

INFORMATION MEMORANDUM

COMMONWEALTH BANK OF AUSTRALIA

ACN 123 123 124

(Issuer)

TRANSFERABLE CERTIFICATE OF DEPOSIT PROGRAMME

COMMONWEALTH BANK OF AUSTRALIA

(Dealer)

This Information Memorandum is dated 11 October 1999

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A. IMPORTANT NOTICE

This information memorandum and the other information referred to in section B hereof which is to be read in conjunction with this information memorandum (together "**Information Memorandum**") has been prepared by and is issued with the authority of Commonwealth Bank of Australia ("**Bank**") in connection with a Transferable Certificate of Deposit Programme (the "**Programme**"). The Bank accepts responsibility for the information contained in it. The Bank has taken all reasonable care to ensure that the information in this Information Memorandum is correct and does not omit anything likely to affect its meaning. Accordingly, the Bank confirms that, to the best of its knowledge and belief and as at the applicable Effective Date (as defined below), this Information Memorandum does not contain any material statement that is materially false or misleading and there has been no material omission from the Information Memorandum that is likely to affect its meaning. The delivery of this Information Memorandum or acceptance of TCDs any time after the applicable Effective Date does not imply that the Information Memorandum is correct at any time subsequent to the applicable Effective Date.

The Bank has not authorised any person to make any statements or representations which are not contained in this Information Memorandum. Any statements or representations not contained in this Information Memorandum should not be relied upon as having been authorised by the Bank, the Dealers or the Registrar. The TCDs are an investment intended for sophisticated investors and fund managers whose ordinary business includes the purchase of debt instruments and the making of bank deposits and who understand the risks involved in investing in TCDs. The Bank does not and will not provide any advice in respect of the risks associated with the TCDs and makes no representations as to the future market value of the TCDs. Prospective depositors should make and shall be deemed to have made their own investigations and appraisals of the risks and benefits of the TCDs, the suitability of the TCDs for the depositors' purposes and the financial affairs and creditworthiness of the Bank.

Neither the Dealers nor the Registrar has reviewed or authorised or caused the issue, or otherwise been involved in the preparation, of this Information Memorandum and they have not conducted any due diligence with respect to, or otherwise independently verified, any such information. To the maximum extent permitted by law, the Dealers and the Registrar make no express or implied representation or warranty, or accept any responsibility for, the accuracy or completeness of such information. The Dealers do not undertake to review the business or financial affairs of the Bank, or to advise any holders of TCDs of any information coming to their attention with respect to the Bank.

This Information Memorandum has not been registered with the Australian Securities and Investments Commission. Offers of TCDs for subscription or purchase or invitations to subscribe for or buy TCDs are intended to be excluded offers or invitations within the meaning given to those expressions in the Corporations Law. The distribution and use of this Information Memorandum, and the offer and sale of TCDs, may be restricted by law in certain jurisdictions. Persons into whose possession this Information Memorandum comes must inform themselves about, and observe, any such restrictions. This Information Memorandum may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in

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which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

All persons considering the purchase of TCDs should consult their own tax adviser concerning the application of any tax laws applicable to their particular situation.

Important information regarding taxation is contained on page 37 under the heading "E. AUSTRALIAN TAXATION" and should be read by all persons considering the purchase of TCDs.

In this section "**Effective Date**" means: in relation to this information memorandum, the date indicated on its face; in relation to an annual report which is to be read in conjunction with this information memorandum, the date up to or as at which the accounts comprised in the annual report relate; and in relation to any other item of information which is to be read in conjunction with this information memorandum, the date indicated on its face as being the date of its release.

B. DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference in, and form part of, this Information Memorandum:

1. the most recently published annual report of the Bank from time to time; and
2. all supplements to this Information Memorandum published by the Bank from time to time.

Any statement contained in any such incorporated document modifies or supersedes this Information Memorandum and any previously incorporated document to the extent of any inconsistency between them.

Copies of all documents incorporated by reference may be obtained from the Bank and are available for inspection at the head office of the Bank at 48 Martin Place Sydney.

C. PROGRAMME SUMMARY

The following summary is qualified in its entirety by the remainder of this Information Memorandum. Words and expressions defined in "Terms and Conditions of the TCDs" (see below) shall have the same meanings in this summary except where the context requires otherwise.

Issuer:	Commonwealth Bank of Australia.
Programme Description:	Transferable Certificate of Deposit programme.
Programme Amount:	Unlimited.
Arranger:	Commonwealth Bank of Australia.
Dealers:	Commonwealth Bank of Australia. Other institutions may subsequently be appointed dealer either in relation to the Programme as a whole or in relation to specific deposits thereunder (each a " Dealer " and together the " Dealers ").
Purpose:	Funds raised by the Bank from the acceptance of TCDs will be used in its general operations.
Status:	TCDs constitute deposit liabilities in Australia of the Bank for the purposes of Section 13A(3) of the Banking Act 1959 of Australia (as amended). This section provides that if an authorised deposit-taking institution (ADI) becomes unable to meet its obligations or suspends payment, the assets of the ADI in Australia are to be available to meet that ADI's deposit liabilities in Australia in priority to all other liabilities of the ADI.
Rating:	TCDs issued after the date of this Information Memorandum and accepted under this Programme are rated AA- by Standard & Poor's Corporation ("Standard & Poor's"), Aa3 by Moody's Investors Service, Inc. ("Moody's") and AA by Fitch IBCA Limited ("Fitch IBCA").

