



ING Bank (Australia) Limited
(Australian Business Number 24 000 893 292)
(incorporated in Australia under the Corporations Act 2001 of Australia)

€5,000,000,000
Medium Term Note Programme
Due from 15 months to five years from the date of original issue
Guaranteed by the Commonwealth of Australia

Under the Medium Term Note Programme described in this Base Prospectus (the “**Programme**”), ING Bank (Australia) Limited (the “**Issuer**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue medium term notes (which, if targeted at the Australian domestic market, are referred to as “**Australian Domestic Notes**”) and Australian transferable deposits (“**Australian Domestic Transferable Deposits**”, which will be targeted at the Australian domestic market) (the “**Notes**”). The aggregate nominal amount of Notes outstanding will not exceed €5,000,000,000 (or the equivalent in other currencies).

The Issuer will apply to the Commonwealth of Australia (the “**Guarantor**”) for an eligibility certificate (an “**Eligibility Certificate**”) within the meaning of the Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding (the “**Australian Government Guarantee Scheme**”) and the Australian Government Guarantee Scheme For Large Deposits and Wholesale Funding Rules (the “**Scheme Rules**”) of the Commonwealth of Australia as in force from time to time in respect of each Series (as defined in “Overview of the Programme – Method of Issue”) of Notes to be issued under this Programme. Only Notes for which an Eligibility Certificate has been issued will be issued under the Programme. See “The Commonwealth of Australia Guarantee” in the Australian Government Guarantee Standard Disclosure Document (as defined in “Documents Incorporated by Reference”) for further information on the Guarantor’s obligations in this respect.

Other than in respect of the Australian Government Guarantee Standard Disclosure Document, the Guarantor has not reviewed this Base Prospectus nor verified the information contained in it, and the Guarantor makes no representation with respect to, and does not accept any responsibility for, the contents of this Base Prospectus or any other statement made or purported to be made on its behalf in connection with the Issuer or the issue and offering of Notes under the Programme. The Guarantor accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Base Prospectus or any such statement.

The Netherlands Authority for the Financial Markets (the “**AFM**”), in its capacity as competent authority under the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) relating to prospectuses for securities, has approved this Base Prospectus as a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”). Application may be made to Euronext Amsterdam N.V. (“**Euronext**”) for Notes issued under the Programme to be listed on Euronext Amsterdam by NYSE Euronext (“**Euronext Amsterdam**”). References in this Base Prospectus to Notes being “**listed**” (and all related references) shall mean that such Notes have been listed and admitted to trading on Euronext Amsterdam or such other regulated market as specified in the relevant Final Terms (as defined herein). Euronext Amsterdam is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments. However, unlisted Notes may also be issued pursuant to the Programme. The relevant Final Terms in respect of the issue of any Notes will specify whether or not an application will be made for such Notes to be listed on Euronext Amsterdam (or any other stock exchange).

Each Series (as defined in “Overview of the Programme – Method of Issue”) of Notes in bearer form will be represented on issue by a temporary global note in bearer form (each a “**temporary Global Note**”) or a permanent global note in bearer form (each a “**permanent Global Note**”). Notes in registered form (“**Registered Notes**”) will be represented by registered certificates (each a “**Certificate**”). If the Global Notes are stated in the applicable Final Terms to be issued in new global note (“**NGN**”) form they are intended to be considered for recognition as eligible collateral for Eurosystem monetary policy and the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche (as defined herein) to a Common Safekeeper (as defined in “Overview of the Programme – Initial Delivery of Notes”) for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”).

Global notes which are not issued in NGN form (“**Classic Global Notes**” or “**CGNs**”) and Certificates will be deposited on the issue date of the relevant Tranche with a common depositary on behalf of Euroclear and Clearstream, Luxembourg (the “**Common Depositary**”).

The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in “Summary of Provisions Relating to Notes While in Global Form”.

Each Tranche of Australian Domestic Notes and Australian Domestic Transferable Deposits (together, “**Australian Domestic Instruments**”) will be issued in registered uncertificated (or inscribed) form.

