

Commonwealth Bank Australia

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



Incorporated in Australia with limited liability

ASB Finance Limited, London Branch

Incorporated in New Zealand with limited liability

Unconditionally and irrevocably guaranteed (in the case of Notes issued by ASB Finance Limited, London Branch) by

ASB Bank Limited

Incorporated in New Zealand with limited liability

U.S.\$70,000,000,000 Euro Medium Term Note Programme

All references in the Programme Circular to ASB Finance Limited, London Branch shall, for the purpose of the disclosure requirement of the Prospectus Directive (as defined below), be construed as references to ASB Finance Limited.

Commonwealth Bank of Australia ("CBA" or the "Bank") and ASB Finance Limited, London Branch ("ASB Finance" and, together with CBA, the "Issuers") may from time to time issue Euro Medium Term Notes (the "Notes") in any form contemplated in "Conditions of the Notes" herein and as described in "Description of the Programme" herein. The payment of all amounts payable in respect of Notes issued by ASB Finance will be unconditionally and irrevocably guaranteed by ASB Bank Limited ("ASB" or the "Guarantor"). Notes issued by CBA may have the benefit of a guarantee provided by the Commonwealth of Australia (acting through the Reserve Bank of Australia) (the "Commonwealth of Australia") (such Notes being the "Australian Government Guaranteed Notes"). Notes issued by ASB Finance may have the benefit of a guarantee provided by Her Majesty the Queen in right of New Zealand acting by and through the Minister of Finance (the "NZ Government" and such Notes being "NZ Government Guaranteed Notes"). The relevant final terms document (the "Final Terms") will specify if the Notes are Australian Government Guaranteed Notes or NZ Government Guaranteed Notes.

The Notes will be issued from time to time to one or more of the Dealers specified on page 8 (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 Financial Intermediaries (each a "Financial Intermediary" and together the "Financial Intermediaries") to the public in the Public Offer Jurisdictions indicated in the applicable Final Terms. The relevant Issuer may agree with any Dealer and The Law Debenture Trust Corporation p.l.c. (the "Trustee") as trustee for the holders of the Notes that Notes may be issued in a form not contemplated by the "Conditions of the Notes" herein, in which case supplementary listing particulars, if appropriate, will be published which will describe the effect of the agreement reached in relation to such Notes.

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

Any person (an "Investor") intending to acquire or acquiring any securities from any person (an "Offeror") should be aware that, in the context of an offer to the public as defined in section 102B of the Financial Services and Markets Act 2000 ("FSMA"), the Issuer may be responsible to the Investor for the Programme Circular under section 90 of FSMA, only if the Issuer has authorised that Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is so authorised by the Issuer. If the Offeror is not authorised by the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Programme Circular for the purposes of section 90 of FSMA in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Programme Circular and/or who is responsible for its contents it should take legal advice.

Application has been made to the Financial Services Authority acting in its capacity as the competent authority under the Financial Services and Markets Act 2000 (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 Directive 2004/39/EC (the "Markets in Financial Instruments Directive"). Notice of the aggregate nominal amount of, interest (if any) payable in respect of, the issue price of, and any other terms and conditions not contained herein which are applicable to, each Series of Notes will be set forth in the Final Terms which, with respect to Notes to be listed on the London Stock Exchange, will be delivered to the UK Listing Authority and the London Stock Exchange.

This document is issued in replacement of a Programme Circular dated 16 October 2008 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 Capital

Citi

Credit Suisse

Deutsche Bank

HSBC

Morgan Stanley

The Royal Bank of Scotland

BofA Merrill Lynch

Commonwealth Bank of Australia

Daiwa Securities SMBC Europe

Goldman Sachs International

J.P. Morgan

Nomura International

UBS Investment Bank

Dated 16 October, 2009

This Programme Circular comprises a base prospectus of each Issuer, as explained in the following paragraph, for the purposes of Article 5.4 of Directive 2003/71/EC (the “Prospectus Directive”).

CBA accepts responsibility for the information contained in the CBA Base Prospectus. The “CBA Base Prospectus” includes the information contained in this Programme Circular except for any of the information contained herein under paragraphs (b) and (c) of “Documents Incorporated by Reference” on page 27 and under the headings, “Issuers – ASB Finance Limited, London Branch” and “Guarantor – ASB Bank Limited” on page 7, under the heading “Notes issued with the benefit of the NZ Government Guarantee” on page 9, under the headings “Risk Factors – ASB Finance” and “Risk Factors – ASB” on page 17, under the headings “Risk Factors – Factors that may be material to NZ Government Guaranteed Notes” on page 24, under the headings “ASB Finance Limited, London Branch” and “Directors of ASB Finance Limited, London Branch” on pages 97 and 98, under the headings “ASB Bank Limited” and “Directors of ASB Bank Limited” on pages 99 to 105 (inclusive) and under the headings “General Information – New Zealand Government Guarantee” on page 122. Each of ASB and ASB Finance accepts responsibility for the information contained in the ASB Finance Base Prospectus. The “ASB Finance Base Prospectus” includes the information contained in this Programme Circular except for any of the information contained herein under paragraph (a) of “Documents Incorporated by Reference” on page 27 and under the headings “Issuers – Commonwealth Bank of Australia” on page 7, under the heading “Notes issued with the benefit of the Australian Government Guarantee” on page 9, under the headings “Risk Factors – CBA” on pages 14 to 16 (inclusive), under the headings “Risk Factors – Factors that may be material to Australian Government Guaranteed Notes” on page 23, under the headings “Commonwealth Bank of Australia” and “Directors of Commonwealth Bank of Australia” on pages 89 to 96 (inclusive) and under the headings “General Information – Australian Government Guarantee” on page 121. To the best of the knowledge of each of CBA, ASB Finance and ASB (which have each taken all reasonable care to ensure that such is the case) the information contained in the Base Prospectus for which it has taken responsibility in accordance with the preceding sentences of this paragraph, is in accordance with the facts and does not omit anything likely to affect the import of such information.

The previous paragraph should be read in conjunction with paragraph 5 on the first page of this Programme Circular.

The Commonwealth of Australia has neither reviewed this Programme Circular nor verified any of the information contained in this Programme Circular and the Commonwealth of Australia neither makes any representation or warranty nor accepts any responsibility as to the accuracy or completeness of the information contained in this Programme Circular or in any other document relating to the offering and sale of the Notes or any other statement made or purported to be made on its behalf. The Commonwealth of Australia accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Programme Circular or any such information.

The NZ Government has neither reviewed this Programme Circular nor verified any of the information contained in this Programme Circular and the NZ Government neither makes any representation or warranty nor accepts any responsibility as to the accuracy or completeness of the information contained in this Programme Circular or in any other document relating to the offering and sale of the Notes. The NZ Government accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Programme Circular or any such information.

The information on the Commonwealth of Australia and the NZ Government (including the information which is incorporated by reference into this Programme Circular) has been reproduced from information provided by the Commonwealth of Australia and the NZ Government respectively (the “Third Party Information”). CBA confirms that the Third Party Information relating to the Commonwealth of Australia has been accurately reproduced from the information provided to it and as far as CBA is aware and able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading. ASB Finance and ASB confirm that the Third Party Information relating to the NZ Government has been accurately reproduced from the information provided to them and as far as they are aware and able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading. None of the Issuers, the Guarantor, the Dealers and their respective affiliates has reviewed or verified

the Third Party Information. The Issuers and the Guarantor do not make any other and the Dealers do not make any representation or warranty to, nor accept any responsibility for, the accuracy, sufficiency or completeness of the Third Party Information. The Issuers, the Guarantor and the Dealers accordingly disclaim all and any liability, whether arising in tort or contract or otherwise, which they might otherwise have in respect of such Third Party Information.

The fact that as at 30 June 2009, CBA was Australia's largest bank in terms of housing loans and retail deposits is sourced from the Australian Prudential Regulatory Authority monthly Banking Statistics June 2009 (issued 31 July 2009) (Tables 2 and 4). CBA 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 fact that ASB internet banking and branch banking consistently rate among the best in New Zealand is sourced from The Nielsen Company, Consumer Finance Monitor Q2 2009. ASB 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 Nielsen Company Consumer Finance Monitor, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Programme Circular (and, therefore, acting in association with the Issuer) in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Managers and the persons named in or identifiable following the applicable Final Terms as the Financial Intermediaries, as the case may be.

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES FROM AN OFFEROR WILL DO SO, AND OFFERS AND SALES OF THE NOTES TO AN INVESTOR BY AN OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH INVESTORS (OTHER THAN THE DEALERS) IN CONNECTION WITH THE OFFER OR SALE OF THE NOTES AND, ACCORDINGLY, THIS PROGRAMME CIRCULAR AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION. THE ISSUER HAS NO RESPONSIBILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.

Copies of the Final Terms will be available from the registered office of CBA at Level 7, 48 Martin Place, Sydney, NSW 2000, Australia, the London branch office of ASB Finance (currently Senator House, 85 Queen Victoria Street, London EC4V 4HA) and the specified office set out below of each of the Paying Agents (as defined below).

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, save as specified herein, be read and construed on the basis that such documents are so incorporated and form part of this Programme Circular.

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

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

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

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

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

This Programme Circular has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Programme Circular as completed by final terms in relation to the offer of those Notes may only do so (i) 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 supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer 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 and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any 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.

Any reference herein to an agreement between either Issuer, the Guarantor (where the relevant Issuer is ASB Finance) and the relevant Dealer shall, in the case of Notes being, or intended to be,

subscribed by more than one Dealer, be to an agreement between such Issuer, the Guarantor (where the relevant Issuer is ASB Finance) and all such Dealers.

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

The Guarantee (as defined below) means the ASB guarantee in favour of ASB Finance (described in Condition 3(c)), but does not mean the separate guarantees given by the Commonwealth of Australia in respect of Australian Government Guaranteed Notes or the NZ Government in respect of the NZ Government Guaranteed Notes, which are referred to in this Programme Circular as the “Australian Government Guarantee” and the “NZ Government Guarantee”, respectively. The Australian Government Guarantee is described and defined under “General Information – Australian Government Guarantee”. The NZ Government Guarantee is described and defined under “General Information – New Zealand Government Guarantee”.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms 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 Stabilising Manager(s) (or persons acting on behalf of a Stabilising 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 Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

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Summary of Terms and Conditions of the Programme and the Notes

This summary must be read as an introduction to this Programme Circular and any decision to invest in any Notes should be based on a consideration of this Programme Circular as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area no civil liability will attach to CBA, ASB Finance or ASB in any such Member State in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Programme Circular. Where a claim relating to information contained in this Programme Circular is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Programme Circular before the legal proceedings are initiated.

Words and expressions defined in “Form of the Notes” and “Conditions of the Notes” below shall have the same meanings in this summary:

Issuers:

Commonwealth Bank of Australia

Summary Information

CBA is a public company incorporated in Australia with an ordinary share capital of A\$21,642 million at 30 June 2009. CBA and its subsidiaries together provide a wide range of banking, financial and related services in Australia.

At 30 June 2009, CBA and its consolidated subsidiaries had total assets of A\$620,372 million, deposits and other public borrowings of A\$368,721 million and total regulatory capital of A\$30,095 million. Net profit after income tax (statutory basis) for the year ended 30 June 2009 was A\$4,723 million.

Business

CBA provides a comprehensive range of banking, financial, life and risk business insurance and funds management and related services in Australia, New Zealand, throughout Asia and in the United Kingdom.

ASB Finance Limited, London Branch

ASB Finance Limited is a wholly owned subsidiary of ASB, incorporated in New Zealand for the purpose of raising funds from offshore institutional debt markets to fund operations of ASB.

The primary activities of ASB Finance is to raise funds from offshore institutional debt markets under approved debt issuance programmes and to on-lend those funds to ASB. As at 30 June 2009, ASB Finance Limited had total assets of NZ\$12,313 million. Net profit after tax for the year ended 30 June 2009 was NZ\$2,547,000.

Guarantor:

ASB Bank Limited

Summary Information

ASB is a company incorporated in New Zealand and is the parent company of a group comprising itself and a number of special purpose subsidiaries.

ASB is a full service, nationally operating bank. ASB is a wholly owned subsidiary of ASB Holdings Limited which in turn is owned 100 per cent. by CBA.

As at 30 June 2009, ASB had total assets of NZ\$65,230 million (including total advances of NZ\$53,393 million) and total deposits of NZ\$56,714 million. Net profit after tax for the year ended 30 June 2009 was NZ\$425 million.

Risk Factors:

There are certain factors that may affect each Issuer's ability to fulfil its obligations under Notes issued under the Programme and the Guarantor's ability to fulfil its obligations under the Guarantee. These include each Issuer's and the Guarantor's exposure to adverse changes in the Australian, New Zealand and global economies and risks relating to volatility of interest rates and increased competition.

In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of particular Series of Notes and certain market risks. There are also factors that may be material to the Australian Government Guaranteed Notes and the NZ Government Guaranteed Notes. These include the fact that proceedings may need to be commenced against the Commonwealth of Australia or the NZ Government (as applicable) if their respective obligations are not performed and that both of these guarantee schemes are subject to change.

Arranger:

UBS Limited

Dealers:

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

Under the Programme Agreement, other institutions may be appointed Dealers either in relation to the Programme as a whole or in relation to specific issues thereunder.

Form:

The Notes will be issued in bearer and/or registered form and may on issue be represented by one or more global Notes.

Denominations of Notes:

The Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "Certain Restrictions – Notes having a maturity of less than one year" above, and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Taxation:

All payments in respect of the Notes will be made without withholding or deduction for or on account of withholding taxes of the Commonwealth of Australia (in the case of Notes issued by CBA) or New Zealand or the United Kingdom (in the case of Notes issued by ASB Finance) unless such withholding or deduction is required by law and (in either case) any Taxing Jurisdiction as provided in Condition 9. In the event that any such withholding or deduction is made, the relevant Issuer or, as the case may be, the Guarantor will, save in certain limited circumstances provided in Condition 9, be required to pay such additional amounts in respect of the Notes as will result (after withholding or deduction of the Taxes) in payment to the holders of the Notes of the amounts which would have been payable had there been no such withholding or deduction.

In the event that any payment made by the Commonwealth of Australia in respect of Australian Government Guaranteed Notes is

made subject to deduction or withholding for or on account of any taxes, duties, assessments or governmental charges of any nature, no additional amounts shall be payable by the Commonwealth of Australia or any other person in respect of such deduction or withholding.

Status of the Unsubordinated Notes:	The Unsubordinated Notes will constitute direct, unconditional and unsecured obligations of the relevant Issuer and will rank without any preference or priority amongst themselves and <i>pari passu</i> with all other present and future unsecured and unsubordinated obligations (other than in respect of statutorily preferred creditors) of the relevant Issuer subject as provided in the second and third paragraphs of Condition 3(a) and in Condition 4.
Negative Pledge for Unsubordinated Notes:	In each Tranche of Unsubordinated Notes there will be a negative pledge given by the relevant Issuer, the terms of which are set out in Condition 4.
Notes issued with the benefit of the Australian Government Guarantee:	If the Commonwealth of Australia issues an eligibility certificate for the purposes of the deed of guarantee dated 20 November 2008 executed on behalf of the Commonwealth of Australia and taking effect from 28 November 2008 and pursuant to the Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding Rules (the "Scheme Rules") in respect of particular Notes, then the applicable Final Terms will specify that the Australian Government Guarantee applies to those Notes. The holders of such Notes will be the beneficiaries under the Australian Government Guarantee. The form of the Australian Government Guarantee and the Scheme Rules governing it are available at www.guaranteescheme.gov.au .
Notes issued with the benefit of the NZ Government Guarantee:	If the NZ Government issues a guarantee eligibility certificate pursuant to the deed of guarantee dated 19 June 2009 executed on behalf of the NZ Government in respect of any Notes (being Unsubordinated Notes) issued or to be issued by ASB Finance, then the NZ Government (by virtue of the NZ Government Guarantee) will irrevocably guarantee payment of the Guarantor's liabilities to pay all amounts of principal and interest (excluding any penalty interest or other amounts only payable following a default) in respect of such NZ Government Guaranteed Notes that are not paid on the dates originally scheduled for payment under those NZ Government Guaranteed Notes. Any payment by the NZ Government under the NZ Government Guarantee in respect of NZ Government Guaranteed Notes will only be made on the originally scheduled due date for payment and not on an accelerated basis for any reason. A claim may not be made under the NZ Government Guarantee by a person who is a Related Party (as defined in the NZ Government Guarantee) of ASB. Copies of the NZ Government Guarantee and each guarantee eligibility certificate issued by the NZ Government are available for inspection at www.treasury.govt.nz/economy/guarantee/wholesale . The holders of NZ Government Guaranteed Notes are deemed to have notice of all the provisions of the NZ Government Guarantee and any applicable guarantee eligibility certificate.
Events of Default for Unsubordinated Notes:	Events of Default for each Tranche of Unsubordinated Notes, including a cross default provision, are set out in Condition 11.
Status and other terms of Subordinated Notes:	Each Tranche of Subordinated Notes issued by CBA will rank <i>pari passu</i> with all other present and future outstanding unsecured subordinated indebtedness of CBA unless the terms of such other unsecured subordinated indebtedness of CBA expressly provide for it to rank ahead of or junior to the Notes of that Series. Each Tranche of Subordinated Notes issued by CBA will rank senior to all share capital of CBA (including without limitation preference shares, if any, of CBA).

The status of each Tranche of Subordinated Notes issued by ASB Finance and any negative pledge applicable to such Subordinated Notes will be set out in the applicable Final Terms.

Issuer Covenant:

If the Issuer of the Notes is ASB Finance, it covenants that the proceeds of any issue will be lent to ASB pursuant to a loan agreement in the same currency and on the same financial terms with the addition of such margin or amounts as the Issuer may determine.

Status of the Guarantee:

The Guarantor has, in the Trust Deed, unconditionally and irrevocably guaranteed the due and punctual payment of the principal of, and interest on, all Notes issued by ASB Finance and all other amounts payable by ASB Finance under or pursuant to the Trust Deed.

The obligations of the Guarantor under the Guarantee constitute:

- (a) in the case of Unsubordinated Notes issued by ASB Finance, direct, unconditional and unsecured obligations of the Guarantor and will rank without any preference or priority amongst themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations (other than statutorily preferred creditors) of the Guarantor subject as provided in Condition 4; and
- (b) in the case of Subordinated Notes issued by ASB Finance, direct, unconditional and unsecured obligations of the Guarantor and will rank as set out in the applicable Final Terms and supplemental trust deed.

Events of Default for Subordinated Notes:

Events of Default for each Tranche of Subordinated Notes issued by CBA are set out in Condition 11. Events of Default for each Tranche of Subordinated Notes issued by ASB Finance will, if relevant, be set out in the applicable Final Terms.

Listing:

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.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the relevant Issuer, the Guarantor (where the relevant Issuer is ASB Finance) and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Governing Law:

English law, except that the Australian Government Guarantee is governed by the laws of New South Wales, Australia and the NZ Government Guarantee is governed by the laws of New Zealand.

Overview of the Programme

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the Summary and the remainder of this Programme Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a supplemental Programme Circular will be published.

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.

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

Issuers: Commonwealth Bank of Australia
ASB Finance Limited, London Branch

Guarantor (of Notes issued by ASB Finance Limited only):

ASB Bank Limited

Description: Euro Medium Term Note Programme

Arranger: UBS Limited

Dealers: Barclays Bank PLC
Citigroup Global Markets Limited
Commonwealth Bank of Australia
Credit Suisse Securities (Europe) Limited
Daiwa Securities SMBC Europe Limited
Deutsche Bank AG, London Branch
Goldman Sachs International
HSBC Bank plc
J.P. Morgan Securities Ltd.
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 issued by ASB Finance having maturity of less than one year 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.

Trustee:

The Law Debenture Trust Corporation p.l.c.

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, Swiss Francs and such other currencies as may be agreed with the relevant Dealer.

Maturities:	Subject to any applicable laws and regulations, any original maturity. For certain limitations on the maturity of Australian Government Guaranteed Notes and NZ Government Guaranteed Notes please refer to “General Information – Australian Government Guarantee” and “General Information – New Zealand Government Guarantee” respectively.
Issue Price:	Notes may be issued at par or at a discount to, or premium over, par and either fully or on a partly-paid basis.
Form of Notes:	The Notes will be issued in bearer and/or registered form as described in “Form of the Notes”.
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:	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 or on such other basis as may be specified in the applicable Final Terms. The Margin (if any) relating to such floating rate will be specified in the applicable Final Terms.
Index Linked Notes:	Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index, commodity, currency or event (or any combination of the same) and/or formula or formulae as the relevant Issuer and the relevant Dealer may agree.
Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:	Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes and Index Linked Interest Notes will be payable on Interest Payment Dates, as agreed at the time of agreement to issue, and will be calculated on the basis of the Day Count Fraction specified in the applicable Final Terms. Details of the interest rate applicable to the then current Interest Period in respect of the Floating Rate Notes or Index Linked Interest Notes of any Series will be available from the Agent.
Low Interest (discount) Notes:	Low Interest (discount) Notes will be offered and sold at a discount to their nominal amount and will bear interest at a rate lower than would otherwise be payable if they were issued at or about par.
High Interest (premium) Notes:	High Interest (premium) Notes will be offered and sold at a premium to their nominal amount and will bear interest at a rate higher than would otherwise be payable if they were issued at or about par.
Redemption:	The applicable 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 relevant 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.

The applicable Final Terms may provide that Notes may be redeemed in two or more instalments and on such dates and on such other terms as may be indicated in such Final Terms.

Notes issued by ASB Finance having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see “Certain Restrictions – Notes having a maturity of less than one year” above.

Risk Factors

CBA believes that the factors set out below under the heading “CBA” may affect its ability to fulfil its obligations under Notes issued under the Programme. ASB Finance believes that the factors set out below under the heading “ASB Finance” may affect its ability to fulfil its obligations under Notes issued under the Programme. ASB believes that the factors set out below under the heading “ASB” may affect its ability to fulfil its obligations under the Guarantee. Most of these factors are contingencies which may or may not occur and neither Issuer nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

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

Each of the Issuers and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the relevant Issuer or the Guarantor (in the case of Notes issued by ASB Finance) to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and neither Issuer nor the Guarantor represents that the statements below regarding the risks of holding any Notes are exhaustive. 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.

Neither the Commonwealth of Australia nor the NZ Government have reviewed or verified these risk factors.

CBA

CBA’s businesses may be adversely affected by the current disruption in the global credit markets and associated impacts

Global credit and equity markets, particularly in the United States and Europe, have experienced extreme volatility, disruption and decreased liquidity for more than 24 months, reaching unprecedented levels of disruption from September 2008. These challenging market conditions have resulted in less liquidity, greater volatility, widening of credit spreads and a lack of price transparency in markets generally.

Our businesses operate in, or depend on the operation of, these markets, either directly or indirectly, including through exposures in securities, loans, derivatives and other activities. In addition, turmoil in the financial markets has flowed into the real economy, with major global economies either slowing substantially or contracting, which has caused increased unemployment in many countries, including Australia. As a diversified financial institution, we may be impacted in a number of ways by the current economic climate.

We continue to monitor industry and company specific developments and the state of the global and Australian economies; however, it is difficult to predict how long these conditions will persist and which markets, products or other businesses will be affected, and these factors may continue to adversely impact our results of operations.

A downturn in the Australian and New Zealand economies could adversely impact CBA’s results

As a financial group whose core businesses are banking, funds management and insurance, the performance of CBA is dependent on the state of the Australian and New Zealand economies, customer and investor confidence and prevailing market rates. The results of CBA in recent years have benefited from historically high rates of growth of the Australian and New Zealand economies, strong links to the rapidly growing economies in China, India and South East Asia, low unemployment and, until the 2008 financial year, historically low rates of inflation. We can give no assurances as to the likely future states of the Australian and New Zealand economies, which can be influenced by many factors within and outside Australia and New Zealand, outside of our control.

Australian economic conditions at the end of August 2009 revealed a weakening in retail sales, increasing unemployment and rising bankruptcies, particularly in small to medium size enterprises. As a result, our impairment expense increased 228 per cent. to \$3,048 million, our total impaired assets increased 516 per cent. to \$4,210 million and our collective provision for impairment rose 120 per cent. to A\$3,225 million.

A material downturn in the Australian and New Zealand economies could adversely impact future results and could potentially result in further increases in the amount overdue on individual loans. Recessive economic cycles also have a negative influence on liquidity levels, credit defaults

of corporations and other borrowers and return on assets. Our 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 market or property valuations could adversely affect our home 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.

CBA may incur losses associated with its counterparty exposures

CBA faces the possibility that a counterparty may be unable to honour its contractual obligations to CBA. These parties may default on their obligations to CBA 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 CBA, 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.

Adverse credit market conditions may significantly affect CBA's ability to access international capital markets, cost of capital and ability to meet liquidity needs

Disruptions, uncertainty or volatility in the credit markets may limit CBA's access to capital, particularly its ability to issue longer-dated securities in international capital markets at a cost that is acceptable to CBA. These market conditions may limit CBA's ability to replace, in a timely manner, maturing liabilities and access the capital necessary to grow its business. As such, CBA may be forced to delay raising capital, issue shorter tenors than it prefers, or pay unattractive interest rates, thereby increasing CBA's interest expense, decreasing its profitability and significantly reducing its financial flexibility.