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- Registrar:** Computershare Registry Services Pty Ltd ACN 078 279 277.
- Register:** The Register will be maintained in the Australian Capital Territory.
- Title:** Inscription on the Register will be conclusive evidence of title to the TCDs. No certificate in respect of TCDs will be issued.
- Maturity:** TCDs may have any minimum maturity subject to compliance with all applicable legal and regulatory requirements.
- Currencies:** Australian dollars and such other currencies as may be agreed between the Bank and the applicable Dealer. The acceptance of TCDs denominated or payable in currencies other than Australian dollars will be subject to compliance with all applicable laws and regulatory requirements.
- Denomination:** The TCDs will be in denominations as specified in the Terms Sheet. The TCDs will be accepted in an aggregate amount of at least A\$500,000 or its equivalent in other currencies. The TCDs are only transferable in whole and in aggregate minimum amounts of A\$500,000 or its equivalent.
- Types of TCDs:** The following types of TCDs, or combinations thereof, will be accepted under the Programme:
- Fixed Rate TCDs:*** Fixed interest will be payable in arrear on a specified date or dates in each year and on redemption.
- Floating Rate TCDs:*** Floating Rate TCDs will bear interest at a rate determined on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service or on such other basis as may be specified in the applicable Terms Sheet.
- The Margin (if any) relating to such floating rate will be specified in the applicable Terms Sheet. Floating Rate

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TCDs may also have a Maximum Rate of Interest, a Minimum Rate of Interest or both.

Interest amounts payable on Floating Rate TCDs will be calculated by the Registrar and will be payable on Interest Payment Dates.

Indexed TCDs:

Payments in respect of Indexed TCDs will be calculated by reference to such Index and/or Formula as set out in the applicable Terms Sheet.

The applicable Terms Sheet will also set out details of the agent responsible for calculating the amount of principal and/or interest and/or other payments due.

Without limiting the generality of the two paragraphs immediately above, the Bank may accept the types of Indexed TCDs set out in the following paragraphs:

(i) Capital Indexed TCDs and Interest Indexed TCDs

The Issue Price, principal repayment and interest payments in respect of such TCDs will be calculated on the basis of the same formulae for the calculation of such amounts as set out in the most recent Prospectus for Treasury Indexed Bonds (or such other document as may replace it) published by the Commonwealth of Australia.

(ii) Credit Foncier TCDs

The Issue Price, stream of principal repayments and interest payments in respect of such TCDs will be calculated on the basis of the same formulae and/or method of calculation as used for the calculation of the Issue Price, stream of principal repayments and interest payments for the Reference Security specified in the applicable Terms Sheet, unless otherwise stated.

Dual Currency TCDs:

Payments in respect of such a TCD will be made in such currencies, and based on such Rates of Exchange, as set out in the applicable Terms Sheet.

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High Interest (premium) TCDs:

Such a TCD will be accepted at a premium to its nominal amount and will bear interest at a rate higher than would otherwise be payable if it was accepted at or about par.

Austraclear:

Application will be made to Austraclear Limited for approval for the TCDs of each Series to be traded on the settlement system operated by Austraclear Limited unless otherwise stated in the applicable Terms Sheet.

Payments:

Payments will be made to Depositors by cheque posted to the address notified by the Depositor to the Registrar. Payments may also be made by transfer to an account specified by a Depositor to the Registrar.

Governing Law:

Australian Capital Territory.

Transfer:

Application for the transfer of TCDs must be made by completing and lodging a transfer and acceptance form with the Registrar.

Stamp Duty:

The Bank will be responsible for any stamp duty imposed on the making of the TCDs. The relevant Depositor will be responsible for any stamp duty on transfer of a TCD.

Tax File Number:

Tax will be deducted unless a tax file number or exemption is supplied.

Withholding Tax:

Interest withholding tax at 10% will be deducted from payments to non-residents and offshore payments to residents except in circumstances described in Condition 7.1.

Listing:

Unlisted unless otherwise stated in the applicable Terms Sheet.

D. TERMS AND CONDITIONS OF THE TCDS

The following are the Terms and Conditions of the TCDs which (subject to amendment) will be incorporated by reference into each TCD provided that the applicable Terms Sheet in relation to any TCD may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent, replace or modify the following Terms and Conditions for the purposes of such TCD. The applicable Terms Sheet for each TCD is available for inspection at the office of the Registrar.

1. DEFINITIONS AND INTERPRETATION

1.1 Words and expressions defined or set out in the applicable Terms Sheet shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated, and in these Terms and Conditions the following expressions shall have the meanings set out below.

"Australian dollars" and "A\$" means the lawful currency for the time being of the Commonwealth of Australia;

"Business Day" means a day (other than a Saturday or Sunday or public holiday) on which major banks are open for general banking business in Sydney and Canberra and in the principal financial centre of the country of the Specified Currency if the Specified Currency is not Australian dollars;

"Depositor" means at any time the person whose name is inscribed in the Register at that time as the holder of a TCD, or where the TCD is held jointly by more than one person, the persons whose names appear in the Register as the joint holders of that TCD;

"Exchange Rate" means, in relation to a foreign currency, and on any date, the spot rate for the sale of Australian dollars against the purchase of such currency in the Australian foreign exchange market quoted at 10.00 am (Sydney time) on that date by any leading bank (other than the Bank) selected by the Bank;

"Information Memorandum" means the most recent information memorandum of the Bank in connection with the acceptance and transfer of TCDs including all documents incorporated by reference therein;

"Interest Determination Date" means (unless otherwise indicated in the applicable Terms Sheet) the first day of the applicable Interest Period;

"Programme" means the programme established by the Bank for the acceptance from time to time of TCDs;

"Programme Agreement" means the agreement so entitled between the Bank and the dealers from time to time dated on or about the date of this Information Memorandum;

"Register" for a Series of TCDs means the register of Depositors maintained by the Registrar for that Series of TCDs;

"Registrar" means Computershare Registry Services Pty Ltd ACN 078 279 277;

"Registry Closing Time" means the close of business local Registry time 8 calendar days prior to but not including the applicable date for payment;

"Registry Services Agreement" means the agreement entitled "Registry Services and Paying Agent Agreement" between the Bank and the Registrar dated on or about the date of this Information Memorandum;

"Series" means each original acceptance of TCDs together with any further deposits expressed to form a single series with the original deposits 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 Terms Sheet) are otherwise identical and the expression "TCDs of this Series" and related expressions will be construed accordingly;

"TCD" means a deposit with the Bank in the form of inscribed stock accepted pursuant to the Terms and Conditions contained in the Information Memorandum current at the time of acceptance of such TCD as amended and/or supplemented by the terms and conditions set out in a Terms Sheet;

"Terms and Conditions" means in relation to the TCDs of any Series, all terms and conditions of such TCDs including those contained in the Information Memorandum current at the time of acceptance of such TCDs and incorporated by reference from the applicable Terms Sheet for such TCDs; and

"Terms Sheet" means a terms sheet substantially in the form of Schedule 4 to the Programme Agreement, completed as appropriate and authorised by the Bank.