Notes issued under the Programme are expected to be rated “AAA” by Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies Inc. (“**Standard & Poor’s**”). As defined by Standard & Poor’s a “AAA” rating means that the Issuer and the Guarantor’s capacity to meet their financial commitment under their obligations is extremely strong.

Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Base Prospectus.

Arranger
ING Wholesale Banking

*This Base Prospectus (the “**Base Prospectus**”) comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the “Prospectus Directive”) and for the purpose of giving information with regard to the Issuer and its subsidiaries and affiliates taken as a whole, the Guarantor and the Notes which, according to the particular nature of the Issuer, the Guarantor and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the Guarantor.*

*This Base Prospectus 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 (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 Base Prospectus as completed by Final Terms in relation to the offer of those 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 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.*

In addition, the Issuer will not offer Australian Domestic Instruments to the public within a Relevant Member State or seek their admission to trading on a regulated market situated or operating within such a Relevant Member State, in each case in circumstances which would require the approval of a prospectus under the Prospectus Directive.

This Base Prospectus is to be read in conjunction with all documents which are incorporated herein by reference (see “Documents Incorporated by Reference”) and, in relation to any particular issuance of Notes, the relevant Final Terms.

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or any of the Dealers or the Arranger (as defined in “Overview of the Programme”). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantor since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Guarantor since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Base Prospectus incorporates by reference the Australian Government Guarantee Standard Disclosure Document. The Australian Government Guarantee Standard Disclosure Document may be updated from time to time by information prepared by the Guarantor. None of the Issuer, any of the Dealers or the Arranger or their respective affiliates participated in, or had any other involvement in, the preparation of the Australian Government Guarantee Standard Disclosure Document. None of the Issuer, any of the Dealers or the Arranger or their respective affiliates has reviewed or verified the Australian Government Guarantee Standard Disclosure Document and none of them makes any representations or warranties with respect to, or accepts any responsibility for, the Australian Government Guarantee Standard Disclosure Document. In the case of any Notes which are to be 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, the minimum specified denomination shall be €50,000 (or its equivalent in any other currency as at the date of issue of the Notes).

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Guarantor, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes and the Guarantee (as referred to in the Australian Government Guarantee Standard Disclosure Document) have not been and will not be registered under the U.S. Securities Act of 1933 (the “Securities Act”) and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see “Subscription and Sale”.

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantor or the Dealers to subscribe for, or purchase, any Notes.

To the fullest extent permitted by law, none of the Dealers accept any responsibility for the contents of this Base Prospectus or for any other statement made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer, the Guarantor, or the issue and offering of the Notes. Each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement. Neither this Base Prospectus nor any financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Guarantor, the Arranger or the Dealers that any recipient of this Base Prospectus or any financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers undertakes to review the financial condition or affairs of the Issuer or the Guarantor during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

In connection with the issue of any Tranche (as defined in “Overview of the Programme – Method of Issue”) of Notes, the Dealer or Dealers (if any) named as the stabilising manager(s) (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 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 and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

All references in this document to “U.S. dollars”, “dollar”, “U.S.\$”, “\$”, “USD” and “U.S. cent” refer to the lawful currency of the United States of America, those to “euro”, “EUR” and “€” refer to the lawful 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 by the Treaty on European Union, those to “Australian Dollar”, “AUD”, “AU\$” and “A\$” refer to the lawful currency of Australia, and those to “Sterling”, “£”, “GBP” and “STG” refer to the lawful currency of the United Kingdom.

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RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons. The risks described below are not the only risks the Issuer faces. Additional risks and uncertainties not presently known to the Issuer or that it currently believes to be immaterial could also have a material impact on its business operations. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including the documents incorporated by reference herein) and reach their own views prior to making any investment decision.

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

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 relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement or Final Terms;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment 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 relevant Notes, including where principal or interest is 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 Scheme Rules and the relevant 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.