CBA is subject to extensive regulation, which could impact its results

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

The requirement to maintain certain levels of Tier One and Tier Two capital determines the level of CBA'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 CBA's results of operations.

CBA may face operational risks associated with a complex financial institution and may incur losses as a result of ineffective risk management processes and strategies

CBA's businesses are highly dependent on our ability to process and monitor, on a daily basis, a very large number of transactions, many of which are highly complex, across numerous and diverse markets in many currencies. Our financial, accounting, data processing or other operating systems and facilities may fail to operate properly or 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. In addition, we are exposed to the risk of loss resulting from human error, the failure of internal or external processes and systems or from external events. 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.

While we employ a range of risk monitoring and risk mitigation techniques, those techniques and the judgments that accompany their application cannot anticipate every economic and financial outcome or the specifics and timing of such outcomes. As such, we may, in the course of our activities, incur losses. 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.

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

Market, interest rate and currency risks could adversely impact CBA's results

CBA is subject to the risks typical of banking, insurance and funds management activities, such as interest rate fluctuations, exchange rate variations and capital and equity market volatility. Many of these risks are outside its control. The results of CBA's banking and insurance operations are affected by CBA's management of interest rate sensitivity. Activity in the securities markets generally also affects its banking, funds management and insurance businesses. CBA also offer a number of financial products that expose it to risks associated with fluctuations in interest rates, securities prices or the value of real estate assets.

CBA faces intense competition, which could adversely impact its results

CBA 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.

Liquidity and funding, operational and insurance risks could adversely impact CBA's results

CBA is subject to liquidity and funding risks, operational risks and life insurance 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. 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. Further information on liquidity and funding risk is also included in note 41 to CBA's audited consolidated and non-consolidated annual financial statements for the financial year ended 30 June 2009.

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 36 to the 2009 Financial Statements).

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

Reputational damage could harm CBA's business and prospects

Various issues may give rise to reputational risk and cause harm to CBA's business and prospects. These issues include appropriately dealing with potential conflicts of interest, legal and regulatory requirements, ethical issues, money laundering laws, trade sanctions legislation, privacy laws, information security policies, sales and trading practices, and conduct by companies in which CBA holds strategic investments. Failure to address these issues appropriately could also give rise to additional legal risk, subject CBA to regulatory enforcement actions, fines and penalties, or harm its reputation among customers and investors in the marketplace.

CBA's business may be adversely affected by acquisitions of businesses

From time to time CBA evaluates and undertakes acquisitions of businesses. With acquisitions there is a risk that CBA 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, CBA may achieve lower than expected cost savings or otherwise incur losses, CBA may lose customers and market share, or face disruptions to our operations resulting from integrating the systems and processes of the acquired business into CBA, or the acquisition may have other negative impacts on CBA's results, financial condition or operations. CBA 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 CBA will be unable to comply with its obligations as a company with securities admitted to the Official List or that CBA will be unable to comply with its obligations as a supervised firm regulated by the Financial Services Authority.

ASB Finance

Factors affecting ASB Finance

ASB Finance is a funding vehicle for ASB, which is itself a wholly-owned subsidiary of CBA. As such, its principal purpose is to raise funds from offshore institutional debt markets to fund operations of ASB. Notes issued under the Programme by ASB Finance are guaranteed by ASB on a subordinated or on an unsubordinated basis, as specified in the applicable Final Terms, pursuant to the Trust Deed. ASB Finance is affected by the same risk factors which affect CBA's ability to fulfil its obligations under the Notes issued under the Programme.

ASB

Factors affecting ASB Bank Limited

ASB Bank Limited is a wholly-owned subsidiary of CBA and as such, is affected by the same risk factors which affect CBA's ability to fulfil its obligations under the Notes issued under the Programme as its operations are similar in scope to those of CBA. There are no additional risk factors solely affecting ASB other than the potential further provision described in the section entitled "ASB Bank Limited – Contingent Liabilities – New Zealand Structured Finance Transactions" on page 103.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

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 should:

- (i) have 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) have 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) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Notes

A wide 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:

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the relevant 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 relevant 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.

Index Linked Notes and Dual Currency Notes

The Issuers may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a “Relevant Factor”). In addition, the Issuers may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, potential investors should consult their own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of their particular circumstances.

Partly-paid Notes

The Issuers may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Notes with a multiplier or other leverage factor can be volatile investments and Noteholders may not receive returns that directly correlate to the performance of the relevant Underlying(s)

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Furthermore, the amounts payable under such Notes may not directly correlate to the rise and/or fall in price or level of an Underlying. For example, Notes may provide that any positive performance of any Underlying is subject to:

- (a) a percentage participation factor that is less than 100 per cent. of a price or level of such Underlying;
- (b) a cap or maximum amount; and/or
- (c) a negative spread or percentage deduction to a relevant price or level of such Underlying,

which, in each case, would mean that the positive performance (if any) of such Underlying is not fully accounted for in any relevant payment(s) made under the Notes.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed / Floating Rate Notes

Fixed/Floating Rate Notes 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 relevant Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant 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 relevant Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

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

The Issuers' obligations under Subordinated Notes are subordinated

The Issuers' obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority of payment to Senior Liabilities. "Senior Liabilities" means any direct, unconditional and unsecured obligations of the Issuers. Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent.

Risks related to Notes generally

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

Modification, waivers and substitution

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.

The Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the relevant Issuer, in the circumstances described in Condition 13 of the Conditions of the Notes.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States, including Belgium from 1 January 2010, are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being 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).

On 15 September, 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November, 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of the proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State or any relevant non-EU country or territory 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 relevant Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note, Coupon, Talon or Receipt as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent, the relevant Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

Change of law

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.

Notes where denominations involve integral multiples: definitive Notes

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 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 definitive Notes 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.

Risks related to the market generally

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

The secondary market generally

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. Illiquidity may have a severely adverse effect on the market value of Notes. 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.

The Issuers may, but are not obliged to, list an issue of Notes on a stock exchange. If Notes are not listed or traded on any exchange, pricing information for the relevant Notes may be more difficult to obtain and the liquidity of such Notes may be adversely affected.

If Notes are not listed on a regulated market, they may be traded on trading systems governed by the laws and regulations in force from time to time (e.g. multilateral trading systems or "MTF") or in other trading systems (e.g. bilateral systems, or equivalent trading systems). Trading in such Notes may take place outside the above-mentioned trading systems, with possible risks as to the transparency of the determination of prices. Investors should note that the Issuers do not grant any warranty to Noteholders as to the methodologies used to determine the price of Notes which are traded outside a trading system, however, where the Issuers or any of their affiliates determine the price of such Notes, they will take into account the market parameters applicable at such time in accordance with applicable provisions of law.

Each of the Issuers, the Guarantor 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. 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 should note that a secondary market may be affected by both legal restrictions in certain jurisdictions and by the Issuers, the Guarantor and/or any Dealer purchasing or holding Notes.

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 the performance of the relevant Underlying, prevailing interest rates at the time of sale, the time left before the stated maturity date and the creditworthiness of the relevant Issuer. It is therefore possible that an investor selling Notes in the secondary market may receive a price less than the investor's initial investment in the relevant Notes.

Impact of implicit fees on the Issue/Offer Price

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 Issuers 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 relating 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 relevant Issuer and/or any other person specified in the applicable Final Terms may reserve the right to cancel 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 payments made by an applicant investor for Notes that are not issued to such applicant investor for any such reason will be refunded. However, there will be a time lag in making any reimbursement, no interest will be payable in respect of any such amounts and the applicant investor may be subject to reinvestment risk.

Further, investors should note that, in certain circumstances, Notes may not be issued on the originally designated issue date, for example because either the relevant 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 this Base Prospectus the relevant 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.

Exchange rate risks and exchange controls

The relevant Issuer will pay principal and interest on the Notes and, where the relevant Issuer is ASB Finance, the Guarantor will make any payments under the Guarantee 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. 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.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to 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 or withdrawn by the rating agency at any time.

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 Base Prospectus 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 relevant 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 or specified assets deliverable on redemption of the Notes.

The Issuers, the Guarantor and/or any of their affiliates may from time to time engage in transactions involving Underlying(s) for their proprietary accounts or for other accounts under their management, subject to requirements of the Securities Act. The Issuers, the Guarantor and/or their affiliates may also issue other derivative instruments in respect of any Underlying(s). The Issuers, the Guarantor and/or their affiliates may also act as underwriter in connection with future offerings of shares or other securities related to an issue of Notes or may act as financial adviser to certain companies or companies whose shares are included in a basket of shares or in a commercial banking capacity for such companies. These activities may have a positive or negative effect on the value of the relevant Underlying(s) and consequently upon the value of the Notes.

The Issuers, the Guarantor and any Dealer may at the date hereof or at any time hereafter, be in possession of information in relation to an Underlying that is or may be material in the context of the Notes and may or may not be publicly available to Noteholders. There is no obligation on the Issuers, the Guarantor or any Dealer to disclose to Noteholders any such information.

The Issuers, the Guarantor and/or any of their affiliates may have existing or future business relationships with any Underlying(s) (including, but not limited to, lending, depositary, risk management, advisory and banking relationships), and will pursue actions and take steps that they or it deems necessary or appropriate to protect their and/or its interests arising therefrom without regard to the consequences for a Noteholder.

Where Notes are offered to the public, as the relevant Manager(s)/Dealer and any distributors act pursuant to a mandate granted by the relevant 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.

Post issuance information

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

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 consult its legal advisers to 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.

Factors that may be material to Australian Government Guaranteed Notes

Holders may be required to commence proceedings against the Commonwealth of Australia if obligations under the Australian Government Guarantee are not performed

If the Commonwealth of Australia does not perform its obligations under the Australian Government Guarantee, a holder of Australian Government Guaranteed Notes could commence proceedings against the Commonwealth of Australia under the Judiciary Act 1903 of Australia (the “Judiciary Act”). Jurisdiction to hear claims against the Commonwealth of Australia in contract is vested in certain Australian courts under the Judiciary Act. Accordingly, a holder of Australian Government Guaranteed Notes may not be able to bring an action against the Commonwealth of Australia in any jurisdiction other than Australia to enforce its rights under the Australian Government Guarantee. In addition, a holder of an Australian Government Guaranteed Note who obtains a judgment from a non-Australian court against the Commonwealth of Australia based on the Australian Government Guarantee may not be able to enforce that judgment in Australia. In proceedings under the Judiciary Act, the Commonwealth of Australia may not be entitled to any defence based on crown or sovereign immunity. However, the Australian Government Guarantee does not contain any submission to the courts of any jurisdiction outside Australia, and does not contain any waiver of any crown or sovereign immunity which might be available to the Commonwealth of Australia under the law of any foreign jurisdiction.

The Australian Government Guarantee Scheme is new and subject to change

The Australian Government Guarantee Scheme (as defined in “General Information – Australian Government Guarantee”) is new and the Australian Government Scheme Rules may be amended and are subject to change. Thus, obtaining payment on Australian Government Guaranteed Notes under the Australian Government Guarantee is subject to rules, procedures and practices of the Commonwealth of Australia that could be changed in the future. However, the Commonwealth of Australia may not amend the terms of the Australian Government Guarantee (except insofar as such amendment is required by law) unless such amendment does not reduce the Commonwealth of Australia’s obligations to the beneficiaries under the Australian Government Guarantee in a manner which is prejudicial to the interests of the beneficiaries in respect of any subsisting guaranteed liability. See clause 6 of the form of the Australian Government Guarantee.

Acceleration of the Commonwealth Guaranteed Notes will not be available if the Commonwealth of Australia makes timely payments

Under the terms of the Australian Government Guaranteed Notes, all payments made by the Commonwealth of Australia under the Australian Government Guarantee in respect of a Australian Government Guaranteed Note will constitute payment to Noteholders of any claim against CBA in respect of the Australian Government Guaranteed Notes for all purposes and to the extent of that payment. As a result, upon an event of default resulting from CBA’s failure to make any payment under the Australian Government Guaranteed Notes, the holders of the Australian Government Guaranteed Notes will not be entitled to accelerate the maturity of the Australian Government Guaranteed Notes as long as the Commonwealth of Australia makes payment under the Australian Government Guarantee in accordance with the Australian Government Guarantee Scheme Rules.

Guarantee payments by the Commonwealth of Australia may be delayed

There is no designated period within which the Commonwealth of Australia is required to make payments under the Australian Government Guarantee after it receives a valid claim from a holder of Australian Government Guaranteed Notes. Therefore, if the Commonwealth of Australia does not make the guarantee payments on receipt of a valid claim, the guarantee payments on the Australian Government Guaranteed Notes could be delayed from the date the payment is due under the terms of the Australian Government Guaranteed Notes. If the Australian Government Guaranteed Notes are held in the form of a Global Note, there is uncertainty over the process required for a beneficial holder of a Global Note to make a claim under the Australian Government Guarantee to the extent the legal holder of the Global Note fails to do so. It may be necessary for owners of beneficial interests in the Global Note representing the relevant Australian Government Guaranteed Notes to provide additional evidence of their ownership, request that the Global Note be exchanged for Notes in definitive form and issued to the holders of those beneficial interests or take other actions to substantiate their claims under the Australian Government Guarantee. This may result in delay before the owners of those beneficial interests are able to submit a valid claim and receive payment under the Australian Government Guarantee.

A Noteholder may not receive payment under the Australian Government Guarantee if it fails to follow the Scheme Rules claims process

In order to recover payment under the Australian Government Guarantee after CBA's failure to pay on the Australian Government Guaranteed Notes, the Noteholder must make a written valid claim to the Commonwealth of Australia. If a Noteholder fails to follow the claims process, it may not receive payment under the Australian Government Guarantee until it follows the relevant process.

Ratings of the Australian Government Guaranteed Notes

The Commonwealth of Australia is currently rated by rating agencies, including Moody's and Standard and Poor's Rating Services. The rating agencies may lower their rating, withdraw their rating or place their rating on credit watch if, in the sole judgment of such rating agency, the credit quality of the Commonwealth of Australia has declined or is in question. If any rating assigned to the Commonwealth of Australia or the Australian Government Guaranteed Notes is lowered, withdrawn or placed on credit watch, the market value of the Australian Government Guaranteed Notes may be reduced.

If a rating assigned to the Commonwealth of Australia or the Australian Government Guaranteed Notes on the Issue Date is subsequently lowered, withdrawn or placed on credit watch, the Noteholder is not entitled to any additional support or credit enhancement with respect to the relevant Australian Government Guaranteed Notes.

Factors that may be material to NZ Government Guaranteed Notes

Holders will need to commence proceedings against the NZ Government if obligations under the NZ Government Guarantee are not performed

If the NZ Government does not perform its obligations under the NZ Government Guarantee a holder of NZ Government Guaranteed Notes could commence proceedings against the NZ Government. The NZ Government is not entitled to claim immunity from suit in any proceedings taken in the New Zealand courts in relation to the NZ Government Guarantee. The NZ Government is immune from enforcement against, or execution or attachment of assets of the NZ Government in New Zealand. In proceedings against the NZ Government, the rights of parties are, as nearly as possible, the same as in proceedings between subjects of the NZ Government. Those rights are to be ascertained, as nearly as possible, by the same rules of law (substantive and procedural, statutory and otherwise) as would apply as if the NZ Government acquires no special privilege in such proceedings, except where it is not possible to give it the same rights and subject it to the same liabilities as an ordinary subject.

As noted above, if a judgment is obtained against the NZ Government no execution or attachment can be issued against the property or revenues of the NZ Government that, under the Vienna Convention on Diplomatic Relations of 1961, would be considered "inviolable" property of New Zealand. An order for the payment of money made against the NZ Government in proceedings in a court in New Zealand may be recovered, pursuant to the Crown Proceedings Act 1950 of New Zealand, without the need for further appropriation by Act of New Zealand's parliament, by means of the Governor-General of New Zealand causing such money to be paid.

The NZ Wholesale Guarantee Scheme is subject to change

The wholesale funding guarantee announced by the NZ Government Minister of Finance on 1 November 2008 (the "NZ Wholesale Guarantee Scheme") is subject to being withdrawn or changed, which may have a negative impact on the availability of funding in the markets in which the Guarantor and ASB Finance operate. The NZ Government has announced that the NZ Wholesale Guarantee Scheme will be reviewed on an ongoing basis and revised, if necessary.

NZ Government Guarantee is subject to change

The NZ Government may amend any term of the NZ Government Guarantee at any time without the consent of the Guarantor, any beneficiary or any other person, provided that no such amendment would apply to a guaranteed liability subsisting prior to the amendment to the extent that the amendment is prejudicial to the interests of the beneficiary of that guaranteed liability.

No acceleration of payments under the NZ Government Guaranteed Notes

The NZ Government has irrevocably guaranteed to each Beneficiary (as defined in the NZ Government Guarantee) all amounts of principal and interest (excluding any penalty interest or other amount only payable following a default) that are not paid on the dates originally scheduled for payment under NZ Government Guaranteed Notes issued by ASB Finance and guaranteed by ASB. However, upon an event of default resulting from ASB's failure (as guarantor of Notes issued by ASB Finance) to make any payment under the NZ Government Guaranteed Notes, any

payment by the NZ Government under the NZ Government Guarantee in respect of those NZ Government Guaranteed Notes will only be made in respect of the payments due on the originally scheduled due date for payment, and not on an accelerated basis for any reason, including a winding up or insolvency of ASB Finance or ASB.

Form of Claims and Expiry of NZ Government Guarantee

Claims under the NZ Government Guarantee must be made in the form and manner prescribed by the NZ Government Guarantee (or as otherwise agreed with the NZ Government and scheduled to the Trust Deed) no later than 30 days after the maturity date of the relevant NZ Government Guaranteed Note. The NZ Government will, within five business days of a valid claim being made by or on behalf of a Beneficiary and following the expiry of any applicable grace period, make such payment.

Noteholders may not receive payment under the NZ Government Guarantee if the claims process is not followed or if required documentation is not provided

The NZ Government Guarantee contains procedures relating to the submission of claims under the NZ Government Guarantee (the “claims process”). In order to recover payment under the NZ Government Guarantee after ASB Finance’s failure to pay on the NZ Government Guaranteed Notes, a demand for payment must be submitted to ASB, and if that demand is not met, a claim on behalf of each holder of the NZ Government Guaranteed Notes must be submitted to the NZ Government in accordance with the claims process, in each case by the Trustee on behalf of such Noteholders, unless the Trustee having become bound so to proceed, fails to do so. The Trustee shall only become so bound under the Trust Deed if (i) directed by an Extraordinary Resolution or so requested in writing by the holders of at least one fifth in nominal amount of the Notes outstanding, and (ii) indemnified and/or secured and/or pre-funded to its satisfaction, all as further set out in the Trust Deed. To enable the Trustee to make a valid claim under the NZ Government Guarantee on behalf of Noteholders, each Noteholder who is a New Zealand resident for tax purposes will be required to notify Euroclear or Clearstream, Luxembourg of their tax residency and may need to provide supporting documentation. Noteholders should be aware that they might not receive payment under the NZ Government Guarantee if the claims process is not followed or if the above mentioned notification or documentation is not provided.

Noteholders may be required to submit a claim on their own behalf in certain circumstances

In the event the Trustee fails to demand payment from ASB after ASB Finance fails to pay on the NZ Government Guaranteed Notes (taking into account any applicable grace period), or fails to submit a valid claim to the NZ Government on behalf of the Noteholders of the NZ Government Guaranteed Notes in a timely manner or is informed by the NZ Government that it is unable to make a valid claim on behalf of such Noteholders, each Noteholder will be required to submit a claim on their own behalf in accordance with the claims process (including the provision of documentary evidence that the Noteholder is entitled to make a claim on its own behalf, which would be dependent on the Trustee having become bound so to proceed and failing to do so) in order to receive payment under the NZ Government Guarantee. In the event that the NZ Government receives a valid claim from both the Trustee and a Noteholder, the claim received by the NZ Government second in time will be disregarded by the NZ Government. Noteholders should be aware that they might not receive payment under the NZ Government Guarantee if the claims process is not followed. A claim may not be made under the NZ Government Guarantee by a person who is a Related Party (as defined in the NZ Government Guarantee) of ASB.

Receipt of payment by the Trustee discharges the NZ Government’s responsibility under the NZ Government Guarantee

If a valid claim is made by the Trustee of the holders of NZ Government Guaranteed Notes, on behalf of those Noteholders, and the Trustee receives the correct payment from the NZ Government, the NZ Government is no longer liable to those Noteholders for such payment.

Variation of guaranteed liabilities without consent of the NZ Government

The NZ Government shall not be liable to perform its obligations under the NZ Government Guarantee in respect of any guaranteed liability which has been varied, amended, waived, released, novated, supplemented, extended or restated in any respect without the prior written consent of the NZ Government.

No penalty interest

If the NZ Government does not make the applicable guarantee payments on receipt of a valid claim, the guarantee payments on the NZ Government Guaranteed Notes could be delayed from the date the payment is due under the terms of the NZ Government Guaranteed Notes. Any

penalty interest or other amounts only payable following default due under the NZ Government Guaranteed Notes will not be guaranteed under the NZ Government Guarantee.

Financial position

There is no limit on the amount which may be guaranteed under the NZ Wholesale Guarantee Scheme (or the NZ Government's opt-in retail deposit guarantee scheme), and the effect of this on the financial position of the NZ Government is unknown.

Documents Incorporated by Reference

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

- (a) the auditors' reports and audited consolidated and non-consolidated annual financial statements for the financial years ended 30 June 2009 (contained in the Annual Report 2009) and 30 June 2008 (contained in the Annual Report 2008) of CBA;
- (b) the auditors' reports and audited consolidated and non-consolidated annual financial statements for the financial years ended 30 June 2009 and 30 June 2008 of ASB;
- (c) the auditors' reports and audited non-consolidated annual financial statements for the financial years ended 30 June 2009 and 30 June 2008 of ASB Finance;
- (d) the Annual Reports on Form 18-K (File No. 001-07700) for the year ended 30 June 2007 and 30 June 2008 of the NZ Government which have been filed with the United States Securities and Exchange Commission (the "SEC");
- (e) the Forms 18-K/A (File No. 001-07700) which were filed with the SEC on 20 June 2008, 14 November 2008, 20 January 2009 and 17 June 2009 of the NZ Government;
- (f) the terms and conditions of the notes contained in the previous Programme Circulars 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); and 16 October 2008, pages 50 to 75 (inclusive); and
- (g) the report provided by the Commonwealth of Australia entitled "Description of the Commonwealth and the Commonwealth Guarantee" dated 1 October 2009.

Following the publication of this Programme Circular a supplement may be prepared by the relevant Issuer and approved by the UK Listing 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.

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

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

If an interest payment date for any Bearer Notes occurs whilst such Notes are represented by a temporary global Note, the related interest payment will be made through Euroclear and/or Clearstream, Luxembourg against presentation of the temporary global Note only to the extent that certification of non-U.S. beneficial ownership (in the form set out in the temporary global Note) has been received by Euroclear or Clearstream, Luxembourg. On or after the date (the “Exchange Date”) which is 40 days after the date on which the temporary global Note is issued, provided that certification of non-U.S. beneficial ownership has been received, interests in the temporary global Note will be exchanged either for (i) interests in a permanent global Note in bearer form or (ii), at the option of the relevant Issuer, Notes in definitive bearer form.

No payments of interest will be made on a temporary global Note after the Exchange Date.

Payments of principal, premium (if any) or interest (if any) on a permanent global Note will be made through Euroclear or Clearstream, Luxembourg against presentation or surrender, as the case may be, of the permanent global Note without any requirement for certification of non-U.S. beneficial ownership. The applicable Final Terms will specify whether a permanent 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 global Note or (ii) only upon the occurrence of an Exchange Event. For these purposes, “Exchange Event” means that (i) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available or (ii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the permanent global Note to be in definitive form. The relevant 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, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global Note) or the Trustee may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (ii) above, the relevant Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 60 days after the date of receipt of the first relevant notice by the Agent. At present, neither Euroclear nor Clearstream, Luxembourg regard Notes in global form as fungible with Notes in definitive form. Temporary and permanent global Notes and definitive Bearer Notes will be issued by the Agent acting on behalf of the relevant Issuer.

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

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

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

terms of the relevant global Note and the Trust Deed and the terms “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly. Notes held in Euroclear and/or Clearstream, Luxembourg and which are represented by a global Note will only be transferable, and payment in respect of them will only be made, in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

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

Applicable Final Terms

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of less than EUR 50,000 (or its equivalent in another currency).

[Date]

[Commonwealth Bank of Australia/ASB Finance Limited, London Branch]

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

[irrevocably guaranteed by the Commonwealth of Australia pursuant to the Deed of Guarantee dated 20 November 2008 and the Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding, as varied, amended, supplemented or substituted from time to time

Eligibility Certificate Number []¹

[irrevocably guaranteed by Her Majesty the Queen in right of New Zealand acting by and through the Minister of Finance (the “NZ Government”) pursuant to a Crown Wholesale Funding Guarantee dated 19 June 2009

(Guarantee Eligibility Certificate Number [])²

[The Programme Circular referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) 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 supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 37 of Part A below, provided such person is one of the persons mentioned in Paragraph 37 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances].³

[The Programme Circular referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so 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 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].⁴

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 16 October 2009 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”). This

¹ Applicable for Australian Government Guaranteed Notes.