1.2 In these Terms and Conditions, unless a contrary intention appears:

- (a) a reference to these Terms and Conditions or another document includes any amendment, variation or replacement of them;
- (b) a reference to a statute, ordinance, code or other law includes regulations and other deeds under it and consolidations, amendments, re-enactments or replacements of any of them;
- (c) words denoting any gender shall include all genders;

- (d) the word person includes a firm, a body corporate, an unincorporated association or an authority;
- (e) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, without limitation, persons taking by novation) and permitted assigns;
- (f) a reference to any thing (including, without limitation any amount) is a reference to the whole or any part of it; and
- (g) a reference to a Condition shall be construed as a reference to a Condition in these Terms and Conditions.

1.3 Headings are inserted for convenience only and are to be disregarded in the interpretation of these Terms and Conditions.

1.4 The obligations of any person under these Terms and Conditions are several and independent and:

- (a) the failure of any person or persons to perform obligations under these Terms and Conditions shall not relieve any other person of obligations under these Terms and Conditions; and
- (b) no person shall be responsible for the failure of any other person to perform obligations under these Terms and Conditions.

1.5 Any reference to a time in these Terms and Conditions shall be a reference to such time in Sydney.

1.6 Unless otherwise stated in these Terms and Conditions, if a date on which any payment is to be made or act, matter or thing is to be done is not a Business Day, that payment shall be made or that act, matter or thing shall be done on the immediately succeeding Business Day.

1.7 In these Terms and Conditions, unless the context otherwise indicates, the singular shall include the plural and vice versa.

1.8 Definitions are highlighted for ease of reference.

Registrar

- 1.9** The Bank reserves the right at any time to vary or terminate the appointment of the Registrar and to appoint another Registrar. Notice of any such variation, appointment or termination or of any change in the office of the Registrar will be given to the Depositors in accordance with Condition 11.

Bank to be bound

- 1.10** In respect of any TCDs, the Bank agrees with the Depositors from time to time to be bound by the Terms and Conditions current at the time of acceptance of such TCDs as amended and/or supplemented by the terms and conditions set out in the applicable Terms Sheet. In the case of any inconsistency, the terms and conditions set out in a Terms Sheet shall prevail.

Creation of TCD

- 1.11** TCDs will be created when the Bank procures the Registrar to inscribe details of those TCDs in the Register.

Notice of terms

- 1.12** Each Depositor is entitled to the benefit of, is bound by, and is deemed to have notice of, all provisions relating to the TCDs of this Series contained in the applicable Terms Sheet, the Registry Services Agreement and these Terms and Conditions which are applicable to them. Copies of the applicable Terms Sheet and the Registry Services Agreement are available for inspection by the Depositors at the office of the Registrar in Canberra.

2. FORM, DENOMINATIONS AND TITLE

2.1 Form

TCDs are in the form of transferable certificates of deposit inscribed on an electronic register. Features of TCDs, including type and currency, will be stated in the applicable Terms Sheet.

2.2 Denomination

The denomination of TCDs will be the Specified Denomination set out in the applicable Terms Sheet. The TCDs will only be accepted in an aggregate minimum amount of A\$500,000 (or its equivalent in other currencies calculated at the Exchange Rate) or otherwise in a manner which constitutes an excluded offer or invitation within the meaning given to those expressions in the Corporations Law.

2.3 Title

- (a) The TCDs are in registered form. The Depositors will be recorded in the Register. Each TCD is a separate obligation of the Bank and may be transferred separately from any other TCD subject to Condition 2.5.
- (b) The Depositor will be treated by the Bank and the Registrar as the absolute owner of such TCD for all purposes, subject to rectification for fraud or error, whether or not any payment in relation to such TCD is overdue and regardless of any notice of ownership, trust or any other interest inscribed in the Register. Two or more persons registered as Depositors are deemed to be joint holders with right of survivorship between them. No TCD will be registered in the name of more than four persons.
- (c) Entry of an initial subscriber's or transferee's name in the Register at the applicable time will constitute the passing of title and will be conclusive evidence of the Depositor's entitlement to receive payments under the TCDs.

2.4 Inscription conclusive

Each inscription in the Register in respect of a TCD shall constitute:

- (a) sufficient and conclusive evidence to all persons and for all purposes that the person whose name is so inscribed is the registered owner of the TCD; and
- (b) an unconditional and irrevocable undertaking and promise by the Bank to the Depositor that for value received the Bank shall make all payments and fulfil all obligations in respect of the TCD in accordance with these Terms and Conditions.

2.5 Transfer

All applications for transfer of TCDs must be made by a duly completed transfer and acceptance form lodged with the Registrar. Such forms are available from the Bank and the Registrar. Acceptance of any application will be by entry of the transferee's name in the Register. TCDs are only transferable in whole subject to an aggregate minimum amount of A\$500,000 (or its equivalent in other currencies calculated at the Exchange Rate). A transfer of a TCD will not be registered later than the Registry Closing Time. Unless otherwise specified in the applicable Terms Sheet, all contracts relating to the transfer of TCDs will be governed by the laws of the Australian Capital Territory.

2.6 Manifest Errors

The making of, or the giving effect to, a manifest error in an inscription into the Register will not avoid the constitution or transfer of a TCD. The Registrar is entitled to and will correct any manifest error of which it becomes aware.