Risks related to the structure of a particular issue of Notes

Certain Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes issued at a substantial discount or premium

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

Notes in New Global Note form

The New Global Note form has been introduced to allow for the possibility of debt instruments being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the “**Eurosystem**”) and intra-day credit operations by the Eurosystem either upon issue or at any or all items during their life. However in any particular case such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time. As at the date of this Base Prospectus the Notes are not expected to meet such Eurosystem eligibility criteria. Investors should make their own assessment at any future point in time as to whether the Notes meet such Eurosystem eligibility criteria.

Specified Denomination of €50,000 (or its equivalent) plus higher integral multiple

In relation to any issue of Notes which have a denomination consisting of €50,000 (or its equivalent) plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of €50,000 (or its equivalent) that are not integral multiples of €50,000 (or its equivalent). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than €50,000 (or its equivalent) 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 aggregate holding amounts to €50,000 (or its equivalent) in order to receive such a definitive Note.

Risks related to Notes generally

No gross-up

All payments made by the Issuer in respect of the Notes and by the Guarantor in respect of its guarantee in respect of the Notes shall be made subject to any tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. Holders of Notes will not be entitled to receive grossed-up amounts to compensate for any such tax, duty, withholding or other payment and no event of default shall occur as a result of any such withholding or deduction.

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.

Change of law

The structure of the issue of the Notes and the ratings which may be assigned to them are based on the law of the jurisdiction governing the Notes in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible change to the law in such jurisdiction or administrative practice in such jurisdiction after the date of this Base Prospectus.

Risks related to the market generally

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

Exchange rate risks and exchange controls

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

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

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 an issue of 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 Notes and may be revised or withdrawn by the rating agency at any time.

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 advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Risks related to the Guarantor and the Guarantee generally

Effect of the Guarantor's proposals on its financial position

There is no limit on the amount which may be guaranteed under the Financial Claims Scheme (under which the Guarantor has guaranteed the deposits of authorised deposit-taking institutions up to A\$1 million per protected account) or the Australian Government Guarantee Scheme and the effects of these on the financial position of the Guarantor is unknown.

Payments under the Guarantee by the Guarantor may be delayed

There is no designated period within which the Guarantor is required to make payments under the Guarantee after it receives a valid claim from a Noteholder and verifies the same. Therefore, payments under the Guarantee in respect of the Notes could be delayed from the date the payment is due under the terms of the Notes.

Changes to the Australian Government Guarantee Scheme

The Australian Government 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 Issuer operates. In addition, the operation and interpretation of the Scheme Rules may be subject to discussion and uncertainty generally.

The Guarantor has announced the Australian Government Guarantee Scheme will be reviewed on an ongoing basis and revised if necessary.

The Guarantor may also amend the terms of the Guarantee at any time at its discretion, provided that (except insofar as such amendment is required by law) such amendment does not reduce the Guarantor's obligations to the beneficiaries under the Guarantee in a manner which is prejudicial to the interests of the beneficiaries in respect of any subsisting liability of the Issuer guaranteed under the Guarantee.

Amendments to the Notes

The Guarantor will not be liable to perform its obligations under the Guarantee in respect of liabilities which have been varied, amended, waived, released, novated, supplemented, extended or restated in any material respect without the written consent of the Guarantor.

Enforcement of the Guarantee

The rights of a beneficiary to enforce the Guarantee are subject to the matters described in the section entitled "The Commonwealth of Australia Guarantee" in the Australian Government Guarantee Standard Disclosure Document.

OVERVIEW OF THE PROGRAMME

The following overview is qualified in its entirety by the remainder of this Base Prospectus.