² Applicable for NZ Government Guaranteed Notes. NZ Government Guaranteed Notes may only be issued if the Notes satisfy the conditions set out in the NZ Wholesale Guarantee Scheme. NZ Government Guaranteed Notes must not be structured or complex instruments. Consequently, NZ Government Guaranteed Notes must not have certain features relating to, without limitation, interest rate, currency, index linking and redemption as more fully described at <http://www.treasury.govt.nz/economy/guarantee/wholesale/operationalguidelines>.

³ Consider including this legend where a non-exempt offer of Notes is anticipated.

⁴ Consider including this legend where only an exempt offer of Notes is anticipated.

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. The Programme Circular is available for viewing during normal business hours at the registered and head office of CBA at Level 7, 48 Martin Place, Sydney, NSW 2000, Australia and the London Branch office of ASB Finance (currently Senator House, 85 Queen Victoria Street, London EC4V 4HA) and copies may be obtained from the Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, England.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Programme Circular with an earlier date.]

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 [*original date*] and incorporated by reference into the Programme Circular dated 16 October 2009. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the

Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”) and must be read in conjunction with the Programme Circular dated 16 October 2009 which constitutes a base prospectus for the purposes of the Prospectus Directive. Copies of the Programme Circular are available for viewing during normal business hours at the registered and head office of CBA at Level 7, 48 Martin Place, Sydney, NSW 2000, Australia and the London Branch office of ASB Finance (currently Senator House, 85 Queen Victoria Street, London EC4V 4HA) and copies may be obtained from the Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, England.

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

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Programme Circular under Article 16 of the Prospectus Directive.]

[If the Notes issued by ASB Finance Limited, London Branch have a maturity of less than one year, the minimum denomination and minimum transfer amounts may need to be £100,000 or its equivalent in any other currency.]

1. [(i) Issuer: Commonwealth Bank of Australia/ASB Finance Limited, London Branch]
- [(ii) Guarantor: ASB Bank Limited]
- [(iii) Government Guarantee: [Applicable/Not Applicable]
- [If applicable one of the following alternatives must be specified]*
- [An eligibility certificate has been issued in respect of the Notes. Accordingly, the Commonwealth of Australia has irrevocably guaranteed the payment by the Issuer of the sums due under the Notes. Its obligations in that respect are contained in the Australian Government Guarantee.
- Details of the Australian Government Guarantee and Australian Government Guarantee Scheme Rules are published on <http://www.guaranteescheme.gov.au>.
- [N.B. Notes with “complex” terms are not eligible to have the benefit of the Australian Government Guarantee]*
- [A guarantee eligibility certificate has been issued in respect of the Notes. Accordingly, the NZ Government has irrevocably guaranteed the payment by the Guarantor of any principal or any amount of interest (excluding any penalty interest or other amount payable following a default) due and payable in respect of the Notes. Its obligations in that respect are contained in the NZ Government Guarantee, the form of which is available at <http://www.treasury.govt.nz/economy/guarantee/wholesale>.
- [N.B. Notes with “complex” terms are not eligible to have the benefit of the NZ Government Guarantee]*.
2. Form of Notes: [Bearer/Registered/Bearer and Registered – *specify whether exchanges of Bearer for Registered Notes are permitted*]
3. (i) Series of which Notes are to be treated as forming part: []
- (ii) Tranche Number: []
- (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
4. Specified Currency or Currencies: []⁵
5. Aggregate Nominal Amount:
- (i) Series: []
- (ii) Tranche: []

⁵ For NZ Government Guaranteed Notes, if the currency of issue is not New Zealand Dollars, Australian Dollars, United States Dollars, Pounds Sterling, Swiss Francs, Japanese Yen, Hong Kong Dollars, Singapore Dollars or Euro, the NZ Government must approve the alternative currency in writing.

6. Issue Price of Tranche: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (*in the case of fungible issues only, if applicable*)]
7. (i) Specified Denominations: []
(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made) []
(N.B. If an issue of Notes is (i) NOT admitted to trading on a European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €1,000 minimum denomination is not required.)
- (ii) Calculation Amount: []
(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)
8. (i) Issue Date: []
(ii) Interest Commencement Date: [*specify*/Issue Date/Not Applicable]
(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
9. Maturity Date: [*Fixed rate – specify date / Floating rate – Interest Period End Date falling in or nearest to [specify month and year]*]⁶
10. Interest Basis: [Fixed Rate]
[Floating Rate]
[Zero Coupon]
[Low Interest (discount)]
[High Interest (premium)]
[Index Linked Interest]⁷
[Dual Currency Interest]
[specify other]
(further particulars specified below)
11. Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]⁸
[Dual Currency Redemption]
[Partly-Paid]⁸
[Instalment]
[specify other]⁸
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII will apply.)
12. Change of Interest Basis or Redemption/Payment Basis: [Not applicable]⁹
[Specify details of any provision for change of Notes into another Interest Basis or Redemption / Payment Basis]

⁶ For Australian Government Guaranteed Notes and NZ Government Guaranteed Notes, specify date no later than 5 years after the Issue Date.

⁷ Not applicable for Australian Government Guaranteed Notes or NZ Government Guaranteed Notes.

⁸ For Australian Government Guaranteed Notes, specify date no later than 5 years after the Issue Date.

⁹ Not applicable for Australian Government Guaranteed Notes.

13. Put/Call Options: [Not applicable]¹⁰
 [Investor Put]
 [Issuer Call]
 [(further particulars specified below)]
14. (i) Status of the Notes: [Unsubordinated/Subordinated – *if Issuer of Subordinated Notes is ASB Finance, give details*]¹¹
- (ii) Status of the Guarantee: [Unsubordinated/Subordinated – *only applicable if Issuer of Notes is ASB Finance – if the Guarantee is Subordinated, give details*]
15. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
 (*If not applicable, delete the remaining subparagraphs of this paragraph*)
- (i) Rate[(s)] of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly/other (*specify*)] in arrear]
 (*If payable other than annually, consider amending Condition 5*)
- (ii) (A) Interest Period End Date(s) [and Interest Payment Date(s)]: [] in each year up to and including the Maturity Date/[*specify other*]
 (*NB: This will need to be amended in the case of long or short coupons*)
- (B) Interest Payment Date(s) (if different from the Interest Period End Date(s)): [(i) In respect of an Interest Period other than the Interest Period ending on but excluding the Maturity Date,] [] Business Day(s) after the Interest Period End Final Date in respect of the relevant Interest Period [and (ii) in respect of the Interest Period ending on but excluding the Maturity Date, the Maturity Date]/[*specify other*]
 (*NB: If final Interest Payment Date different from final Interest Period End Date, consider amending the definition of Maturity Date*)
- (iii) Fixed Coupon Amount(s): [(] per [] Calculation Amount/Not Applicable] (*NB: If Fixed Coupon Amount(s) is specified, Interest Period End Date(s) should be specified as Not Applicable in item (iv) below*)
 (*Applicable to Notes in definitive form*)
- (iv) Business Day Convention:
- (A) Interest Period End Date(s): [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)/Not Applicable]
- (B) Interest Payment Date(s): [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)/Not Applicable]¹²

¹⁰ Not applicable for Australian Government Guaranteed Notes or NZ Government Guaranteed Notes.

¹¹ If Australian Government Guaranteed Notes, status is “Unsubordinated”.

¹² For Australian Government Guaranteed Notes and NZ Government Guaranteed Notes, ensure that the application of the Business Day convention does not increase the Maturity Date beyond 5 years.

- (v) Additional Business Centre(s): [specify/Not Applicable]
(N.B. Only relevant where Business Day Convention is applicable)
- (vi) Broken Amount(s): [] per Calculation Amount, payable
(Applicable to Notes in definitive on the Interest Payment Date
form) falling [in/on] []
- (vii) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360 30E/360 or Eurobond Basis
Actual/Actual (ICMA)
30/360 (Fixed) or 30/360, unadjusted
30E/360 (ISDA)
specify other]
[(NB: Actual/Actual (ICMA) is normally
appropriate for Fixed Rate Notes except for
Fixed Rate Notes denominated in U.S. dollars
for which 30/360 (Fixed) or 30/360,
unadjusted is normally appropriate)]
- (viii) Determination Date(s): [] in each year [Insert interest payment dates
except where there are long or short periods.
In these cases, insert regular interest payment
dates. NB: Only relevant where Day Count
Fraction is Actual/Actual (ICMA)]
- (ix) Other terms relating to the method
of calculating interest for Fixed
Rate Notes: [None/give details]

17. Floating Rate Note Provisions

- [Applicable/Not Applicable]
(If not applicable, delete the remaining
sub-paragraphs of this paragraph)
- (i) (A) Specified Period(s)/Specified
Interest Period End Dates
[and Interest Payment Date(s)]: []
- (B) Interest Payment Date(s) (if
different from the Specified
Interest Period End Date(s)): [(i) In respect of an Interest Period other than
the Interest Period ending on but excluding
the Maturity Date,] [] Business Day(s) after
the Interest Period End Final Date in respect
of the relevant Interest Period [and (ii) in
respect of the Interest Period ending on but
excluding the Maturity Date, the Maturity
Date]/[specify other] (NB: If final Interest
Payment Date different from final Specified
Interest Period End Date consider amending
the definition of Maturity Date)
- (ii) Business Day Convention:
- (A) Interest Period End Date(s): [Floating Rate Convention/Following Business
Day Convention/Modified Following Business
Day Convention/Preceding Business Day
Convention/[specify other]/Not Applicable]
- (B) Interest Payment Date(s): [Floating Rate Convention/Following Business
Day Convention/Modified Following Business
Day Convention/Preceding Business Day
Convention/[specify other]/Not Applicable]¹³

¹³ For Australian Government Guaranteed Notes and NZ Government Guaranteed Notes, ensure that the application of the Business Day convention does not increase the Maturity Date beyond 5 years.

- (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/specify other]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): []
- (vi) Screen Rate Determination:
- Reference Rate: []
(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)
 - Interest Determination Date(s): []
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling LIBOR or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
 - Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (vii) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (viii) Margin(s): [+/-] [] per cent. per annum
- (ix) Minimum Rate of Interest: [] per cent. per annum
- (x) Maximum Rate of Interest: [] per cent. per annum
- (xi) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360 (Floating) or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
(See Condition 5)
- (xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
18. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
(These provisions also apply to Low Interest (discount) and High Interest (premium) Notes) (If not applicable, delete the remaining sub-paragraph of this paragraph)
- (i) Amortisation Yield: [] per cent. per annum

- (ii) Reference Price: []
- (iii) Any other formula/basis of determining amount payable: []
- (iv) Day Count Fraction in relation to Zero Coupon Notes: [Conditions 5(d) and 6(f) apply/specify other] (Consider applicable day count fraction if not U.S. dollar denominated)

19. Index Linked Note Provisions

[Applicable/Not Applicable]¹⁴
 (If not applicable, delete the remaining sub-paragraph of this paragraph)
 (N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

- (i) Index/Formula: [give or annex details]
- (ii) Calculation Agent [give name (and if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address)]
- (iii) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): []
- (iv) Provisions applicable where calculation by reference to Index and/or Formula is impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (v) (A) Specified Period(s)/Specified Interest Period End Dates [and Interest Payment Date(s)]: []
- (B) Interest Payment Date(s) (if different from the Specified Interest Period End Date(s)): [(i) In respect of an Interest Period other than the Interest Period ending on but excluding the Maturity Date,] [] Business Day(s) after the Interest Period End Final Date in respect of the relevant Interest Period [and (ii) in respect of the Interest Period ending on but excluding the Maturity Date, the Maturity Date]/[specify other] (NB: If final Interest Payment Date different from final Specified Interest Period End Date consider amending the definition of Maturity Date)
- (vi) Business Day Convention:
 - (A) Interest Period End Date(s): [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other/Not Applicable]
 - (B) Interest Payment Date(s): [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other/Not Applicable]

¹⁴ Not applicable for Australian Government Guaranteed Notes or NZ Government Guaranteed Notes.

- (vii) Additional Business Centre(s): []
- (viii) Minimum Rate of Interest: [] per cent. per annum
- (ix) Maximum Rate of Interest: [] per cent. per annum
- (x) Day Count Fraction: []

20. Dual Currency Note Provisions

[Applicable/Not Applicable]¹⁵
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): []
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *[need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (iv) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

21. Issuer Call:

[Applicable/Not Applicable]¹⁵
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): *[[] per Calculation Amount/specify other / see Appendix] [If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]*
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: []
- (b) Higher Redemption Amount: []
- (iv) Notice period (if other than as set out in the Conditions): []

(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)

¹⁵ Not applicable for Australian Government Guaranteed Notes.

22. Investor Put: [Applicable/Not Applicable]¹⁶
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount/specify other / see Appendix] [If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]
- (iii) Notice period (if other than as set out in the Conditions): []
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)
23. Final Redemption Amount: [[] per Calculation Amount/specify other/see Appendix] [If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII will apply)
24. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(g)): [[] per Calculation Amount/specify other/see Appendix] [If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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

¹⁶ Not applicable for Australian Government Guaranteed Notes or NZ Government Guaranteed Notes.

27. Additional Financial Centre(s) or other special provisions relating to Payment Dates:
- [Not Applicable/give details]
(Note that this item relates to the place of payment and not Interest Period End Dates to which items 16(v), 17(iii), and 19(vii) relate)
- 28 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):
- [Yes/No. If yes, give details]
- 29 Details relating to Partly-Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:
- [Not Applicable/give details. NB: a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly-Paid issues]¹⁷
- 30 Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:
- [Not Applicable/give details]
- 31 Redenomination applicable:
- Redenomination [not] applicable
[(if Redenomination is applicable, specify all relevant provisions in the applicable Final Terms)]¹⁷
- 32 Other final terms:
- [Not Applicable/give details]
- [For the purposes of the Notes, Condition 11(a)(iii) (A) to (D) (inclusive) shall not apply]
- [Note: only relevant where the Issuer is CBA and the Notes are to be guaranteed by the Commonwealth of Australia]
- [The Issuer shall not vary, amend, waive, release, novate, supplement, extend or restate the Final Terms of the Notes in any respect without first obtaining the prior written consent of the NZ Government] [The Issuer shall not vary, amend, waive, release, novate, supplement, extend or restate the Final Terms of the Notes in any material respect without first obtaining the prior written consent of the Commonwealth of Australia]
- [Note: only relevant where the Notes are guaranteed by the Commonwealth of Australia or the NZ Government]
- [Add any additional final terms – consideration should be given to whether such terms constitute “significant new factors” consequently triggering a supplement to the Programme Circular under Article 16 of the Prospectus Directive]

DISTRIBUTION

33. (i) If syndicated, names and addresses of Managers and underwriting commitments:
- [Not Applicable/give names, addresses and underwriting commitments]

¹⁷ Not applicable for Australian Government Guaranteed Notes.

(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)

- (ii) Date of Syndication Agreement: []
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name]
34. If non-syndicated, name and address of relevant Dealer: [Not Applicable/give name and address]
35. Total commission and concession: [] per cent. of the Aggregate Nominal Amount
36. Whether TEFRA D rules applicable or TEFRA rules not applicable: TEFRA D/TEFRA not applicable]
37. Non exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and *[specify names [and addresses] of other financial intermediaries making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. “other parties authorised by the Managers”)* or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known]] (together with the Managers, the “Financial Intermediaries”) other than pursuant to Article 3(2) of the Prospectus Directive in *[specify relevant Member State(s) – which must be jurisdictions where the Programme Circular and any supplements have been passported (in addition to the jurisdiction where approved and published)]* (“Public Offer Jurisdictions”) during the period from *[specify date]* until *[specify date or a formula such as “the Issue Date” or “the date which falls [] Business Days thereafter”]* (“Offer Period”). See further Paragraph 10 of Part B below.
- (N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the Programme Circular (and any supplement) has been notified / passported.)*
38. Additional selling restrictions: [Not Applicable/give details]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on *[specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange’s regulated market or the Regulated Market of the Irish Stock Exchange)* and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)] of the Notes described herein] pursuant to the U.S.\$70,000,000,000 Euro Medium Term Note Programme of Commonwealth Bank of Australia and ASB Finance Limited, London Branch.

RESPONSIBILITY

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. [[*Relevant third party information, for example in compliance with Annex XII to the Prospectus Directive Regulation in relation to an index or its components*] has been extracted from [specify source]. The Issuer [and the Guarantor] 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].

Signed on behalf of [name of the Issuer]:

By:

Duly authorised

[By:.....

Duly authorised]

[Signed on behalf of [name of the Guarantor]:

By:

Duly authorised

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 [specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange’s regulated market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, 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 [specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange’s regulated market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)] with effect from [].] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

2. RATINGS

Ratings:

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

[S & P: []]

[Moody’s: []]

[[Other]: []]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

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.] – *Amend as appropriate if there are other interests*

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Programme Circular under Article 16 of the Prospectus Directive.)]

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

[(i) Reasons for the offer

[]

(See “Use of Proceeds” wording in Programme Circular – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]

[(ii) Estimated net proceeds:

[]

(If proceeds are intended for more than one use will need to split out and present in order

of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii)] Estimated total expenses:

[] [Expenses are required to be broken down into each principal intended “use” and presented in order of priority of such “uses”.]

(If the Notes are derivative securities to which Annex XII applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks regardless of the minimum denomination of the securities and where this is the case disclosure of net proceeds and total expenses at (ii) and (iii) are also required.)

5. YIELD (Fixed Rate Notes only)

Indication of yield:

[]

[Calculated as [include details of method of calculation in summary form] on the Issue Date.]

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 (Floating Rate Notes only)

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

7. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (Index-Linked Notes only)

[If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

(N.B. The requirements below only apply if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

[Need to include details of where past and future performance and volatility of the index/formula can be obtained.]

[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained.]

[Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Programme Circular under Article 16 of the Prospectus Directive.)]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

8. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT (Dual Currency Notes only)

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]

[Need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

(N.B. The above applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Programme Circular under Article 16 of the Prospectus Directive.)]

9. OPERATIONAL INFORMATION

- (i) ISIN Code: []
- (ii) Common Code: []
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of additional Paying Agent(s) (if any): []

10. TERMS AND CONDITIONS OF THE OFFER

- Offer Price: [Issue Price][specify]
- [Conditions to which the offer is subject:] [Not applicable/give details]
- [Description of the application process:] [Not applicable/give details]
- [Details of the minimum and/or maximum amount of application:] [Not applicable/give details]
- [Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:] [Not applicable/give details]
- [Details of the method and time limits for paying up and delivering the Notes:] [Not applicable/give details]
- [Manner in and date on which results of the offer are to be made public:] [Not applicable/give details]
- [Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:] [Not applicable/give details]
- [Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:] [Not applicable/give details]
- [Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:] [Not applicable/give details]
- [Amount of any expenses and taxes specifically charged to the subscriber or purchaser:] [Not applicable/give details]
- [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/give details]

For the purpose of calculating the U.S. dollar equivalent of the nominal amount of Notes outstanding under the Programme from time to time, (i) Zero Coupon Notes, Low Interest (discount) Notes and High Interest (premium) Notes will be included in such nominal amount by reference to the net proceeds received by the relevant Issuer for the relevant issue, (ii) Dual Currency Notes and Index Linked Notes shall be included in such nominal amount by reference to the original nominal amount of the relevant issue, (iii) the nominal amount of Partly-Paid Notes will be taken into

account regardless of the amount of the subscription price paid and (iv) the U.S. dollar equivalent of Notes denominated in another Specified Currency shall be determined as of the date of agreement to issue such Notes (the "Agreement Date") on the basis of the Exchange Rate on such date. As used in this paragraph, the "Exchange Rate" against U.S. dollars for any currency means the spot rate for the sale of U.S. dollars against the purchase of such currency in the London foreign exchange market on the Agreement Date quoted by any leading bank selected by the relevant Issuer and approved by the Trustee.

Applicable Final Terms

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least EUR 50,000 (or its equivalent in another currency).

[Date]

[Commonwealth Bank of Australia/ASB Finance Limited, London Branch]

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

[irrevocably guaranteed by the Commonwealth of Australia pursuant to the Deed of Guarantee dated 20 November 2008 and the Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding, as varied, amended, supplemented or substituted from time to time

Eligibility Certificate Number []¹

[irrevocably guaranteed by Her Majesty the Queen in right of New Zealand acting by and through the Minister of Finance (the “NZ Government”) pursuant to a Crown Wholesale Funding Guarantee dated 19 June 2009

(Guarantee Eligibility Certificate Number [])²

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 16 October 2009 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”). 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. The Programme Circular is available for viewing during normal business hours at the registered and head office of CBA at Level 7, 48 Martin Place, Sydney, NSW 2000, Australia and the London Branch office of ASB Finance (currently Senator House, 85 Queen Victoria Street, London EC4V 4HA) and copies may be obtained from the Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, England.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Programme Circular with an earlier date.]

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 [original date] and incorporated by reference into the Programme Circular dated 16 October 2009. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”) and must be read in conjunction with the Programme Circular dated 16 October 2009 which constitutes a base prospectus for the purposes of the Prospectus Directive. Copies of the Programme Circular are available for viewing during normal business hours at the registered and head office of CBA at Level 7, 48 Martin Place, Sydney, NSW 2000, Australia and the London Branch office of ASB Finance (currently Senator House, 85 Queen Victoria Street, London EC4V 4HA) and copies may be obtained from the Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, England.

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

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Programme Circular under Article 16 of the Prospectus Directive.]

¹ Applicable for Australian Government Guaranteed Notes.

² Applicable for NZ Government Guaranteed Notes. NZ Government Guaranteed Notes may only be issued if the Notes satisfy the conditions set out in the NZ Wholesale Guarantee Scheme. NZ Government Guaranteed Notes must not be structured or complex instruments. Consequently, NZ Government Guaranteed Notes must not have certain features relating to, without limitation, interest rate, currency, index linking and redemption as more fully described at <http://www.treasury.govt.nz/economy/guarantee/wholesale/operationalguidelines>.

[If the Notes issued by ASB Finance Limited, London Branch have a maturity of less than one year, the minimum denomination and minimum transfer amounts may need to be £100,000 or its equivalent in any other currency.]

1. (i) Issuer: Commonwealth Bank of Australia/ASB Finance Limited, London Branch]

(ii) Guarantor: ASB Bank Limited]

(iii) Government Guarantee: [Applicable/Not Applicable]

[If applicable one of the following alternatives must be specified]

[An eligibility certificate has been issued in respect of the Notes. Accordingly, the Commonwealth of Australia has irrevocably guaranteed the payment by the Issuer of the sums due under the Notes. Its obligations in that respect are contained in the Australian Government Guarantee.

Details of the Australian Government Guarantee and Australian Government Guarantee Scheme Rules are published on <http://www.guaranteescheme.gov.au.>]

[N.B. Notes with "complex" terms are not eligible to have the benefit of the Australian Government Guarantee]].

[A guarantee eligibility certificate has been issued in respect of the Notes. Accordingly, the NZ Government has irrevocably guaranteed the payment by the Guarantor of any principal or any amount of interest (excluding any penalty interest or other amount payable following a default) due and payable in respect of the Notes. Its obligations in that respect are contained in the NZ Government Guarantee, the form of which is available at <http://www.treasury.govt.nz/economy/guarantee/wholesale>.

[N.B. Notes with "complex" terms are not eligible to have the benefit of the NZ Government Guarantee]].
2. Form of Notes: [Bearer/Registered/Bearer and Registered – specify whether exchanges of Bearer for Registered Notes are permitted]
3. (i) Series of which Notes are to be treated as forming part: []

(ii) Tranche Number: []

(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)
4. Specified Currency or Currencies: []³
5. Aggregate Nominal Amount:

(i) Series: []

(ii) Tranche: []

³ For NZ Government Guaranteed Notes, if the currency of issue is not New Zealand Dollars, Australian Dollars, United States Dollars, Pounds Sterling, Swiss Francs, Japanese Yen, Hong Kong Dollars, Singapore Dollars or Euro, the NZ Government must approve the alternative currency in writing.

6. Issue Price of Tranche: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (in the case of fungible issues only, if applicable)]
7. (i) Specified Denominations: []
(in the case of Registered Notes, this means the minimum integral amount in which transfers can be made) []
- (Note – where multiple denominations above €50,000 or equivalent are being used the following sample wording should be followed: “[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No Notes in definitive form will be issued with a denomination above [€99,000].”)*
- (N.B. If an issue of Notes is (i) NOT admitted to trading on a European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €50,000 minimum denomination is not required.)*
- (ii) Calculation Amount: []
- (If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
8. (i) Issue Date: []
(ii) Interest Commencement Date: [specify/Issue Date/Not Applicable]
- (N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
9. Maturity Date: [Fixed rate – specify date / Floating rate – Interest Period End Date falling in or nearest to [specify month and year]]⁴
10. Interest Basis:
[Fixed Rate]
[Floating Rate]
[Zero Coupon]
[Low Interest (discount)]
[High Interest (premium)]
[Index Linked Interest]⁵
[Dual Currency Interest]
[specify other]
(further particulars specified below)
11. Redemption/Payment Basis:
[Redemption at par]
[Index Linked Redemption]⁶
[Dual Currency Redemption]
[Partly-Paid]⁶
[Instalment]
[specify other]⁶

⁴ For Australian Government Guaranteed Notes and NZ Government Guaranteed Notes, specify date no later than 5 years after the Issue Date.

⁵ Not applicable for Australian Government Guaranteed Notes or NZ Government Guaranteed Notes.