2.7 No certificate

No certificate or other evidence of title to a TCD shall be issued unless the Bank is required to do so pursuant to any applicable law or regulation.

3. STATUS AND RANKING

TCDs will constitute deposit liabilities of the Bank in Australia within the meaning of Section 13A(3) of the Banking Act 1959, as amended, of the Commonwealth of Australia, which provides that, if an authorised deposit-taking institution (ADI) becomes unable to meet its obligations or suspends payment, the assets of the ADI in Australia are to be available to meet its deposit liabilities in Australia in priority to all other liabilities of the ADI.

The TCDs of this Series are direct, unconditional and unsecured obligations of the Bank and rank without any preference or priority among themselves and *pari passu* with all other present and future unsecured and unsubordinated Australian deposit liabilities of the Bank.

4. INTEREST

Interest will be paid subject to and in accordance with the provisions of Condition 6.

4.1 Fixed Rate TCDs

- (a) Each Fixed Rate TCD bears interest on its nominal amount outstanding from time to time from, and including, the Issue Date or, where the Terms Sheet specifies an Interest Commencement Date which is different from the Issue Date, the Interest Commencement Date at the Interest Rate per annum and in the amounts as specified in the applicable Terms Sheet payable in arrear on the Interest Payment Dates.
- (b) Interest will cease to accrue on each TCD (or, in the case of the redemption of part only of a TCD, that part only of such TCD) on the due date for redemption unless 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 up to that day are paid to or to the order of the Depositor and (B) the day which

is three days after the date on which the Registrar has notified the Depositor in accordance with Condition 11 that it has received from the Bank all sums due up to that date.

- (c) Unless otherwise specified in the applicable Terms Sheet, interest will, where the Specified Currency is other than Australian dollars, New Zealand dollars or pounds sterling, be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed, and where the Specified Currency is Australian dollars, New Zealand dollars or pounds sterling, be calculated on an actual/365 day basis.

4.2 Floating Rate TCDs

(a) Interest Payment Dates

Each Floating Rate TCD bears interest on its nominal amount outstanding from time to time from, and including the Issue Date or, where the Terms Sheet specifies an Interest Commencement Date which is different from the Issue Date, the Interest Commencement Date. Such interest will be payable in arrear on each Interest Payment Date set out in the applicable Terms Sheet. The period from and including the Issue Date or, as the case may be, the Interest Commencement Date to the first Interest Payment Date and each subsequent period beginning on and including an Interest Payment Date and ending on but excluding the next Interest Payment Date are herein called "**Interest Periods**".

(b) Interest Payments and Accrual

Interest will cease to accrue on each TCD (or in the case of the redemption of part only of a TCD, that part only of a TCD) on the due date for redemption unless 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 up to that day are paid to or to the order of the Depositor and (B) the day which is three days after the date on which the Registrar has notified the Depositor in accordance with Condition 11 that it has received from the Bank all sums due up to that date.

(c) Determination of Interest Rate

The Registrar will, as soon as practicable after 11.00 am (Sydney time or, if different, such other time as is customary in the principal financial centre of the country of the Specified Currency) on each Interest Determination Date determine the Interest Rate as set out below. The determination of the Interest Rate shall (in the absence of manifest error) be final and binding upon all parties.

- (i) The Interest Rate for each Interest Period shall be, subject as provided below, the arithmetic mean (rounded upwards, if necessary, to the nearest 0.0001 per cent) of the offered rates (excluding the highest and the lowest of such rates and, if there is more than one highest or lowest offered rate, excluding only one each of such offered rates), for deposits in the Specified Currency for a period equal (or, in the reasonable opinion of the Registrar, most closely pertaining) to that Interest Period which appears on the appropriate page of the Screen as at 11.00 am (Sydney time or such other time specified in the applicable Terms Sheet) on the Interest Determination Date plus or minus (as appropriate) the Margin (if any), all as determined by the Registrar.
- (ii) If, in the case of (i) above, fewer than four of such offered rates appear at such time or if the offered rates which appear at such time do not apply to a period of a duration equal (or, in the reasonable opinion of the Registrar, substantially similar) to the applicable Interest Period, the Interest Rate shall, subject as provided below, be the arithmetic mean (rounded upwards, if necessary, to the nearest 0.0001 per cent) of the offered rates advised by the Reference Banks (excluding the highest and the lowest of such rates and, if there is more than one highest or lowest offered rate, excluding only one each of such offered rates), that deposits in the Specified Currency of a duration equal to such Interest Period are offered in the Australian interbank market to leading banks as at 11.00 am (Sydney time or, if appropriate, such other time as is customary in the principal financial centre of the country of the Specified Currency) on the Interest Determination Date plus or minus (as appropriate) the Margin (if any), all as determined by the Registrar.
- (iii) If, on any Interest Determination Date to which sub-paragraph (ii) above applies, two or three only of the Reference Banks advise the Registrar of such rates, the Interest Rate for the applicable Interest Period shall, subject as provided below, be determined as in sub-paragraph (ii) above on the basis of the offered rates of those Reference Banks advising such rates (without the exclusion of the highest and lowest offered rates as provided therein).
- (iv) If, on any Interest Determination Date to which sub-paragraph (ii) above applies, one only or none of the Reference Banks advises the Registrar of such rates, the Interest Rate for the applicable Interest Period shall, subject as provided below, be the Reserve Interest Rate. The "**Reserve Interest Rate**" shall be the rate per annum which the Registrar, in its reasonable opinion, determines to be either:
- (1) the arithmetic mean (rounded upwards, if necessary, to the nearest 0.0001 per cent) of the lending rates for the Specified Currency which leading banks selected by the Bank in the principal financial centre of the country of the

Specified Currency are quoting to the Reference Banks on the applicable Interest Determination Date (or, if banks are not open in such place on such day, on the immediately preceding day on which they are open in such place) for the applicable Interest Period plus or minus (as appropriate) the Margin (if any); or

- (2) in the event that the Registrar can determine no such arithmetic mean, the lowest lending rate for the Specified Currency which leading banks selected by the Bank in the principal financial centre of the country of the Specified Currency are quoting on such Interest Determination Date (or, if banks are not open in such place on such day, on the immediately preceding day on which they are open in such place) to leading Australian or European banks for the applicable Interest Period plus or minus (as appropriate) the Margin (if any).

