [].]

2. RATINGS

The Notes to be issued [have been]/[are expected to be]/[have not been] rated[:

[S & P: []]

[Moody’s: []]

[Fitch: []]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to [] (the [“Managers/Dealers”]), so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer []

(ii) Estimated net proceeds: []

(iii) Estimated total expenses: []

5. YIELD

Indication of Yield: []

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters].

7. OPERATIONAL INFORMATION

(i) ISIN Code: []

(ii) Common Code: []

(iii) CMU Instrument Number: []

(iv) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/[]]

(v) CMU Lodging and Paying Agent [[]/Not Applicable]

- (vi) Delivery: Delivery [against/free of] payment
- (vii) Names and addresses of additional Paying Agent(s) (if any): []

8. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/[]]
- (iii) Date of Syndication Agreement: []
- (iv) If non-syndicated, name and address of relevant Dealer: [Not Applicable/[]]
- (v) Total commission and concession: [] per cent. of the Aggregate Nominal Amount
- (vi) U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/ TEFRA not applicable]
- (vii) Public Offer where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus: [Applicable] [Not Applicable]
- [Public/Non-exempt] Offer Jurisdictions: []
- Offer Period: [] until [] (the “Offer Period”)
- Financial intermediaries granted specific consent to use the Offering Circular in accordance with the Conditions in it: []
- General Consent: [Not Applicable][Applicable]
- Other Authorised Offeror Terms: [Not Applicable] []

9. TERMS AND CONDITIONS OF THE OFFER

- Offer Price: [Issue Price][Not Applicable][]
- Conditions to which the offer is subject: [Not applicable/[]]
- Description of the application process: [Not applicable/[]]
- Details of the minimum and/or maximum amount of application: [Not applicable/[]]
- Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not applicable/[]]
- Details of the method and time limits for paying up and delivering the Notes: [Not applicable/[]]
- Manner in and date on which results of the offer are to be made public: [Not applicable/[]]
- Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not applicable/[]]
- Whether tranche(s) have been reserved for [Not applicable/[]]

certain countries:

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not applicable/[]]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not applicable/[]]

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [The Authorised Offerors identified in paragraph 8 above and identifiable from the Offering Circular/None/[]].

[Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment:] [None/*give details*]

10. THIRD PARTY INFORMATION

[] has been extracted from []. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

ANNEX
SUMMARY OF THE NOTES

[]

NOTES WITH A DENOMINATION OF €100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY) OR MORE

Set out below is the form of Final Terms which will be completed for each Tranche of Notes which have a denomination of €100,000 (or its equivalent in any other currency) or more issued under the Programme.

[Date]

**Commonwealth Bank of Australia
ABN 48 123 123 124**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the U.S.\$70,000,000,000
Euro Medium Term Note Programme**

Part A– Contractual Terms

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Programme Circular dated 24 June 2014 [and the supplement[s] to it dated [] [and []] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the “Programme Circular”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Programme Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Programme Circular. A summary of the Notes (which comprises the summary in the Programme Circular as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Programme Circular has been published on [the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/news/market-news/rns/rns.htm>].

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Programme Circular dated [] which are incorporated by reference into the Programme Circular dated 24 June 2014. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Programme Circular dated 24 June 2014 [and the supplement[s] to it dated [] [and []] which [together] constitute[s] a Programme Circular for the purposes of the Prospectus Directive (the “Programme Circular”), including the Conditions incorporated by reference in the Programme Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Programme Circular. A summary of the Notes (which comprises the summary in the Programme Circular as amended to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Programme Circular has been published on [the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/news/market-news/rns/rns.htm>].

1. Issuer: Commonwealth Bank of Australia
2. (i) Series of which Notes are to be treated as forming part: []
(ii) Tranche Number: []
(iii) Date on which the Notes will be consolidated and form a single Series: The Notes will be consolidated and form a Series with [] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 20 below, which is expected to occur on or about []][Not Applicable]
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
(i) Series: []

- (ii) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount
[plus accrued interest from []]
6. (i) Specified Denominations: []
(ii) Calculation Amount: []
7. (i) Issue Date: []
(ii) Interest Commencement Date: [[]/Issue Date/Not Applicable]
8. Maturity Date: [[]/ Interest Payment Date falling in or nearest to
[]]
9. Interest Basis: [[] per cent. Fixed Rate]
[[] month [LIBOR/EURIBOR] +/- [] per cent.
Floating Rate]
[Zero Coupon]
(see paragraph [13]/[14]/[15] below)
10. Redemption/Payment Basis: [Subject to any purchase and cancellation or early
redemption, the Notes will be redeemed on the
Maturity Date at [] per cent. of their nominal
amount]
11. Change of Interest Basis: [] [Not Applicable]
12. Put/Call Options: [Not Applicable]
[Investor Put]
[Issuer Call]
[(see paragraph [16]/[17] below)]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (i) Rate[(s)] of Interest: [] per cent. per annum [payable [annually/semi-
annually/quarterly] in arrear]
- (ii) (A) Interest Payment Date(s): [] in each year up to and including the Maturity
Date
(B) Fixed Interest Periods: [Adjusted/Unadjusted]
- (iii) Fixed Coupon Amount(s): [[] per [] Calculation Amount/Not Applicable]]
- (iv) Business Day Convention: [Following Business Day Convention/Modified
Following Business Day Convention/Preceding
Business Day Convention/Not Applicable]
- (v) Additional Business Centre(s): [[]/Not Applicable]
- (vi) Broken Amount(s): [[] per Calculation Amount, payable on the Interest
Payment Date falling [in/on] []/[Not Applicable]
- (vii) Day Count Fraction: [Actual/Actual (ISDA)]
[Actual/365 (Fixed)]
[Actual/360]
[360/360][Bond Basis]
[30E/360][Eurobond Basis]
[Actual/Actual (ICMA)]

	[30/360 (Fixed)][30/360, unadjusted] [30E/360 (ISDA)]
(viii) Determination Date(s):	[] in each year [Not Applicable]
14. Floating Rate Note Provisions	[Applicable/Not Applicable]
(i) Specified Period(s)/Specified Interest Payment Date(s):	[]
(ii) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
(iii) Additional Business Centre(s):	[]
(iv) Manner in which the Rate of Interest and Interest Amount are to be determined:	[Screen Rate Determination/ISDA Determination]
(v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	[]
(vi) Screen Rate Determination:	
– Reference Rate:	[] month [LIBOR/EURIBOR]
– Interest Determination Date(s):	[]
– Relevant Screen Page:	[]
(vii) ISDA Determination:	
– Floating Rate Option:	[]
– Designated Maturity:	[]
– Reset Date:	[]
(viii) Linear Interpolation:	[Not Applicable/Applicable - the Rate of Interest for the [long/short] [first/last] Floating Interest Period shall be calculated using Linear Interpolation]
(ix) Margin(s):	[+/-] [] per cent. per annum
(x) Minimum Rate of Interest:	[] per cent. per annum
(xi) Maximum Rate of Interest:	[] per cent. per annum
(xii) Day Count Fraction:	[Actual/Actual (ISDA)] [Actual/Actual (ICMA)] [Actual/365 (Fixed)] [Actual/360] [30/360 (Floating)][360/360][Bond Basis] [30E/360][Eurobond Basis] [30/360 (Fixed)][30/360, unadjusted] [30E/360 (ISDA)]
15. Zero Coupon Note Provisions	[Applicable/Not Applicable]
(i) Accrual Yield:	[] per cent. per annum

- (ii) Reference Amount: []
- (iii) Day Count Fraction in relation to Zero Coupon Notes: Conditions 5(d) and 6(e) apply
 [30/360 (Fixed)]
 [30/360, unadjusted]
 [Actual/360]
 [Actual/365 (Fixed)]

PROVISIONS RELATING TO REDEMPTION

16. Issuer Call: [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount: [] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: []
- (b) Maximum Redemption Amount: []
- (iv) Notice period: [] Business Days
17. Investor Put: [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount: [] per Calculation Amount
- (iii) Notice period: [] Business Days
18. Final Redemption Amount: [] per Calculation Amount
19. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [[] per Calculation Amount/Condition 6(f) shall apply]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

20. Form of Notes: **[Bearer Notes:**
 Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 45 days' notice/only upon an Exchange Event]
 [Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date]
[Registered Notes:
 [Registered Global Note registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg]
 [Registered Global Note held through the CMU Service]]
21. Payment Business Day Convention [Following Business Day Convention/Modified Following Business Day Convention]
22. Additional Financial Centre(s): [Not Applicable/[]]
23. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are

still to be made/No.]

PROVISIONS APPLICABLE TO RMB NOTES

- 24. RMB Currency Event: [Applicable/Not Applicable]
- 25. Spot Rate (if different from that set out in Condition 7(l)) [[]/Not Applicable]
- 26. Party responsible for calculating the Spot Rate [[] (the “Calculation Agent”)]
- 27. Relevant Currency (if different from that in Condition 7(l)) [[]/Not Applicable]

Signed on behalf of Commonwealth Bank of Australia:

By:.....

Duly authorised

Part B– Other Information

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the London Stock Exchange’s regulated market] [and, to be listed on the Official List of the UK Listing Authority] with effect from [].]
- [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the London Stock Exchange’s regulated market] [and, to be listed on the Official List of the UK Listing Authority] with effect from [].]
- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

The Notes to be issued [have been]/[are expected to be]/[have not been] rated[:

[S & P: []]

[Moody’s: []]

[Fitch: []]

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to [] (the [“Managers/Dealers”]), so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

4. YIELD

Indication of Yield: []

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters].

6. OPERATIONAL INFORMATION

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) CMU Instrument Number: []
- (iv) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/[]]
- (v) CMU Lodging and Paying Agent [[]/[Not Applicable]
- (vi) Delivery: Delivery [against/free of] payment

(vii) Names and addresses of additional Paying []
Agent(s) (if any):

(viii) U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/ TEFRA
not applicable]

7. THIRD PARTY INFORMATION

[[] has been extracted from []. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

ANNEX
SUMMARY OF THE NOTES

[]

Conditions of the Notes

The following are the Conditions of the Notes which (except for the paragraph in italics) will be incorporated by reference into each global Note and will be endorsed upon each definitive Note. The applicable Final Terms will be endorsed upon, or attached to, each global Note and definitive Note. Reference should be made to "applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

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 Issuer") 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. The Notes, the Coupons (as defined below) and the Talons (as defined below) have the benefit of an Amended and Restated Agency Agreement (as amended and/or supplemented and/or restated from time to time, the "Agency Agreement") dated 19 June 2013 and made between, *inter alios*, the Issuer, Deutsche Bank AG, London Branch as principal paying agent (the "Principal Paying Agent" which expression shall include any successor as principal paying 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). The Noteholders, the Couponholders and the Talonholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the "Deed of Covenant") dated 19 June 2013 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. Copies of the applicable Final Terms are available for viewing during normal business hours at the registered office of the Issuer at Ground Floor, Tower 1, 201 Sussex Street, Sydney, NSW, Australia, 2000 and copies may be obtained from the Principal Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, England. If the Notes are to be admitted to trading on the regulated market of the London Stock Exchange the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service. The Noteholders, the Couponholders and the Talonholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Any reference to "Noteholders" in relation to any Notes shall mean (in the case of definitive Notes in bearer form) the holders of the Notes and (in the case of definitive Notes in registered form) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a global Note, be construed as provided below. Any reference herein to "Couponholders" shall mean the holders of the Coupons and any reference herein to "Talonholders" shall mean the holders of the Talons.

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 Final Terms) 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 final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Conditions. References to the "applicable Final Terms"

are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive) to the extent implemented in the relevant Member State of the European Economic Area and includes any relevant implementing measure in the relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

The Noteholders, the Couponholders and 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 applicable Final Terms, the Agency Agreement and the Deed of Covenant which are applicable to them. Words and expressions defined in the Agency Agreement or defined or set out in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated. Copies of the applicable Final Terms are available for inspection by the holders of Notes of this Series at the office of the Principal Paying Agent set out at the end of these Conditions. The statements in these Conditions are summaries of the detailed provisions of the Agency Agreement which provisions shall have precedence over these Conditions if there is any inconsistency.