⁶ For Australian Government Guaranteed Notes, specify date not later than 5 years after the Issue Date.

(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII will apply.)

12. Change of Interest Basis or Redemption/
Payment Basis: [Not applicable]⁷
[Specify details of any provision for change of
Notes into another Interest Basis or
Redemption / Payment Basis]
13. Put/Call Options: [Not applicable]⁸
[Investor Put]
[Issuer Call]
[(further particulars specified below)]
14. (i) Status of the Notes: [Unsubordinated/Subordinated – if Issuer of
Subordinated Notes is ASB Finance, give
details]⁹
- (ii) Status of the Guarantee: [Unsubordinated/Subordinated – only
applicable if Issuer of Notes is ASB Finance –
if the Guarantee is Subordinated, give details]
15. Method of distribution: [Syndicated/Non-syndicated]
- PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**
16. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
*(If not applicable, delete the remaining sub-
paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [] per cent. per annum [payable
[annually/semi-annually/quarterly/other
(specify)] in arrear]
*(If payable other than annually, consider
amending Condition 5)*
- (ii) (A) Interest Period End Date(s)
[and Interest Payment Date(s)]: [] in each year up to and including the
Maturity Date]/[specify other]
*(NB: This will need to be amended in the case
of long or short coupons)*
- (B) Interest Payment Date(s) (if
different from the Interest Period
End Date(s)): [(i) In respect of an Interest Period other
than the Interest Period ending on but
excluding the Maturity Date,] [] Business
Day(s) after the Interest Period End Final
Date in respect of the relevant Interest
Period [and (ii) in respect of the Interest
Period ending on but excluding the Maturity
Date, the Maturity Date]/[specify other]
*(NB: If final Interest Payment Date different
from final Interest Period End Date, consider
amending the definition of Maturity Date)*
- (iii) Fixed Coupon Amount(s): [[] per [] Calculation Amount/Not
*(Applicable to Notes in
definitive form)* Applicable] *(NB: If Fixed Coupon Amount(s) is
specified, Interest Period End Date(s) should be
specified as Not Applicable in item (iv) below)*

⁷ Not applicable for Australian Government Guaranteed Notes.

⁸ Not applicable for Australian Government Guaranteed Notes or NZ Government Guaranteed Notes.

⁹ If Australian Government Guaranteed Notes, status is “Unsubordinated”.

- (iv) Business Day Convention:
- (A) Interest Period End Date(s): [Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/other (give details)/Not Applicable]
- (B) Interest Payment Date(s): [Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/other (give details)/Not Applicable]¹⁰
- (v) Additional Business Centre(s): [specify/Not Applicable] (N.B. Only relevant where Business Day Convention is applicable)
- (vi) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [] (Applicable to Notes in definitive form)
- (vii) Day Count Fraction: [Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30E/360 or Eurobond Basis Actual/Actual (ICMA) 30/360 (Fixed) or 30/360, unadjusted 30E/360 (ISDA) specify other] [(NB: Actual / Actual (ICMA) is normally appropriate for Fixed Rate Notes except for Fixed Rate Notes denominated in U.S. dollars for which 30 /360 (Fixed) or 30 /360, unadjusted is normally appropriate)]
- (viii) Determination Date(s): [] in each year [Insert interest payment dates except where there are long or short periods. In these cases, insert regular interest payment dates. NB: Only relevant where Day Count Fraction is Actual / Actual (ICMA)]
- (ix) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/give details]

17. Floating Rate Note Provisions

- [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) (A) Specified Period(s)/Specified Interest Period End Dates [and Interest Payment Date(s)]: []
- (B) Interest Payment Date(s) (if different from the Specified Interest Period End Date(s)): [(i) In respect of an Interest Period other than the Interest Period ending on but excluding the Maturity Date,] [] Business Day(s) after the Interest Period End Final Date in respect of the relevant Interest Period [and (ii) in respect of the Interest Period ending on but excluding the Maturity Date, the Maturity Date]/[specify other] (NB: If final Interest Payment Date different from final Specified Interest Period End Date consider amending the definition of Maturity Date)

¹⁰ For Australian Government Guaranteed Notes and NZ Government Guaranteed Notes, ensure that the application of the Business Day convention does not increase the Maturity Date beyond 5 years.

- (ii) Business Day Convention:
- (A) Interest Period End Date(s): [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]/Not Applicable]
- (B) Interest Payment Date(s): [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]/Not Applicable]¹¹
- (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/specify other]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): []
- (vi) Screen Rate Determination:
- Reference Rate: []
(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)
 - Interest Determination Date(s): []
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling LIBOR or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
 - Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR 01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (vii) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (viii) Margin(s): [+/-] [] per cent. per annum
- (ix) Minimum Rate of Interest: [] per cent. per annum
- (x) Maximum Rate of Interest: [] per cent. per annum
- (xi) Day Count Fraction: [Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360 (Floating) or 360/360 or Bond Basis
30E/360 or Eurobond Basis
30E/360 (ISDA)
Other]
(See Condition 5)

¹¹ For Australian Government Guaranteed Notes and NZ Government Guaranteed Notes, ensure that the application of the Business Day convention does not increase the Maturity Date beyond 5 years.

- (xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
18. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
(These provisions also apply to Low Interest (discount) and High Interest (premium) Notes) *(If not applicable, delete the remaining sub-paragraph of this paragraph)*
- (i) Amortisation Yield: [] per cent. per annum
- (ii) Reference Price: []
- (iii) Any other formula/basis of determining amount payable: []
- (iv) Day Count Fraction in relation to Zero Coupon Notes: [Conditions 5(d) and 6(f) apply/specify other]
(Consider applicable day count fraction if not U.S. dollar denominated)
19. **Index Linked Note Provisions** [Applicable/Not Applicable]¹²
(If not applicable, delete the remaining sub-paragraph of this paragraph)
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
- (i) Index/Formula: [give or annex details]
- (ii) Calculation Agent [give name (and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address)]
- (iii) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): []
- (iv) Provisions applicable where calculation by reference to Index and/or Formula is impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (v) (A) Specified Period(s)/Specified Interest Period End Dates [and Interest Payment Date(s)]: []
- (B) Interest Payment Date(s) (if different from the Specified Interest Period End Date(s)): [(i) In respect of an Interest Period other than the Interest Period ending on but excluding the Maturity Date,] [] Business Day(s) after the Interest Period End Final Date in respect of the relevant Interest Period [and (ii) in respect of the Interest Period ending on but excluding the Maturity Date, the Maturity Date]/[specify other]

¹² Not applicable for Australian Government Guaranteed Notes or NZ Government Guaranteed Notes.

(NB: If final Interest Payment Date different from final Specified Interest Period End Date consider amending the definition of Maturity Date)

- (vi) Business Day Convention:
- (A) Interest Period End Date(s): [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other/Not Applicable]
- (B) Interest Payment Date(s): [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other/Not Applicable]
- (vii) Additional Business Centre(s): []
- (viii) Minimum Rate of Interest: [] per cent. per annum
- (ix) Maximum Rate of Interest: [] per cent. per annum
- (x) Day Count Fraction: []

20. Dual Currency Note Provisions

[Applicable/Not Applicable]¹³
(If not applicable, delete the remaining subparagraphs of this paragraph)

(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): []
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (iv) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

21. Issuer Call:

[Applicable/Not Applicable]¹³
(If not applicable, delete the remaining subparagraphs of this paragraph)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount/specify other/ see Appendix] *[If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]*
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: []

¹³ Not applicable for Australian Government Guaranteed Notes.

- (b) Higher Redemption Amount: []
- (iv) Notice period (if other than as set out in the Conditions): []

(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)

22. Investor Put:

[Applicable/Not Applicable]¹⁴
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s):

[[] per Calculation Amount/specify other/see Appendix] *[If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]*

- (iii) Notice period (if other than as set out in the Conditions):

[]

(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)

23. Final Redemption Amount:

[[] per Calculation Amount/specify other/see Appendix] *[If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]*

(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII will apply)

24. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(g)):

[[] per Calculation Amount/specify other/see Appendix] *[If applicable, include a description of any relevant market disruption or settlement disruption events and adjustment provisions]*

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Any applicable Taxing Jurisdiction: [specify]

¹⁴ Not applicable for Australian Government Guaranteed Notes or NZ Government Guaranteed Notes.

26. Form of Notes:

[Bearer Notes:

Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 45 days' notice/only upon an Exchange Event]]
(N.B. The exchange upon notice option should not be expressed to be applicable if the specified Denomination of the Notes in paragraph 7 includes language substantially to the following effect: "[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000].")

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

(N.B. This option should not be expressed to be applicable if the specified Denomination of the Notes in paragraph 7 includes language substantially to the following effect: "[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]". 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 Global Note exchangeable for Definitive Notes.)

[Registered Notes:

[Temporary Global Note exchangeable for Definitive Registered Notes/Definitive Registered Notes]]

27. Additional Financial Centre(s) or other special provisions relating to Payment Dates:

[Not Applicable/give details]

(Note that this item relates to the place of payment and not Interest Period End Dates to which items 16(v), 17(iii) and 19(vii) relate)

28. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):

[Yes/No. If yes, give details]

29. Details relating to Partly-Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:

[Not Applicable/give details. NB: a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly-Paid issues]¹⁵

30. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:

[Not Applicable/give details]

31. Redenomination applicable:

Redenomination [not] applicable
[(if Redenomination is applicable, specify all relevant provisions in the applicable Final Terms)]¹⁵

32. Other final terms:

[Not Applicable/give details]

[For the purposes of the Notes, Condition 11(a)(iii) (A) to (D) (inclusive) shall not apply]

¹⁵ Not applicable for Australian Government Guaranteed Notes .

[Note: only relevant where the Issuer is CBA and the Notes are to be guaranteed by the Commonwealth of Australia]

[The Issuer shall not vary, amend, waive, release, novate, supplement, extend or restate the Final Terms of the Notes in any respect without first obtaining the prior written consent of the NZ Government] [The Issuer shall not vary, amend, waive, release, novate, supplement, extend or restate the Final Terms of the Notes in any material respect without first obtaining the prior written consent of the Commonwealth of Australia]

[Note: only relevant where the Notes are guaranteed by the Commonwealth of Australia or the NZ Government]

[Add any additional final terms – consideration should be given to whether such terms constitute “significant new factors” consequently triggering a supplement to the Programme Circular under Article 16 of the Prospectus Directive]

DISTRIBUTION

33. (i) If syndicated, names of Managers [Not Applicable/give names]
(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)
- (ii) Stabilising Manager(s) (if any): [Not Applicable/give name]
34. If non-syndicated, name of relevant Dealer: [Not Applicable/give name and address]
35. Whether TEFRA D rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA not applicable]
36. Additional selling restrictions: [Not Applicable/give details]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on [specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange’s regulated market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)] of the Notes described herein pursuant to the U.S.\$70,000,000,000 Euro Medium Term Note Programme of Commonwealth Bank of Australia and ASB Finance Limited, London Branch.

RESPONSIBILITY

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. [[Relevant third party information, for example in compliance with Annex XII to the Prospectus Directive Regulation in relation to an index or its components] has been extracted from [specify source]. The Issuer [and the Guarantor] 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 [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of [name of the Issuer]:

By:
Duly authorised

By:.....
Duly authorised]

[Signed on behalf of [name of the Guarantor]:

By:
Duly authorised

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 [specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange’s regulated market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, 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 [specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange’s regulated market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)] with effect from [].] [Not Applicable.]
- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

- Ratings: The Notes to be issued have [not] been rated[:
[S & P: []]
[Moody’s: []]
[[Other]: []]
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

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.] – Amend as appropriate if there are other interests

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Programme Circular under Article 16 of the Prospectus Directive.)]

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

- (i) Reasons for the offer []
- (ii) Estimated net proceeds: []
- (iii) Estimated total expenses: []

(If the Notes are derivative securities to which Annex XII applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks regardless of the minimum denomination of the securities and where this is the case disclosure of net proceeds and total expenses at (ii) and (iii) are also required.)

5. YIELD (*Fixed Rate Notes only*)

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. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (*Index-Linked Notes only*)

[Need to include details of where past and future performance and volatility of the index/formula can be obtained.]

[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]

[Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Programme Circular under Article 16 of the Prospectus Directive.)]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

(N.B. The above applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

7. PERFORMANCE OF RATE[S] OF EXCHANGE (*Dual Currency Notes only*)

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]

(N.B. The above applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Programme Circular under Article 16 of the Prospectus Directive.)]

8. OPERATIONAL INFORMATION

(i) ISIN Code: []

(ii) Common Code: []

(iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

(iv) Delivery: Delivery [against/free of] payment

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

For the purpose of calculating the U.S. dollar equivalent of the nominal amount of Notes outstanding under the Programme from time to time, (i) Zero Coupon Notes, Low Interest (discount) Notes and High Interest (premium) Notes will be included in such nominal amount by reference to the net proceeds received by the relevant Issuer for the relevant issue, (ii) Dual Currency Notes and Index Linked Notes shall be included in such nominal amount by reference to the original nominal amount of the relevant issue, (iii) the nominal amount of Partly-Paid Notes will be taken into account regardless of the amount of the subscription price paid and (iv) the U.S. dollar equivalent of Notes denominated in another Specified Currency shall be determined as of the date of agreement to issue such Notes (the “Agreement Date”) on the basis of the Exchange Rate on such

date. As used in this paragraph, the “Exchange Rate” against U.S. dollars for any currency means the spot rate for the sale of U.S. dollars against the purchase of such currency in the London foreign exchange market on the Agreement Date quoted by any leading bank selected by the relevant Issuer and approved by the Trustee.

Conditions of the Notes

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

This Note is one of a Series of Euro Medium Term Notes (all of the Euro Medium Term Notes from time to time issued by whichever of Commonwealth Bank of Australia (“CBA”) or ASB Finance Limited, London Branch (“ASB Finance” and, together with CBA, the “Issuers”) is specified as the Issuer in the applicable Final Terms (as defined below) which are for the time being outstanding being hereinafter referred to as the “Notes”, which expression shall include (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency of the relevant Notes, (ii) definitive Notes issued in exchange (or part exchange) for a global Note and (iii) any global Note) constituted by a Trust Deed dated 28 October 1992 (as modified and/or restated from time to time, the “Trust Deed”) and most recently made between the Issuers, ASB Bank Limited as guarantor of all amounts payable in respect of Notes issued by ASB Finance (the “Guarantor”) and The Law Debenture Trust Corporation p.l.c. (the “Trustee” which expression shall, wherever the context so admits, include such company and all other persons or companies for the time being trustee or trustees for the holders of the Notes) as trustee for the holders of the Notes (the “Noteholders”). Copies of the Trust Deed together with copies of the Amended and Restated Agency Agreement (the “Agency Agreement”) dated 16 October 2008 and made between the Issuers, the Guarantor, the Trustee, Deutsche Bank AG, London Branch as agent (the “Agent” which expression shall include any successor as agent), Deutsche Bank Luxembourg S.A. as registrar (the “Registrar” which expression shall include any successor as registrar) and the paying agents and transfer agents named therein (the “Paying Agents” and the “Transfer Agents”, which expressions shall include any additional or successor paying agents and transfer agents) are available for inspection during normal business hours at the registered office for the time being of the Trustee, being at the date hereof at Fifth Floor, 100 Wood Street, London EC2V 7EX, and at the specified office of each of the Paying Agents. Copies of the applicable Final Terms are available for viewing during normal business hours at the registered office of CBA at Level 7, 48 Martin Place, Sydney, NSW 2000, Australia and the London Branch Office of ASB Finance (currently Senator House, 85 Queen Victoria Street, London EC4V 4HA) and copies may be obtained from the Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, England save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer, the Guarantor (where the relevant Issuer is ASB Finance) and the Trustee or, as the case may be, and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement 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 Trust Deed.

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

If this Note is issued by CBA, references in these Conditions to Guarantor and Guarantee, and related expressions, are not applicable.

The Noteholders, the holders for the time being of the Receipts (as defined below) (the “Receiptholders”), the holders for the time being of the Coupons (as defined below) (the “Couponholders”) and the holders for the time being of the Talons (as defined below) (the “Talonholders”) are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions relating to the Notes contained in the Trust Deed, the applicable Final Terms and the Agency Agreement which are applicable to them. Words and expressions defined in the Trust Deed or defined or set out in the applicable 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 Agent set out at the end of these Conditions. The statements in these Conditions are summaries of the detailed provisions of the Trust Deed which provisions shall have precedence over these Conditions if there is any inconsistency.

1 Form, Denomination and Title

The Notes of this Series are Bearer Notes and/or Registered Notes as specified in the applicable Final Terms and are in the Specified Currency and in the Specified Denomination(s). Definitive Notes of this Series (if issued) will be serially numbered. This Note is an Unsubordinated Note or a Subordinated Note as indicated in the applicable Final Terms. This Note is also a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Low Interest (discount) Note, a High Interest (premium) Note, an Index Linked Interest Note, a Dual Currency Interest Note or any appropriate combination thereof depending upon the Interest Basis specified in the applicable Final Terms and is a Dual Currency Redemption Note, an Index Linked Redemption Note, an Instalment Note or a Partly-Paid Note, or a combination of any of the foregoing, depending on the Redemption/Payment Basis specified in the applicable 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. If this Note is a definitive Bearer Note redeemable in instalments, it is issued with Receipts (“Receipts”) for the payment of instalments of principal prior to the final Maturity Date attached. Wherever Dual Currency Notes, Index Linked Notes, Low Interest (discount) Notes or High Interest (premium) Notes are issued to bear interest on a fixed or floating rate basis or on a non-interest-bearing basis, the provisions in these Conditions relating to Fixed Rate Notes, Floating Rate Notes and Zero Coupon Notes respectively shall, where the context so admits, apply to such Dual Currency Notes, Index Linked Notes, Low Interest (discount) Notes or High Interest (premium) Notes. In the case of Dual Currency Notes, references to the Specified Currency in relation to any payment or calculation of a payment are to the currency in which that payment is required to be made. This Note is also an Index Linked Note where payment in respect of principal (each an “Index Linked Redemption Note”) and/or interest (each an “Index Linked Interest Note”) is linked to an Index and/or a Formula, and the appropriate provisions of these Conditions will apply accordingly. References in these Conditions, except in this paragraph, Condition 7 and Condition 10, to Coupons or Couponholders shall be deemed to include references to Talons or Talonholders and Receipts or Receiptholders.

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

For so long as any Notes are represented by a global Note held on behalf of Euroclear Bank S.A./N.V. (“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, the Guarantor (where the relevant Issuer is ASB Finance), the Trustee and any Paying Agent as the holder of such nominal amount of Notes for all purposes other than with respect to payments on the Notes for which purpose the bearer of the relevant global Note shall be treated by the Issuer, the Guarantor (where the relevant Issuer is ASB Finance), the Trustee and any Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant global Note and the Trust Deed and the terms “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly.

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

- (a) A Registered Note may be transferred in whole or in part (in the nominal amount of the lowest Specified Denomination or any integral multiple thereof) by the deposit by the transferor of the Registered Note for registration of the transfer at the specified office of a Transfer Agent with the form of transfer endorsed on the Registered Note duly completed and executed by or on behalf of the transferor and upon the relevant Transfer Agent (after due and careful enquiry) being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer and the Registrar may (with the prior approval of the Trustee) prescribe. Subject as provided above, the relevant Transfer Agent will, within fourteen days of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request a new Registered Note of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note, a new Registered Note in respect of the balance of the Registered Note not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.
- (b) A definitive Bearer Note (provided that all unmatured Coupons appertaining to the definitive Bearer Note are attached) may, where the applicable Final Terms so permits, be exchanged for a Registered Note of a like aggregate nominal amount by surrender of the definitive Bearer Note and Coupons to a Transfer Agent at its specified office, together with a written request for the exchange in the form for the time being available from the specified office of any Transfer Agent, provided that a definitive Bearer Note surrendered in exchange for a Registered Note after a Record Date (as defined in Condition 7(b)) and on or before the next following Interest Payment Date is not required to be surrendered with the Coupon maturing on the Interest Payment Date. Interest on a Registered Note issued on exchange will accrue as from that immediately preceding Interest Period End Date, except where issued in respect of a definitive Bearer Note surrendered after a Record Date and on or before the next following Interest Payment Date, in which event interest shall accrue as from the Interest Period End Date next following the date of exchange. Within fourteen days of the request, the relevant Transfer Agent will deliver at its specified office to the holder or (at the risk of the holder) send by mail to such address as may be specified by the holder in the request a Registered Note of a like aggregate nominal amount to the definitive Bearer Note exchanged.
- (c) No exchange of a Registered Note for a definitive Bearer Note will be permitted. Definitive Bearer Notes of one Specified Denomination may not be exchanged for definitive Bearer Notes of another Specified Denomination.

- (d) In the event of a partial redemption of Notes under Condition 6(c), the Issuer shall not be required:
- (i) to register the transfer of Registered Notes (or parts of Registered Notes) or to exchange definitive Bearer Notes for Registered Notes during the period beginning on the sixty-fifth day before the date of the partial redemption and ending on the day on which notice is given specifying the serial numbers of Notes called (in whole or in part) for redemption (both inclusive); or
 - (ii) register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption; or
 - (iii) to exchange any definitive Bearer Note called for partial redemption;
- except that a definitive Bearer Note called for partial redemption may be exchanged for a Registered Note which is simultaneously surrendered not later than the relevant Record Date.
- (e) Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer or any exchange as provided above, except for any costs or expenses of delivery other than at the specified office of a Transfer Agent or by regular mail and except that the 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 or exchange.
- (f) The names of the initial Registrar and other initial Transfer Agents and their initial specified offices in respect of this Series of Notes are set out at the end of these Conditions. Each of the Issuer and the Guarantor (where the relevant Issuer is ASB Finance) reserves the right, subject to the approval of the Trustee, at any time to vary or terminate the appointment of the Registrar or any other Transfer Agent and to appoint another Registrar or additional or other Transfer Agents provided that it will at all times maintain a Registrar and another Transfer Agent each having a specified office in a place approved by the Trustee which, in the case of the Registrar and so long as any Notes of this Series are admitted to the official list (the “Official List”) of the UK Listing Authority and to trading on the London Stock Exchange plc’s regulated market or on another stock exchange, shall be in London or such other place as may be required by that stock exchange. Notice of any termination or appointment and of any changes in specified offices will be given to the holders of the Notes of this Series promptly by the Issuer in accordance with Condition 16.

3 Status of the Notes and the Guarantee, Subordination and ASB Finance Covenant

(a) Status of the Unsubordinated Notes

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

If the Issuer is CBA, section 13A(3) of the Banking Act 1959 of the Commonwealth of Australia provides that, in the event that CBA (as an authorised deposit taking institution) becomes unable to meet its obligations or suspends payment, the assets of CBA in Australia are to be available to meet its liabilities in the following order:

- (i) first, CBA’s liabilities (if any) to the Australian Prudential Regulation Authority (“APRA”) in respect of the repayment of any amounts which APRA has paid to the holder of a protected account held by the holder with CBA under Division 2AA of Part II of the Banking Act 1959 of Australia (the “Financial Claims Scheme”);
- (ii) second, CBA’s debts (if any) to APRA in respect of APRA’s costs incurred in exercising its powers and performing its functions relating to CBA in connection with the Financial Claims Scheme;
- (iii) third, CBA’s deposit liabilities in Australia (other than any such liabilities covered under paragraph (i)); and
- (iv) fourth, CBA’s other liabilities (in the order of their priority apart from section 13A (3) of the Banking Act 1959 of Australia).

If the Issuer is CBA, section 16(2) of the Banking Act 1959 of the Commonwealth of Australia provides that, despite anything contained in any law relating to the winding up of companies,

but subject to section 13A(3) of the Banking Act 1959, the debts of a bank to APRA in respect of APRA's costs (including costs in the nature of remuneration and expenses) of being in control of a bank's business or of having an administrator in control of a bank's business have priority in a winding up of the bank over all other unsecured debts.

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

(b) Status and Subordination of the Subordinated Notes

If the Notes of this Series are Subordinated Notes issued by CBA, the Notes of this Series and the relative Coupons (if any) will, in the event of the winding up of CBA, be unsecured and subordinated obligations of CBA.

Accordingly, in the event of the winding up of CBA, all amounts paid from the assets of CBA to the Trustee will be held on trust for the Other Creditors admitted in the winding up of CBA upon the terms set out in clause 10.2 of the Twenty-Fourth Supplemental Trust Deed.

For the purposes of the Notes, "Other Creditors" means all creditors of CBA (including but not limited to the depositors of CBA in Australia) other than:

- (i) the holders of the Notes of this Series;
- (ii) creditors whose claims against CBA by the terms of any agreement, deed or instrument applicable to such creditors rank *pari passu* with the claims of the holders of the Notes of this Series; and
- (iii) creditors whose claims against CBA by the terms of any agreement, deed or instrument applicable to such creditors rank junior to the claims of the holders of the Notes of this Series.

The Notes of this Series shall rank *pari passu* with all other present and future outstanding unsecured subordinated indebtedness of CBA unless the terms of such other unsecured subordinated indebtedness of CBA expressly provide for it to rank ahead of or junior to the Notes of this Series. The Notes of this Series shall rank senior to all share capital of CBA (including without limitation preference shares, if any, of CBA).

The Notes of this Series do not represent a deposit liability of CBA for the purposes of the Banking Act 1959 of the Commonwealth of Australia.