If the leading banks selected as aforesaid by the Bank are not quoting as mentioned above, the Interest Rate shall be the Interest Rate in effect for the last preceding Interest Period.

The expression "**the appropriate page of the Screen**" means the page on the Reuter Monitor Money Rates Service or the Dow Jones Telerate Monitor or such other information service, as indicated in the applicable Terms Sheet.

(d) Calculation of Interest Amount

The Registrar will, as soon as practicable after 11.00 am (Sydney time or, if different, such other time as is customary in the principal financial centre of the country of the Specified Currency) on each Interest Determination Date calculate the amount of interest payable in respect of each Specified Denomination (each an "**Interest Amount**") for the applicable Interest Period. Each Interest Amount shall be calculated by applying the Interest Rate to a Specified Denomination, multiplying such sum by the actual number of days in the applicable Interest Period divided by 365 or, where the Specified Currency is other than Australian dollars, New Zealand Dollars or pounds sterling, 360 or in either case such other denominator as may be specified in the applicable Terms Sheet and rounding the resultant figure to the nearest smallest unit of the Specified Currency, half of such a unit being rounded upwards. The calculation of the Interest Amount by the Registrar shall (in the absence of manifest error) be final and binding upon all parties.

(e) Notification of Interest Rate and Interest Amount

The Bank will, if requested in writing by the applicable Depositors, procure the Registrar to notify the applicable Depositors of the Interest Rate, the Interest Amount and the applicable Interest Payment Date. Each Interest Amount and Interest Payment Date notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notification as aforesaid in the event of an extension or shortening of the Interest Period.

(f) Reference Banks and Registrar

The Reference Banks will be the principal Australian offices of Commonwealth Bank of Australia, Australia and New Zealand Banking Group Limited, National Australia Bank Limited and Westpac Banking Corporation (or such additional or other Reference Banks as may be specified in the applicable Terms Sheet). Unless otherwise specified in the applicable Terms Sheet, the Bank will procure that, so long as any Floating Rate TCD remains outstanding, there shall at all times be four Reference Banks and a Registrar. The Bank may terminate the designation of any of the Reference Banks. In the event of the designated office of any such bank being unable or unwilling to continue to act as a Reference Bank, the Bank shall designate the principal Australian office of some other leading bank engaged in the Australian interbank deposit market to act in its place. In the event of the Registrar for the TCDs of this Series being unable or unwilling to continue to act as Registrar, the Bank shall appoint some other reputable institution to act in its place.

(g) 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 these Terms and Conditions, whether by the Reference Banks (or any of them) or the Registrar, will (in the absence of negligence, default, bad faith or manifest error by them or any of their directors, officers, employees or agents) be binding on the Bank, Registrar, the Reference Banks and all Depositors and (in the absence of any negligence, default, bad faith or manifest error as referred to above) no liability to the Bank or the Depositors shall attach to the Reference Banks or the Registrar in connection with the exercise or non-exercise by them of their powers, duties and discretions under this Condition.

4.3 High Interest (premium) TCDs

Where any High Interest (premium) TCD 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 TCD as determined in accordance with Condition 5.4. As from the Maturity Date any overdue

principal shall bear interest at a rate per annum equal to the Amortisation Yield. Such interest shall continue to accrue (as well after as before any judgment) until, whichever is the earlier of (A) the day on which all sums due up to that day are paid to or to the order of the Depositor and (B) the day which is three days after the date on which the Registrar has notified the Depositor in accordance with Condition 11 that it has received from the Bank all sums due up to that date.

Unless otherwise specified in the applicable Terms Sheet, such interest will, where the Specified Currency is other than Australian dollars, New Zealand dollars or pounds sterling be calculated on the basis of a 360 day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed, and where the Specified Currency is Australian dollars, New Zealand dollars or pounds sterling, be calculated on an actual/365 day basis.

4.4 Indexed TCDs and Dual Currency TCDs

In the case of Indexed TCDs and Dual Currency TCDs where the rate of interest is determined by reference to the Index and/or the Formula or the Rate of Exchange, the provisions for determining the rate of interest, accrual of interest, calculation of interest amounts, determination of interest payment dates and other applicable provisions shall be specified in the applicable Terms Sheet and payment shall be made in accordance with Condition 6.

5. REDEMPTION AND PURCHASE

5.1 Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, each TCD of this Series will be redeemed at its nominal amount in the applicable Specified Currency on the Maturity Date or (in the case of a TCD redeemable in instalments) by Instalment Amounts on the Instalment Dates specified in the applicable Terms Sheet.

5.2 Redemption at the Option of the Bank

If, and to the extent, specified in the applicable Terms Sheet, the Bank may at any time (in the case of TCDs other than Floating Rate TCDs) or on any Interest Payment Date (in the case of Floating Rate TCDs) at its option, on giving not less than 30 nor more than 60 days' notice to the Depositors of the TCDs of this Series in accordance with Condition 11, redeem all or some of the TCDs of this Series then outstanding on a date or dates specified prior to the stated maturity of such TCDs and in such amounts and at the applicable price(s) as indicated in the applicable Terms Sheet together with (in the case of Fixed Rate TCDs) interest accrued up to but excluding the date fixed for redemption. In the event of a redemption of some only of such TCDs, such redemption must be for an amount being not less than the minimum (if any) specified in the applicable Terms Sheet.

In the case of a redemption of some but not all of the TCDs of this Series (a "**partial redemption**"), TCDs to be redeemed will be selected individually by the Bank in its absolute and unfettered discretion not less than 40 days prior to the date fixed for redemption.