Issuer:	ING Bank (Australia) Limited
Guarantor:	Commonwealth of Australia
Guarantee:	<p>The Issuer will apply to the Guarantor for an Eligibility Certificate within the meaning of the Scheme Rules in respect of each Series of Notes under this Programme. Only Notes for which an Eligibility Certificate has been issued will be issued under the Programme. The Final Terms will contain confirmation from the Issuer that an Eligibility Certificate has been obtained or will be obtained in respect of the Notes being issued.</p> <p>The Guarantor's obligations in that respect are set out in the Scheme Rules, which are available on the Australian Government Guarantee Scheme website at www.guaranteescheme.gov.au. See "The Commonwealth of Australia Guarantee" in the Australian Government Guarantee Standard Disclosure Document for further details.</p> <p>Notes for which an Eligibility Certificate has been issued and the relevant Eligibility Certificate will be listed on the Australian Government Guarantee Scheme website at www.guaranteescheme.gov.au.</p>
Description:	Medium Term Note Programme
Size:	Up to €5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Arranger:	ING Bank N.V.
Dealers:	<p>ING Bank N.V.</p> <p>The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to "Permanent Dealer(s)" are to ING Bank N.V. and to such additional persons, if any, that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "Dealer(s)" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p>
Issuing and Paying Agent other than for Australian Domestic Instruments:	The Bank of New York Mellon, London Branch, in alliance with ING Bank N.V. acting through its subdivision ING Wholesale Banking Securities Services.
Registrar and Transfer Agent other than for Australian Domestic	The Bank of New York Mellon (Luxembourg) S.A., in alliance with ING Bank N.V. acting through its subdivision ING

Instruments:	Wholesale Banking Securities Services.
Registrar for Australian Domestic Instruments:	Austraclear Services Limited
Method of Issue:	<p>The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “Tranche”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the final terms (the “Final Terms”).</p>
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Form of Notes:	<p>The Notes may be issued in bearer form only (“Bearer Notes”), in bearer form exchangeable for Registered Notes (“Exchangeable Bearer Notes”) or in registered form only (“Registered Notes”). Each Tranche of Bearer Notes and Exchangeable Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in “Selling Restrictions” below); otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as “Global Certificates”.</p> <p>Each Tranche of Australian Domestic Instruments will be issued in registered uncertificated (or inscribed) form and will take the form of entries on a register (the “Australian Register”) to be maintained by Austraclear Services Limited (Australian Business Number (“ABN”) 28 003 284 419) (the “Australian Registrar”) in Sydney unless otherwise agreed with the Australian Registrar.</p>
Clearing Systems:	<p>Clearstream, Luxembourg and Euroclear and, in relation to any Series of Notes, such other clearing system as may be agreed between the Issuer, Issuing and Paying Agent and the relevant Dealer.</p> <p>Global Notes may also be delivered outside any clearing system provided that the method of such delivery has been agreed in</p>

advance by the Issuer, the Issuing and Paying Agent and the relevant Dealer.

Austraclear System in relation to any Series of Australian Domestic Instruments.

Initial Delivery of Notes:

On or before the relevant issue date, if the relevant Global Note is intended to be considered for recognition as eligible collateral for Eurosystem monetary policy and intra-day credit operations, the Global Note will be delivered to a Common Safekeeper (as defined below) for the relevant Clearing Systems. The interests of individual holders in each Global Note that is a New Global Note will be represented by the records of the Relevant Clearing Systems.

On or before the relevant issue date for each Tranche, if the relevant Global Note is not intended to be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations, the Global Note representing Bearer Notes or Exchangeable Bearer Notes or the Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg.

Global Notes or Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Issuing and Paying Agent and the relevant Dealer.

“**Common Safekeeper**” means, in respect of any Global Note which is a New Global Note, the common safekeeper which is appointed by the Relevant Clearing Systems in respect of such New Global Note or, if such Global Note is a New Global Note intended to be held in a manner that would allow Eurosystem eligibility, the common safekeeper which is appointed for the Issuer and eligible to hold such Global Note for the purpose of the requirements relating to collateral for Eurosystem monetary and intra-day credit operations. If the common safekeeper as at the relevant issue date ceases to be so eligible after the relevant issue date, the relevant Notes will no longer qualify for Eurosystem eligibility unless a new common safekeeper is appointed who is so eligible.

Currencies:

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers.

Maturities:

Subject to compliance with all relevant laws, regulations and directives, Notes will have any maturity of no less than 15 months and no more than five years.