In the Conditions, “euro” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1 Form, Denomination and Title

The Notes of this Series are Bearer Notes or Registered Notes as specified in the applicable Final Terms and are in the currency (the “Specified Currency”) and the denominations (the “Specified Denomination(s)”) specified in the applicable Final Terms. Definitive Notes of this Series (if issued) will be serially numbered and Bearer Notes may not be exchanged for Registered Notes and vice versa. This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or any appropriate combination thereof depending upon the Interest Basis specified in the applicable Final Terms or a combination of any of the foregoing, depending on the Redemption/Payment Basis specified in the applicable Final Terms.

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. 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.

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. 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 Issuer, 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. (“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 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 Issuer 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 Bearer Note or the registered holder of the relevant global Registered Note shall be treated by the Issuer 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 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 specified in Part B of the applicable Final Terms.

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

- (a) Transfers of beneficial interests in global Registered Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a global Registered Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for definitive Registered Notes or for a beneficial interest in another global Registered Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.
- (b) A definitive 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 definitive Registered Note for registration of the transfer at the specified office of a Transfer Agent with the form of transfer endorsed on the definitive 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 Issuer and the Registrar may 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 definitive Registered Note of a like aggregate nominal amount to the definitive Registered Note (or the relevant part of the definitive Registered Note) transferred. In the case of the transfer of part only of a definitive Registered Note, a new definitive Registered Note in respect of the balance of the definitive Registered Note not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.
- (c) In the event of a partial redemption of Notes under Condition 6(c), the Issuer shall not be required to:
 - (i) register the transfer of any definitive Registered Note, or part of a definitive Registered Note, called for partial redemption; or
 - (ii) exchange any definitive Bearer Note called for partial redemption.
- (d) Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer 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 Issuer 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.
- (e) 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 Issuer reserves the right 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. 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 Issuer in accordance with Condition 16.

3 Status of the Notes

The Notes of this Series and the relative Coupons (if any) are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank equally among themselves and equally with the Issuer's other present and future unsecured and unsubordinated obligations (except for certain debts that are required to be preferred by applicable law).

Changes to applicable laws may extend the debts required to be preferred by law.

The applicable laws include (but are not limited to) sections 13A and 16 of the Banking Act 1959 of the Commonwealth of Australia (the "Banking Act") and section 86 of the Reserve Bank Act 1959 of the Commonwealth of Australia (the "Reserve Bank Act"). These provisions provide that in the event that the Issuer becomes unable to meet its obligations or suspends payment, its assets in Australia are to be available to meet its liabilities to, among others, the Australian Prudential Regulation Authority, the Reserve Bank of Australia and holders of protected accounts held in Australia, in priority to all other liabilities, including the Notes.

The Notes of this Series are not protected accounts or deposit liabilities of the Issuer for the purposes of the Banking Act.

4 *[This Condition is no longer applicable]*

5 Interest

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes.

(a) Interest on Fixed Rate Notes

This Condition 5(a) applies to Fixed Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 5(a) for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

(1) Each Fixed Rate Note bears interest from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest specified in the applicable Final Terms.

Interest in respect of Fixed Rate Notes will accrue in respect of each Fixed Interest Period. In these Conditions, "Fixed Interest Period" means the period from (and including) an Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

Fixed Interest Periods shall be adjusted ("Adjusted Fixed Rate Notes") or unadjusted ("Unadjusted Fixed Rate Notes") as specified in the applicable Final Terms. In the case of Adjusted Fixed Rate Notes, a Business Day Convention shall also be specified in the applicable Final Terms and (where applicable) Interest Payment Dates shall be postponed or brought forward, as the case may be, in accordance with Condition 5(c)(ii).

In the case of Unadjusted Fixed Rate Notes, if the Notes are in definitive form and if Fixed Coupon Amount is specified in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount or the Broken Amount (if any) so specified.

Interest will be paid subject to and in accordance with the provisions of Condition 7 (unless otherwise specified in the applicable Final Terms). 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 Principal Paying 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) Except in the case of Unadjusted Fixed Rate Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount, is specified in the applicable Final Terms, the Principal Paying Agent will calculate the amount of interest (the “Interest Amount”) payable in respect of any period by applying the Rate of Interest to:

(A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, 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. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

The calculation of each Interest Amount by the Principal Paying Agent shall (in the absence of manifest error) be final and binding upon all parties.

In this Condition 5(a), “Day Count Fraction” has the meaning given to it in Condition 5(c).

In these Conditions “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

This Condition 5(b) applies to Floating Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 5(b) for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page.

(1) *Interest Payment Dates*

Each Floating Rate Note bears 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) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an “Interest Payment Date”) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each period from and including an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date (each such period, a “Floating Interest Period” and, together with a Fixed Interest Period, each an “Interest Period”).

(2) *Interest Payments and Accrual*

Interest will be paid subject to and in accordance with the provisions of Condition 7 (unless otherwise specified in the applicable Final Terms). Interest will cease to accrue on each Floating Rate Note (or, in the case of the redemption of part only of a Floating 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 judgement) until, but excluding, whichever is the earlier of (A) the day on which all sums due in respect of such Floating Rate Note up to that day are received by or on behalf of the holder of such Floating Rate Note and (B) the day which is seven days after the date on which the Principal Paying 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 and Interest Amount*

The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined in the manner specified in the applicable Final Terms.

(4) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Floating Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this Condition 5(b)(4), “ISDA Rate” for a Floating Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or other person specified in the applicable Final Terms under an interest rate swap transaction if the Principal Paying Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 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 Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms.

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 Floating Interest Period:

- (i) the Rate of Interest for such Floating Interest Period will be the rate of interest determined by the Principal Paying Agent or other person specified in the applicable Final Terms in accordance with this Condition 5(b)(4); and

- (ii) the Principal Paying Agent or other person specified in the applicable Final Terms 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 Floating 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 Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Floating 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 (being either LIBOR or EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) (the “Specified Time”) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or other person specified in the applicable Final Terms. 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 quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent or that other person for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

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 Specified Time, the Principal Paying Agent shall request each of the Reference Banks (as defined below) to provide the Principal Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.00005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the Reserve Interest Rate. The “Reserve Interest Rate” shall be the rate per annum which the Principal Paying Agent determines to be either (i) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.00005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent by the Reference Banks or any two or more of them, at which such banks offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Principal Paying Agent it is quoting to leading banks in the London inter-bank market (if the Reference Rate is LIBOR) or the

Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), or (ii) in the event that the Principal Paying Agent can determine no such arithmetic mean, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

In this Condition 5(b)(5) the expression “Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Principal Paying Agent..

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

If the applicable Final Terms specifies a minimum Rate of Interest for any Floating Interest Period, then, in the event that the Rate of Interest in respect of any such Floating Interest Period determined in accordance with the above provisions is less than such minimum Rate of Interest, the Rate of Interest for such Floating Interest Period shall be such minimum Rate of Interest. If the applicable Final Terms specifies a maximum Rate of Interest for any Floating Interest Period, then, in the event that the Rate of Interest in respect of any such Floating Interest Period determined in accordance with the above provisions is greater than such maximum Rate of Interest, the Rate of Interest for such Floating 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” has the meaning given to it in Condition 5(c).
- (ii) In this Condition, “Interest Determination Date” has the meaning set out in the applicable Final Terms.
- (iii) In this Condition, “Relevant Screen Page” has the meaning set out in the applicable Final Terms.

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

The Principal Paying Agent or other person specified in the applicable Final Terms will, as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest payable on the Floating Rate Notes for the relevant Floating Interest Period as soon as practicable after calculating the same.

Unless otherwise specified in the applicable Final Terms, the Interest Amount payable on the Floating Rate Notes for the relevant Floating Interest Period will be calculated by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, 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. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

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

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

The Principal Paying Agent will cause the Rate of Interest and the Interest Amount for each Floating Interest Period and the relevant Interest Payment Date to be notified to the Issuer and, in the case of Floating Rate 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 Floating 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) *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 Principal Paying Agent or the Calculation Agent 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 Issuer, the Principal Paying 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 Issuer or the holders of the Notes of this Series and Coupons relating thereto shall attach to the Principal Paying Agent or the Calculation Agent in connection with the exercise or non-exercise by them of their powers, duties and discretions under this Condition.

(11) *Linear Interpolation*

Where Linear Interpolation is specified as applicable in respect of a Floating Interest Period in the applicable Final Terms, the Rate of Interest for such Floating Interest Period shall be calculated by the Principal Paying Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Floating Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Floating Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“Designated Maturity” means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(c) *Day Count Fraction and Business Day Convention*

(i) *Day Count Fraction*

“Day Count Fraction” means, unless otherwise specified in the applicable Final Terms:

- (1) if “Actual/Actual (ISDA)” is specified in the applicable Final Terms, the actual number of days in, for the purposes of Condition 5(a), the Fixed Interest Period or, if interest is required to be calculated for a period (the “Relevant Period”) other than a full Interest Period, the Relevant Period, as the case may be, and, for the purposes of Condition 5(b), the Floating Interest Period, in each case divided by 365 (or, if any portion of the relevant period falls in a leap year, the sum of (A) the actual number of days in that portion of the relevant period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the relevant period falling in a non-leap year divided by 365);
- (2) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in, for the purposes of Condition 5(a), the Fixed Interest Period or the Relevant Period, as the case may be, and, for the purposes of Condition 5(b), the Floating Interest Period, in each case divided by 365;

- (3) *[This Condition is no longer applicable]*
- (4) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in, for the purposes of Condition 5(a), the Fixed Interest Period or the Relevant Period, as the case may be, and, for the purposes of Condition 5(b), the Floating Interest Period, in each case divided by 360;
- (5) if “30/360 (Floating)”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Interest Period falls:

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D1” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (6) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in, for the purposes of Condition 5(a), the Fixed Interest Period or the Relevant Period, as the case may be, and, for the purposes of Condition 5(b), the Floating Interest Period, in each case divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Interest Period falls:

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D1” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30;

- (7) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
- (A) in the case of Notes where the number of days in the Interest Period or the Relevant Period, as the case may be, from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “Accrual Period”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would

occur in one calendar year assuming interest was to be payable in respect of the whole of that year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year;

“Determination Period” means the period from (and including) a Determination Date (as specified in the applicable Final Terms) to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

(8) if “30/360 (Fixed)” or “30/360, unadjusted” is specified in the applicable Final Terms, the number of days in the Interest Period or the Relevant Period, as the case may be, (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

(9) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in, for the purposes of Condition 5(a), the Fixed Interest Period or the Relevant Period, as the case may be, and, for the purposes of Condition 5(b), the Floating Interest Period, in each case divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Interest Period falls:

“Y2” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D1” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and D2 will be 30.

(ii) *Business Day Convention*

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in 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:

(1) in the case where a Specified Period is specified in accordance with Condition 5(b)(1)(B) above, the Floating Rate Convention, such Interest Payment Date (A) 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 (B) 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 (or other date) shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or

- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) 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
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In this Condition:

“Business Day” means (unless otherwise stated in the applicable Final Terms):

- (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, if any Additional Business Centre(s) is specified in the applicable Final Terms, in such Additional Business Centre(s); and
 - (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (“TARGET2”) is open.
- (d) Where a Zero Coupon 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(e). As from the Maturity Date any overdue principal of such Note shall bear interest at a rate per annum equal to the Accrual Yield. Such interest shall continue to accrue (as well after as before any judgment) 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 Principal Paying Agent has notified the holder in accordance with Condition 16 that it has received all sums due in respect thereof up to that date. Such interest will be calculated as provided for the relevant calculation to be made in respect of the applicable Day Count Fraction in Condition 6(e).

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 specified in the applicable Final Terms.