Each notice of redemption will specify the date fixed for redemption and, in the case of a partial redemption, the aggregate nominal amount to be redeemed and the aggregate nominal amount which will be outstanding after the partial redemption. In addition, in the case of a partial redemption, such notice will specify that the Registrar will not be required to register transfers of TCDs called for partial redemption.

5.3 Terms Sheet

The applicable Terms Sheet will indicate that either (1) this TCD cannot be redeemed prior to its Maturity Date or (2) that this TCD will be redeemable at the option of the Bank prior to such Maturity Date in accordance with the provisions of Condition 5.2 above on a date or dates and at a price or prices and on such other terms indicated therein or (3) that this TCD will be redeemable in instalments and the applicable Instalment Amounts and Instalment Dates.

5.4 High Interest (premium) TCDs

- (a) The amount payable in respect of any High Interest (premium) TCD upon redemption of such TCD pursuant to Condition 5.2 above shall be the Amortised Face Amount (calculated as provided below) of such TCD.
- (b) Subject to the provisions of sub-paragraph (c) below, the Amortised Face Amount of any High Interest (premium) TCD shall be the sum of (A) the sum of (i) the Reference Price and (ii) the aggregate amortisation of the difference between the Reference Price and the nominal amount of the TCD from, and including, the Issue Date to, but excluding, the date on which the TCD is redeemed at a rate per annum (expressed as a percentage) equal to the Amortisation Yield compounded annually and (B) interest (if any) accrued but unpaid to, but excluding, the date on which the TCD is redeemed.

Unless otherwise specified in the applicable Terms Sheet, where such calculation is to be made for a period other than a full year, where the Specified Currency is other than Australian dollars, New Zealand dollars or pounds sterling, it shall be made on the basis of a 360 day year consisting of 12 months of 30 days each and in the case of an incomplete month the actual number of days elapsed and where the Specified Currency is Australian dollars, New Zealand dollars or pounds sterling, it shall be made on an actual/365 day basis.

- (c) If the amount payable in respect of any High Interest (premium) TCD upon redemption of such TCD pursuant to Condition 5.2 above is not paid when due, the amount due and

repayable in respect of such TCD shall be the Amortised Face Amount of such TCD calculated pursuant to sub-paragraph (b) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the TCD becomes due and repayable was replaced by a reference to the date (the "**Reference Date**") which is the earlier of (A) the date on which all sums due in respect of the TCD up to that day are paid to or to the order of the Depositor thereof and (B) the day which is three days after the date on which the Registrar has notified the Depositor in accordance with Condition 11 that it has received all sums due in respect thereof up to that date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made, after as well as before judgment, until the Reference Date unless the Reference Date falls on or after the Maturity Date, in which case the amount due and repayable shall be the nominal amount of such TCD together with any interest which may accrue in accordance with Condition 4.3.

5.5 Indexed TCDs and Dual Currency TCDs

In respect of an Indexed TCD or a Dual Currency TCD the amount payable in respect of principal upon redemption (the "**Redemption Amount**") shall be determined in accordance with the Index and/or the Formula or the Rate of Exchange in the manner specified in the applicable Terms Sheet. Each such TCD shall:

- (i) unless previously redeemed or purchased and cancelled as provided below, be redeemed at the applicable Redemption Amount; or
- (ii) where such TCDs are redeemed early the early redemption amount will be calculated in accordance with the applicable Terms Sheet,

and in each case shall be paid together with, where applicable, interest accrued to, but excluding the date fixed for redemption.

5.6 Purchase and Cancellation

The Bank may at any time purchase at any price TCDs in the open market or by tender to all or some only of the Depositors or by private agreement. TCDs purchased by or for the account of the Bank may be cancelled or re-sold, at the option of the Bank.

All TCDs redeemed by the Bank, or which are repurchased by the Bank and which the Bank elects to cancel, shall be cancelled forthwith and all liabilities and obligations of the Bank in connection with those TCDs so redeemed or cancelled shall be discharged.

5.7 Instalments

Each TCD which is redeemable in instalments will be redeemed in the Instalment Amounts and on the Instalment Dates, all in accordance with Condition 6 and the provisions of the applicable Terms Sheet.

6. PAYMENTS

6.1 Making of payments

All payments in respect of TCDs shall be made by the Bank (or on behalf of the Bank by the Registrar) on the applicable date by payment of immediately available funds in the Specified Currency to the designated account of the Depositor (which account must be with an institution acceptable to the Bank and the Registrar and which, for payments in Australian dollars, must be in Australia) as registered with the Registrar as at the Registry Closing Time. If a Depositor fails to register a valid account to which such payment can be made and payment is for this reason prevented or delayed, that Depositor will not be entitled to any further interest or other payments in respect of such delay. A payment to the designated account of a Depositor will be deemed to have been made when the Bank or the Registrar gives an irrevocable instruction for the making of that payment by electronic transfer, being an instruction which would be reasonably expected to result, in the ordinary course of banking business, in the applicable funds reaching the account of the Depositor on the same day as the day on which the instruction is given.

Alternatively, Depositors may elect to receive payments in respect of TCDs by cheque. In such instances, cheques will be despatched by the Bank or the Registrar at the Depositors risk one (1) Business Day prior to the applicable date for payment to such Depositors to the address inscribed in the Register as at the Registry Closing Time. Cheques so despatched will in all such cases be deemed to have been received by the Depositor on the applicable date for payment and no additional amount shall be payable by the Bank for late delivery to or non-receipt by the Depositor.

6.2 Set-off, counterclaim or deduction

All payments in respect of the TCDs will be made without set-off or counterclaim or any other deduction unless required by law.

6.3 Payment to Registrar

Payments to the Registrar by the Bank for the account of the Depositors will be held by the Registrar on trust for the Depositors.

6.4 Closing of Register

The Register will be closed for the purposes of determining entitlements to payments under the TCDs at the Registry Closing Time.