Specified Denomination:

Definitive Notes will be in such denominations as may be specified in the relevant Final Terms save that, in the case of

	any Notes which are to be admitted to trading on a regulated market within the EEA or offered to the public in an EEA member state in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be €50,000 (or its equivalent in any other currency as at the date of issue of the Notes).
Fixed Rate Notes:	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
Floating Rate Notes:	<p>Floating Rate Notes will bear interest determined separately for each Series as follows:</p> <ul style="list-style-type: none"> (i) 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, as published by the International Swaps and Derivatives Association, Inc.; or (ii) by reference to LIBOR, EURIBOR or BBSW (or such other benchmark as may be specified in the relevant Final Terms) as adjusted for any applicable margin. <p>Interest periods will be specified in the relevant Final Terms.</p>
Zero Coupon Notes:	Zero Coupon Notes (as defined in “Terms and Conditions of the Notes”) may be issued at their nominal amount or at a discount to it and will not bear interest.
Interest Periods and Interest Rates:	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
Redemption:	The relevant Final Terms will specify the basis for calculating the redemption amounts payable.
Other Notes:	Terms applicable to any other type of Note that the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms and/or supplemental prospectus.
Status of Notes:	The Notes will constitute unsubordinated and unsecured obligations of the Issuer, all as described in “Terms and Conditions of the Notes – Guarantee and Status”.
Negative Pledge:	None
Cross Default or Cross Acceleration Event of Default:	None

Ratings:

Notes issued under the Programme are expected to be rated “AAA” by Standard & Poor’s. As defined by Standard & Poor’s a “AAA” rating means that the Issuer and the Guarantor’s capacity to meet their financial commitment under their obligations is extremely strong.

A rating is not a recommendation to buy, sell or hold Notes and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Withholding Tax:

All payments of principal and interest in respect of the Notes shall be made subject to withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Commonwealth of Australia or any authority therein or thereof having power to tax.

An exemption from Australian interest withholding tax (“**IWT**”) for interest paid by the Issuer in respect of the Notes is available under section 128F of the Income Tax Assessment Act 1936 of Australia (“**Australian Tax Act**”) if certain conditions are met.

The Issuer proposes, unless otherwise specified, to issue Notes in a manner which will satisfy the public offer test and which will otherwise meet the requirements of section 128F of the Australian Tax Act.

It is unclear whether or not any payment by the Guarantor under the Guarantee would be subject to IWT. The Australian Taxation Office has published a Taxation Determination stating that payments by a guarantor in respect of debentures (such as the Notes) are interest (as defined) to the extent that the payment is made in substitution of the payment of interest by an issuer. The Taxation Determination goes on to state that payments by a guarantor in respect of debentures (such as the Notes) are entitled to the benefit of the exemption contained in section 128F of the Australian Tax Act if payments of interest in respect of those debentures by the issuer are exempt from IWT. However, there is some doubt as to whether the Taxation Determination applies in the context of the Guarantee and whether the reasoning in respect that the payment by a guarantor constitutes interest as adopted in the Taxation Determination is correct.

If either:

- the Taxation Determination does not apply in the context of the Guarantee; or
- the Notes are not issued in accordance with section 128F,

and the reasoning in the Taxation Determination that a payment

under the Guarantee in substitution of interest in respect of the Notes constitutes interest (as defined in section 128B(1AB) of the Australian Tax Act) is correct, then IWT at the rate of 10 per cent. will be payable on those payments by the Guarantor to non-residents (other than non-residents holding the Notes in the course of carrying on a business at or through a permanent establishment in Australia) or residents of Australia holding the Notes in the course of carrying on a business at or through a permanent establishment outside Australia.

IWT at the rate of 10 per cent. will be payable on interest paid on an overdue amount by the Guarantor to non-residents (other than non-residents holding the Notes in the course of carrying on a business at or through a permanent establishment in Australia) or residents of Australia holding the Notes in the course of carrying on a business at or through a permanent establishment outside Australia.

Although it is unclear whether or not any payment by the Guarantor under the Guarantee would be subject to Australian IWT, if the Guarantor is at any time compelled or authorised by law to deduct or withhold an amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia or other Australian jurisdictions in respect of payments under the Guarantee, the Guarantor is not obliged to pay any additional amounts to holders of Notes in respect of such deduction or withholding.