(b) Redemption for Tax Reasons

Subject to Condition 6(f), the Notes of this Series may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate 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 (f) or (g) (as applicable) below,

together with (if provided in such paragraphs) interest accrued up to, but excluding, the date fixed for redemption, if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 9 or (ii) the Issuer becomes obliged to pay approved issuer levy at a rate exceeding the rate of the levy being charged at the date of issue of the Notes as a result of any change in, or amendment to, the laws or regulations of the Commonwealth of Australia 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 Issuer 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 Issuer 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 Issuer 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 Issuer (Issuer Call)

This Condition 6(c) applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons), such option being referred to as an “Issuer Call”. The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 6(c) for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may on any Optional Redemption Date specified in the applicable Final Terms at its option, on giving not less than the period of notice specified in the applicable Final Terms to the holders of the Notes of this Series (which notice shall be irrevocable and shall specify the date fixed for redemption and where any such period of notice is expressed as a specified number of business days, the expression “business day” shall have the meaning given in Condition 7(g)) 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(s) specified in the applicable Final Terms together with (in the case of Fixed Rate Notes) interest accrued 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 not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount (if any) specified in the applicable Final Terms. In the case of a partial redemption of Notes, Notes to be redeemed will be selected individually by lot (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 Issuer 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)

This Condition 6(d) applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Noteholder, such option being referred to as an “Investor Put”. The applicable Final Terms contains provisions applicable to any Investor Put and must be read in conjunction with this Condition 6(d) for full information on any Investor Put. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

If Investor Put is specified as being applicable in the applicable Final Terms, upon any Noteholder giving to the Issuer in accordance with Condition 16 not less than the period of notice specified in the applicable Final Terms (the “notice period”), the Issuer 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 together with (in the case of Fixed Rate Notes) interest accrued up to, but excluding, the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form, and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) on any business day (as defined in Condition 7(g)) falling within the notice period 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. If this Note is in definitive form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

A Put Notice or other notice given by a holder of any Note pursuant to this Condition 6(d), once delivered, shall be irrevocable and the Issuer shall redeem all Notes delivered therewith on the applicable redemption date.

(e) Zero Coupon Notes

- (1) The amount payable in respect of any Zero Coupon 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 an amount per Calculation Amount (the “Amortised Face Amount”) calculated in accordance with the following formula:

$$\text{Amortised Face Amount} = \text{Reference Amount} \times (1 + \text{Accrual Yield})^y$$

where:

“Reference Amount” means the amount specified as such in the applicable Final Terms, which is the product of the Issue Price and the Calculation Amount;

“Accrual Yield” means the rate specified as such in the applicable Final Terms, which is the rate expressed as a percentage that would result in the Notes having the Final Redemption Amount if such rate was applied annually to the outstanding nominal amount of the Notes (with the initial such amount being an amount equal to the Reference Amount per Calculation Amount) on a compounded

basis on each anniversary of the Issue Date to (and including) the Maturity Date; and

“y”

is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (Fixed) or 30/360 unadjusted (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (Fixed) (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

- (2) If the amount payable in respect of any Zero Coupon 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 improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6(e)(1) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 16.

- (f) **Early Redemption Amounts**

For the purposes of paragraph (b) above and Condition 11, unless otherwise indicated in the applicable Final Terms, Notes will be redeemed at their Early Redemption Amount, being (1) in the case of Fixed Rate Notes or Floating Rate Notes the Final Redemption Amount or (2) in the case of Zero Coupon Notes at the Amortised Face Amount of such Notes determined in accordance with paragraph (e) 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.

- (g) **Purchase and Cancellation**

The Issuer may 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.

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 Issuer (other than those purchased in the ordinary course of the business of dealing in securities) will be cancelled forthwith.

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 or Coupons (which expression, in this Condition and Condition 10, shall not include Talons), as the case may be, at any specified office of any Paying Agent outside Australia.
 - (2) 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 or U.S. dollars, in London or another place outside Australia and (except as otherwise provided in paragraph (d) below) the United States) provided that if at any time such payments cannot be so made, then payments will be made outside Australia and (except as otherwise provided in paragraph (d) below) the United States in such other manner as the Issuer may 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 and (except as otherwise provided in paragraph (d) below) the United States (or any other account outside Australia and (except as otherwise provided in paragraph (d) below) the United States to which euro may be transferred) specified by the payee.
- (b) Payments in respect of Registered Notes
- Payments of principal in respect of Registered Notes (whether or not in global form) 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 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 of holders of the Registered Notes maintained by the Registrar (the "Register") (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business 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 in euro 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 Bearer Notes
- (1) Payments of principal and interest (if any) in respect of Notes represented by any global Bearer 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 Bearer Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer 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 Issuer to, or to the order of, the holder of the relevant global Note. Subject to Condition 12, no person other than the holder of a global Bearer Note shall have any claim against the Issuer 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 and its possessions)) (1) if (A) the Issuer 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 Issuer, adverse tax consequences to the Issuer.

- (e) Payments subject to applicable laws

Payments in respect of the Notes will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, but without prejudice to the provisions of Condition 9 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "Code") (or any regulations thereunder or any official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or, without prejudice to the provisions of Condition 9, any law implementing such an intergovernmental agreement), and any such amounts withheld or deducted will be treated as paid for all purposes under the Notes, and no additional amounts will be paid on or in respect of the Notes with respect to any such withholding or deduction.

- (f) Unmatured Coupons and Talons

- (1) Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined in subparagraph (2)) and save as provided in Condition 7(e)) 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 Talons (if any) appertaining thereto will become void 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 or Long Maturity Note in definitive bearer form, any unmatured 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 unmatured Coupons or Talons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer 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.

(g) Payments due on non-business days

If any date for payment of principal, interest or any other payment in respect of any Bearer Note 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 either (A) if the Payment Business Day Convention is specified as Following Business Day Convention in the applicable Final Terms, the next following business day or (B) if the Payment Business Day Convention is specified as Modified Following Business Day Convention in the applicable Final Terms, the next day which is a business day unless it would thereby fall into the next calendar month, in which event the holder shall be entitled to such payment at the place of presentation on the immediately preceding business day (in each case, unless otherwise specified in the applicable Final Terms) and shall not be entitled to any interest or other sum in respect of any such postponed payment.

If any date for payment of principal, interest or any other amount in respect of any Registered Note is not a business day, then the holder thereof shall not be entitled to payment, in the case of principal, at the place of presentation or, in the case of interest or any other amount, by transfer to an account specified by the holder until either (A) if Following Business Day Convention is specified in the applicable Final Terms, the next following business day or (B) if Modified Following Business Day Convention is specified in the applicable Final Terms, the next day which is a business day unless it would thereby fall into the next calendar month, in which event the holder shall be entitled to payment at the place of presentation or to such account as applicable on the immediately preceding business day (in each case, unless otherwise specified in the applicable Final Terms) 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 Final Terms:

- (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) in the case of Notes in definitive form only, the relevant place of presentation; and
 - (B) any Additional Financial Centre specified in the applicable Final Terms; 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 or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(h) 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 Interest Commencement Date) will be paid only against surrender (or, in the case of part payment, presentation and endorsement) of such Note.

(i) 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 Issuer 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.

(j) Initial Paying Agents

The names of the initial Principal Paying Agent and the other initial Paying Agents and their initial specified offices in respect of this Series of Notes are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer may at any time 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) a Principal Paying Agent, (ii) a Paying Agent (which may be the Principal Paying Agent) having a specified office in a leading financial centre in Europe, (iii) so long as any Notes of this Series are admitted to 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, a Paying Agent (which may be the Principal Paying Agent) having a specified office in London or other place as may be required by that stock exchange and (iv) a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in paragraph (d) of this Condition. Notice of any variation, termination or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 16.

- (k) All payments in respect of the Notes in RMB will be made solely by credit to a RMB account maintained by the payee at a bank in Hong Kong in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of RMB in Hong Kong).

(l) RMB Currency Event

If "RMB Currency Event" is specified in the applicable Final Terms and a RMB Currency Event, as determined by the Issuer acting in good faith, exists on a date for payment of any amount in respect of any Note or Coupon, the Issuer's obligation to make a payment in RMB under the terms of the Notes may be replaced by an obligation to pay such amount in the Relevant Currency converted using the Spot Rate for the relevant Rate Calculation Date.

Upon the occurrence of a RMB Currency Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 16 stating the occurrence of the RMB Currency Event, giving details thereof and the action proposed to be taken in relation thereto.

For the purpose of this Condition 7(l) and unless stated otherwise in the applicable Final Terms: "Governmental Authority" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

"Rate Calculation Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Sydney, Hong Kong, London and New York City;

“Rate Calculation Date” means the day which is two Rate Calculation Business Days before the due date of the relevant payment under the Notes;

“Relevant Currency” means U.S. dollars or such other currency as may be specified in the applicable Final Terms;

“RMB Currency Events” means any one of RMB Illiquidity, RMB Non-Transferability and RMB Inconvertibility;

“RMB Illiquidity” means the general RMB exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient RMB in order to make a payment under the Notes, as determined by the Issuer in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active on the RMB exchange market in Hong Kong;

“RMB Inconvertibility” means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes into RMB on any payment date at the general RMB exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer, due to an event beyond the control of the Issuer, to comply with such law, rule or regulation);

“RMB Non-Transferability” means the occurrence of any event that makes it impossible for the Issuer to deliver RMB between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including where the RMB clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer due to an event beyond its control, to comply with such law, rule or regulation);

“Spot Rate” means, unless specified otherwise in the applicable Final Terms, the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter RMB exchange market in Hong Kong for settlement in two Rate Calculation Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the Rate Calculation Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent shall determine the rate taking into consideration all available information which the Calculation Agent deems relevant, including pricing information obtained from the RMB non-deliverable exchange market in Hong Kong or elsewhere and the CNY/U.S. dollar exchange rate in the PRC domestic foreign exchange market.

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 any Taxing Jurisdiction unless such Taxes are required by law to be withheld or deducted. In that event, the Issuer 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 a Taxing Jurisdiction other than by reason only of the holding of the Note or Coupon or the receipt of payment thereon;
- (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 the Commonwealth of Australia (the “Australian Tax Act”)) of the Issuer 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) by or on behalf of a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying with any statutory requirements in force at the present time or in the future or by making a declaration of non-residence or other claim or filing for exemption;
- (e) where such withholding or deduction is imposed on a payment and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, or providing for measures equivalent to those laid down in, such Directive; or
- (f) by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a member state of the European Union which does not impose such withholding or deduction.

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 Principal Paying Agent 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 Commonwealth of Australia or any political subdivision or any authority thereof or therein having power to tax.

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, (ii) in relation to Zero Coupon Notes, to the Amortised Face Amount and (iii) 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

If any one or more of the following events (each an “Event of Default”) shall occur and be continuing:

- (a) the Issuer 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
- (b) the Issuer defaults in performance or observance of or compliance with any of its other undertakings set out in the Notes of this Series which default is incapable of remedy or which, if capable of remedy, is not remedied within 30 days after notice of such default shall have been given to the Issuer by a Noteholder; or
- (c) *[This paragraph is no longer applicable]*;
- (d) the Issuer becomes insolvent or it is unable to pay its debts as they mature or the Issuer applies for or consents to or suffers the appointment of a liquidator or receiver of the Issuer or the whole or any part of the undertaking, property, assets or revenues of the Issuer 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
- (e) any law is passed the effect of which is to dissolve the Issuer or the Issuer ceases to carry on a general banking business in the Commonwealth of Australia or the Issuer ceases to be authorised to carry on a general banking business within the Commonwealth of Australia,

then any holder of a Note may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at the amount provided in, or calculated in accordance with, Condition 6(f) , together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

12 *[This Condition is no longer applicable].*

13 Meetings of Noteholders; Modifications of Conditions; Waiver

The Agency Agreement 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 Agency Agreement. Any such modification must be authorised by an Extraordinary Resolution which is defined in the Agency Agreement 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 Principal Paying Agent and the Issuer 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 Agency Agreement 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 prejudicial to the interests of the holders of the Notes of this Series.