6.5 Joint Holders

Any amount payable in respect of TCDs in the case of joint holders will be paid to that one of the joint holders who is first named in the Register.

6.6 Payment constitutes release

Any payment made by or on behalf of the Bank (or by or on behalf of the Bank to the Registrar) for the account of the person whose name was, at the time such payment is made, inscribed in the Register as the registered owner of the applicable TCD as at the Registry Closing Time shall for all purposes constitute an absolute and unconditional release and discharge of the Bank, to the extent of such payment, of all obligations in respect of the TCD.

6.7 Business Days

If a payment is due under a TCD and payment is to be made to an account on a day on which banks are not open for business in the city in which the account is located, the Depositor is not entitled to payment of such amount until the next day on which banks in such city are open for business and is not entitled to any further interest or other payment in respect of any such delay.

6.8 Payments subject to fiscal laws etc

All payments are subject to this Condition 6 and to any applicable fiscal or other laws and regulations applicable thereto and to normal banking practice.

7. TAXATION

7.1 Interest withholding tax

- (a) Under the current provisions of the Income Tax Assessment Act 1936 (as amended) of the Commonwealth of Australia (the "Tax Act"), the Bank or any person making payments on behalf of the Bank is required to deduct interest withholding tax imposed by the Commonwealth of Australia from payments of interest or amounts in the nature of interest in respect of the TCDs to non-residents of the Commonwealth of Australia not carrying on business in the Commonwealth of Australia at or through a permanent establishment with which the payment is effectively connected and to residents of the Commonwealth of

Australia carrying on business at or through a permanent establishment outside the Commonwealth of Australia with which the payment is effectively connected (each a "Non-Resident") unless:

- (i) a certificate pursuant to Section 221YM of the Tax Act is produced to the Registrar not later than the Registry Closing Time; or
 - (ii) upon initial issue of any Series of TCDs the public offer test under Section 128F of the Tax Act was satisfied.
- (b) Unless the applicable Terms Sheet specifies to the contrary, if the Bank is required to deduct tax from payments of interest or an amount in the nature of interest in respect of TCDs to Non-Residents as a result of the public offer test set out in section 128F of the Tax Act as amended by the Bill (the "Public Offer Test") not being met in respect of those TCDs,

then:

the Bank will pay such additional amounts of, or in respect of, interest or an amount in the nature of interest as will result (after deduction of Australian tax) in payment to the relevant Non-Resident of the amounts that would have been payable to that Non-Resident in respect of the TCDs had the Public Offer Test been met in respect of those TCDs,

except that:

no such additional amounts shall be payable with respect to any TCD held by a Non-Resident who is an associate (as that term is defined in section 128F of the Tax Act) at the time of the payment of interest or amount in the nature of interest from which tax had been deducted as a result of the Public Offer Test not being met and because of section 128F(6) of the Tax Act. Nor shall such additional amounts be payable more than 30 days after the date the payment under the TCDs first becomes due and payable, except to the extent that the holder of them would have been entitled to such additional amounts on the last day of such period of 30 days.

Unless the applicable Terms Sheet specifies to the contrary, the Bank intends that issues of TCDs will pass the Public Offer Test.

7.2 Tax file number

The Bank or any person making payments on behalf of the Bank will deduct tax - on interest payments to a Depositor (other than a non-resident of the Commonwealth of Australia referred to in clause 7.1) at the rate required by the Tax Act unless the Registrar receives from the Depositor

written notice of its tax file number or evidence of any exemption the Depositor may have from the need to advise the Bank or the Registrar of a tax file number. The tax file number or appropriate evidence must be received by the Registrar not later than the Registry Closing Time.

8. PRESCRIPTION

Claims against the Bank for payments under the TCDs shall be void unless made within five years of the due date for payment.

9. MODIFICATION OF TERMS AND CONDITIONS; WAIVER

The Bank may modify the Terms and Conditions of the TCDs of any Series in any way with the written consent of the Depositors of not less than 66 $\frac{2}{3}$ % in principal amount of the TCDs of such Series at the time outstanding, provided that:

- (i) if any such modification would change the terms of payment of the principal of, interest on, or other amounts payable under, the TCDs or the amounts thereof or the rights of Depositors of less than all the TCDs of such Series at the time outstanding, the consent of the Depositors of all the TCDs of such Series affected thereby is required; and
- (ii) if any such modification would reduce the aforesaid percentage needed for authorisation of such modification, the consent of the Depositors of all the outstanding TCDs of such Series is required.

The Bank may, without the consent of the Depositors of TCDs of any Series, make modifications to the Terms and Conditions of such TCDs which in its opinion are of a formal, minor or technical nature, are made to correct a manifest error or (not being such modifications as are mentioned in the proviso in the preceding paragraph) are not in the reasonable opinion of the Bank materially prejudicial to the interests of the Depositors of such TCDs.

Provided that the Bank gives to Depositors of a Series of TCDs not less than 30 nor more than 60 days' notice in accordance with Condition 11, the Bank may close or require the Registrar to close the Register for a period of up to 60 days to enable it to gain the consent of Depositors of the applicable Series to a modification of the Terms and Conditions of the TCDs of such Series. Modifications to the Terms and Conditions of the TCDs of any Series will be notified to Depositors in accordance with Condition 11.

10. FURTHER ISSUES

The Bank is at liberty from time to time without the consent of the Depositors of the TCDs of any Series to accept further TCDs 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 TCDs) and so that the same shall be consolidated and form a single series with the outstanding TCDs of a particular Series.

11. NOTICES

All notices with respect to the TCDs by the Bank or the Registrar will be valid if despatched by prepaid ordinary post (airmail if posted to a place outside Australia) to the Depositors at their registered addresses (or, in the case of joint holders, to the address of the first named joint holder recorded in the Register). Such notice is taken to be received on the third (seventh, if posted to a place outside Australia) day after the date of mailing.