Section 13A(3) of the Banking Act 1959 of the Commonwealth of Australia provides that, in the event that CBA (as an authorised deposit taking institution) becomes unable to meet its obligations or suspends payment, the assets of CBA in Australia are to be available to meet its liabilities in the following order:

- (i) first, CBA's liabilities (if any) to APRA in respect of the repayment of any amounts which APRA has paid to the holder of a protected account held by the holder with CBA under the Financial Claims Scheme;
- (ii) second, CBA's debts (if any) to APRA in respect of APRA's costs incurred in exercising its powers and performing its functions relating to CBA in connection with the Financial Claims Scheme;
- (iii) third, CBA's deposit liabilities in Australia (other than any such liabilities covered under paragraph (i)); and
- (iv) fourth, CBA's other liabilities (in the order of their priority apart from section 13A (3) of the Banking Act 1959 of Australia).

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

Section 86 of the Reserve Bank Act 1959 of the Commonwealth of Australia provides that notwithstanding anything contained in any law relating to the winding up of companies, but

subject to Section 13A(3) of the Banking Act 1959, debts due to the Reserve Bank of Australia by a bank shall, in the winding up, have priority over all other debts other than the debts due to the Commonwealth of Australia.

Nothing in the Conditions of the Notes of this Series shall be construed or deemed to limit the amount of senior debt, deposits and other obligations which rank senior to the Notes of this Series, including other unsecured subordinated obligations of CBA ranking senior to the Notes of this Series, that may be hereafter incurred or assumed by CBA.

Subject to applicable law, no holder of the Notes of this Series may exercise or claim any right of set-off in respect of any amounts owed to it by CBA arising under or in connection with the Notes of this Series and each such holder shall, by virtue of his subscription, purchase or holding of any such Note of this Series, be deemed to have waived all such rights of set-off.

The exercise of any contractual rights of set-off between the holders of the Notes of this Series and any claims by CBA against those holders is precluded.

Notwithstanding anything else in these Conditions, the obligations of CBA to make payments of interest in respect of the Notes of this Series is conditional upon CBA being Solvent at the time of payment. No interest is payable at any time with respect to the Notes of this Series except to the extent that CBA may make the payment and still be Solvent immediately after doing so.

If CBA would not remain Solvent after payment of the whole of any interest amount referred to above, but would remain Solvent immediately after payment of a portion of those moneys, then that proportion of the amounts payable to holders of any Notes of this Series will be due to and paid to those holders rateably (as to their respective due proportion only).

For the purposes of this Condition, CBA is taken to be “Solvent” if: (a) it is able to pay its debts to Unsubordinated Creditors as they fall due; and (b) its Assets exceed its Liabilities.

A report as to whether CBA is Solvent signed by 2 Authorised Officers of CBA or the auditors of CBA or, if CBA is being wound up, its liquidator, will, unless the contrary is proved, be evidence of the information set out in that report. Neither the Trustee nor any Paying Agent is obliged to obtain any such report prior to any due date for payment on the Notes or at any other time. In the absence of such a report the Trustee and the holder of any Note is entitled to assume (unless the contrary is proved) that CBA is and will after any payment be Solvent.

For the purpose of this Condition:

“Assets” means the unconsolidated gross assets of CBA as shown by the latest published audited accounts of CBA as adjusted for events subsequent to the date of such accounts in the manner and to the extent the directors, the auditor or, if relevant, the liquidator, of CBA determines to be appropriate; and

“Liabilities” means the unconsolidated gross liabilities of CBA as shown by the latest published audited accounts of CBA as adjusted for events subsequent to the date of such accounts in the manner and to the extent the directors, the auditor or, if relevant, the liquidator, of CBA determines to be appropriate.

If the Notes of this Series are Subordinated Notes issued by ASB Finance, the status and subordination of the Notes of this Series will be as set out in the applicable Final Terms.

(c) Status of the Guarantee

The Guarantor has, in the Trust Deed, unconditionally and irrevocably guaranteed the due and punctual payment of the principal of, and interest on, all Notes issued by ASB Finance and all other amounts payable by ASB Finance under or pursuant to the Trust Deed (the “Guarantee”).

The obligations of the Guarantor under the Guarantee constitute:

- (i) in the case of Unsubordinated Notes issued by ASB Finance, direct, unconditional and unsecured obligations of the Guarantor and will rank without any preference or priority amongst themselves and *pari passu* with all other present and future unsecured and unsubordinated obligations (other than statutorily preferred creditors) of the Guarantor subject as provided in Condition 4;
- (ii) in the case of Subordinated Notes issued by ASB Finance, unconditional and unsecured obligations of the Guarantor and will rank as set out in the applicable Final Terms and a supplemental trust deed.

(d) Issuer Covenant

If the Issuer of the Notes is ASB Finance, it covenants that the proceeds of any issue will be lent to the Guarantor pursuant to a loan agreement in the same currency and on the same financial terms with the addition of such margin or amounts as the Issuer may determine.

4 Negative Pledge

(a) Unsubordinated Notes

If the Notes of this Series are Unsubordinated Notes, as long as any of the Notes of this Series or the relative Coupons (if any) remains outstanding (as defined in the Trust Deed):

- (i) 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 without, at the same time, according to the Notes of this Series the same security or such other security as shall in the opinion of the Trustee be not materially less beneficial to the interests of the holders of the Notes of this Series or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the holders of the Notes of this Series; and
- (ii) the Guarantor (where the Issuer of the Unsubordinated Notes is ASB Finance), will not create or have outstanding any mortgage, pledge or other charge, upon or with respect to, any of its present or future assets or revenues to secure repayment of, or to secure any guarantee or indemnity in respect of, any external indebtedness without, at the same time, according to the Guarantee of the Notes of this Series the same security or such other security as shall in the opinion of the Trustee be not materially less beneficial to the interests of the holders of the Notes of this Series or as shall be approved by an Extraordinary Resolution of the holders of the Notes of this Series.

(b) Subordinated Notes

If the Notes of this Series are Subordinated Notes, this Condition 4 shall not be applicable to the Notes of this Series.

(c) Interpretation

For the purpose of this Condition “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 (if the Issuer is CBA) or New Zealand (if the Issuer is ASB Finance) 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.

5 Interest

(a) Interest on Fixed Rate Notes

- (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 will accrue in respect of each Interest Period (which expression shall in these Conditions mean the period from (and including) an Interest Period End Date (or if none the Interest Commencement Date) to (but excluding) the next (or first) Interest Period End Date (each such latter date the “Interest Period End Final Date” for the relevant Interest Period)). Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date. If an Interest Payment Date falls after the Interest Period End Final Date in respect of the relevant Interest Period, no additional interest or other amount shall be payable as a result of such interest being payable on such later date.

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 Interest Period ending on (but excluding) the Interest Period End Final Date in respect of such Interest Period 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 or, if different, the last Interest Period End Date in

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

- (2) Except in the case of Notes in definitive form where a Fixed Coupon Amount or Broken Amount, is specified in the applicable Final Terms, or where Business Day Convention is specified in the applicable Final Terms as applying to an Interest Period End Date or if interest is required to be calculated for a period (the “Relevant Period”) other than a full Interest Period interest shall be calculated 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 Fixed Rate 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.

In this Condition 5(a), each of “Day Count Fraction” and “Business Day Convention” 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 and Index Linked Interest Notes

- (1) *Interest Period End Dates and Interest Payment Dates*

Each Floating Rate Note and Index Linked Interest Note bears interest in respect of each Interest Period (which expression shall in these Conditions mean the period from (and including) a Specified Interest Period End Date (or if none the Interest Commencement Date to (but excluding) the next (or first) Specified Interest Period End Date (each such latter date the “Interest Period End Final Date” for the relevant Interest Period)). For the purposes of this Condition 5(b), “Interest Period End Date” shall mean either:

- (A) the Specified Interest Period End Date(s) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Period End Date(s) is/are specified in the applicable Final Terms, each 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 Period End Date, after the Interest Commencement Date.

Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date. If an Interest Payment Date falls after an Interest Period End Final Date in respect of the relevant Interest Period, no additional interest or other amount shall be payable as a result of such interest being payable on such later date.

- (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 Index Linked Interest Note (or, in the case of the redemption of part only of a Floating Rate Note or Index Linked Interest Note, that part only of such Note) on the Interest Period End Final Date for the last Interest Period unless, upon due presentation thereof, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before any judgement) until, but excluding, whichever is the earlier of (A) the day on which all sums due in respect of such Floating Rate Note or Index Linked

Interest Note up to that day are received by or on behalf of the holder of such Floating Rate Note or Index Linked Interest Note and (B) the day which is seven days after the date on which the Agent has notified the holder in accordance with Condition 16 that it has received all sums due in respect thereof up to that date.

(3) *Rate of Interest*

The Rate of Interest payable from time to time in respect of each Floating Rate Note and Index Linked Interest Note will be determined in the manner specified in the applicable 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 Interest Period specified in the applicable Final Terms 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 an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 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 either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency or on the Euro-zone inter-bank offered rate (EURIBOR) for calculations of payments in euro, the first day of that Interest Period or (ii) in any other case, as specified in the applicable 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 Interest Period:

- (i) the Rate of Interest for such Interest Period will be the rate of interest determined by the Agent or other person specified in the applicable Final Terms in accordance with this Condition 5(b)(4); and
- (ii) the 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 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 Interest Period will, subject as provided below, be either:

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

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

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

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

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

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

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

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

The Interest Amount payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period will be calculated by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes or Index Linked Interest 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 or Index Linked Interest 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 or an Index Linked Interest 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 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 Agent will cause the Rate of Interest and the Interest Amount for each Interest Period and the relevant Interest Period End Date and, if different, the relevant Interest Payment Date to be notified to the Issuer, the Trustee and, in the case of Floating Rate Notes or Index Linked Interest Notes which are listed on a stock exchange, that stock exchange as soon as possible but in any event not later than the second Business Day after their determination and will cause

notice of such information to be given to the holders of the Notes of this Series in accordance with Condition 16 not later than the fourth Business Day after their determination. Each Interest Amount, Interest Period End Date and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notification as aforesaid in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Notes affected thereby are for the time being listed.

(10) *Determination or Calculation by Trustee*

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

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

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

(c) 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 Interest Period or the Relevant Period, as the case may be, and, for the purposes of Condition 5(b), the 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 Interest Period or the Relevant Period, as the case may be, and, for the purposes of Condition 5(b), the Interest Period, in each case divided by 365;
- (3) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in, for the purposes of Condition 5(a), the Interest Period or the Relevant Period, as the case may be, and, for the purposes of Condition 5(b), the Interest Period, in each case divided by 365 or, in the case of the relevant period falling in a leap year, 366;
- (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 Interest Period or the Relevant Period, as the case may be, and, for the purposes of Condition 5(b), the 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 Interest Period or the Relevant Period, as the case may be, and, for the purposes of Condition 5(b), the 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 Period End 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;
- (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.

“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 Period End 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

- (9) if “30E/360 (ISDA)” 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 (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 any Interest Period End Date (or other date) which is specified in the applicable Final Terms to be subject to adjustment in accordance with a Business Day Convention 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 Period End Date (or other 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 (a) such Interest Period End Date (or other date) shall be brought forward to the immediately preceding Business Day and (b) after the foregoing paragraph (a) shall have applied, each subsequent Interest Period End Date (or other date) shall be the last Business Day of the last month which falls in the Interest Period after the preceding applicable Interest Period End Date occurred; or
- (2) the Following Business Day Convention, such Interest Period End Date (or other date) shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Period End Date (or other 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 Period End Date (or other date) shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Period End Date (or other 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 (if other than London) 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) Zero Coupon Notes, Low Interest (discount) Notes and High Interest (premium) Notes

Where a Zero Coupon Note, Low Interest (discount) Note or High Interest (premium) Note becomes due and repayable prior to the Maturity Date and is not paid when due, the amount due and repayable shall be the Amortised Face Amount of such Note as determined in accordance with Condition 6(f). As from the Maturity Date any overdue principal of such Note shall bear interest at a rate per annum equal to the Amortisation Yield. Such interest shall continue to accrue (as well after as before any 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 Agent has notified the holder in accordance with Condition 16 that it has received all sums due in respect thereof up to that date. Unless otherwise specified in the applicable Final Terms, such interest will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed.

(e) Dual Currency Interest Notes

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

(f) Partly-Paid Notes

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

6 Redemption and Purchase

(a) Final Redemption

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

(b) Redemption for Tax Reasons

The Notes of this Series may be redeemed, subject to the prior written consent of APRA if the Notes of this Series are Subordinated Notes issued by CBA, 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, Index Linked Interest Notes and Dual Currency Interest Notes) or on any Interest Period End Date (in the case of Floating Rate Notes, Index Linked Interest Notes and Dual Currency Interest Notes), on giving not less than 30 nor more than 60 days' notice in accordance with Condition 16 (which notice shall be irrevocable), at the Early Redemption Amount provided in, or calculated in accordance with, paragraph (g) or (h) (as applicable) below, together with (if provided in such paragraphs) interest accrued up to, but excluding, the date fixed for redemption, if the Issuer or the Guarantor (where the relevant Issuer is ASB Finance) satisfies the Trustee immediately prior to the giving of such notice that (i) it has or will become obliged to pay additional amounts as provided or referred to in Condition 9 or the Guarantor (in the case of Notes issued by ASB Finance) would be unable for reasons outside its control to procure payment by ASB Finance and in making payment itself would be required to pay such additional amounts or (ii) (if the Issuer is ASB Finance) in order to reduce the applicable level of any New Zealand non-resident withholding tax (under current law or change of law) to zero, 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 under section 86J of the Stamp and Cheque Duties Act 1971 of New Zealand or incurs any other cost in excess of that applicable under New Zealand law at the date of issue of the Notes, in each case as a result of any change in, or amendment to, the laws or regulations of the Commonwealth of Australia (if the Issuer is CBA) or New Zealand or the United Kingdom (if the Issuer is ASB Finance) or (in either case) a Taxing Jurisdiction (as defined in Condition 9) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including the manner of exercising any official discretion thereunder), which change or amendment becomes known generally or to the Issuer or the Guarantor (where the relevant Issuer is ASB Finance) 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 or the Guarantor (where the relevant Issuer is ASB Finance) 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 or the Guarantor (where the relevant Issuer is ASB Finance) 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)

If Issuer Call is specified in the applicable Final Terms, the Issuer may, subject to the prior written consent of APRA if the Notes of this Series are Subordinated Notes issued by CBA, on any Optional Redemption Date specified in the applicable Final Terms at its option, on giving not less than five Business Days' notice or such other notice period specified in the applicable Final Terms to the holders of the Notes of this Series (which notice shall be irrevocable) in accordance with Condition 16, redeem all or from time to time some only of the Notes of this Series then outstanding on the relevant Optional Redemption Date and at the Optional Redemption Amount indicated in the applicable Final Terms together with (in the case of Fixed Rate Notes) interest accrued up to, but excluding, the relevant Optional Redemption Date. In the event of a redemption of some only of such Notes, such redemption must be for an amount being equal to the Minimum Redemption Amount or a Higher Redemption Amount (if any) specified in the applicable Final Terms. In the case of a partial redemption of Notes, Notes to be redeemed will be selected individually by lot in such place as the Trustee may approve and in such manner as the Trustee shall deem to be appropriate and fair (without involving any part only of a Bearer Note) not less than 40 days prior to the date fixed for redemption. In the case of a partial redemption where some or all of the Notes are represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, such redemption with respect to those Notes will take place in accordance with the procedures of Euroclear and/or Clearstream, Luxembourg from time to time. Each notice of redemption will specify the date fixed for redemption and, in the case of a partial redemption, the aggregate nominal amount, and, where some or all of the Notes are in definitive form, the serial numbers, of the Notes to be redeemed and, in each case, the aggregate nominal amount of the Notes of this Series which will be outstanding after the partial redemption. In addition, in the case of a partial redemption of a Series of Notes which includes Registered Notes, the 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)

If Investor Put is specified in the applicable Final Terms, upon any Noteholder giving to the Issuer in accordance with Condition 16 not less than 30 nor more than 60 days' notice (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 indicated in the applicable Final Terms together with (in the case of Fixed Rate Notes) interest accrued up to, but excluding, the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

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(h)) 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 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 Agent by electronic means) in a form acceptable to Euroclear

and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Agent for notation accordingly.

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) Final Terms

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

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

- (1) The amount payable in respect of any Zero Coupon Note, Low Interest (discount) Note or High Interest (premium) Note upon redemption of such Note pursuant to paragraph (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 11 shall be the Amortised Face Amount (calculated as provided below) of such Note.
- (2) Subject to the provisions of sub-paragraph (3) below, the Amortised Face Amount of any Zero Coupon Note, Low Interest (discount) Note or High Interest (premium) Note shall be the sum of (A) the sum of (i) the Reference Price and (ii) the aggregate amortisation of the difference between the Reference Price and the nominal amount of the Note from, and including, the Issue Date to, but excluding, the date on which the Note is redeemed or becomes due and repayable as provided in Condition 11 at a rate per annum (expressed as a percentage) equal to the Amortisation Yield compounded annually and (B) interest (if any) accrued but unpaid to, but excluding, the date on which the Note is redeemed or becomes due and repayable as provided in Condition 11. Unless otherwise specified in the applicable Final Terms, where such calculation is to be made for a period other than a full year, it shall be made on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed.
- (3) If the amount payable in respect of any Zero Coupon Note, Low Interest (discount) Note or High Interest (premium) Note upon redemption of such Note pursuant to paragraph (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 11 is not paid when due, the amount due and repayable in respect of such Note shall be the Amortised Face Amount of such Note calculated pursuant to sub-paragraph (2) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and repayable was replaced by a reference to the date (the "Reference Date") which is the earlier of (A) the date on which all sums due in respect of the Note up to that day are received by or on behalf of the holder thereof and (B) the date on which the Agent has notified the holder in accordance with Condition 16 that it has received all sums due in respect thereof up to that date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made, after as well as before judgment, until the Reference Date unless the Reference Date falls on or after the Maturity Date, in which case the amount due and repayable shall be the nominal amount of such Note together with any interest which may accrue in accordance with Condition 5(c).

(g) Early Redemption Amounts

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

(h) Index Linked Redemption Notes and Dual Currency Redemption Notes

In respect of an Index Linked Redemption Note or a Dual Currency Redemption Note where the

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

(i) Purchase and Cancellation

The Issuer or the Guarantor (where the relevant Issuer is ASB Finance) may (subject as provided below and subject to the prior consent of APRA if the Notes of this Series are Subordinated Notes issued by CBA) at any time purchase Notes of this Series (provided that all unmatured Coupons appertaining to such Notes, if in definitive bearer form, are attached thereto or surrendered therewith) in any manner and at any price. If purchases are made by tender, tenders must be made available to all holders of Notes of this Series alike.

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

(j) Partly-Paid Notes

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

(k) Instalments

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

7 Payments and Exchange of Talons

(a) Payments in respect of definitive Bearer Notes

(1) Payments of principal and interest (if any) in respect of definitive Bearer Notes (if issued) will (subject as provided below) be made against surrender (or, in the case of part payment only, presentation and endorsement) of definitive Bearer Notes, Receipts or Coupons (which expression, in this Condition and Condition 10, shall not include Receipts or Talons), as the case may be, at any specified office of any Paying Agent outside Australia.

(2) In the case of Bearer Notes in definitive form, payments of principal in respect of instalments (if any), other than the final instalment, will (subject as provided below) be made against surrender (or, in the case of part payment only, presentation and endorsement) of the relevant Receipt. Payment of the final instalment will be made against surrender (or, in the case of part payment only, presentation and endorsement) of the relevant definitive Bearer Note. Each Receipt must be presented for payment of such instalment together with the relevant definitive Bearer Note against which the amount will be payable in respect of that instalment. If any definitive Bearer Notes are redeemed or become repayable prior to the Maturity Date in respect thereof, principal will be payable on surrender of each such Note together with all unmatured Receipts appertaining thereto. Unmatured Receipts and Receipts presented without the definitive Bearer Notes to which they appertain do not constitute obligations of the Issuer.

- (3) All payments of principal and interest with respect to definitive Bearer Notes will be made outside Australia and (except as otherwise provided in paragraph (d) below) the United States. Payments in any currency other than euro in respect of definitive Bearer Notes will (subject as provided below) be made by transfer to an account (in the case of payment in Yen to a non-resident of Japan, a non-resident account) in the Specified Currency maintained by the payee with a bank in the principal financial centre of the country of the Specified Currency (or, if the Specified Currency is Australian dollars, in London or another place outside Australia) provided that if at any time such payments cannot (in the opinion of the Trustee) be so made, then payments will be made outside Australia in such other manner as the Issuer may, with the prior written approval of the Trustee, determine and notify in accordance with Condition 16. Payments in euro in respect of definitive Bearer Notes will be made by transfer to a euro account outside Australia (or any other account outside Australia to which euro may be transferred) specified by the payee.
- (b) **Payments in respect of definitive Registered Notes**
Payments of principal in respect of definitive Registered Notes will (subject as provided in this Condition) be made against presentation and surrender of such Registered Notes at the specified office outside Australia of the Registrar by a cheque in the Specified Currency drawn on a bank in the principal financial centre of the country of the Specified Currency. Payments of interest in respect of definitive Registered Notes will (subject as provided in this Condition) be made by a cheque in the Specified Currency drawn on a bank in the principal financial centre of the country of the Specified Currency and posted on the business day in the city in which the Registrar has its specified office immediately preceding the relevant due date to the holder (or to the first named of joint holders) of the Registered Note appearing on the register at the close of business on the fifteenth day before the relevant due date (the "Record Date") at his address shown on the register on the Record Date. Upon application of the holder to the specified office of the Registrar not less than three business days in the city in which the Registrar has its specified office before the due date for any payment in respect of a Registered Note, the payment of principal and/or interest may be made (in the case of payment of principal against presentation and surrender of the relevant Registered Note as provided above) by transfer on the due date to an account in the Specified Currency maintained by the payee with a bank in the principal financial centre of the country of the Specified Currency subject to the provisions of the following two sentences. If the Specified Currency is Australian dollars, payment will be made (in the case of a transfer to a bank account) by transfer to an account in London or another place outside Australia and, if the Specified Currency is Yen, payment will be made (in the case of payment to a non-resident of Japan) by cheque drawn on, or by transfer to a non-resident account. If the Specified Currency is euro, payment will be made to a euro account outside Australia (or any other account outside Australia to which euro may be transferred), as the case may be, specified by the payee.
- (c) **Payments in respect of global Notes**
- (1) Payments of principal and interest (if any) in respect of Notes represented by any global Note will (subject as provided below) be made in the manner specified in the relevant global Note against presentation and endorsement or surrender, as the case may be, of such global Note at the specified office of any Paying Agent outside Australia. A record of each payment made on such global Note, distinguishing between any payment of principal and interest, will be made on such global Note by the Paying Agent to which such global Note is presented for the purpose of making such payment, and such record shall (save in the case of manifest error) be conclusive evidence that the payment in question has been made.
- (2) The holder of a global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer or, as the case may be, the Guarantor (where the relevant Issuer is ASB Finance) 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 or, as the case may be, the Guarantor (where the relevant Issuer is ASB Finance) to, or to the order of, the holder of the relevant global Note. Subject to Condition 12 and the Trust Deed, no person other than the holder of a global Note shall have any claim against the Issuer or, as the case may be, the Guarantor (where the relevant Issuer is ASB Finance) in respect of any payments due on that global Note.

- (d) Payments of interest in U.S. dollars in respect of Bearer Notes
- Notwithstanding the foregoing, payments of interest in U.S. dollars in respect of Bearer Notes will only be made at the specified office of any Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and District of Columbia, its territories, its possessions and other areas subject to its jurisdiction))
- (1) if (A) the 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) *[This paragraph is no longer applicable]*
- (f) Payments subject to applicable laws
- Payments in respect of the Notes will be subject in all cases to any fiscal or other laws and regulations applicable thereto but without prejudice to the provisions of Condition 9.
- (g) Unmatured Receipts, Coupons and Talons
- (1) Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined in subparagraph (2)), Index Linked Notes and Dual Currency Notes) should be presented for redemption together with all unmaturing Coupons (which expression shall include Coupons falling to be issued on exchange of Talons which will have matured on or before the relevant redemption date) appertaining thereto, failing which, the amounts of any missing unmaturing Coupons (or, in the case of payment of principal not being made in full, that proportion of the aggregate amount of such missing unmaturing Coupons that the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Any amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupons at any time in the period expiring 10 years after the Relevant Date (as defined in Condition 9) for the payment of such principal, whether or not such Coupon would otherwise have become void pursuant to Condition 10 or, if later, five years from the due date for payment of such Coupon. Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmaturing Receipts and Talons (if any) appertaining thereto will become void and no payments in respect of any such Receipts and no further Coupons in respect of any such Talons will be made or issued, as the case may be.
- (2) Upon the due date for redemption of any Floating Rate Note, Long Maturity Note, Dual Currency Note or Index Linked Note in definitive bearer form, any unmaturing Receipts, Coupons or Talons relating to such Note (whether or not attached) shall become void and no payment or exchange, as the case may be, shall be made in respect of them. Where any such Note is presented for redemption without all unmaturing Receipts, Coupons or Talons relating to it, redemption shall be made only against the provision of such indemnity as the 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.
- (h) Payments due on non-business days
- If any date for payment of principal in respect of any Registered Note or any amount in respect of any Bearer Note, Receipt or Coupon is not a business day, then the holder thereof shall not be entitled to payment at the place of presentation of the amount due until the next following business day (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 addition if any date for the payment of interest by transfer to an account specified by the holder in respect of any Registered Note is not a business day, then the holder shall not be entitled to payment to such account until the next following business day and shall not be entitled to any interest or other sum in respect of any such postponed payment. In this Condition "business day" means, subject as provided in the applicable 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) the relevant place of presentation;
 - (B) London; and
 - (C) 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 (if other than the place of presentation, London and any Additional Financial Centre) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(i) Payment of accrued interest

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

(j) Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Paying Agent in Luxembourg (or any other Paying Agent notified by the 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.