14 Substitution

- (1) The Issuer may, without the consent or sanction of the Noteholders, the Couponholders, the Talonholders, agree to the substitution in place of the Issuer as the principal debtor under the Notes of any other corporation (hereinafter in this Condition referred to as the “Substituted Company”) provided that:
 - (i) a deed poll and such other documents (if any) shall be executed by the Issuer and the Substituted Company as may be necessary to give full effect to the substitution (together, the “Documents”) and (without limiting the generality of the foregoing) pursuant to which the Substituted Company shall undertake in favour of each Noteholder, Couponholder and Talonholder to be bound by the Conditions and the provisions of the Agency Agreement and the Deed of Covenant as if the Substituted Company had been named in the Notes, the Agency Agreement and the Deed of Covenant as the principal debtor in respect of the Notes in place of the Issuer (or any previous substitute);
 - (ii) any applicable solicited credit rating of the Substituted Company is the same or higher than any such rating of the Issuer immediately prior to the substitution;
 - (iii) each stock exchange or market on which the Notes are listed shall have confirmed in writing that following the proposed substitution of the Substituted Company the Notes will continue to be listed on such stock exchange or market;
 - (iv) (without prejudice to the generality of paragraphs (1)(i) and (ii) of this Condition) where the Substituted Company is incorporated, domiciled or resident in a territory other than the Commonwealth of Australia, an undertaking or covenant shall be given by the Substituted Company in terms corresponding to the provisions of Condition 9 with the addition to or substitution for the references to the Commonwealth of Australia or any political sub-division thereof or authority thereof or therein having power to tax of references to that other territory or any political sub-division thereof or any authority thereof or therein having power to tax in which the Substituted Company is incorporated, domiciled or resident and Condition 6(b) shall be modified so that references to such latter territory are added to or substituted for the Commonwealth of Australia;
 - (v) the Documents shall contain a warranty and representation by the Substituted Company that (A) the Substituted Company has obtained all necessary governmental and regulatory approvals and consents necessary for or in connection with the assumption by the Substituted Company of liability as principal debtor in respect of, and of its obligations under, the Documents and the Notes; (B) such approvals and consents are at the time of substitution in full force and effect; and (C) the obligations assumed by the Substituted Company under the Documents are legal, valid and binding in accordance with their respective terms;
 - (vi) the Issuer shall have delivered or procured the delivery to the Principal Paying Agent and the Registrar a copy of a legal opinion addressed to the Issuer and the Substituted Company from a leading firm of lawyers in the country of incorporation of the Substituted Company to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Company, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Company for the Issuer and to be available for inspection by Noteholders, Couponholders, and

Talonholders at the specified offices of the Principal Paying Agent and the relevant Registrar;

- (vii) the Issuer shall have delivered or procured the delivery to the Principal Paying Agent and the Registrar a copy of a legal opinion addressed to the Issuer and the Substituted Company from a leading firm of Australian lawyers to the effect that the Documents constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Company for the Issuer and to be available for inspection by Noteholders, Couponholders and Talonholders at the specified offices of the Principal Paying Agent and the relevant Registrar;
 - (viii) the Issuer shall have delivered or procured the delivery to the Principal Paying Agent and the Registrar a copy of a legal opinion addressed to the Issuer and the Substituted Company from a leading firm of English lawyers to the effect that the Documents constitute legal, valid and binding obligations of the parties thereto under English law, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Company for the Issuer and to be available for inspection by Noteholders, Couponholders and Talonholders at the specified offices of the Principal Paying Agent and the relevant Registrar; and
 - (ix) if the Substituted Company is incorporated in a jurisdiction other than England and Wales, the Substituted Company shall have appointed a process agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Notes or the Documents.
- (2) Upon the execution of the Documents and compliance with the requirements referred to in paragraph (a)(1) of this Condition, the Substituted Company shall be deemed thenceforth to be named in the Notes as principal debtor in place of the Issuer (or of any previous substitute under these provisions), and the Notes shall thereupon be deemed to be amended in such manner as shall be necessary to give effect thereto. The execution of the Documents and compliance with such requirements shall operate to release the Issuer (or such previous substitute as aforesaid) from all of its obligations in respect of the Notes.
 - (3) The Documents shall be deposited with and held by the Principal Paying Agent and the Registrar for so long as any Note remains outstanding and for so long as any claim made against the Substituted Company by any Noteholder, Couponholder or Talonholder in relation to the Notes or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Company shall acknowledge in the Documents the right of every Noteholder, Couponholder and Talonholder to the production of the Documents for the enforcement of any of the Notes or the Documents.
 - (4) Not later than 14 days after the execution of the Documents and compliance with the requirements referred to in paragraph (a)(1) of this Condition, the Substituted Company shall give notice thereof to the Noteholders in accordance with Condition 16.

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 Principal Paying 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 Issuer 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 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 second 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 Issuer, 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 Issuer 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 Principal Paying Agent (in the case of definitive Bearer Notes) or the Registrar (in the case of definitive Registered Notes). 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 Principal Paying Agent or the Registrar via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent or the Registrar, as the case may be, and Euroclear and/or Clearstream, Luxembourg may approve for this purpose.

17 Further Issues

The Issuer 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).

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, Coupons and Talons (if any) relating thereto, the Agency Agreement, the Deed of Covenant and any non-contractual obligations arising out of or in connection with the Notes of this Series, Coupons and Talons (if any) relating thereto, the Agency Agreement and the Deed of Covenant are governed by, and will be construed in accordance with, English law.

The courts of each of England and the Commonwealth of Australia are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes of this Series and Coupons and Talons relating thereto, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes of this Series and Coupons and Talons relating thereto and accordingly any legal action or proceedings arising out of or in connection with the Notes of this Series and Coupons and Talons relating thereto and any non-contractual obligations

arising out of or in connection with the Notes of this Series and Coupons and Talons relating thereto may be brought in such courts.

The Issuer has appointed the General Manager, Europe from time to time of the Issuer 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, Coupons or Talons (including any action relating to any non-contractual obligations arising out of or in connection with any of such Notes, Coupons or Talons).

20 CMU Notes

Where the Notes are CMU Notes, the Conditions shall be modified as specified in this Condition 20 and to the extent any provision of the Conditions is otherwise inconsistent with the terms of this Condition 20 it shall be deemed to have been modified accordingly.

References in the Conditions to the Principal Paying Agent, the Registrar, a Paying Agent and a Transfer Agent shall, unless the context otherwise requires, be construed as a reference to the CMU lodging and paying agent appointed in relation to the CMU Notes as specified in the applicable Final Terms (the “CMU Lodging and Paying Agent”).

References in the Conditions to Euroclear and Clearstream, Luxembourg shall, unless the context otherwise requires, be construed as a reference to the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the “CMU Service”).

In this Condition “CMU Notes” means Notes denominated in any currency which the CMU Service accepts for settlement from time to time that are, or are intended to be, initially cleared through the CMU Service.

Payments

If a Note is held through the CMU Service, any payment that is made in respect of such Note shall be made at the direction of the bearer or the registered holder to the person(s) for whose account(s) interests in such Note are credited as being held through the CMU Service in accordance with the rules of the CMU Service (the “CMU Rules”) at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant CMU Instrument Position Report (as defined in the CMU Rules) or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Note credited to its account, save in the case of manifest error) (the “CMU Accountholders”).

The CMU Accountholders at the direction of the bearer or the registered holder of a Note held through the CMU Service shall be the only persons entitled to receive payments in respect of such Note and the Issuer will be discharged by payment to, or to the order of, such CMU Accountholder, in respect of each amount so paid. Each of the persons shown in the records of the CMU Service as the beneficial holder of a particular nominal amount of CMU Notes must look solely to the CMU Service for its share of each payment so made by the Issuer to the order of the bearer or the registered holder of such Note.

Use of Proceeds

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit. If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

Commonwealth Bank of Australia

Summary Information

Commonwealth Bank of Australia is a public company with an ordinary share capital of A\$26,327 million at 31 December 2013. The Bank is governed by, and operates in accordance with, the objects set out within, its Constitution, the Corporations Act 2001 of the Commonwealth of Australia (the “Corporations Act”) and the Listing Rules of the Australian Securities Exchange (which constitute the corporate governance regime of Australia), and certain provisions of the Commonwealth Banks Act 1959 of the Commonwealth of Australia (the “1959 Act”). The objectives of the Issuer include providing integrated financial services including retail, business and institutional banking, superannuation, life insurance, general insurance, funds management, broking services and finance company activities. The Bank was incorporated on 17 April 1991 in the Australian Capital Territory and has Australian Business Number 48 123 123 124. Its registered office is Ground Floor, Tower 1, 201 Sussex Street, Sydney, NSW, Australia, 2000, telephone number +61 2 9118 1339. The Bank and its subsidiaries together provide a wide range of banking, financial and related services in Australia.

At 31 December 2013, the Bank and its controlled entities had total assets of A\$782,301 million, deposits and other public borrowings of A\$485,436 million and total regulatory capital of A\$38,180 million. Net profit after income tax (statutory basis), for the half year ended 31 December 2013, was A\$4,207 million.

As at the date of this Programme Circular, the Bank has been rated AA- by S&P, Aa2 by Moody’s and AA- by Fitch.

History and Recent Developments

The origins of the Bank lie in the former Commonwealth Bank of Australia, which was established in 1911 by a Commonwealth 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 17 April 1991;
- Commonwealth Bank of Australia to become the successor in law of the State Bank of Victoria – this occurred on 1 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 14 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 22 July 1996.

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

On 22 August 2000, the Bank purchased the 25 per cent non-controlling interest in ASB Holdings Limited (formerly known as ASB Group Limited) in New Zealand for NZD560 million (A\$430 million). This gives the Bank a 100 per cent interest in ASB Bank Limited and its subsidiaries (the “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 4 June 2001 pursuant to legislation.

On 19 December 2008, the Bank acquired 100 per cent of Bank of Western Australia Ltd (“Bankwest”) from HBOS plc. The acquisition provides the opportunity to expand the Bank’s business in the Western Australian market.

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

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

- (a) any amount that was payable by the Bank before the end of the day on 19 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 19 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 19 July 1996 by the Bank.

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

Business Overview

The Bank and its subsidiaries, with a full-time equivalent staff of 44,007 at 31 December 2013, provides a comprehensive range of banking, financial, life and risk business insurance and funds management services in Australia, New Zealand, throughout Asia and in the United Kingdom. The fact that as at 30 April 2014, the Bank was Australia’s largest bank in terms of housing loans and retail (household) deposits is sourced from the Australian Prudential Regulatory Authority monthly Banking Statistics April 2014 (issued 30 May 2014) (Tables 2 and 4). The Bank confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by the Australian Prudential Regulatory Authority, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Bank provides a wide range of banking, financial and related services, primarily in Australia and New Zealand. These services include personal, business and corporate banking, life insurance and funds management. On 13 June 2000, the Bank acquired 100 per cent of Colonial, significantly increasing its wealth management capabilities.

The Bank conducts its operations primarily through the following business units:

Retail Banking Services

Retail Banking Services provides retail banking services within Australia including housing loans, credit cards, personal loans, savings and cheque accounts, and demand and term deposits.

Institutional Banking and Markets

Institutional Banking and Markets services the Issuer’s major corporate, institutional and government clients using a relationship management model based on industry expertise and local insights. The Issuer’s Total Capital Solutions offering includes debt and equity capital raising, financial and commodity price risk management and transaction banking capabilities. Institutional Banking and Markets has international offices in London, New York, New Zealand, Singapore, Malta, Hong Kong, Japan and Shanghai.

Business and Private Banking

Business and Private Banking services the financial needs of a range of business customers, from small business to medium sized corporate and agribusiness sectors, through a range of product offerings including business loans, deposits, global markets products and asset finance facilities. In addition, private banking services are provided to high net worth individuals. The Equities and Margin Lending business offers a range of investment and cash products, including online broking services to retail and wholesale customers.

Wealth Management

The Wealth Management business comprises wholesale and retail investment, superannuation and retirement funds. Wealth Management operates its business through its Colonial First State, Colonial First State Global Asset Management and CommInsure divisions. Investments are across all major asset classes including Australian and international shares, property, fixed interest and cash. Wealth Management also has Funds Management businesses in the United Kingdom and Asia.

The Wealth Management segment also provides Australian term insurance, disability insurance, annuities, master trusts, investment products and general insurance.