Alternatively, all notices by the Bank or the Registrar will be valid if published in The Australian Financial Review. If publication in that newspaper is not practicable, notices by the Bank or the Registrar will be valid if published in such other newspaper or newspapers having general circulation throughout Australia as the Bank or the Registrar shall determine. Any such notice shall be deemed to have been given on the date of publication, or if published on different dates, on the first date on which publication shall have been made.

12. CURRENCY INDEMNITY

12.1 If a judgment or order is rendered by a court for the payment of any amount owing to the Depositor under these Terms and Conditions or for the payment of damages in respect thereof and any such judgment or order is expressed in a currency (the "Judgment Currency") other than that in which the TCDs are denominated and payable or payable (the "Relevant Currency") and the Depositors do not have an option to have such judgment or order of such court to be expressed in the Relevant Currency, the Bank shall indemnify and hold the Depositor harmless against any deficiency arising or resulting from any variation in rates of exchange between the Judgment Currency and the Relevant Currency occurring between:

- (i) the date on which any amount expressed in the Relevant Currency is converted, for the purposes of making or filing any claim resulting in any such judgment or order, into an equivalent amount in the Judgment Currency, or if such conversion is made by the court for the purpose of making such judgment, the date of such conversion, and
- (ii) the date or dates of payment of such amount (or part thereof) or of discharge of such first-mentioned judgment or order (or part thereof) as appropriate.

12.2 The indemnity in Condition 12.1 shall constitute an obligation of the Bank separate and independent from its other obligations under the Terms and Conditions, shall give rise to a separate and independent cause of action, and shall continue in full force and effect notwithstanding any judgment

or order or the filing of any proof or proofs in the liquidation of the Bank for a liquidated sum or sums in respect of amounts due under these Terms and Conditions or under any such judgment or order. Any such deficiency shall be deemed to constitute a loss suffered by the Depositor and no proof or evidence of any actual loss shall be required by the Bank or its liquidator.

- 12.3** If by reason of any judgment referred to in Condition 12.1 the amount receivable by the Depositor if converted on the date of payment into the Relevant Currency would yield a sum in excess of that due (expressed in the Relevant Currency) the Bank shall retain such excess.

13. GOVERNING LAW AND JURISDICTION

13.1 Governing Law

The TCDs are governed by, and shall be construed in accordance with, the laws in force in the Australian Capital Territory.

13.2 Jurisdiction

The courts of the Australian Capital Territory and courts of appeal from them are to have jurisdiction to decide any matters and settle any disputes which may arise out of or in connection with the TCDs. Any party proposing to bring an action with respect to the TCDs waives any right it has to object to an action being brought in those courts, to claim that the action has been brought in an inconvenient forum, or to claim that those courts do not have jurisdiction.

E. AUSTRALIAN TAXATION

Under the provisions of the Income Tax Assessment Act 1936 (as amended) of the Commonwealth of Australia (the "Tax Act") as at the date of this Information Memorandum, the Bank or any person making payments on behalf of the Bank is required to deduct interest withholding tax imposed by the Commonwealth of Australia from payments of interest or amounts in the nature of interest in respect of the TCDs to non-residents of the Commonwealth of Australia not carrying on business in the Commonwealth of Australia at or through a permanent establishment with which the payment is effectively connected and to residents of the Commonwealth of Australia carrying on business at or through a permanent establishment outside the Commonwealth of Australia with which the payment is effectively connected unless a certificate pursuant to section 221YM of the Tax Act is produced to the Registrar not later than the relevant Registry Closing Time (as defined in the Terms and Conditions for the relevant TCDs) for the relevant payment.

The requirements for obtaining an exemption from this withholding tax are set out in section 128F of the Tax Act. Interest or an amount in the nature of interest paid on TCDs issued will be exempt from this withholding tax if, inter alia:

- (i) the Bank is a resident of Australia when it issues TCDs and when interest or an amount in the nature of interest is paid; and
- (ii) the TCD issue by the Bank passes one of the public offer tests in section 128F of the Tax Act containing five basic alternatives designed to ensure that persons operating in financial markets are aware that the Bank is offering TCDs for issue.

Unless the Terms and Conditions or applicable Terms Sheet for TCDs specify to the contrary, the Bank intends to issue TCDs which will satisfy requirements (i) and (ii) above.

The public offer test

In summary, the alternatives to satisfy the public offer test in respect of TCDs are:

- (i) offers to 10 or more unrelated financiers or securities dealers in the financial markets;
- (ii) offers to 100 or more likely investors;
- (iii) offers of TCDs that are listed on a stock exchange by agreement between the issuer and a dealer, manager or underwriter;
- (iv) offers via publicly available financial markets sources; or

- (v) offers to dealers, managers or underwriters who by agreement with the issuer offer the TCDs for sale within 30 days by one of the preceding methods.

Associate of issuer

The public offer test in respect of TCDs will not be satisfied if, at the time of issue, the Bank knew or should have suspected that the TCDs would be acquired by an associate of the Bank (other than in the capacity of a dealer, manager or underwriter in relation to placement of the TCDs).

Accordingly, associates of the Bank must not purchase TCDs issued on or after the date of this Information Memorandum in connection with the initial distribution of those TCDs or otherwise where the public offer test would not be satisfied.

Moreover, the section 128F exemption will not be available if, at the time of payment, the Bank knew or should have suspected that interest (or an amount in the nature of interest) in respect of a TCD was to be paid to an associate of the Bank.

Accordingly, TCDs issued on or after the date of this Information Memorandum must not be purchased by associates of the Bank who are non-residents of the Commonwealth of Australia not carrying on business in the Commonwealth of Australia at or through a permanent establishment with which the purchase or any subsequent payment under the TCDs is or will be effectively connected or residents of the Commonwealth of Australia carrying on business at or through a permanent establishment outside the Commonwealth of Australia with which the purchase or any subsequent payment under the TCDs is or will be effectively connected.

F. CONTACT INFORMATION

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