Governing Law:

The Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law except that the Australian Domestic Instruments and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, the laws of New South Wales, Australia.

Listing and Admission to Trading:

Application may be made to list Notes issued under the Programme on Euronext Amsterdam or as otherwise specified in the relevant Final Terms and references to listing shall be construed accordingly. As specified in the relevant Final Terms, a Series of Notes may be unlisted.

Redenomination, Renominalisation and/or Consolidation:

Notes denominated in a currency of a country that subsequently participates in the third stage of European Economic and Monetary Union may be subject to redenomination, renominalisation and/or consolidation with other Notes then denominated in euro. The provisions applicable to any such redenomination, renominalisation and/or consolidation will be as specified in the relevant Final Terms.

Selling Restrictions:

The United States, the United Kingdom, Australia, The Netherlands and Japan. See “Subscription and Sale”.

The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “**D Rules**”) unless (i) the relevant Final Terms states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “**C Rules**”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

SUPPLEMENTAL PROSPECTUS

The Issuer has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Notes and whose inclusion in or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Notes, the Issuer shall prepare an amendment or supplement to this Base Prospectus or publish a replacement Base Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published or are published simultaneously with this Base Prospectus and have been approved by the AFM or filed with it, shall be deemed to be incorporated in, and to form part of, this Base Prospectus; this Base Prospectus should be read and construed in conjunction with such documents:

- (i) the publicly available audited financial statements of the Issuer in respect of the financial years ended 31 December 2007 and 2008, including the auditors' reports in respect of such years, which are contained in the Financial Reports of the Issuer for the relevant periods;
- (ii) the constitution of the Issuer; and
- (iii) the Standard Disclosure Document dated 20 May 2009 prepared by the Guarantor containing disclosure regarding itself and the Australian Government Guarantee Scheme (the "**Australian Government Guarantee Standard Disclosure Document**"),

and such documents shall be incorporated in and form part of this Base Prospectus save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The Issuer will provide, without charge, to each person to whom a copy of this Base Prospectus has been delivered in accordance with applicable law, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated herein by reference. Written or oral requests for such documents should be directed to the Issuer at Level 14, 140 Sussex Street, Sydney, NSW 2000, Australia (Tel.: +61 (0)2 9028 4000) or c/o ING Bank N.V. at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands (Tel.: +31 (0)20 501 3209).

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Any obligations of the Commonwealth of Australia as guarantor under the Australian Government Guarantee Scheme are set out in the Deed of Guarantee and the Scheme Rules (each as defined below). Either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme, and shall, unless the context otherwise requires, include Australian Domestic Instruments. References in the Conditions to “**Australian Domestic Instruments**” shall be to Notes designated as “**Australian Domestic Notes**” or “**Australian Domestic Transferable Deposits**” in the relevant Final Terms.*

The Notes are issued pursuant to (i) in the case of Notes other than Australian Domestic Instruments, an agency agreement (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated as of 3 July 2009 between the Issuer and The Bank of New York Mellon, London Branch, in alliance with ING Bank N.V. acting through its subdivision ING Wholesale Banking Securities Services, as issuing and paying agent and the other agents named in it and with the benefit of a deed of covenant (as amended or supplemented as at the Issue Date, the “**Deed of Covenant**”) dated as of 3 July 2009 executed by the Issuer in relation to the Notes or (ii) in the case of Australian Domestic Instruments, the Deed Poll (as defined below). The issuing and paying agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Issuing and Paying Agent**”, the “**Paying Agents**” (which expression shall include the Issuing and Paying Agent), the “**Registrar**”, the “**Transfer Agents**” and the “**Calculation Agent(s)**”. The Noteholders (as defined below) and the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) are deemed to have notice of all of the provisions of (i) in the case of Notes other than Australian Domestic Instruments, the Agency Agreement and the Deed of Covenant, (ii) in the case of Australian Domestic Instruments, the Deed Poll and the Australian Registry Services Agreement (as defined below) and (iii) the deed of guarantee (the “**Deed of Guarantee**”) dated 20 November 2008 executed by the Commonwealth of Australia pursuant to which it will irrevocably guarantee the payment of all amounts in principal and interest due and payable by the Issuer in respect of Notes and of the Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding (the “**Scheme Rules**” and the “**Australian Government Guarantee Scheme**”, respectively) and any Eligibility Certificate issued under those Scheme Rules, in each case as applicable to them.