International Financial Services Asia

International Financial Services Asia operates retail and small medium enterprise banking operations in India, China, Indonesia and Vietnam, investments in Chinese and Vietnamese retail banks, the joint venture Chinese life insurance business and the life insurance operations in Indonesia. The International Financial Services Asia business does not include the Business and Private Banking, Institutional Banking and Markets or Wealth Management businesses in Asia.

New Zealand

The Bank's New Zealand segment conducts banking operations through ASB and the New Zealand branch of the Bank. The segment also comprises personal and business life insurance and health insurance as well as other investment products through Sovereign, New Zealand's leading life insurer as at 31 December 2013.

Bankwest

Bankwest operates in the Australian market, predominantly in Western Australia and is focused on providing a comprehensive range of products to the business banking and retail segments.

In addition, the Bank operates support divisions, including the following:

Financial Services

Financial Services provides specialist advice, strategies, information and policies on financial and capital management matters as well as comprehensive investor relations and Treasury functions.

Risk Management

Risk Management ("RM") is responsible for developing the risk frameworks to allow the Bank to take conscious exposures to credit, market, liquidity and funding risk, operational, compliance, strategic business, reputational and insurance risks within a Board-approved appetite. RM ensures the Bank has appropriate strategies and frameworks in place to assess, manage and report on these risks.

Enterprise Services

Enterprise Services ("ES") provides Information Technology and Telecommunications ("IT&T") leadership across the Bank. The division facilitates the delivery of best practice IT&T services and strategic planning practices. ES also helps each business unit with the implementation of new project initiatives, while maintaining the optimisation of existing operations.

Human Resources

Human Resources supports each business unit through recruitment, employee relations, HR administration, remuneration and benefits, occupational health and safety, project work and leadership development training.

Marketing and Communications

Marketing and Communications brings together marketing, sponsorship, employee communication, media and public relations, brand and customer insights teams to provide strategic support and advice to management.

Financial Condition and Operating Results

The following tables set out certain consolidated summary financial data relating to the Bank (and its subsidiaries). This data has been extracted without material adjustment from the published consolidated financial statements of the Bank and its subsidiaries for the year ended 30 June 2013 and the half year ended 31 December 2013.

	<i>As 30 June</i>	<i>at</i>
	<u>2013</u>	<u>2012</u>
	<i>(in millions A\$)</i>	
Balance Sheet		
Lending assets ⁽¹⁾	562,711	535,399
Total assets	753,876	718,859
Deposits and other public borrowings	459,429	437,655
Shareholders' equity attributable to Equity holders of the Bank	44,955	41,041
Income Statement		
Net interest income	13,934	13,122
Other operating income ⁽²⁾	7,620	7,262
Loan impairment expense	(1,146)	(1,089)
Operating expenses	<u>(9,680)</u>	<u>(9,331)</u>
Net profit before income tax	10,728	9,964
Income tax	<u>(3,035)</u>	<u>(2,858)</u>
Net profit after income tax	7,693	7,106
Non-controlling interests	<u>(16)</u>	<u>(16)</u>
Net profit attributable to Equity holders of the Bank	<u><u>7,677</u></u>	<u><u>7,090</u></u>
	<i>As at half 31 December</i>	<i>year ended</i>
	<u>2013</u>	<u>2012</u>
	<i>(in millions A\$)</i>	
Balance Sheet		
Lending assets ⁽¹⁾	585,977	542,800
Total assets	782,301	722,183
Deposits and other public borrowings	485,436	448,410
Shareholders' equity attributable to Equity holders of the Bank	46,501	42,816
Income Statement		
Net interest income	7,454	6,852
Other operating income ⁽²⁾	3,706	3,457
Loan impairment expense	(457)	(680)

Operating expenses	<u>(4,788)</u>	<u>(4,504)</u>
Net profit before income tax	5,915	5,125
Income tax	<u>(1,698)</u>	<u>(1,486)</u>
Net profit after income tax	4,217	3,639
Non-controlling interests	<u>(10)</u>	<u>(8)</u>
Net profit attributable to Equity holders of the Bank	<u><u>4,207</u></u>	<u><u>3,631</u></u>

Notes:

- (1) Includes loans, bills discounted, other receivables and bank acceptances of customers.
- (2) Includes other banking income, net funds management and net insurance operating income.

Audit Committee

The Audit Committee of the Bank consists of Brian J Long (Chairman), Harrison H Young, S Carolyn H Kay, Launa K Inman and Shirish Apte.

The charter of the Audit Committee incorporates a number of policies and practices to ensure that the Committee is independent and effective, including the following:

- (a) the Audit Committee comprises at least three members. All members must be non-executive, independent directors and financially literate. At least one member should have relevant qualifications and experience as referred to in the ASX Corporate Governance Principles and Recommendations;
- (b) the chairman of the Audit Committee may not be the Chairman of the Board. The Risk Committee chairman will be a member of the Audit Committee and vice-versa to ensure the flow of relevant information between the two committees;
- (c) meetings will be at least quarterly, and as required. The external auditor and the Commonwealth Bank group's internal auditor ("Bank Auditor") will be invited to all meetings;
- (d) meetings with the Bank Auditor and the external auditor without management or others being present;
- (e) the Audit Committee has the power to call attendees as required, including open access to management, auditors (external and internal) and the right to seek explanations and additional information;
- (f) senior management and the internal and external auditor have free and unfettered access to the Audit Committee, with the Bank Auditor having a direct reporting line, whilst maintaining a management reporting line to the Chief Financial Officer; and
- (g) the Audit Committee has the option, with the concurrence of the Chairman of the Board, to retain independent legal, accounting or other advisors to the extent the Committee considers necessary at the Bank's expense.

The duties and responsibilities of the Audit Committee are as follows:

- to provide an independent review of the Bank's financial reporting and the financial information prepared by management;
- to provide assurance on the governance and control framework and provide oversight of that framework;
- to review the processes that are used to reach the opinions provided in the regulatory certifications of the Chief Executive Officer and Chief Financial Officer, and management's report on internal control over financial reporting, and the disclosures made;
- to oversee APRA statutory reporting requirements and provide independent review of the Bank's reporting under these requirements;
- to oversee, where required, the nomination of the external auditor to the Board for approval of the appointment by the shareholders, and review and approve the external auditor's fee;
- to oversee and appraise at least annually the independence, adequacy and effectiveness of the external and internal auditors (including the rotation of the external audit partner), and the scope and progress of their audit plans;
- to review and advise, for the purposes of the directors' report to be included in the annual financial report, the provision of all non-audit services by or on behalf of the external auditor during the year to the Bank, whether those services comply with the statutory auditor independence requirements and the reasons why;
- to confirm the appointment or dismissal of the Bank Auditor;
- to oversee and monitor the resolution of significant internal control deficiencies reported by the Bank Auditor and the external auditor;

- to oversee annually the reporting of fraud or unethical behaviour activities under the Commonwealth Bank group's whistle-blowing policy which allows employees and other relevant stakeholders to report any concerns about fraud, corruption, maladministration, serious or substantial waste, accounting or auditing irregularities or any breaches of law or internal policy, and review and assess the adequacy of management actions;
- to consider significant issues raised at other Audit Committees in the Bank group and respond as appropriate; and
- to review and discuss any reports concerning material violations of laws and regulatory requirements relating to any members of the Commonwealth Bank group.

Directors of Commonwealth Bank of Australia

The Board of the Bank consists of ten (eleven from 1 September 2014) directors including the Chairman, one executive director and eight (nine from 1 September 2014) other members with wide financial and commercial knowledge and experience. The Board of the Bank has in place procedures whereby any conflicts between Directors interests and their private interests are declared and managed. These procedures provide that a Director with a potential conflict will not receive papers which may involve a potential conflict of interests and will not be present during the discussion or decision on any matter involving that conflict. Accordingly, there are no potential conflicts of interest between the private interests or other duties of the Directors and their duties to the Bank. The business address of the directors of the Bank is: Ground Floor, Tower 1, 201 Sussex Street, Sydney, NSW, Australia, 2000.

The members of the Board are:

David J Turner, Chairman

Mr Turner has been a member of the Board since August 2006 and has been Chairman since February 2010. He is Chairman of the Board Performance and Renewal Committee and a member of the Risk Committee and the Remuneration Committee.

Mr Turner has extensive experience in finance, international business and governance.

He was Chairman of Cobham plc from May 2008 until May 2010. He has held a number of Directorships including Whitbread plc and the Iron Trades Insurance Group, and has been a member of the Quotations Committee of the London Stock Exchange.

He was CEO of Brambles Limited from October 2003 until his retirement in June 2007, and formerly CFO from 2001 to 2003. He was also Finance Director of GKN plc, Finance Director of Booker plc and spent six years with Mobil Oil.

Other Directorships: Ashurst Australia, O'Connell Street Associates Pty Ltd and Great Barrier Reef Foundation.

Qualifications: Fellow of the Institute of Company Directors, Fellow of the Institute of Chartered Accountants in England and Wales.

Mr Turner is a resident of New South Wales. Age 69.

Ian M Narev BA, LLB (Hons) (Auck); LLM (Cantab); LLM (NYU), Managing Director and Chief Executive Officer

Mr Narev commenced as Managing Director and Chief Executive Officer on 1 December 2011 and is a member of the Risk Committee.

Mr Narev joined the Group in 2007. From then until January 2009, he was Group Head of Strategy, with responsibility for corporate strategy development, mergers and acquisitions and major cross business strategic initiatives.

From January 2009 until September 2011, Mr Narev was Group Executive, Business and Private Banking, one of the Group's six operating divisions.

Prior to joining CBA, Mr Narev was a partner of McKinsey's New York, Sydney and Auckland offices from 1998 to 2007. He became a global partner in 2003, and from 2005 until his departure in 2007 was head of McKinsey's New Zealand office. Prior to joining McKinsey, Mr Narev was a lawyer specialising in mergers and acquisitions.

Other directorships: CommFoundation Pty Limited (Chairman) and Financial Markets Foundation for Children.

Qualifications: BA LLB (Hons) (Auckland); LLM (Cantab); LLM (NYU).

Mr Narev is a resident of New South Wales. Age 47.

Sir John A Anderson, KBE

Sir John has been a member of the Board since 12 March 2007. He is a member of the Risk Committee and Board Performance and Renewal Committee. Sir John is a highly respected business and community leader, having held many senior positions in the New Zealand finance industry including Chief Executive Officer and Director of ANZ National Bank Limited from 2003 to 2005 and the National Bank of New Zealand Limited from 1989 to 2003.

In 1994, Sir John was awarded Knight Commander of the Civil Division of the Order of the British Empire, and in 2005 received the inaugural Blake Medal for “Outstanding Leadership Contributions to New Zealand”. In 2012 Sir John was awarded an Honorary Doctorate of Commerce by Victoria University, Wellington.

Other directorships: National Property Trust Limited (Chairman), Steel & Tube Holdings Ltd (Chairman), and Turners & Growers Limited (Deputy Chairman),..

Qualifications: Fellow of the New Zealand Institute of Chartered Accountants, Fellow of the Institute of Financial Professionals New Zealand, Fellow of the Institute of Directors, and Life Member of the Australian Institute of Banking and Finance.

Sir John is a resident of Wellington, New Zealand. Age 68.

Jane S Hemstritch

Ms Hemstritch has been a member of the Board since 9 October 2006. She is Chairman of the Remuneration Committee and a member of the Risk Committee.

Ms Hemstritch was Managing Director Asia Pacific for Accenture Limited from 2004 until her retirement in February 2007. In this role, Ms Hemstritch was a member of Accenture’s global executive leadership team and oversaw the management of Accenture’s business portfolio in Asia Pacific. Ms Hemstritch had a 24 year career with Accenture, preceded by seven years in the accounting profession.

She holds a Bachelor of Science Degree in Biochemistry and Physiology and has professional expertise in technology, communications, change management and accounting. She also has experience across the financial services, telecommunications, government, energy and manufacturing sectors and in business expansion in Asia.

Other directorships: Lend Lease Corporation Limited, Santos Ltd, Tabcorp Holdings Ltd, Victorian Opera Company Ltd (Chairman from February 2013), and Walter and Eliza Hall Institute of Medical Research.