(k) Initial Paying Agents

The names of the initial Agent and the other initial Paying Agents and their initial specified offices in respect of this Series of Notes are set out below. The Issuer may at any time, with the approval of the Trustee, vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents, provided that it will, so long as any of the Notes of this Series is outstanding, maintain (i) an Agent, (ii) a Paying Agent (which may be the Agent) having a specified office in a leading financial centre in Europe approved by the Trustee, (iii) so long as any Notes of this Series are admitted to the Official List and to trading on the London Stock Exchange plc's market for listed securities or on another stock exchange, a Paying Agent (which may be the Agent) having a specified office in London or other place as may be required by that stock exchange and (iv) 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. Any such variation, termination or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 days' prior notice thereof shall have been given to the holders of the Notes of this Series in accordance with Condition 16 and provided further that neither the resignation nor the removal of the Agent shall take effect, except in the case of insolvency as aforesaid, until a new Agent approved by the Trustee has been appointed. Notice of any change in or addition to the Paying Agents or their specified offices will be given by the Issuer promptly in accordance with Condition 16.

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

9 **Taxation**

All payments of, or in respect of, principal and interest on the Notes of this Series will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("Taxes") imposed or levied by or on behalf of the Commonwealth of Australia (if the Issuer is CBA) or New Zealand or the United

Kingdom (if the Issuer is ASB Finance) and (in either case) any Taxing Jurisdiction or any political sub-division thereof or any authority thereof or therein having power to tax unless such Taxes are required by law to be withheld or deducted. In that event, the Issuer or the Guarantor (where the relevant Issuer is ASB Finance) will pay such additional amounts of, or in respect of, principal and/or interest as will result (after deduction of the Taxes) in payment to the holders of the Notes of this Series and/or the Coupons relating thereto of the amounts which would otherwise have been payable in respect of the Notes of this Series or, as the case may be, Coupons relating thereto, except that no such additional amounts shall be payable with respect to any Note of this Series or Coupon relating thereto presented for payment:

- (a) by or on behalf of a holder who is subject to such Taxes in respect of such Note or Coupon by reason of his being connected with the Commonwealth of Australia (if the Issuer is CBA) or New Zealand or the United Kingdom (if the Issuer is ASB Finance) and (in either case) a Taxing Jurisdiction other than by reason only of the holding of the Note or Coupon or the receipt of payment thereon;
- (b) if the Issuer is CBA, 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) if the Issuer is ASB Finance, with respect to any withholding or deduction for or on account of New Zealand resident withholding tax;
- (d) if the Issuer is ASB Finance, by or on behalf of a holder if such withholding or deduction may be avoided (and has not been so avoided) by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to any authority of or in New Zealand, unless such holder proves that he is not entitled so to comply or to make such declaration or claim;
- (e) if the Issuer is ASB Finance, by or on behalf of a holder who is an associated person of ASB Finance for New Zealand income tax purposes;
- (f) 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;
- (g) if the Issuer is CBA, 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;
- (h) 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
- (i) by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a member state of the European Union 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 Agent or the Trustee on or prior to such date, the date on which notice is duly given to the Noteholders of this Series in accordance with Condition 16 that such moneys have been so received.

The "Taxing Jurisdiction" in relation to any Note or Coupon of this Series means the jurisdiction, if any, named in the applicable Final Terms as being the jurisdiction wherein the Issuer's borrowing office is located for this Series of Notes if such borrowing office is not located in the Commonwealth of Australia (if the Issuer is CBA) or the United Kingdom (if the Issuer is ASB Finance).

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

If the Issuer is ASB Finance, where used in the remaining provisions of this Condition, “Interest” means interest (as defined under New Zealand taxation legislation) for withholding tax purposes, which under current legislation includes the excess of the redemption amount over the issue price of any Note as well as coupon interest paid on such Note.

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

(a) Unsubordinated Notes

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

- (i) the Issuer and (where the relevant Issuer is ASB Finance) the Guarantor fails to pay the principal of the Notes of this Series when due or fails to pay any interest due thereon within 14 days of the due date; or
- (ii) the Issuer or the Guarantor (where the relevant Issuer is ASB Finance) defaults in performance or observance of or compliance with any of its other undertakings set out in the Notes of this Series or the Trust Deed which default is incapable of remedy or which, if capable of remedy, is not, in the opinion of the Trustee, remedied within 30 days after notice of such default shall have been given to the Issuer and the Guarantor (if the relevant Issuer is ASB Finance) by the Trustee; or
- (iii) (A) any other present or future indebtedness of the Issuer or the Guarantor (where the relevant Issuer is ASB Finance) for or in respect of moneys borrowed or raised (not being moneys borrowed or raised in the ordinary course of business) becomes due and payable prior to its stated maturity as a result of a default by the Issuer or the Guarantor (where the relevant Issuer is ASB Finance); or
- (B) any such indebtedness is not paid when due or (as the case may be) within any applicable grace period therefor; or
- (C) the Issuer or the Guarantor (where the relevant Issuer is ASB Finance) fails to pay when due or expressed to be due any amount payable or expressed to be payable by it under any present or future guarantee or indemnity for any moneys borrowed or raised (not being a guarantee or indemnity given in the ordinary course of business); or
- (D) any mortgage, charge, pledge or other encumbrance, present or future, created or assumed by the Issuer or the Guarantor (where the relevant Issuer is ASB Finance) becomes enforceable and the holder thereof takes any steps to enforce the same; or

- (iv) the Issuer or the Guarantor (where the relevant Issuer is ASB Finance) becomes insolvent or its debts are not paid as they mature or the Issuer or the Guarantor (where the relevant Issuer is ASB Finance) applies for or consents to or suffers the appointment of a liquidator or receiver of the Issuer or the Guarantor (where the relevant Issuer is ASB Finance) or the whole or any part of the undertaking, property, assets or revenues of the Issuer or the Guarantor (where the relevant Issuer is ASB Finance) or takes any proceeding under any law for a readjustment or deferment of its obligations or any part thereof or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors; or
 - (v) any law is passed the effect of which is to dissolve the Issuer or the Guarantor (where the relevant Issuer is ASB Finance) or the Issuer (where the relevant Issuer is CBA) or the Guarantor (where the relevant Issuer is ASB Finance) ceases to carry on a general banking business in the Commonwealth of Australia (if the Issuer is CBA) or New Zealand (if the Issuer is ASB Finance) or the Issuer (where the relevant Issuer is CBA) or the Guarantor (where the relevant Issuer is ASB Finance) ceases to be authorised to carry on a general banking business within the Commonwealth of Australia (if the Issuer is CBA) or New Zealand (if the Issuer is ASB Finance); or
 - (vi) (where the relevant Issuer is ASB Finance) the Guarantee ceases to be, or is claimed by the Issuer or the Guarantor not to be, in full force and effect.
- (b) Subordinated Notes issued by CBA
- (i) If the Notes of this Series are Subordinated Notes issued by CBA and if default is made in the payment of any principal or interest due in respect of the Notes of this Series and such default continues for a period of 15 days the Trustee may, subject as provided below, at its discretion and without further notice, institute proceedings for the winding up of CBA in Australia (but not elsewhere) but may take no further action in respect of such default, provided that the Trustee shall not have the right to institute such proceedings if CBA withholds or refuses any such payment (A) in order to comply with any fiscal or other law or regulation (including without limitation the regulations issued by APRA) or with the order of any court of competent jurisdiction, in each case applicable to such payment, or (B) (subject as provided in the Trust Deed) in case of doubt as to the validity or applicability of any such law, regulation or order, in accordance with advice given as to such validity or applicability, at any time during the said period of 15 days, by independent legal advisers acceptable to the Trustee.
 - (ii) If, otherwise than for the purposes of a reconstruction or amalgamation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the holders of the Notes of this Series (A) an order is made or an effective resolution is passed for the winding up of CBA in Australia (but not elsewhere) or (B) any law is passed the effect of which is to dissolve CBA or (C) CBA ceases to carry on a general banking business in the Commonwealth of Australia or (D) CBA ceases to be authorised to carry on a general banking business within the Commonwealth of Australia, then, in any such case, the Trustee may, subject as provided below, at its discretion, give notice to CBA that the Notes of this Series are, and they shall accordingly thereby forthwith become, immediately due and repayable at their principal amount, plus accrued interest as provided in the Trust Deed.
 - (iii) Without prejudice to paragraphs (i) and (ii) above, the Trustee may, subject as provided below, at its discretion and without further notice, institute such proceedings against CBA as it may think fit to enforce any obligation, condition or provision binding on CBA under the Notes of this Series, the relative Coupons or the Trust Deed (other than any obligation for the payment of any principal or interest in respect of the Notes of this Series), provided that CBA shall not as a consequence of such proceedings be obliged to pay any sum or sums representing or measured by reference to principal or interest in respect of the Notes of this Series sooner than the same would otherwise have been payable by it or any damages.
 - (iv) The Trustee shall be bound to take action as referred to in paragraphs (i), (ii) and/or (iii) above if it shall have been so requested in writing by holders of the Notes of this Series holding at least one-fifth in nominal amount of the Notes of this Series then outstanding or if so directed by an Extraordinary Resolution. The Trustee is not obliged to take action as referred to in paragraphs (i), (ii) and/or (iii) above unless it has been indemnified and/or secured to its satisfaction.
 - (v) No holder of Notes shall be entitled to proceed directly against CBA pursuant to paragraph (iii) above unless the Trustee, having become bound so to proceed, fails to do so within a reasonable

period and such failure is continuing. No such holder shall be entitled either to institute proceedings in Australia (or elsewhere) for the winding up of CBA or to submit a claim in such winding up, except that if the Trustee, having become bound to institute such proceedings as aforesaid, fails to do so, or, being able and bound to submit a claim in such winding up, fails to do so, in each case within a reasonable period and such failure is continuing, then any such holder may, on giving an indemnity satisfactory to the Trustee, in the name of the Trustee (but not otherwise), himself institute proceedings for the winding up of CBA in Australia (but not elsewhere) and/or submit a claim in such winding up to the same extent (but not further or otherwise) that the Trustee would have been entitled to do so.

12 Enforcement of Rights

If the Notes of this Series are Unsubordinated Notes, no holder of a Note or Coupon of this Series Notes is entitled to proceed directly against the Issuer or the Guarantor (where the relevant Issuer is ASB Finance) unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

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

The Trust Deed contains provisions for convening meetings of holders of the Notes of this Series to consider any matters affecting their interests, including modifications of the terms and conditions of the Notes of this Series and the Trust Deed. Any such modification must be authorised by an Extraordinary Resolution which is defined in the Trust Deed to mean a resolution passed by a majority consisting of not less than three-quarters of the votes cast at a meeting of the holders of the Notes of this Series duly convened and held and, if the Notes of this Series are Subordinated Notes and issued by CBA, any such modification which affects the subordination or stated maturity of the Notes of this Series (being a modification of Condition 3, 6(b), 6(c), 6(d), 6(i) or 11) may only be made with the prior written consent of APRA. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority in nominal amount of the Notes of this Series for the time being outstanding or, at any adjourned meeting, one or more persons being or representing the holders of the Notes of this Series whatever the nominal amount of Notes of this Series so held or represented; provided that at any meeting the business of which includes the modification of certain terms, including any reduction or cancellation of, or modification of the method of calculating, the amount payable in respect of the Notes of this Series, any modification of, or of the method of calculating, the date of payment of principal or interest in respect of the Notes of this Series or any modification of the currency of payment of the Notes of this Series or the Coupons relating thereto, the quorum will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting, not less than one-third, in nominal amount of Notes of this Series for the time being outstanding. A resolution duly passed at a meeting of holders of the Notes of this Series shall be binding on all the holders of the Notes of this Series (whether present at the meeting or not) and on all the holders of Coupons relating thereto.

The Trustee may agree without the consent of the holders of the Notes of this Series or the holders of Coupons relating thereto to any modifications to the terms and conditions of the Notes of this Series or the Coupons relating thereto or to the provisions of the Trust Deed which in its opinion are of a formal, minor or technical nature, are made to correct a manifest error or (not being such a modification as is mentioned in the proviso to the third sentence of the preceding paragraph) are not materially prejudicial to the interests of the holders of the Notes of this Series provided that, if the Notes of this Series are Subordinated Notes and issued by CBA, any such modification which affects the subordination or stated maturity of the Notes of this Series (being a modification of Condition 3, 6(b), 6(c), 6(d), 6(i) or 11) may only be agreed to by the Trustee if the prior consent of APRA has been obtained.

The Trustee may also agree without the consent of the holders of the Notes of this Series or the holders of the Coupons relating thereto to the substitution of any other corporation in place of the Issuer as principal debtor under the Trust Deed, the Notes of this Series and the Coupons relating thereto, or the Guarantor (where the relevant Issuer is ASB Finance) under the Trust Deed, subject as provided in the Trust Deed.

The Trustee may without the consent of the holders of the Notes of this Series or the holders of Coupons relating thereto authorise or waive any breach or proposed breach by the Issuer or the Guarantor of any of the provisions of the Trust Deed and/or the Notes of this Series or the Coupons relating thereto or determine that any act or omission which constitutes, or would or might on its own or together with any other act or omission constitute, an Event of Default

which, in the opinion of the Trustee, is not materially prejudicial to the interests of the holders of the Notes of this Series shall, notwithstanding Condition 11, not be an Event of Default.

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

14 Indemnification of the Trustee

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

15 Replacement of Notes and Coupons

If any Note (including a global Note) or Coupon is mutilated, defaced, stolen, destroyed or lost, it may be replaced at the specified office of the Agent on payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence, indemnity and otherwise as the 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 approved by the Trustee with general circulation in Europe and shall, if published more than once, be deemed to be given on the date of the first such publication. Holders of Coupons appertaining to Bearer Notes in definitive form of this Series will be deemed for all purposes to have notice of the contents of any notice given to the holders of the Bearer Notes of this Series in accordance with this paragraph (b).
- (c) Until such time as any definitive Notes are issued, there may, so long as all the global Notes for this Series are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted, in relation only to this Series, for such publication as aforesaid the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg, as appropriate, for communication by it or them to the holders of the Notes of this Series. Any such notice shall be deemed to have been given to the holders of the Notes of this Series 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 Agent. Whilst any Notes are represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, such notices may be given by a holder of any Notes so represented to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg may approve for this purpose.

17 Further Issues

The 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). The Trust Deed contains provisions for convening a single meeting of the holders of the Notes of this Series and the holders of Notes of other Series in certain circumstances where the Trustee so decides.

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

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

19 Governing Law

The Notes of this Series, the Coupons (if any) relating thereto and the Trust Deed and any non-contractual obligations arising out of or in connection with the Notes of this Series, the Coupons (if any) relating thereto and the Trust Deed are governed by, and will be construed in accordance with, English law and the Issuer and the Guarantor have, in the Trust Deed, submitted to the jurisdiction of the courts of England and (where the Issuer is CBA) to the courts of the Commonwealth of Australia or (in the case of the Guarantor and where the Issuer is ASB Finance) New Zealand for all purposes in connection with the Notes of this Series, any Coupons relating thereto and the Trust Deed (including for all purposes in connection with any non-contractual obligations arising out of or in connection with the Notes of this Series, any Coupons relating thereto and the Trust Deed) and CBA has appointed the General Manager, Europe from time to time of CBA located at its London branch (currently at Senator House, 85 Queen Victoria Street, London EC4V 4HA) to receive service of process in any action which may be instituted in England based on any of such Notes or Coupons or the Trust Deed (including any action relating to any non-contractual obligations arising out of or in connection with any of such Notes or Coupons or the Trust Deed). Each of ASB Finance and the Guarantor agrees that the service of process in any action which may be instituted in England based on any of such Notes or Coupons or the Trust Deed (including any action relating to any non-contractual obligations arising out of or in connection with any of such Notes or Coupons or the Trust Deed) may be served on it by being delivered to ASB Finance Limited, London Branch (currently at Senator House, 85 Queen Victoria Street, London EC4V 4HA).

All matters relating to any Australian Government Guarantee given in connection with any Series shall be construed in accordance with the laws of New South Wales, Australia. All matters relating to any NZ Government Guarantee given in connection with any Series shall be construed in accordance with the laws of New Zealand.

Use of Proceeds

The net proceeds from each issue of Notes will be applied by the relevant Issuer for its general corporate purposes (where the relevant Issuer is CBA) or on-lent to the Guarantor, to be applied by the Guarantor for its general corporate purposes (where the relevant Issuer is ASB Finance), which include making a profit. If, in respect of any particular 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\$21,642 million at 30 June 2009. 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 objects 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 Level 7, 48 Martin Place Sydney, NSW 2000, Australia, telephone number +61 2 9378 2000. The Bank and its subsidiaries together provide a wide range of banking, financial and related services in Australia.

At 30 June 2009, the Bank and its consolidated subsidiaries had total assets of A\$620,372 million, deposits and other public borrowings of A\$368,721 million and total regulatory capital of A\$30,095 million. Net profit after income tax (statutory basis), for the year ended 30 June 2009 was A\$4,723 million.

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. minority 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”) and St Andrew’s Australia Pty Ltd (“St Andrew’s”) from HBOS plc. The acquisition provides the opportunity to expand CBA’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, with a full-time equivalent staff of more than 44,218, 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. As at 30 June 2009, the Bank was Australia’s largest bank in terms of housing loans and retail deposits (source: Australian Prudential Regulatory Authority monthly Banking Statistics June 2009 (issued 31 July 2009) (Tables 2 and 4)).

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 has six customer facing 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 provides Total Capital Solutions offering debt and capital markets products, risk management solutions and transactional banking to corporate and institutional clients. This segment also has wholesale banking operations in London, New York, Singapore, Hong Kong and Malta.

Business and Private Banking

Business and Private Banking offers commercial products within Australia including business loans, deposits and asset finance facilities to small and medium sized corporate customers and to rural and agribusiness customers. In addition, the division also provides private banking services to high net worth individuals and margin lending through CommSec.

Wealth Management

The Wealth Management segment conducts Australian funds management business comprising wholesale and retail investment, superannuation and retirement funds. Investments are across all major asset classes including Australian and international shares, property, fixed interest and cash. This segment 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

International Financial Services has full service banking operations in New Zealand, Fiji, Indonesia and Vietnam. The Bank conducts wholesale operations in London and Hong Kong and

is represented in Japan and selected regions of China together with a representative office in India. The Bank's International Financial Services segment also includes life insurance operations and a fund management business in New Zealand as well as life insurance operations in both Asia and the Pacific.

Bankwest

Bankwest offers retail and small business banking services and provides a comprehensive range of products for these clients.

In addition, there are five support divisions. These are:

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, operational, compliance 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 credit, market, operational compliance and insurance 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 and Group Services

Human Resources and Group Services ("HR&GS") supports each business unit through recruitment, employee relations, HR administration, remuneration benefits, occupational health and safety, project work and leadership development training. HR&GS also carries out Marketing and Communications functions for the Bank.

Office of the CEO

Office of the CEO brings together functions that support the Bank's Board, executive and businesses in three key areas - Group Strategic Development, Legal and Secretariat.

Share Capital

The Bank is a public company with an ordinary share capital at 30 June 2009 of A\$21,642 million divided into 1,511,608,509 ordinary shares at A\$14.32 each.

Financial Condition and Operating Results

The following table sets out certain summary financial data relating to the Bank. This data has been extracted without material adjustment from the published consolidated financial statements of the Bank for the year ended 30 June 2009.

	<i>As at / year ended 30 June</i>		
	2009	2008	2007
	<i>(in millions A\$)</i>		
Balance Sheet			
Total assets	620,372	487,572	440,157
Lending assets ⁽¹⁾	481,359	379,560	334,186
Deposits and other public borrowings	368,721	263,706	219,068
Shareholders' equity attributable to members of the chief entity	30,922	25,619	23,932
Profit and Loss Account			
Net interest income	10,301	7,907	7,036
Other operating income	6,173	6,662	6,355
Gain on acquisition of controlled entities	983	-	-
Other expenses ⁽²⁾ , charge for bad and doubtful debts and superannuation expenses	(11,008)	8,314	6,853
Operating profit before abnormal items	6,449	6,255	6,538
Income tax on operating profit before abnormal items	(1,696)	(1,433)	(2,041)
Operating profit after income tax	4,753	4,822	4,497
Outside equity interests	(30)	(31)	(27)
Appraisal value uplift	-	-	-
Net profit attributable to members of the chief entity	4,723	4,791	4,470

Notes:

- (1) Includes loans, advances, lease financing and bills discounted (after deducting provisions for loan impairment). Includes bank acceptances.
- (2) Includes amortisation of goodwill.

The following comparative information has been restated: (1) during the year ended 30 June 2008 the Bank reassessed the application of AASB 132 Financial Instruments: Presentation, to certain products with legal right of set off, for which interest is calculated and charged on a net basis. While interest continues to be calculated and charged on a net basis, the Bank no longer considers that these products meet the requirements for set off in the Balance Sheet, so they are now presented on a gross basis. The year ended 30 June 2007 has been restated by increasing Loans, advances and other receivables and Deposits and other public borrowings by A\$15,686 million; (2) during the year ended 30 June 2008 the Bank reassessed the application of AASB 139 Financial Instruments: Recognition and Measurement, to certain liabilities previously designated as Liabilities at fair value through Income Statement. These liabilities did not meet the necessary requirements for this designation. Consequently these liabilities have been reclassified to Debt issues. The year ended 30 June 2007 has been restated, by decreasing Liabilities at fair value through Income Statement and increasing Debt issues by A\$3,035 million; and (3) during the year ended 30 June 2008 the Bank reassessed the application of AASB 112: Income Taxes, to presentation of deferred income tax balances for the tax-consolidated group and determined that the conditions for set-off have been met. This has had the effect of reducing Deferred tax assets and Deferred tax liabilities by A\$668 million for the year ended 30 June 2007.

Audit Committee

The Audit Committee of the Bank consists of Fergus D Ryan (Chairman), David J Turner, Harrison H Young, S Carolyn H Kay and Colin R Galbraith, AM.

The charter of the Audit Committee incorporates a number of policies and procedures to ensure its independence and effectiveness, including the following:

- (a) it is the policy of the Bank to have an Audit Committee of the Board at all times;
- (b) the Audit Committee comprises at least three members. All members must be non-executive, independent directors and financially literate. At least one member must be a "Financial Expert" within the meaning of that term as described in the Australian Securities Corporate Governance guidelines. The financial expert will be determined by the Board from time to time;

- (c) 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;
- (d) the Audit Committee will meet at least quarterly, and as required. It will invite the external auditor to all meetings of the Audit Committee;
- (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) the Audit Committee will meet from time to time with the Bank Auditor and external auditor without management or others being present; and
- (g) similarly, 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.

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 including overseeing accounting policies and associated requirements;
- to provide assurance on the governance and control for the Bank covering key business processes including risk frameworks;
- 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 from Bank Audit and the external auditor;
- to oversee policies and procedures for the receipt, retention and treatment of complaints and disclosures, on a confidential basis if necessary, regarding accounting, internal control, compliance, audit and other matters about which an employee has concerns, and the communication of these policies and procedures;
- to consider significant issues raised at other Audit Committees in the Bank and respond as appropriate; and
- to review and discuss any reports concerning material violations of laws and regulatory requirements.

Directors of Commonwealth Bank of Australia

The Board of the Bank consists of eleven directors including the Chairman, one executive director and nine 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 CBA is: Level 7, 48 Martin Place, Sydney NSW 2000 Australia.

The members of the Board are:

John M Schubert, Chairman

Dr Schubert has been a member of the Board since 1991 and Chairman since November 2004. He is Chairman of the Board Performance & Renewal Committee and a member of the People & Remuneration Committee. He holds a Bachelor's Degree and PhD in Chemical Engineering and has executive experience in the petroleum, mining and building materials industries. Dr Schubert is the former Managing Director and Chief Executive Officer of Pioneer International Limited and the former Chairman and Managing Director of Esso Australia Ltd.

Chairman: G2 Therapies Limited, Great Barrier Reef Foundation.

Director: BHP Billiton Limited, BHP Billiton plc, Qantas Airways Limited.

Other Interests: Academy of Technological Science and Engineering (Fellow), Institute of Engineers (Fellow) and Honorary Member & Past President, Business Council of Australia.

Dr Schubert is a resident of New South Wales. Age 66.

David Turner will succeed John Schubert as Chairman in February 2010.

Ralph J Norris, KNZM, Managing Director and Chief Executive Officer

Mr Norris was appointed as Managing Director and Chief Executive Officer with effect from September 2005. Mr Norris had been Chief Executive Officer and Managing Director of Air New Zealand since 2002 and had been a Director of that company since 1998. He retired from that Board in 2005 to take up his position with the Bank. He is a member of the Risk Committee.