The Australian Domestic Instruments may be either (i) medium term notes (“**Australian Domestic Notes**”), or (ii) transferable deposits (“**Australian Domestic Transferable Deposits**”) and will be issued in registered uncertificated (or inscribed) form. Australian Domestic Instruments will be constituted by the Deed Poll and will take the form of entries on a register to be maintained by the Australian Registrar (as defined below) pursuant to the Australian Registry Services Agreement. Australian Domestic Transferable Deposits represent a deposit made with, and accepted by, the Issuer on the Issue Date.

As used in these Conditions, “**Tranche**” means Notes which are identical in all respects.

Copies of the Agency Agreement and of the Deed of Covenant are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents. Copies of the Deed Poll and the Australian Registry Services Agreement are available for inspection at the principal office of the Australian Registrar in Sydney. The Deed of Guarantee, the Scheme Rules and any Eligibility Certificate relating to the Notes are available at www.guaranteescheme.gov.au.

1 Form, Denomination and Title

The Notes are issued in bearer form (“**Bearer Notes**”, which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form (“**Registered Notes**”) or in bearer form exchangeable for Registered Notes (“**Exchangeable Bearer Notes**”) in each case in the Specified Denomination(s) shown hereon provided that in the case of any Notes which are to be 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, the minimum Specified Denomination shall be €50,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

All Registered Notes shall have the same Specified Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Notes.

This Note is a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “**Noteholder**” means the bearer of any Bearer Note or the person in whose name a Registered Note is registered (as the case may be), “**holder**” (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

In the case of Australian Domestic Instruments, the following provisions shall apply in lieu of any provisions of these Conditions which are inconsistent with the following provisions. Australian Domestic Instruments will be debt obligations of the Issuer owing under the Issuer’s Deed Poll (the “**Deed Poll**”) and will take the form of entries in a register (the “**Australian Register**”) to be established and maintained by Austraclear Services Limited (ABN 28 003 284 419) (the “**Australian Registrar**”) in Sydney unless otherwise agreed with the Australian Registrar. In relation to Australian Domestic Instruments, the expression “**holder**” means

a person whose name is for the time being entered in the Australian Register as the holder of an Australian Domestic Instrument or, where an Australian Domestic Instrument is owned jointly by one or more persons, the first four persons, but no more than four, whose names appear in the Australian Register as the joint owners of the Australian Domestic Instrument. For the avoidance of doubt, where an Australian Domestic Instrument is entered into the Austraclear System, the expression “**holder**” (in respect of that Australian Domestic Instrument) means Austraclear as operator of the Austraclear System.

Australian Domestic Instruments will not be serially numbered. Each entry in the Australian Register constitutes a separate and individual acknowledgement to the relevant holder of the indebtedness of the Issuer to the relevant holder. The obligations of the Issuer in respect of each Australian Domestic Instrument constitute separate and independent obligations which the holder to whom those obligations are owed is entitled to enforce without having to join any other holder or any predecessor in title of a holder. No certificate or other evidence of title will be issued by or on behalf of the Issuer to evidence title to an Australian Domestic Instrument unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

Entries in the Australian Register in relation to an Australian Domestic Instrument constitute conclusive evidence that the person so entered is the registered owner of the Australian Domestic Instrument, subject to rectification for fraud or error. No Australian Domestic Instrument will be registered in the name of more than four persons. Australian Domestic Instruments registered in the name of more than one person are held by those persons as joint tenants. Australian Domestic Instruments will be registered by name only without reference to any trusteeship. The person registered in the Australian Register as a holder of an Australian Domestic Instrument will be treated by the Issuer and the Australian Registrar as the absolute owner of that Australian Domestic Instrument and neither the Issuer nor the Australian Registrar will, except as ordered by a court of competent jurisdiction or as required by statute, be obliged to take notice of any other claim to an Australian Domestic Instrument.