Qualifications: Fellow of the Institute of Chartered Accountants in England and Wales, Fellow of the Institute of Chartered Accountants in Australia, BSc (Hons) London University, and Fellow of the Australian Institute of Company Directors.

Ms Hemstritch is a resident of Victoria. Age 60.

Launa K Inman

Ms Inman has been a member of the Board since 16 March 2011. She is a member of the Audit Committee and the Risk Committee.

Ms Inman was appointed Managing Director and Chief Executive Officer of Billabong International Limited from 14 May 2012 until 2 August 2013. Prior to this, she was Managing Director of Target Australia Pty Limited from 2005 to November 2011, and Managing Director of Officeworks from 2004 to 2005.

Qualifications: MCom, University of South Africa (UNISA), BCom (Hons) (UNISA), BCom (Economics and Accounting) (UNISA) and Member of the Australian Institute of Company Directors.

Ms Inman is a resident of Victoria. Age 57.

S Carolyn H Kay

Ms Kay has been a member of the Board since 2003. She is a member of the Audit Committee, the Remuneration Committee and Risk Committee.

She has over 25 years of experience in Finance, particularly in International Finance, including working as both a banker and a lawyer at Morgan Stanley, JP Morgan and Linklaters in London, New York and Australia. Ms Kay advised clients across a broad range of sectors including mining, healthcare, logistics, infrastructure, banking and finance, funds management, packaging, beverages and government.

Other directorships: Allens, Linklaters, Brambles Limited, Infrastructure NSW (Chairman of Audit and Risk Committee from April 2013), John Swire & Sons P/L and The Sydney Institute.

Qualifications: BA (Melb), LLB (Melb), GDM (AGSM), and Fellow of the Australian Institute of Company Directors. In 2000 she was awarded a Centenary Medal.

Ms Kay is a resident of New South Wales. Age 54.

Brian J Long

Mr Long has been a member of the the Board effective 1 September 2010. He is Chairman of the Audit Committee and a member of the Risk Committee.

Mr Long retired as an audit partner of Ernst & Young on 30 June 2010. Until that time he was the Chairman of both the Ernst & Young Global Advisory Council and of the Oceania Area Advisory Council. He was one of the firm's most experienced audit partners with over 30 years' experience in serving as audit signing partner on major Australian public companies including those in the financial services, property, insurance and media sectors.

Other Directorships: Cantarella Bros, Pty Ltd , Ten Network Holdings Limited (Deputy Chairman), and Brambles Limited (commencing with effect from 1 July 2014).

Qualifications: Fellow of the Institute of Chartered Accountants in Australia.

Mr Long is a resident of New South Wales. Age 68.

Andrew M Mohl

Mr Mohl has been a member of the Board since 1 July 2008. He is a member of the Risk Committee and the Remuneration Committee. He has over 35 years of financial services experience. Mr Mohl was Managing Director and Chief Executive Officer of AMP Limited from October 2002, until December 2007.

Mr Mohl's previous roles at AMP included Managing Director of AMP Financial Services and Managing Director and Chief Investment Officer, AMP Asset Management.

Mr Mohl was a former Group Chief Economist, Chief Manager, Retail Banking and Managing Director, ANZ Funds Management at ANZ Banking Group. Mr Mohl commenced his career at the Reserve Bank of Australia where his roles included Senior Economist and Deputy Head of Research.

Other directorships: Federal Government Export Finance and Insurance Corporation (EFIC) (Chairman).

Qualifications: BEc (Hons), Monash.

Mr Mohl is a resident of New South Wales. Age 58.

Harrison H Young

Mr Young has been a member of the Board since 2007. He is Chairman of the Risk Committee and a member of the Audit Committee and the Board Performance and Renewal Committee.

From 2009 until May 2012 Mr Young was a Director and Member of Financial Stability Committee of the Bank of England. From 2003 to 2007, Mr Young was Chairman of Morgan Stanley Australia, and from 1997 to 2003 Vice Chairman of Morgan Stanley Asia.

Prior to that, Mr Young spent two years in Beijing as Chief Executive Officer of China International Capital Corporation. From 1991 to 1994 he was a senior officer of the Federal Deposit Insurance Corporation in Washington.

Qualifications: AB, cum laude, Harvard, LLD, honoris causa, Monash.

Mr Young is a resident of Victoria. Age 69.

Shirish Apte

Mr Apte has been a member of the Board since June 2014 and is a member of the Risk Committee and the Audit Committee.

From January 2012 to January 2014, Mr Apte was Co-Chairman of Citi Asia Pacific Banking, and from 2009 to 2011 Chief Executive Officer of Citi Asia Pacific, with responsibility for South Asia, including Australia, New Zealand, India and ASEAN countries.

Mr Apte has more than 32 years experience with Citi, including as CEO of Central & Eastern Europe, Middle East & Africa (CEEMEA) and, before that, as Country Manager and Deputy President of Citibank Handlowy, Poland. Mr Apte remains a director of Citibank Japan and a member of the Supervisory Board of Citibank Handlowy, Poland.

Mr Apte is a Chartered Accountant from the Institute of Chartered Accountants in England and Wales, and holds a Bachelor of Commerce degree. He also has an MBA from the London Business School.

Qualifications: MBA, London Business School, Member of the Institute of Chartered Accountants, England and Wales, B. Com, Calcutta University, India.

Mr Apte is a resident of London, United Kingdom. Age 62.

New Board Director Commencing from 1 September 2014:

Sir David H Higgins

Sir David Higgins will commence as a member of the Board with effect from 1 September 2014. Sir David Higgins will also be a member of the Risk Committee and the Remuneration Committee.

Sir David Higgins is currently the Chairman of High Speed Two (HS2) Ltd, the company responsible for developing and promoting the United Kingdom's new high speed rail network. Prior to that, he was Chief Executive of Network Rail Infrastructure Ltd in London which is involved in the maintenance and development of railway infrastructure throughout the United Kingdom.

From 2006 until 2011, he was Chief Executive of the Olympic Delivery Authority, where he oversaw the creation of the London 2012 Olympic Games venues, the Olympic Village and transport projects. Prior to December 2005, he was Chief Executive of English Partnerships, the United Kingdom government's national housing and regeneration agency for three years. In 1985 he joined Lend Lease and in 1995, he was appointed Managing Director and Chief Executive officer of Lend Lease.

Qualifications: Bachelor of Engineering (Civil Engineering), University of Sydney.

Subscription and Sale

The Dealers have in an Amended and Restated Programme Agreement dated 19 June 2013 (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the “Programme Agreement”) agreed with the Issuer 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 Issuer 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 Issuer.

The selling restrictions agreed between the Issuer and the Dealers are set out in a Schedule of Selling Restrictions dated 24 June 2014 and are summarised below. The restrictions may be amended from time to time by agreement between the Issuer and the Dealers. 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. federal 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. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated 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.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Programme Circular as completed by the final terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (A) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Public Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another

Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Public Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the issuer has consented in writing to its use for the purpose of that Public Offer;

- (B) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (C) at any time to fewer than 100, or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (D) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (B) to (D) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State;
- the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive), and includes any relevant implementing measure in the Relevant Member State; and
- the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Notes having a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an 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 Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

The Grand Duchy of Luxembourg

In addition to the cases described in the Public Offer Selling Restriction under the Prospectus Directive selling restrictions in which the Dealers can make an offer of Notes to the public in an EEA Member State (including the Grand Duchy of Luxembourg), the Dealers can also make an offer of Notes to the public in the Grand Duchy of Luxembourg:

- (a) at any time, to national and regional governments, central banks, international and supranational institutions (such as the International Monetary Fund, the European Central Bank, the European Investment Bank) and other similar international organisations;
- (b) at any time, to legal entities which are authorised or regulated to operate in the financial markets (including, credit institutions, investment firms, other authorised or regulated financial institutions, undertakings for collective investment and their management companies, pension and investment funds and their management companies, insurance undertakings and commodity dealers) as well as entities not so authorised or regulated whose corporate purpose is solely to invest in securities; and
- (c) at any time, to certain natural persons or small and medium-sized enterprises (as defined in the Luxembourg act dated 10th July, 2005 on prospectuses for securities implementing the Prospectus Directive into Luxembourg law) recorded in the register of natural persons or small and medium- sized enterprises considered as qualified investors as held by the Commission de surveillance du secteur financier as competent authority in Luxembourg in accordance with the Prospectus Directive.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “FIEA”) and 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 or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Australia

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that in connection with the distribution of each Tranche of Notes it:

- (a) will not make any offer or invitation in Australia or any offer or invitation which is received in Australia in relation to the issue, sale or purchase of any Notes unless the offeree is required to pay at least A\$500,000 for the Notes or its foreign currency equivalent (in either case disregarding moneys, if any, lent by the Issuer or other person offering the Notes or its associates (within the meaning of those expressions in Part 6D.2 of the Corporations Act)), or it is otherwise an offer or invitation for which by virtue of section 708 of the Corporations Act no disclosure is required to be made under Part 6D.2 of the Corporations Act and is not made to a retail client (as defined in section 761G or 761GA of the Corporations Act); and
- (b) has not circulated or issued and will not circulate or issue a disclosure document relating to the Notes in Australia or received in Australia which requires lodging under Division 5 of Part 6D.2 or under Part 7 of the Corporations Act.

Each Dealer has agreed to offer Notes to be issued by the Issuer for sale in a manner which will allow payments of interest or amounts in the nature of interest on those Notes to be exempt from Australian withholding tax under section 128F of the Australian Tax Act, as amended. In particular, 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 was being, or would later be, acquired (directly or indirectly) by an Offshore Associate of the Issuer (other than one acting in the capacity of a dealer, manager or underwriter in relation to the placement of the Notes or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act).

An “Offshore Associate” of the Issuer means an associate (as defined in section 128F of the Australian Tax Act) of the Issuer that either is a non-resident of the Commonwealth of Australia which does not acquire the Notes in carrying on a business at or through a permanent establishment in Australia or, alternatively, is a resident of Australia that acquires the Notes in carrying on business at or through a permanent establishment outside of Australia.

For the avoidance of doubt, the selling restrictions immediately above concerning section 128F of the Australian Tax Act apply irrespective of the jurisdiction in which the Notes are being offered or sold.

New Zealand

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered, sold or delivered and will not directly or indirectly offer, sell or deliver any Note; and
- (b) it will not distribute any offering memorandum or advertisement in relation to any offer of Notes, in New Zealand other than:
 - (1) at any time on or before 30 November 2014, to any or all of the following persons only:
 - (i) persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; or
 - (ii) persons who are each required to pay a minimum subscription price of at least NZ\$500,000 for the Notes (disregarding any amount lent by the offeror, the Issuer, or any associated person of the offeror or relevant Issuer) before the allotment of those Notes; or
 - (iii) persons who have each previously paid a minimum subscription price of at least NZ\$500,000 for securities previously issued by the Issuer (“Initial Securities”) in a single transaction before allotment of the Initial Securities (disregarding any amount lent by the offeror, the Issuer or any associated person of the offeror or the Issuer), provided that the date of first allotment of the Initial Securities occurred not more than 18 months before the date of offer of the Notes; or
 - (iv) persons who are “eligible persons” within the meaning given to that term in section 5(2CC) of the Securities Act 1978 of New Zealand; or
 - (v) persons who in all the circumstances can properly be regarded as having been selected other than as members of the public; or
 - (vi) in other circumstances where there is no contravention of the Securities Act 1978 of New Zealand; and
 - (2) at any time on or after 1 December 2014, to “wholesale investors” as that term is defined in clause 3 of Schedule 1 to the Financial Markets Conduct Act 2013 of New Zealand.

Each Dealer has represented and agreed that it has not offered or sold, and will not offer or sell, any Notes to persons whom it believes to be persons who are resident in New Zealand for New Zealand income tax purposes or who carry on business in New Zealand through a fixed establishment (as defined for New Zealand income tax purposes) in New Zealand, unless such persons certify that they hold a valid certificate of exemption for New Zealand resident withholding tax purposes and provide a New Zealand tax file number to such Dealer (in which event the Dealer shall provide details thereof to the Issuer or to a Paying Agent).