Mr Norris has a 30 year career in banking. He was Chief Executive Officer of ASB Bank Limited from 1991 until 2001 and Head of International Financial Services from 1999 until 2001.

In 2005, Mr Norris retired from the Board of Fletcher Building Limited where he had been a Director since 2001.

Chairman: Australian Bankers' Association and CommFoundating Pty Limited.

Director: Business Council of Australia and Financial Markets Foundation for Children.

Other Interests: New Zealand Institute of Management (Fellow) and New Zealand Computer Society (Fellow).

Mr Norris is a resident of New South Wales. Age 60.

Sir John A Anderson, KBE

Sir John joined the Board on 12 March 2007. He is a member of the Risk Committee. Sir John is a highly respected business and community leader, having held many senior positions in New Zealand finance including Chief Executive 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".

Chairman: Television New Zealand Limited, Capital and Coast District Health Board, New Zealand Venture Investment Fund and Hawke's Bay District Health Board.

Other Interests: Institute of Financial Professionals New Zealand (Fellow), Institute of Directors (Fellow), New Zealand Society of Accountants (Fellow), Australian Institute Banking and Finance (Life Member).

Sir John is a resident of Wellington, New Zealand. Age 64.

Reg J Clairs, AO

Mr Clairs has been a member of the Board since 1999 and is Chairman of the People & Remuneration Committee, and a member of the Risk Committee. As the former Chief Executive Officer of Woolworths Limited, he had 33 years experience in retailing, branding and customer service.

Director: David Jones Limited.

Other Interests: Australian Institute of Company Directors (Member).

Mr Clairs is a resident of Queensland. Age 71.

Colin R Galbraith, AM

Mr Galbraith has been a member of the Board since 2000 and is a member of the Risk Committee, Audit Committee and Board Performance & Renewal Committee. He is a special advisor for Gresham Partners Limited.

Chairman: BHP Billiton Community Trust.

Director: OneSteel Limited and Australian Institute of Company Directors.

Other Interests: CARE Australia (Director) and Royal Melbourne Hospital Neuroscience Foundation (Trustee).

Mr Galbraith is a resident of Victoria. Age 61.

Jane S Hemstritch

Ms Hemstritch was appointed to the Board effective 9 October 2006 and is a member of the People & Remuneration Committee and Risk Committee. Ms Hemstritch was Managing Director – Asia Pacific, Accenture Limited from 2004 until her retirement in February 2007. In this role, she was a member of Accenture's global executive leadership team and oversaw the management of Accenture's business portfolio in Asia Pacific. 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.

Director: The Global Foundation and Tabcorp (appointed 13 November 2008).

Other Interests: Institute of Chartered Accountants in Australia (Fellow), Institute of Chartered Accountants in England and Wales (Fellow), Chief Executive Women Inc. (Member) and Council of Governing Members of The Smith Family and CEDA's Policy and Research Committee (Member).

Ms Hemstritch is a resident of Victoria. Age 55.

Carolyn H Kay

Ms Kay has been a member of the Board since 2003 and is a member of the Audit, People & Remuneration and Risk Committees. She holds Bachelor Degrees in Law and Arts and a Graduate Diploma in Management. She has extensive experience in finance, particularly in International Finance having worked as both a banker and a lawyer at Morgan Stanley, JP Morgan and Linklaters & Paines in London, New York and Australia.

Director: Brambles Industries Limited, Sydney Institute and Allens Arthur Robinson.

Other Interests: Australian Institute of Company Directors (Fellow) and Chief Executive Women's Inc (member).

Ms Kay is a resident of New South Wales. Age 48.

Fergus D Ryan

Mr Ryan has been a member of the Board since 2000 and is Chairman of the Audit Committee and a member of the Risk Committee. He has extensive experience in accounting, audit, finance and risk management. He was a senior partner of Arthur Andersen until his retirement in 1999 after 33 years with that firm including five years as Managing Partner Australasia. Until 2002, he was Strategic Investment Co-ordinator and Major Projects Facilitator for the Commonwealth Government.

Director: Australian Foundation Investment Company Limited, Centre for Social Impact, National Australia Day Council and Deputy Chairman for National Library of Australia.

Other Interests: Committee for Melbourne (Counsellor) and Pacific Institute (Patron).

Mr Ryan is a resident of Victoria. Age 66.

David J Turner

Mr Turner was appointed to the Board in August 2006 and is a member of the Risk, Audit and Board Performance and Renewal Committees. Until his retirement on 30 June 2007, Mr Turner was CEO of Brambles. He occupied that role since October 2003. He joined Brambles as Chief Financial Officer in 2001 having previously been Finance Director of GKN plc. Mr Turner has also served as a member of the Board of Whitbread plc and as Chairman of its Audit Committee from 2000 until 2006. He is a Fellow of The Institute of Chartered Accountants in England and Wales and has wide experience in finance, international business and governance.

Chairman: Cobham plc.

Mr Turner is a resident of the United Kingdom. Age 64.

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. At the time of appointment to the Board, Mr Young retired as Chairman of Morgan Stanley Australia, a position he had held since 2003. In an investment banking career of more than 30 years, he did business in 20 countries and advised eight foreign governments. From 1997 to 2003 he was a Managing Director and Vice Chairman of Morgan Stanley Asia. Prior to that he spent two years in Beijing as Chief Executive of China International Capital Corporation.

From 1991 to 1994 he was a senior officer of the Federal Deposit Insurance Corporation in Washington.

Mr Young serves on the Court of Directors of the Bank of England and is a member of its Financial Stability Committee.

Chairman: Howard Florey Institute Foundation.

Deputy Chairman: The Asia Society AustralAsia and Asialink.

Director: Florey Neuroscience Institutes and Financial Services Volunteer Corps.

Trustee: The Asia Society AustralAsia.

Mr Young is a resident of Victoria. Age 64.

Andrew M Mohl

Mr Mohl was appointed to the Board effective 1 July 2008 and is a member of the Risk and People & Remuneration Committee. He has over 30 years of financial services experience. Mr Mohl was Managing Director and Chief Executive Officer of AMP Limited from October 2002 until the end of December 2007.

Previous roles at AMP included Managing Director, AMP Financial Services and Managing Director and Chief Investment Officer, AMP Asset Management.

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

Chairman: Federal Government Export Finance and Insurance Corporation.

Director: AMP Foundation.

Other Interests: Coaching services to senior executives, member of the Advisory Council of the Australian School of Business.

Mr Mohl is a resident of New South Wales. Age 53.

ASB Finance Limited, London Branch

ASB Finance Limited is a wholly owned subsidiary of ASB Bank Limited, incorporated with the objects and for the purpose of raising funds from offshore institutional debt markets to fund operations of ASB Bank Limited.

ASB Finance Limited was incorporated in New Zealand with limited liability on 18 October 1994 pursuant to the Companies Act 1993 with the company number 652448. ASB Finance Limited is governed by, and operates within the ambit of and as required by, its constitution, the Companies Act 1993 and the Financial Reporting Act 1993 (which constitute the corporate governance regime of New Zealand applicable to ASB Finance Limited).

During the period January 2000 to August 2004, ASB Finance Limited operated a branch in Sydney, Australia. The Sydney branch has now ceased operations. ASB Finance Limited did not trade in the period following the closing of the Sydney based branch until the recent establishment of the ASB Finance Limited, London Branch in July 2006. The primary activities of ASB Finance Limited, London Branch are to raise funds from offshore institutional debt markets under approved debt issuance programmes and on-lend those funds to ASB Bank Limited.

As at 30 June 2009, ASB Finance Limited had total assets of NZ\$12,313 million. Net profit after tax for the year ended 30 June 2009 was NZ\$2,547,000.

ASB Finance Limited does not have an Audit Committee.

Directors of ASB Finance Limited, London Branch

K D (Kerry) Francis

Kerry Francis has responsibility for Economics, Financial Markets Sales and Trading International, Treasury and Structured Finance.

Kerry has over 30 years experience in Banking and Financial Markets. He joined ASB in 1986 and has held a range of treasury and financial markets roles prior to being appointed to his current position in 2004.

S B (Stewart) McRobie

Stewart is a Chartered Accountant, joining ASB in May 2006 as Head of Group Finance and Risk Management. He is responsible for the Finance, Taxation, Audit, Operational Risk, and Compliance Risk teams, and in April 2008 also assumed leadership of the Operations team, encompassing Lending Services, National Operations and Procurement.

Stewart has an extensive background in the Finance Industry, having worked in Banking, Life Insurance, Stock Broking and Investment Banking organisations both in New Zealand and the United Kingdom.

Alternate Director

L A (Linley) Wood

Linley Wood is Chief Community Partnership Officer at ASB Bank, a subsidiary of the Commonwealth Bank of Australia. An important part of ASB's vision is to be world class for communities, and it is Linley's responsibility to develop and implement the strategy that will assist ASB people to provide practical and constructive support to the local communities in which they operate.

Linley is a Barrister and Solicitor of the High Court of New Zealand and also leads the Corporate Communications team at ASB.

With over 20 years' experience in financial services, Linley's previous roles at ASB have included leading the teams responsible for Group Strategy, Innovation & Design and Process Improvement. Prior to that she was ASB's General Counsel and Company Secretary.

The business address for the directors of ASB Finance is: Level 28, ASB Bank Centre, 135 Albert Street, PO Box 35, Auckland, New Zealand. No director has any actual or potential conflict of interest between his or her duties to ASB Finance Limited and his or her private interests or other duties.

ASB Bank Limited

Summary Information

ASB Bank Limited (“ASB”) is the parent company of the ASB Group.

ASB was re-registered pursuant to the Companies Re-registration Act 1993 on 30 June 1995 with the company number AK398445. ASB is governed by, and operates within the ambit of and as required by, its constitution, the Companies Act 1993, the Reserve Bank of New Zealand Act 1989 and the Financial Reporting Act 1993 (which constitute the corporate governance regime of New Zealand applicable to ASB).

ASB’s registered office is at Level 28, ASB Bank Centre, 135 Albert Street, Auckland, New Zealand, telephone number +64 9377 8930.

ASB is a full service, nationally operating bank. ASB is a wholly owned subsidiary of ASB Holdings Limited which in turn is 100 per cent. owned by the Commonwealth Bank of Australia.

ASB’s Board of Directors and management operate autonomously from the Board of Directors and management of the Commonwealth Bank of Australia.

As at 30 June 2009, ASB had total assets of NZ\$65,230 million (including total advances of NZ\$53,393 million) and total deposits of NZ\$56,714 million. Net profit after tax for the twelve months to 30 June 2009 was NZ\$425 million.

The Reserve Bank of New Zealand (“RBNZ”) has set minimum regulatory capital requirements for banks that are consistent with the internationally agreed framework developed by the Basel Committee on Banking Supervision. These requirements define what is acceptable as capital and provide for methods of measuring the risks incurred by the ASB Group. ASB must comply with RBNZ minimum capital adequacy ratios under its conditions of registration to be registered as a registered bank under the Reserve Bank of New Zealand Act 1989. The Basel Committee has issued a revised framework for the calculation of capital adequacy for banks, commonly known as Basel II. The ASB Group has been accredited by the RBNZ to calculate regulatory capital requirements under Basel II from the first quarter of 2008.

As at 30 June 2009, ASB’s Tier One capital ratio was 10.2 per cent. and its total capital ratio was 12.4 per cent. against Reserve Bank of New Zealand requirements of 4 per cent. and 8 per cent. respectively.

Unless otherwise stated, the financial information contained in this section has been extracted without material adjustment from the audited published consolidated financial statements of ASB.

History and Recent Developments

The Auckland Savings Bank was founded in June 1847.

Following deregulation of the banking industry in late 1986, it became a full-service bank offering personal, corporate and business banking services and treasury operations, and changed its name to ASB Bank in August 1987. As a result of the Trustee Banks Restructuring Act 1988, ASB Bank Limited was incorporated on 16 August 1988 in New Zealand.

The Commonwealth Bank of Australia acquired a 75 per cent. shareholding in February 1989, with the ASB Bank Community Trust retaining a 25 per cent. shareholding.

In 1992 ASB commenced its national expansion programme by moving outside its traditional Auckland and Northland areas of operation.

On 30 March 1999, the direct shareholding of ASB Bank Limited changed from Commonwealth Investments New Zealand Limited (75 per cent.) and ASB Bank Community Trust (25 per cent.) to being a wholly owned subsidiary of ASB Group Limited; ASB Group Limited then being owned by the Commonwealth Bank of Australia (75 per cent.) and the ASB Bank Community Trust (25 per cent.).

On 3 October 2000, the Commonwealth Bank of Australia purchased the remaining 25 per cent. of ASB Group Limited from the ASB Bank Community Trust.

Effective 1 July 2001, Commonwealth Bank of Australia restructured their New Zealand operations and moved the ultimate New Zealand ownership of ASB Bank Limited to ASB Holdings Limited. Commonwealth Bank of Australia owns 100 per cent. of ASB Holdings Limited, which in turn owns 100 per cent. of ASB Bank Limited.

British international banker Charles Pink has been appointed to succeed Hugh Burrett as Managing Director and Chief Executive of ASB from 1 January 2009. Mr Pink joins ASB after six years as CEO of the Barbados based FirstCaribbean International Bank. Prior to joining FirstCaribbean, Mr Pink had an 18-year career in personal and commercial banking with Barclays Bank PLC.

Response of the NZ Government to the global financial crisis

On 1 November 2008, the Finance Minister of the NZ Government, in the interests of maintaining the stability of the New Zealand financial system, announced the establishment of the NZ Wholesale Guarantee Scheme. The NZ Wholesale Guarantee Scheme is available (upon application and subject to certain eligibility criteria being met) for certain debt securities issued or guaranteed by investment grade financial institutions with substantial New Zealand borrowing and lending operations. By virtue of the NZ Government Guarantee, the NZ Government has irrevocably guaranteed all amounts of principal and interest (excluding any penalty interest or other amount only payable following a default) that are not paid on the dates originally scheduled for payment under the Notes in respect of which the NZ Government has issued a Guarantee Eligibility Certificate (as defined in the NZ Government Guarantee). Unsubordinated Notes issued by ASB Finance under the Programme may be eligible to benefit from the NZ Government Guarantee (see “General Information – New Zealand Government Guarantee”). The applicable Final Terms for a particular issue of Unsubordinated Notes will indicate if the NZ Government Guarantee is to apply to that issue. References in this Base Prospectus to Notes issued by ASB Finance benefitting from the NZ Government Guarantee (and related expressions) shall be construed to mean that the Guarantee given by ASB in respect of such Notes will have the benefit of the NZ Government Guarantee.

Business Overview

ASB is a full service, nationally operating bank and financial services company. It provides a seamless, total service that covers a comprehensive range of financial options that can be tailored to the needs of over 1.1 million international, corporate, business, rural and personal customers.

Personal Banking

ASB is New Zealand’s pre-eminent personal bank, and a recognised leader in customer service through the practical application of leading edge technology and community support. ASB was the first bank in New Zealand to offer real time banking, and since then ASB continued to invest in, and take advantage of, technological advances that make it easier for customers to conduct business with ASB. Both internet banking and branch banking services consistently rate amongst the best in New Zealand (Source: The Nielsen Company, Consumer Finance Monitor Q2 2009).

Long recognised for their strength in the home loan market, ASB increased its residential mortgage lending by 3.5 per cent. to NZ\$37.7 billion during the financial year ended June 2009.

Direct Banking

BankDirect is the ASB’s ‘virtual bank brand’ with a strong focus on the direct home lending market. Customer interaction with BankDirect is undertaken through the Internet, self service or telephone.

Business and Rural Banking

ASB is a credible supplier of financial services to businesses and farmers, and its strong capabilities make it the preferred financial partner for many leading businesses. Its point of difference is offering innovative, flexible solutions and delivering its services through the use of advanced, online technology.

International and Institutional Banking

ASB specialises in those international and institutional services in which it can make a significant contribution, especially those where advanced technologies offer customer benefits. Treasury and electronic transactional processing are two areas where ASB offers cost effective, innovative solutions.

Investment Services

Through ASB Group Investments Limited, customers can invest in a range of international and domestic managed funds and retirement savings options, and access an investment advisory service.

Insurance Services

Customers' insurance needs are met through a range of life, borrowers' protection, health, and fire and general insurance offerings, available direct or through ASB's insurance advisory service.

Share Trading

ASB Securities Limited is full service share broking operation and a member of the New Zealand Exchange (NZX). Customers can choose the type of service that best suit their needs, including advisory service, online share trading and discount trading.

International Trade Services

ASB provides importers and exporters with a range of specialist international trade and finance services.

Audit & Risk Committee

ASB has an Audit & Risk Committee comprising all non-Executive Directors: JP Hartley (Chair), R Boven, D M Elder, G J Judd, G L Mackrell, R M McEwan, I M Narev and JMR Syme.

The Audit & Risk Committee assists the Board in fulfilling its statutory and fiduciary responsibilities relating to the external reporting of financial information, the internal control and the independence and effectiveness of audit.

The Audit & Risk Committee:

- independently reviews the financial information prepared by management;
- reviews accounting policies to ensure compliance with current laws, relevant regulations and accounting standards;
- considers with management and the external auditor, significant financial reporting issues and judgments made in connection with the preparation of the financial statements;
- reviews the adequacy of internal controls; and
- oversees the nomination and removal of the external auditor, oversees and appraises the independence, effectiveness and scope of work of the internal and external auditors.

Summary of Accounts

The following table sets out certain consolidated summary financial data relating to the ASB Group. This data has been extracted from the published consolidated financial statements of ASB.

(Unless otherwise specified, amounts are in NZ\$ millions)

	<i>As at year ended 30 June</i>		
	<i>2009</i>	<i>2008</i>	<i>2007</i>
	<i>(NZ\$ millions)</i>		
	<i>Consolidated</i>		
Balance Sheet			
Total assets	65,230	59,350	52,893
Advances ⁽¹⁾	53,393	51,145	45,204
Deposits ⁽²⁾	56,714	53,961	47,781
Shareholders' funds			
Shareholders' Equity at end of year	3,158	3,199	3,120
Income statement			
Net interest income	980	1,001	890
Other operating income	532	364	420
Other expenses and charge for bad and doubtful debts	870	628	551
Net profit before taxation	642	737	759
Taxation	217	222	227
Net profit after taxation attributable to members of the ASB Group	425	515	532

Notes:

- (1) Includes loans, advances and other receivables (after deducting individually assessed provisions for bad and doubtful debts).
- (2) Includes due to other banks, certificates of deposit, other issued paper, retail term deposits and other deposits bearing interest and deposits not bearing interest.

Contingent Liabilities

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

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

Information on credit risk related contingent liabilities, excluding derivatives, set out below, has been extracted from the financial statements.

	As at 30 June 2009 (NZ\$ millions) Consolidated	
	Notional	Credit Equivalent
Contingent Liabilities		
Guarantees	60	60
Standby Letters of Credit	91	91
Other Credit Facilities	112	49
	263	200
		Parent
Contingent Liabilities		
Guarantees	117	117
Standby Letters of Credit	91	91
Other Credit Facilities	112	49
	320	257

New Zealand Structured Finance Transactions

The New Zealand Inland Revenue Department ("IRD") has reviewed certain structured finance transactions undertaken in New Zealand by various financial institutions.

Amended assessments for the 2001 to 2004 tax years have been issued by IRD in relation to transactions entered into by members of the ASB Group. ASB expects IRD in due course to issue amended assessments for all applicable tax years. ASB has commenced proceedings challenging the amended assessments received and intends to similarly challenge any further amended assessment received.

On the basis that amended assessments will be issued for all tax years from 2001 onward in relation to all applicable transactions entered into by members of the ASB Group, the total tax in dispute as at 30 September 2009 is NZ\$190m (NZ\$285m including tax effected interest).

ASB has taken extensive independent tax and legal advice. ASB's audited financial statements for the year ended 30 June 2009 reflect that advice and ASB's confidence as at the date on which the financial statements were signed that the tax treatment it has adopted for the transactions is correct. However, in light of the judgment of the New Zealand High Court on 7 October 2009 concerning structured finance transactions undertaken by another registered bank, which found in favour of IRD, ASB is reviewing its position with respect to this matter and the extent of related provisioning. If a decision were to be taken to fully provide for the total tax in dispute (including tax effected interest) as at 30 September 2009, then a provision equivalent to 62 basis points in ASB's total capital (on a Basel II basis) as at 30 June 2009 would be required. Such a provision, if made, would not affect ASB's ability to operate and meet its obligations.

The position will from time to time be updated in the ASB General Disclosure Statement which is required by to be filed quarterly with the New Zealand Reserve Bank and the latest copy of which will at all times be available on ASB's website <http://reports.asb.co.nz>.

Directors of ASB Bank Limited

The Board of ASB consists of nine directors – the Chairman, the Deputy Chairman, one executive director and six other members. The members of the Board are:

G. J. (Gary) Judd Q.C., LLB (Hons), FInstD, AFInstD *Chairman*

Gary has been chairman of ASB Bank Ltd since 1988 and of ASB Group (Life) Ltd owner of life assurance company, Sovereign, since 1998.

He was chairman of Ports of Auckland Ltd 2006-2009 and is chairman of the Auckland Radio Trust, a charitable trust which re-broadcasts the BBC World Service in New Zealand.

As a Queen's Counsel conducting litigation principally in areas of civil and commercial law, administrative law, intellectual property, and taxation, he has frequently appeared as counsel before the Privy Council in London and in the Courts of New Zealand.

C. J. S. (Charles) Pink M.A., F.C.I.B., M.B.A. *Managing Director & Chief Executive*

Charles joined the ASB Group in January 2009 after 7 years as CEO of First Caribbean Bank, a subsidiary of Canadian Bank CIBC.

Prior to this Charles's career was in Personal and Corporate banking with UK Bank Barclays whom he joined as a graduate. While at Barclays he led businesses and major corporate, capital markets and systems implementation projects in Britain and Continental Europe.

J.M.R. (Jim) Syme B.Com, F.A.C.A., C.M.A. *Deputy Chairman*

A leading figure in the New Zealand financial industry, Mr Syme has over 30 years' experience in retail, commercial and merchant banking. He is a Director of Kiwi Income Properties Limited and Auckland Quayside Limited, and has recently retired as Chairman of Abano Healthcare Group Limited, Software of Excellence International Limited and Waste Management NZ Limited.

R. (Rick) Boven B.A. (Hons), M.A., M.B.A., Ph.D. (Auckland)

Dr Boven is a strategist, working mainly in the fields of business and environment management. He was previously a partner of The Boston Consulting Group and has been a member of the ASB Board since 1994.

G.L. (Garry) Mackrell B.Sc., B.Econ. (Hons), M.Com.

Mr Mackrell was appointed to the ASB Board in December 2001. In a career spanning 35 years at Commonwealth Bank of Australia (CBA) he has held several senior executive positions at CBA and is currently the Group Executive of International Financial Services (IFS) and an Executive Committee member. The ASB group of companies is part of IFS.

J.P. (Jon) Hartley BA (Hons), FCA, ACA, FAICD

Mr Hartley joined the Board in June 2004. He is a qualified accountant with extensive business experience across a wide range of industries in several countries. Mr Hartley has been Chair, Chief Executive Officer or Chief Financial Officer of a number of companies including senior roles with Brierley Investments Limited in New Zealand and the Lend Lease Group in Australia. He is currently a Director of VisionFund International Limited, World Vision's global micro finance organisation and an advisory board member for several organisations.

D. M. (Don) Elder BE (Hons), D Phil

Dr Elder joined the Board in September 2005. He is currently Chief Executive of Solid Energy NZ Ltd and previously spent 20 years working in the United Kingdom, United States, Canada and New Zealand. Dr Elder has been a director of numerous companies and organisations and has served on Ministerial advisory committees in Canada and New Zealand. He is currently also a director of a number of New Zealand and international business and industry organisations.

I. (Ian) Narev BA, LLB (Hons) (Auck); LLM (Cantab); LLM (NYU)

Ian Narev was appointed to the ASB Board in April 2008. He is currently Group Executive, Business and Private Banking for the Commonwealth Bank of Australia (CBA), reporting to CBA's CEO. He joined CBA in 2007 as Group Head of Strategy from McKinsey & Company, where he was a global partner and head of the New Zealand office. He began his career with McKinsey in New York in 1998. Prior to that he was a lawyer specialising in mergers and acquisitions.

R. M. (Ross) McEwan B.Bus (Massey)

Ross McEwan was appointed to the ASB Board in October 2008. He is currently Group Executive Retail Banking Services for the Commonwealth Bank (CBA) with responsibility for Retail Banking Services – Australia's largest retail banking operation. Prior to CBA, he was with the

ASB Group in New Zealand for 4 years. Ross has also worked in the insurance and investment industries both in Australia and New Zealand for more than 25 years.

The business address of the Directors of ASB is Level 28, ASB Bank Centre, 135 Albert Street, Auckland, New Zealand.

Although certain Directors of ASB are also executives of CBA, ASB's constitution requires all Directors to act in the best interests of ASB, accordingly, no Director has any actual or potential conflict of interest between his duties to ASB and his private interests or other duties.

Subscription and Sale

The Dealers have in an Amended and Restated Programme Agreement dated 16 October 2008 (the “Programme Agreement”) agreed with the Issuers 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 Issuers have 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 relevant Issuer.