Republic of Italy

Unless it is specified within the relevant Final Terms that a non exempt offer may be made in Italy, the offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Programme Circular (including the relevant Final Terms) or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to qualified investors (investitori qualificati), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the “Financial Services Act”) and Article 34-ter, first paragraph, letter b) of Commissione Nazionale per le Società e la Borsa (“CONSOB”) Regulation No. 11971 of 14 May 1999, as amended from time to time (“Regulation No. 11971”); or

- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Programme Circular (including the relevant Final Terms) or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the “Banking Act”); and
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under (i) and (ii) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Singapore

This Programme Circular has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (“SFA”). Accordingly the Notes may not be offered or sold or made the subject of an invitation for subscription or purchase, nor may this Programme Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the SFA, (b) to a relevant person under Section 275(1A) of the SFA or to any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor;
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Notes pursuant to an offer under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA or to any person arising from an offer referred to in Section 275(1A) of the SFA or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer; or
- (iii) where the transfer is by operation of law; or
- (iv) pursuant to Section 276(7) of the SFA or Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations.

People's Republic of China

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Notes in the People's Republic of China (excluding Hong Kong, Macau and Taiwan) as part of the initial distribution of the Notes.

Taiwan

The Notes may not be sold, offered or issued to Republic of China ("Taiwan") resident investors or in Taiwan unless they are made available, (i) outside Taiwan for purchase outside Taiwan by such investors and/or (ii) in Taiwan, (A) in the case of Structured Notes (as defined below) through bank trust departments, licensed securities brokers and/or insurance company investment linked insurance policies pursuant to the Taiwan Rules Governing Offshore Structured Products or (B) in the case of Notes which are not Structured Notes, through properly licensed Taiwan intermediaries (including the specified trust of money services of licensed banks in Taiwan acting as trustees) in such manner as complies with Taiwan law and regulation and/or (iii) in such other manner as may be permitted or exempted in accordance with Taiwan laws and regulations.

For the purpose of the preceding paragraph, "Structured Notes" means combination products issued outside of Taiwan by means of securities that link fixed income products and underlying financial derivative products that derive from equities, interest rates, foreign exchange rates, indexes, commodities, credit events or other interests.

General

No action (other than the approval of the Programme Circular as an approved prospectus for the purposes of Section 85 of the FSMA by the UK Listing Authority) has been taken by the Issuer 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 and each further Dealer appointed under the Programme will be required to undertake 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 and each further Dealer appointed under the Programme will be required to agree 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.

General Information

1 Admission of the Notes to the Official List

The admission of Notes 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. Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market. The listing of the Programme in respect of such Notes is expected to be granted on or around 27 June 2014.

2 Authorisation

The establishment of the Programme was authorised by the Managing Director of the Issuer. The increase of the size of the Programme to its present limit of U.S.\$70,000,000,000 was authorised by the Chief Financial Officer of the Issuer.

3 Consents

No authorisations, consents or approvals are required by the Issuer from government agencies or other official bodies in Australia or New Zealand 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 Deed of Covenant or the performance by the Issuer of its obligations thereunder save for the obtaining, 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

There are no, nor have there been any, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the twelve months immediately preceding the date of this Programme Circular which may have or have had in the recent past a significant effect on the financial position or profitability of the Issuer and its subsidiaries, taken as a whole.

5 Significant or Material Change

There has been no significant change in the financial or trading position of the Issuer and its subsidiaries, taken as a whole, since the date of its unaudited financial statements prepared to 31 December 2013 and there has been no material adverse change in the prospects of the Issuer and its subsidiaries, taken as a whole, since the date of its audited financial statements prepared to 30 June 2013.

6 Audited Financial Statements

The Issuer's consolidated financial statements for the years ended 30 June 2012 and 30 June 2013 were audited, without qualification, by PricewaterhouseCoopers, Chartered Accountants, of Darling Park Tower 2, 201 Sussex Street, Sydney NSW 1171, Australia. The auditors of the Issuer have no material interest in the Issuer.

7 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 Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg, is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

8 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 and at the offices of any Paying Agent in the United Kingdom for so long as the Programme remains in existence:

- (i) the Constitution of the Issuer;
- (ii) 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;
- (iii) the Programme Agreement, the Agency Agreement, the Deed of Covenant and the forms of the Notes, Coupons and Talons;
- (iv) this Programme Circular, any supplementary listing particulars published and each Pricing Supplement relating to Notes admitted to the Official List;
- (v) the terms and conditions of the notes contained in the previous Programme Circulars prepared by ASB Finance Limited, ASB Bank Limited and the Issuer dated 26 September 2001, pages 17 to 36 (inclusive); 26 September 2002, pages 17 to 37 (inclusive); 26 September 2003, pages 17 to 37 (inclusive); 1 June 2004, pages 18 to 38 (inclusive); 21 October 2004, pages 20 to 43 (inclusive); 2 March 2005, pages 20 to 43 (inclusive); 14 October 2005, pages 30 to 54 (inclusive); 13 October 2006, pages 32 to 56 (inclusive); 15 October 2007, pages 47 to 71 (inclusive); 16 October 2008, pages 50 to 75 (inclusive); and 16 October 2009, pages 62 to 87 (inclusive); 14 October 2010, pages 58 to 92 (inclusive), 13 October 2011, pages 62 to 97 (inclusive) and 20 June 2012, pages 65 to 100 (inclusive);
- (vi) the terms and conditions of the notes contained in the previous Programme Circular prepared by the Issuer dated 19 June 2013, pages 59 to 84 (inclusive);
- (vii) the auditors' reports and audited consolidated and non-consolidated annual financial statements for the financial years ended 30 June 2013 (contained in the Annual Report 2013) and 30 June 2012 (contained in the Annual Report 2012) of the Issuer; and
- (viii) the Profit Announcement.

9 Yield

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date on the basis of the Issue Price, using the formula below. It is not an indication of future yield.

$$P = \frac{C}{r} (1 - (1 + r)^{-n}) + A(1 + r)^{-n}$$

Where:

- “P” is the Issue Price of the Notes;
- “C” is the annualised Interest Amount;
- “A” is the principal amount of Notes due on redemption;
- “n” is time to maturity in years; and
- “r” is the annualised yield.

10 Australian Taxation

The following is a summary of the Australian taxation treatment, at the date of this Programme Circular, of payments of interest on Notes and certain other matters. It is not exhaustive and does not

deal with the position of certain classes of holders of a Note (such as dealers in securities). Prospective holders of Notes should be aware that the particular terms of issue of any series of Notes may affect the tax treatment of that and other series of Notes. The following is a general guide and should be treated with appropriate caution. Holders of Notes who are in any doubt as to their tax position should consult their professional advisers.

References to 'interest' include amounts in the nature of or in substitution for interest.

The requirements for obtaining an exemption from Australian interest withholding tax set out in section 128F of the Australian Tax Act include:

- (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 capital markets are aware that the issuer is offering Notes for issue.

Where practicable, the Issuer 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 of each other;
- (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 Offshore Associate of the issuer (other than one acting in the capacity of a dealer, manager or underwriter in relation to the placement of the Notes or in the capacity of a clearing house, custodian, funds manager or responsible entity of a registered scheme (within the meaning of the Corporations Act)).

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 is to be paid to an Offshore Associate of the issuer other than one receiving the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme. The Conditions of the Notes provide that in these circumstances the Issuer will not be required to gross up interest payments.

ACCORDINGLY, NOTES MUST NOT BE PURCHASED BY OFFSHORE ASSOCIATES OF THE ISSUER OTHER THAN THOSE ACTING IN THE PERMITTED CAPACITIES DESCRIBED ABOVE

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.

Section 126 of the Australian Tax Act imposes a type of withholding tax at the rate of 45 per cent. (expected to increase to 47 per cent. from 1 July 2014 and for the following two financial years) 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.

The Commissioner of Taxation of the Commonwealth of Australia may give a direction under section 255 of the Australian Tax Act or section 260-5 of the Taxation Administration Act 1953 or any similar provision requiring the issuer to deduct from any payment to any other party (including any holder of Notes) any amount in respect of tax payable by that other party.

The Australian Tax Act contains provisions governing the taxation of financial arrangements (referred to as “the TOFA regime”) which may apply to the Notes. However, the law that governed the taxation of financial arrangements before the introduction of the TOFA regime will continue to apply to Notes held by taxpayers that are not subject to the TOFA regime because they do not meet certain threshold requirements. In any case, the TOFA regime does not contain any measures that override the exemption from Australian interest withholding tax available under section 128F of the Australian Tax Act in respect of interest payable on the Notes.

11 Luxembourg Taxation

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

(i) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 as amended (the “Laws”) mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Under the Laws implementing the EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the “Territories”), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which is a resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the competent fiscal authority of Luxembourg in order for such information to be communicated to the competent tax authorities of the beneficiary's country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying

agent. Payments of interest under the Notes coming within the scope of the Laws will at present be subject to withholding tax of 35 per cent.

In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the EC Council Directive 2003/48/EC of 3 June 2003.

(ii) Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the “Law”) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law would be subject to withholding tax of 10 per cent.

12 EU savings directive

Under Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

13 The Proposed Financial Transactions Tax

On 14 February 2013, the European Commission published a proposal (the **Commission’s Proposal**) for a Directive for a common financial transactions tax (“FTT”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States).

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

A joint statement issued in May 2014 by ten of the eleven participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016. The FTT, as initially implemented on this basis, may not apply to dealings in the Notes.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation. Additional EU Member States may decide to participate.

Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

14 Foreign Account Tax Compliance Withholding

FATCA imposes a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "FFI" (as defined by FATCA)) that does not become a "Participating FFI" by entering into an agreement with the U.S. Internal Revenue Service ("IRS") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Issuer (a "Recalcitrant Holder"). The Issuer is classified as an FFI.

The new withholding regime will be phased in beginning 1 July 2014 for payments from sources within the United States and will apply to "foreign passthru payments" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the "grandfathering date", which is the later of (a) 1 July 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Notes are issued before the grandfathering date, and additional Notes of the same series are issued on or after that date, the additional Notes may not be treated as grandfathered, which may have negative consequences for the existing Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an "IGA"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a "Reporting FI" not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would generally not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "FATCA Withholding") from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI

would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS.

The Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

Whilst the Notes are in global form and held within the clearing systems, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent and the common depositary, given that each of the entities in the payment chain beginning with the Issuer and ending with the participants in the clearing systems is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Notes may go into definitive form and therefore that they may be taken out of the clearing systems. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive notes will only be printed in remote circumstances.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

15 Republic of Italy Taxation

The following is a summary of current Italian law and practice relating to the taxation of the Notes. The statements herein regarding taxation are based on the laws in force in Italy as at the date of this Programme Circular and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in Securities or commodities) may be subject to special rules.

Law Decree No. 66 of 24 April 2014, published in the Official Gazette No. 95 of 24 April 2014 ("Decree 66"), introduced tax provisions amending certain aspects of the current tax treatment of the Notes, as summarised below. The new rules, as converted into law with amendments, will be effective as of 1 July 2014, on the basis of future law provisions and clarifications. With reference to the imposta sostitutiva set out by Decree 239 (as defined below) the increased rate will apply on interest accrued as of 1 July 2014.

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the Notes.

Any changes to the tax regime in force described below are set out in the Final Terms relating to each offer and/or listing of Notes.

Tax treatment of the Notes

Pursuant to the Italian tax law, the tax treatment of interest, premium and other income (including the difference between the redemption amount and the issue price) from Notes which are capital protected may be different to that applicable to Notes that are not capital protected. Legislative Decree No. 239 of 1 April 1996, as subsequently amended (“Decree 239”) provides for the applicable regime with respect to the tax treatment of interest, premium and other income (including the difference between repayment amount and the issue price) from securities falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*), issued, *inter alia*, by non-Italian resident issuers. For this purposes a Note is considered as capital protected when the issuer assumes the contractual obligation vis-à-vis the holders to pay-back at maturity or redemption an amount which cannot be lower than the nominal value of the Note and which do not grant the holder any direct or indirect right of participation to (or of control of) to management of the Issuer.

Capital protected Notes

Where an Italian resident Noteholder is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected (unless he has opted for the application of the *risparmio gestito regime* – see “Capital Gains Tax” below), (ii) a non-commercial partnership pursuant to Article 5 of the Italian Income Consolidated Code (“TUIR”) (with the exception of general partnership, limited partnership and similar entities), (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, interest, premium and other income relating to the Notes, accrued during the relevant holding period, are subject to a withholding tax, referred to as “*imposta sostitutiva*”, levied at the rate of 20 per cent., and, as of 1 July 2014, pursuant to Decree 66, at a rate of 26 per cent. In the event that the Noteholders described under (i) and (iii) above are engaged in an entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax.

Non-commercial pension entities incorporated under Law No. 509 of 30 June 1994 or Law No. 103 of 10 February 1996 are entitled to a tax credit equal to the positive difference between withholding taxes and substitutive taxes levied at a rate of 26 per cent. on financial proceeds deriving from their investments (including the Notes) from 1 July 2014 to 31 December 2014, as certified by the relevant withholding agent, and a notional 20 per cent. taxation provided that such tax credit is disclosed by such entities in the annual corporation tax return.

Where an Italian resident Noteholder is not included in the above (i) to (iv) and is a company or similar commercial entity pursuant to article 73 of TUIR or a permanent establishment in Italy of a foreign company to which the Notes are effectively connected and the Notes are deposited with an authorised intermediary, interest, premium and other income from the Notes will not be subject to *imposta sostitutiva*, but must be included in the relevant Noteholder’s income tax return and are therefore subject to general Italian corporate taxation (“IRES”, levied at the rate of 27.5 per cent.) and, in certain circumstances, depending on the “status” of the Noteholder, also to regional tax on productive activities (“IRAP”).

If an investor is resident in Italy and is an open-ended or closed-ended investment fund to which the tax regime according to No. 77 of 23 March 1977 applies or a SICAV (an investment company with variable capital) established in Italy and either (i) the fund or SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the “Fund”), and the Notes are held by an authorised intermediary, interest, premium and other income accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on the basis of such results, but a substitutive or withholding tax of 20 per cent. will apply, in certain circumstances, to distributions made in favour of unitholders or shareholders (the “Collective Investment Fund Tax”). As of 1 July 2014, pursuant to Decree 66, the rate of the Collective Investment Fund Tax will be increased to 26 per cent.

Where an Italian resident Noteholder is a pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) and the Notes are deposited with an authorised

intermediary, interest, premium and other income relating to the Notes and accrued during the holding period will not be subject to *imposta sostitutiva*, but must be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to a 11 per cent. substitute tax (which is increased to 11.5 per cent. for 2014).

Under the current regime provided by Law Decree No. 351 of 25 September 2001 converted into law with amendments by Law No. 410 of 23 November 2001 (“Decree 351”), as clarified by the Italian Revenue Agency (*Agenzia delle Entrate*) through Circular No. 47/E of 8 August 2003 and Circular No. 11/E of 28 March 2012, payments of interest, premiums or other proceeds in respect of the Notes made to Italian resident real estate investment funds established pursuant to Article 37 of Legislative Decree No. 58 of 24 February 1998, as amended and supplemented, and Article 14-bis of Law No. 86 of 25 January 1994 are subject neither to *imposta sostitutiva* nor to any other income tax in the hands of a real estate investment fund.

Pursuant to Decree No. 239, *imposta sostitutiva* is applied by banks, *Società di intermediazione mobiliare* (“SIMs”), fiduciary companies, *Società di gestione del risparmio* (SGRs), stockbrokers and other entities identified by a decree of the Ministry of Economics and Finance (each an “Intermediary”).

For the Intermediary to be entitled to apply the *imposta sostitutiva*, it must (i) be (a) resident in Italy or (b) resident outside Italy, with a permanent establishment in Italy or (c) an entity or a company not resident in Italy, acting through a system of centralised administration of notes and directly connected with the Department of Revenue of the Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree 239; and (ii) intervene, in any way, in the collection of interest or in the transfer of the Notes. For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by any entity paying interest to a Noteholder. If interest and other proceeds on the Notes are not collected through an Intermediary or any entity paying interest and as such no *imposta sostitutiva* is levied, the Italian resident beneficial owners listed above under (i) to (iv) will be required to include interest and other proceeds in their yearly income tax return and subject them to a final substitute tax at a rate of 20 per cent. (and, as of 1 July 2014, pursuant to Decree 66, at a rate of 26 per cent.).

Non-Italian Resident Noteholders

No Italian *imposta sostitutiva* is applied on payments to a non-Italian resident Noteholder of interest or premium relating to the Notes provided that, if the Notes are held in Italy, the non-Italian resident Noteholder declares itself to be a non-Italian resident according to Italian tax regulations.

Non-capital protected Notes

If the Notes does not contain the contractual obligation of the issuer vis-à-vis the holders to pay-back at maturity or redemption an amount which cannot be lower than the nominal value, it is possible that the Notes would be considered as ‘atypical’ Notes pursuant to Article 8 of Law Decree No. 512 of 30 September 1983 as implemented by Law No. 649 of 25 November 1983. In this event, payments relating to the Notes may be subject to an Italian withholding tax, levied at the rate of 20 per cent. (and, as of 1 July 2014, pursuant to Decree 66, at the rate of 26 per cent.).

The withholding tax mentioned above does not apply to payments made to a non-Italian resident Noteholder and to an Italian resident Noteholder which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution.

Capital Gains Tax

In both the cases above described (e.g. capital protected and non-capital protected Notes), any gain obtained from the sale, early redemption or redemption of the Notes would be treated as part of the

taxable income (and, in certain circumstances, depending on the “status” of the Noteholder, also as part of the net value of production for IRAP purposes) if realised by an Italian company or a similar commercial entity (including the Italian permanent establishment of foreign entities to which the Notes are effectively connected) or Italian resident individuals engaged in an entrepreneurial activity to which the Notes are connected.

Where an Italian resident Noteholder is an individual not holding the Notes in connection with an entrepreneurial activity, any capital gain realised by such Noteholder from the sale, early redemption or redemption of the Notes would be subject to an *imposta sostitutiva*, levied at the rate of 20 per cent. and, as of 1 July 2014, pursuant to Decree 66, at a rate of 26 per cent. Under some conditions and limitations, Noteholders may set off losses with gains. This rule applies also to certain other entities holding the Notes.

In respect of the application of the *imposta sostitutiva*, taxpayers may opt for one of the three regimes described below:

- 1) Under the “tax declaration” regime (*regime della dichiarazione*), which is the default regime for taxation of capital gains realised by Italian resident individuals not engaged in entrepreneurial activity to which the Notes are connected, the *imposta sostitutiva* on capital gains will be chargeable, on a yearly cumulative basis, on all capital gains, net of any offsettable capital loss, realised by the Italian resident individual Noteholder holding Notes not in connection with an entrepreneurial activity pursuant to all sales, early redemption or redemptions of the Notes carried out during any given tax year. Italian resident individuals holding Notes not in connection with an entrepreneurial activity must indicate the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return and pay *imposta sostitutiva* on such gains together with any balance of income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years. Pursuant to Decree 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.
- 2) As an alternative to the tax declaration regime, Italian resident individual Noteholders holding the Notes not in connection with an entrepreneurial activity may elect to pay the *imposta sostitutiva* separately on capital gains realised on each sale, early redemption or redemption of the Notes (the “*risparmio amministrato*” regime provided for by Article 6 of the Legislative Decree No. 461 of 21 November 1997, as a subsequently amended, the “Decree No. 461”). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, SIMs or certain authorised financial intermediaries; and (ii) an express valid election for the *risparmio amministrato* regime being punctually made in writing by the relevant Noteholder. The depository is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale, early redemption or redemption of the Notes (as well as in respect of capital gains realised upon the revocation of its mandate), net of any incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under the *risparmio amministrato* regime, where a sale, early redemption or redemption of the Notes results in a capital loss, such loss may be deducted from capital gains subsequently realised, within the same Notes management, in the same tax year or in the following tax years up to the fourth. Under the *risparmio amministrato* regime, the Noteholder is not required to declare the capital gains in its annual tax return. Pursuant to Decree 66, capital losses may be carried forward to be offset against capital gains of the same nature realised after 30 June 2014 for an

overall amount of: (i) 48.08 per cent. of the relevant capital losses realised before 1 January 2012; (ii) 76.92 per cent. of the capital losses realised from 1 January 2012 to 30 June 2014.

- 3) Any capital gains realised or accrued by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have validly opted for the so-called “*risparmio gestito*” regime (regime provided by Article 7 of Decree No. 461) will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 20 per cent. substitute tax (and, as of 1 July 2014, pursuant to Decree 66, to a 26 per cent. substitute tax), to be paid by the managing authorised intermediary. Under the *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Noteholder is not required to declare the capital gains realised in its annual tax return. Pursuant to Decree 66, decreases in value of the management assets may be carried forward to be offset against any subsequent increase in value accrued as of 1 July 2014 for an overall amount of: (i) 48.08 per cent. of the relevant decreases in value registered before 1 January 2012; (ii) 76.92 per cent. of the decreases in value registered from 1 January 2012 to 30 June 2014.

Any capital gains realised by a Noteholder which is a Fund will be included in the result of the relevant portfolio accrued at the end of the tax period. Such result will not be taxed with the Fund, but subsequent distributions in favour of unitholders or shareholders may be subject to the Collective Investment Fund Tax.

Any capital gains realised by a Noteholder which is an Italian pension fund (subject to the regime provided for by article 17 of the Legislative Decree No. 252 of 5 December 2005) will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the 11 per cent. substitute tax (which is increased to 11.5 per cent., for 2014).

Any capital gains realised by Italian resident real estate fund to which the provisions of Decree 351, as subsequently amended, apply will be subject neither to *imposta sostitutiva* nor to any other income tax at the level of the real estate fund.

Non-Italian Resident Noteholders

Capital gains realised by non-Italian resident Noteholders from the sale, early redemption or redemption of the Notes are not subject to Italian taxation, provided that the Notes (i) are traded on regulated markets, or (ii) if not traded on regulated markets, are held outside Italy.

Inheritance and gift taxes

Pursuant to Law Decree No. 262 of 3 October 2006, converted into Law No. 286 of 24 November 2006, the transfers of any valuable asset (including shares, bonds or other Notes) as a result of death or donation are taxed as follows:

- 1) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding, for each beneficiary, €1,000,000;
- 2) transfers in favour of relatives to the fourth degree and relatives-in-law to the third degree, are subject to an inheritance and gift tax applied at a rate of 6 per cent. on the entire value of the inheritance or the gift. Transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding, for each beneficiary, €100,000; and
- 3) any other transfer is, in principle, subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.

If the transfer is made in favour of persons with severe disabilities, the tax is levied at the rate mentioned above in 1), 2) and 3) on the value exceeding, for each beneficiary, €1,500,000.

Transfer Tax

Following the repeal of the Italian transfer tax, contracts relating to the transfer of Notes are subject to the registration tax as follows: (i) public deeds and notarized deeds are subject to fixed registration tax at rate of €200; (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 (“Decree 201”), a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to a Noteholder in respect of any Notes which may be deposited with such financial intermediary in Italy. The stamp duty applies at a rate of 0.2 per cent. and it cannot exceed € 14,000, for taxpayers different from individuals. This stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held.

Based on the wording of the law and the implementing decree issued by the Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 9 February 2011) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

Wealth Tax on securities deposited abroad

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the Notes outside the Italian territory are required to pay an additional tax at a rate of 0.2 per cent.

This tax is calculated on the market value of the Notes at the end of the relevant year or – if no market value figure is available – the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Implementation in Italy of the EU Savings Directive

Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18 April 2005 (“Decree 84”). Under Decree 84, subject to a number of important conditions being met, in the case of interest paid to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian qualified paying agents shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner and shall not apply the withholding tax. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

16 Post-issuance information

Save as set out in the Final Terms, the Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

17 Dealers transacting with the Issuers

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business.

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