The selling restrictions agreed between the Issuers and the Dealers are set out in a Schedule of Selling Restrictions dated 16 October 2009 and are summarised below. The restrictions may be amended from time to time by agreement between the Issuers and the Dealers. In addition, the applicable Final Terms may specify further selling restrictions agreed between the relevant Issuer and the relevant Dealer in relation to any Tranche of Notes. The selling restrictions are as follows:

United States of America

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

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

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

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 a 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.

Each issuance of Index Linked Notes or Dual Currency Notes will be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealers may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

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 “Non-exempt 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 Non-exempt 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;
- (B) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (C) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (D) at any time to fewer than 100 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
- (E) 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 (E) 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 and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

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 issued by ASB Finance 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 ASB Finance;
- (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 or, in the case of CBA, would not, if it was not an authorised person, apply to the relevant 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 the 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 Law of Japan (Law No. 25 of 1948, as amended; the “FIEL”) 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 the Foreign Exchange and Foreign Trade Control Law (Law No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL 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 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 CBA 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 CBA (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 CBA means an associate (as defined in section 128F of the Australian Tax Act) of CBA 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:
 - (i) to 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 who in the circumstances can properly be regarded as having been selected other than as members of the public; or
 - (ii) to 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 relevant Issuer, or any associated person of the offeror or relevant Issuer) before the allotment of those Notes; or
 - (iii) to persons who have each paid a minimum subscription price of at least NZ\$500,000 for securities previously issued by the relevant Issuer (in a single transaction before allotment of those securities and disregarding any amount lent by the offeror, the relevant Issuer or any associated person of the offeror or the relevant Issuer), provided the date of first allotment of such securities occurred not more than 18 months before the date of offer of the Notes; or
 - (iv) to 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) in other circumstances where there is no contravention of the Securities Act 1978 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 relevant Issuer or to a Paying Agent or to the Trustee).

Republic of 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 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 Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Programme Circular 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.

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 Issuers 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 22 October 2009.

2 Authorisation

The establishment of the Programme was authorised by the Managing Director of CBA. ASB Finance's accession to the Programme was authorised by its Board of Directors. 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 CBA and the ASB Finance Board of Directors.

ASB's guarantee of ASB Finance's payment obligations under Notes issued by ASB Finance was authorised by the ASB Board of Directors.

3 Consents

No authorisations, consents or approvals are required by the Issuers 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 Trust Deed or the performance by the Issuers of their obligations thereunder save for the obtaining by CBA, 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

Except as disclosed in the section entitled "ASB Bank Limited – Contingent Liabilities – New Zealand Structured Finance Transactions" on page 103, none of CBA nor any of its subsidiaries (including ASB and ASB Finance) are or have been involved in any governmental, legal or arbitration proceedings in the twelve months immediately preceding the date hereof which may have or have had in the recent past a significant effect on the financial position or profitability of CBA and its subsidiaries (or has the case may be, ASB and its subsidiaries or ASB Finance and its subsidiaries), taken as a whole, and, save as mentioned above, so far as each of CBA, ASB and ASB Finance is aware, there are no such governmental, legal or arbitration proceedings pending or threatened involving it or any of its subsidiaries.

5 Significant or Material Change

There has been no significant change in the financial or trading position of CBA and its subsidiaries, taken as a whole, since the date of its audited financial statements prepared to 30 June 2009 and there has been no material adverse change in the prospects of CBA and its subsidiaries, taken as a whole, since the date of its audited financial statements prepared to 30 June 2009.

There has been no significant change in the financial or trading position of ASB Finance Limited since the date of its audited financial statements prepared to 30 June 2009 and there has been no material adverse change in the prospects of ASB Finance Limited since the date of its audited financial statements prepared to 30 June 2009.

Except as disclosed in the section entitled "ASB Bank Limited – Contingent Liabilities – New Zealand Structured Finance Transactions" on page 103, there has been no significant change in the financial or trading position of ASB and its subsidiaries, taken as a whole, since the date of its audited financial statements prepared to 30 June 2009 and there has been no material adverse change in the prospects of ASB and its subsidiaries, taken as a whole, since the date of its audited financial statements prepared to 30 June 2009.

6 Legal Opinions

Legal opinions relating to the Programme have been delivered to the Dealers and the Trustee by Allen & Overy LLP, in their capacity as English legal advisers to the Issuers, by Allens Arthur Robinson, in their capacity as Australian legal advisers to CBA, and by Chapman Tripp, in their capacity as New Zealand legal advisers to ASB Finance and ASB.

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

7 Audited Financial Statements

CBA's consolidated financial statements for the years ended 30 June 2008 and 30 June 2009 were audited, without qualification, by PricewaterhouseCoopers, Chartered Accountants, of Darling Park Tower 2, 201 Sussex Street, Sydney NSW 1171, Australia. The auditors of CBA have no material interest in either of the Issuers or the Guarantor.

ASB Finance Limited's consolidated financial statements for the years ended 30 June 2008 and 30 June 2009 were audited, without qualification, by PricewaterhouseCoopers, Chartered Accountants, of 188 Quay Street, Auckland, New Zealand. The auditors of ASB Finance Limited have no material interest in either of the Issuers or the Guarantor.

ASB's consolidated financial statements for the years ended 30 June 2008 and 30 June 2009 were audited, without qualification, by PricewaterhouseCoopers, Chartered Accountants, of 188 Quay Street, Auckland, New Zealand. The auditors of ASB have no material interest in either of the Issuers or the Guarantor.

8 Euroclear and Clearstream, Luxembourg

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

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.

9 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 the branch office of ASB Finance Limited (currently Senator House, 85 Queen Victoria Street, London EC4V 4HA) and at the offices of any Paying Agent in the United Kingdom for so long as the Programme remains in existence:

- (i) the Constitutions of each of the Issuers and of the Guarantor;
- (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 Trust Deed, the Agency Agreement and the forms of the Notes, Coupons, Receipts 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 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) and 16 October 2008, pages 50 to 75 (inclusive);
- (vi) the auditors' reports and audited consolidated and non-consolidated annual financial statements for the financial years ended 30 June 2009 (contained in the Annual Report 2009) and 30 June 2008 (contained in the Annual Report 2008) of CBA;
- (vii) the auditors' reports and audited consolidated and non-consolidated annual financial statements for the financial years ended 30 June 2009 and 30 June 2008 of ASB;
- (viii) the auditors' reports and audited non-consolidated annual financial statements for the financial years ended 30 June 2009 and 30 June 2008 of ASB Finance.

- (ix) the report provided by the Commonwealth of Australia entitled “Description of the Commonwealth and the Commonwealth Guarantee” dated 1 October 2009;
- (x) the Annual Reports on Form 18-K (File No. 001-07700) for the year ended 30 June 2007 and 30 June 2008 of the NZ Government which have been filed with the SEC; and
- (xi) the Forms 18-K/A (File No. 001-07700) which were filed with the SEC on 20 June 2008, 14 November 2008, 20 January 2009 and 17 June 2009 of the NZ Government.

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 where the Issuer is CBA. 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. In particular, the Australian taxation treatment of Indexed Linked Redemption Notes or Dual Currency Redemption Notes may be different to that described below. 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, CBA 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 CBA will not be required to gross up interest payments.

ACCORDINGLY, NOTES MUST NOT BE PURCHASED BY OFFSHORE ASSOCIATES OF CBA 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. 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 Commissioner of Taxation of the Commonwealth of Australia has publicly stated that the exemption from Australian interest withholding tax under section 128F of the Australian Tax Act will extend to payments made by a guarantor to a holder, on behalf of the Issuer, in respect of the Notes provided that the Notes are issued in a manner that satisfies the public offer test and which otherwise meets the requirements of section 128F of the Tax Act. For the avoidance of doubt, in the event that any payment made by the Commonwealth of Australia in respect of Australian Government Guaranteed Notes is made subject to deduction or withholding for or on account of any taxes, duties, assessments or governmental charges of any nature, no additional amounts shall be payable by the Commonwealth of Australia in respect of such deduction or withholding.

The Australian Government has enacted a new regime for the taxation of financial arrangements (referred to as "TOFA") which can affect the taxation of financial instruments such as the Notes. The new TOFA regime will apply to certain financial arrangements, such as the Notes, acquired on or after 1 July 2010 (or 1 July 2009, at the taxpayer's election). Taxpayers may elect for the new TOFA regime to apply to all financial arrangements held by them on 1 July 2010 (or 1 July 2009 if an election has been made to adopt that earlier commencement date). In the absence of such election, the existing law governing the taxation of financial arrangements will continue to apply to Notes acquired before the applicable commencement date. The existing law governing the taxation of financial arrangements will also 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 would 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.

The Australian Government has announced a comprehensive review of Australia's tax system. The review will encompass Australian Commonwealth and State taxes (except the goods and services tax). The report of this review (referred to as the "Henry Review") is not due to be delivered to the Australian Government until the end of 2009. At this stage, it is not possible to predict what changes may be made to Australia's tax system as a result of the Henry Review.

11 New Zealand Taxation

The following is a general description of certain New Zealand tax considerations as at the date hereof relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in that country or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes, and the consequences of such actions under the tax laws of those countries.

New Zealand Resident Withholding Tax

To the extent New Zealand law requires, a deduction on account of New Zealand resident withholding tax will be made from the payment of interest (as defined for New Zealand income tax purposes) made by ASB Finance under the Notes (and, in the case of ASB, under the guarantee of Notes issued by ASB Finance) where:

- (a) the recipient is a resident of New Zealand for income tax purposes or such recipient carries on business in New Zealand through a fixed establishment (as defined for New Zealand income tax purposes) in New Zealand (a "New Zealand Holder"); and

- (b) at the time of such payment the New Zealand Holder does not hold a valid certificate of exemption for New Zealand resident withholding tax purposes.

Prior to any interest payment date or the maturity date of any of the Notes, any New Zealand Holder:

- (i) must notify ASB Finance or the Paying Agent (i) that the New Zealand Holder is the holder of a Note and (ii) whether it derives beneficially interest under a Note jointly with any other person; and
- (ii) must notify ASB Finance or the Paying Agent of any circumstances, and provide ASB Finance or the Paying Agent with its New Zealand tax file number and any information (including a copy of a valid certificate of exemption), that may enable ASB Finance (or ASB, as the case may be) to make the payment of interest to the New Zealand Holder without deduction on account of New Zealand resident withholding tax.

The New Zealand Holder must notify ASB Finance (or ASB, as the case may be), prior to any interest payment date or the maturity date of Notes of any change in the New Zealand Holder's circumstances from those previously notified that could affect ASB Finance's (or ASB's, as the case may be) payment obligations in respect of such Note.

New Zealand Non-Resident Withholding Tax

To the extent that New Zealand law requires ASB Finance under the Notes or ASB under the guarantee of Notes issued by ASB Finance to deduct New Zealand non-resident withholding tax from the payment of interest in respect of a Note, ASB Finance and ASB may, and intend (for so long as the relevant party does not incur any increased cost or detriment from doing so) to reduce the applicable rate of non-resident withholding tax to zero per cent. by registering the Notes or the Programme under which the Notes are issued with the New Zealand Inland Revenue Department whereby the Notes will be a "registered security" (as defined for New Zealand tax purposes), and paying, on the relevant party's own account, an approved issuer levy (which is currently equal to two per cent. of the relevant interest payment). The approved issuer levy regime will not apply to payments to a "person associated" (as defined for New Zealand income tax purposes) with ASB Finance or ASB.

Where interest is paid in respect of a Note and the recipient:

- (a) is not a New Zealand Holder; and
- (b) derives such interest jointly with one or more persons, and one or more of those persons is a New Zealand resident for New Zealand tax purposes,

the approved issuer levy regime will not apply to the non-New Zealand Holder and (subject to any applicable double tax treaty) the New Zealand non-resident withholding tax imposed will equate to the applicable rate of New Zealand resident withholding tax.

Indemnity and Other Taxation Matters

By accepting payment of the full face amount of any Note on its maturity:

- (a) a New Zealand Holder agrees to indemnify ASB Finance and ASB for all purposes in respect of any liability that ASB Finance or, as the case may be, ASB may incur for not deducting any amount from such payment on account of New Zealand resident withholding tax; and
- (b) in the case of a Note under which a person, who is not a New Zealand Holder, derives a beneficial interest jointly with one or more persons, and one or more of those persons is tax resident in New Zealand, such non-New Zealand Holder agrees to indemnify ASB Finance and ASB for all purposes in respect of any liability that ASB Finance or, as the case may be, ASB may incur for not deducting any amount from such payment on account of New Zealand non-resident withholding tax applicable to such non-New Zealand Holder.

A Note holder will not become resident, or deemed to be resident, or domiciled, in New Zealand for New Zealand tax purposes by reason only of the holding of a Note or the execution, performance, delivery and/or enforcement of the Notes.

New Zealand has no wealth, estate or inheritance taxes. New Zealand does, however, have gift duty. Any transfer of the Notes which constitutes a dutiable gift for the purposes of the Estate and Gift Duties Act 1968 (New Zealand) will be subject to gift duty. There is no New Zealand goods and services tax (which is a type of value added tax) payable in respect of payments in consideration for the issue of Notes or the transfer of a Note.

No stamp, registration, documentary or other similar tax is payable in New Zealand in respect of the issue of Notes or in relation to any enforcement proceedings in respect of the Notes brought in the Courts of New Zealand, other than the nominal cheque duty that may be required to be paid on any Note were such Note to be enforced in the courts of New Zealand.

Neither ASB Finance nor ASB makes any statement about the treatment for taxation purposes of payments or receipts in respect of Notes. Persons contemplating acquiring Notes should consult their tax advisers as to the consequences (including the withholding tax consequences) relating to the acquisition, retention and disposition of Notes.

Payments by the NZ Government under the NZ Government Guarantee

The New Zealand withholding tax treatment of payments under the NZ Government Guarantee is not free from uncertainty. The following guidance does not purport to be comprehensive or to deal with all possible circumstances. Any holder of Notes who is in any doubt as to the tax treatment of payments under the NZ Government Guarantee is advised to obtain professional advice.

Subject as noted below, if any withholding or deduction for or on account of non-resident withholding tax imposed or levied by New Zealand (a "Tax Deduction") is required by law to be made by the NZ Government from a payment under the NZ Government Guarantee, the amount of the payment due from the NZ Government will be increased by an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required. No increased payment will be required in respect of a payment of a guaranteed liability by the NZ Government if, had that guaranteed liability been paid by the Guarantor, no increased payment would have been required from the Guarantor in respect of any deduction or withholding for or on account of New Zealand non-resident withholding tax.

No increased payment will be made in respect of any withholding or deduction for or on account of any other tax (including New Zealand resident withholding tax) required by law to be made by the NZ Government from a payment under the NZ Government Guarantee.

12 United Kingdom Taxation

The following applies only to persons who are the beneficial owners of Notes issued by ASB Finance and is a summary of the Issuer's understanding of current law and HM Revenue & Customs ("HMRC") practice in the United Kingdom relating only to United Kingdom withholding tax treatment of payments of principal and interest in respect of Notes issued by ASB Finance. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes issued by ASB Finance. Some aspects do not apply to certain classes of person (such as dealers and persons connected with ASB Finance) to whom special rules may apply. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders (or beneficial owners) of Notes issued by ASB Finance who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

Interest on the Notes issued by ASB Finance

Payments of interest on the Notes issued by ASB Finance Limited, London Branch ("ASB Finance") may be made without deduction of or withholding for or on account of United Kingdom income tax provided that the Notes issued by ASB Finance are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (the "Act"). The London Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) and admitted to trading on the London Stock Exchange. Provided, therefore, that the Notes issued by ASB Finance are and remain so listed, interest on the Notes issued by ASB Finance will be payable without withholding or deduction of or on account of United Kingdom tax.

Interest on the Notes issued by ASB Finance may also be paid without withholding or deduction on account of United Kingdom tax in certain limited circumstances including where interest on the Notes issued by ASB Finance is paid by a company and, at the time the payment is made, the Issuer reasonably believes (and any person by or through whom interest on the Notes issued by ASB Finance is paid reasonably believes) that the beneficial owner is within the charge to United Kingdom corporation tax as regards the payment of interest; provided that HMRC has not given a direction (in circumstances where it has reasonable grounds to believe that the above exemption is

not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of tax.

Interest on the Notes issued by ASB Finance may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Notes issued by ASB Finance is less than 365 days and those Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on the Notes issued by ASB Finance on account of United Kingdom income tax at the basic rate (currently 20 per cent.). However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Noteholders may wish to note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the payee or the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest on behalf of a Noteholder. HMRC also has power, in certain circumstances, to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Notes issued by ASB Finance which are deeply discounted securities for the purposes of Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 to or receives such amounts on behalf of another person who is an individual, although HMRC published practice indicates that HMRC will not exercise the power referred to above to require this information in respect of amounts payable on the redemption of deeply discounted securities where such amounts are paid or received on or before 5 April 2010. Such information may include the name and address of the payee or the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities in other countries.

13 Luxembourg Taxation

The following summary is of a general nature and is included herein solely for information purposes. It 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. 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.

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 (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 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 are 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 fiscal authorities of his/her/its 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. Where withholding tax is applied, it is currently levied at a rate of 20 per cent. and will be levied at a rate of 35 per cent. as of 1 July 2011. 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 would at present be subject to withholding tax of 20 per cent.

(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 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.

14 EU savings directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States, including Belgium from 1 January 2010, are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required, unless during that period they elect otherwise, to operate a withholding system in relation to such payments (the ending of such transitional period being 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).

On 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Directive, which included the Commission's advice on the need for changes to the Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009. If any of the proposed changes are made in relation to the Directive, they may amend or broaden the scope of the requirements described above.

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 these Final Terms 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 Notes or commodities) may be subject to special rules.

Prospective purchasers of the Notes are advised to consult their own tax advisers concerning the overall tax consequences of their ownership of the 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. 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 can not be lower than the nominal value of the Note.

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, (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 12.50 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.

Where an Italian resident Noteholder is a company or similar commercial entity 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", generally levied at the rate of 3.9 per cent, even though regional surcharges may apply).

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, as clarified by the Italian Ministry of Economics and Finance through Circular No. 47/E of 8 August 2003, payments of interest 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 substitute tax nor to any other income tax in the hands of a real estate investment fund. However, Law Decree No. 112 of 25 June 2008, converted with amendments into Law No. 133 of 6 August 2008, has introduced a 1 per cent property tax applying on real estate investment funds' net value, where (i) their units are not expected to be listed on regulated markets and (ii) their equity is less than € 400,000,000, if: (a) there are less than 10 unitholders, or (b) funds are reserved to institutional investors or are speculative funds and their units are held, for more than 2/3, by individuals, trusts or other entities or companies referable to individuals.

If an investor is resident in Italy and is an open-ended or closed-ended investment fund (the "Fund") or a SICAV, 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 or SICAV accrued at the end of each tax period, subject to an ad-hoc substitute tax applicable at a 12.50 per cent. rate.

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.

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 the Notes have an original maturity of less than 18 months, the *imposta sostitutiva* applies at a rate equal to 27 per cent. In this case, the 27 per cent. *imposta sostitutiva* also applies where the Italian Noteholder is a fund, a SICAV or a pension fund (subject to the regime set out by Article 17 of the Legislative Decree No. 252 of 5 December 2005).

Early Redemption

Without prejudice to the above provisions, in the event that Notes having an original maturity of at least 18 months are redeemed, in full or in part, prior to 18 months from their issue date, Italian resident Noteholders will be required to pay, by way of a withholding to be applied by the Italian intermediary responsible for payment of interest or the redemption of the Notes, an amount equal to 20 per cent. of the interest and other amounts accrued up to the time of the early redemption.

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 can not 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 27 per cent.

The 27 per cent. 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.

Payments made by a non-resident Guarantor

With respect to payments made to Italian resident Noteholders by a non-Italian resident guarantor, in accordance with one interpretation of Italian tax law, any such payment made by the Italian non-resident guarantor could be treated, in certain circumstances, as a payment made by the relevant Issuer and would thus be subject to the tax regime described in the previous paragraphs of this section.

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 current rate of 12.50 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.
- 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 valis 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.

- 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 12.50 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.

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 transferred on regulated markets, or (ii) if not transferred 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 EUR 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 EUR 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.

Transfer Tax

Article 37 of Law Decree No 248 of 31 December 2007, converted into Law No. 31 of 28 February 2008, published on the Italian Official Gazette No. 51 of 29 February 2008, has abolished the Italian transfer tax, provided for by Royal Decree No. 3278 of 30 December, 1923, as amended and supplemented by the Legislative Decree No. 435 of 21 November 1997.

Following the repeal of the Italian transfer tax, as from 31 December 2007 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 EUR 168; (ii) private deeds are subject to registration tax only in case of use or voluntary registration.

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 No. 84”). Under Decree No. 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 not apply the withholding tax and shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

15 Post-issuance information

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

16 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 to the Issuers and of the Guarantor and their respective affiliates in the ordinary course of business.

17 Australian Government Guarantee

As referred to under “Commonwealth Bank of Australia – History and Recent Developments – Response of the Australian Government to the global financial crisis”, CBA may issue Notes under this Programme which have the benefit of a guarantee by the Australian Government. Where CBA issues Notes which have the benefit of a guarantee by the Australian Government, this will be stated in the applicable Final Terms.

The details of the guarantee provided by the Australian Government are as follows:

On 12 October 2008, the Australian Government announced guarantee arrangements for deposits and wholesale funding of eligible authorised deposit-taking institutions under the Banking Act 1959 of Australia (“ADIs”).

On 20 November 2008, the Australian Treasurer executed a document entitled “Deed of Guarantee” in respect of the Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding (the “Australian Government Guarantee”). The Australian Government has also published a set of Australian Government Guarantee Scheme Rules, which detail the eligibility criteria and application process for how ADIs may apply for the Australian Government Guarantee. The Australian Government Guarantee, the Australian Government Guarantee Scheme Rules and related documents together comprise and are referred to as the “Australian Government Guarantee Scheme”. The Reserve Bank of Australia (the “RBA”) will administer the Australian Government Guarantee Scheme. The text of the Australian Government Guarantee, the Australian Government Guarantee Scheme Rules and related documents can be found at the Australian Government Guarantee website at www.guaranteescheme.gov.au.

The Australian Government Guarantee is a deed governed by the laws of the State of New South Wales and has been executed by the Australian Treasurer on behalf of the Commonwealth of Australia. Under the Australian Government Guarantee, the Commonwealth of Australia irrevocably guarantees the payment by each ADI of liabilities that are covered by an eligibility certificate (“Guaranteed Liabilities”) issued by the RBA in response to an application made by the ADI, and irrevocably undertakes that whenever the ADI does not pay a Guaranteed Liability on the date on which it becomes due or payable, it shall, upon a claim by a person to whom a Guaranteed Liability is owed, and following the expiry of any applicable grace period, pay the Guaranteed Liability in accordance with the Australian Government Guarantee Scheme Rules. A claim must be made in the form provided in the Australian Government Guarantee Scheme Rules. In the case of a liability of an Australian ADI, such as CBA, the claimant need not be a resident of Australia.

In order to have the Australian Government Guarantee apply to any particular issue of Notes under the Programme, CBA must apply to the RBA for an eligibility certificate. Fees will also be payable, calculated by reference to the term and amount of the liabilities guaranteed and CBA’s credit rating.

An ADI may apply for an eligibility certificate in respect of a programme under which it issues debt instruments from time to time or on an issue-by-issue basis. In order to be granted an eligibility certificate, Notes issued under the Programme must have a maturity of less than 60 months and be “not complex”. A guidance note providing information as to how the Government will interpret the expression “not complex” can be found at www.guaranteescheme.gov.au.

18 New Zealand Government Guarantee

By a deed of guarantee dated 19 June 2009 (“the NZ Government Guarantee”), the NZ Government has irrevocably guaranteed all amounts of principal and interest (excluding any penalty interest or other amount only payable following a default) that are not paid on the dates originally scheduled for payment under the Notes in respect of which the NZ Government has issued a Guarantee Eligibility Certificate (as defined in the NZ Government Guarantee).

To have the benefit of the NZ Government Guarantee, the Notes must have a tenor of five years or less and must be issued prior to the final date for issue specified in the applicable Guarantee Eligibility Certificate. The NZ Government will not be liable under the NZ Government Guarantee in respect of any Notes that have been varied, amended, waived, released, novated, supplemented, extended or restated in any respect without the prior written consent of the NZ Government.

Claims under the NZ Government Guarantee must be made in the form and manner prescribed by the NZ Government Guarantee no later than 30 days after the maturity date for the relevant Notes. Valid claims made in accordance with the NZ Government Guarantee will be paid within five business days of being made and following the expiry of any applicable grace period. A claim may not be made under the NZ Government Guarantee by a person who is a Related Party (as defined in the NZ Government Guarantee) of the Guarantor.

The NZ Government Guarantee is governed by the laws of New Zealand and the courts of New Zealand have exclusive jurisdiction to settle disputes arising out of or in connection with the NZ Government Guarantee.

Copies of the NZ Government Guarantee and each Guarantee Eligibility Certificate issued by the NZ Government Guarantee are available for inspection at www.treasury.govt.nz/economy/guarantee/wholesale. The holders of the Notes are deemed to have notice of all the provisions of the NZ Government Guarantee and any applicable Guarantee Eligibility Certificate.

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