Upon a person acquiring title to any Australian Domestic Instrument by virtue of becoming registered as the owner of that Australian Domestic Instrument, all rights and entitlements arising by virtue of the Deed Poll in respect of that Australian Domestic Instrument vest absolutely in the registered owner of the Australian Domestic Instrument, such that no person who has previously been registered as the owner of the Australian Domestic Instrument has or is entitled to assert against the Issuer or the Australian Registrar or the registered owner of the Australian Domestic Instrument for the time being and from time to time any rights, benefits or entitlements in respect of the Australian Domestic Instrument.

Australian Domestic Instruments may be transferred in whole but not in part. Australian Domestic Instruments will be transferred by duly completed and (if applicable) stamped transfer and acceptance forms in the form specified by, and obtainable from, the Australian Registrar or by any other manner approved by the Issuer and the Australian Registrar. Australian Domestic Instruments entered in the Austraclear System (as defined below) will be transferable only in accordance with the Austraclear Regulations (as defined below).

Unless the Australian Domestic Instruments are lodged in the Austraclear System, application for the transfer of Australian Domestic Instruments must be made by the lodgment of a transfer and acceptance form with the Australian Registrar. Each transfer and acceptance form must be accompanied by such evidence (if any) as the Australian Registrar may require to prove the title of the transferor or the transferor’s right to transfer the Australian Domestic Instruments and must be signed by both the transferor and the transferee.

The transferor of an Australian Domestic Instrument is deemed to remain the holder of that Australian Domestic Instrument until the name of the transferee is entered in the Australian Register in respect of that Australian Domestic Instrument. Transfers will not be registered later than eight days prior to the Maturity Date of the Australian Domestic Instrument.

Australian Domestic Instruments may only be transferred within, to or from Australia if (a) the aggregate consideration payable by the transferee at the time of transfer is at least A\$500,000 (disregarding moneys lent by the transferor or its associates) or the offer or invitation giving rise to the transfer otherwise does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Act 2001 of the Commonwealth of Australia, (b) the transfer is in compliance with all applicable laws, regulations and directives (including, without limitation, in the case of a transfer to or from Australia, the laws of the jurisdiction in which the transfer takes place), and (c) in the case of a transfer between persons outside Australia, if a transfer and acceptance form is signed outside Australia. A transfer to an unincorporated association is not permitted.

Transfers will be registered without charge, provided taxes, duties or other governmental charges (if any) imposed in relation to the transfer have been paid.

A person becoming entitled to an Australian Domestic Instrument as a consequence of the death or bankruptcy of a holder or of a vesting order or a person administering the estate of a holder may, upon producing such evidence as to that entitlement or status as the Australian Registrar considers sufficient, transfer the Australian Domestic Instrument or, if so entitled, become registered as the holder of the Australian Domestic Instrument.

Where the transferor executes a transfer of less than all Australian Domestic Instruments registered in its name, and the specific Australian Domestic Instruments to be transferred are not identified, the Australian Registrar may register the transfer in respect of such of the Australian Domestic Instruments registered in the name of the transferor as the Australian Registrar thinks fit, provided the aggregate principal amount of the Australian Domestic Instruments registered as having been transferred equals the aggregate principal amount of the Australian Domestic Instruments expressed to be transferred in the transfer.

If Austraclear Services Limited (ABN 28 003 284 419) is the Australian Registrar and the Australian Domestic Instruments are lodged in the Austraclear System, despite any other provision of these Conditions, the Australian Domestic Instruments are not transferable on the Australian Register, and the Issuer may not, and must procure that the Australian Registrar does not, register any transfer of the Australian Domestic Instruments issued by it and no member of the Austraclear System has the right to request any registration of any transfer of such Australian Domestic Instruments, except:

- (a) in the case of any repurchase, redemption or cancellation (whether on or before the Maturity Date of the Australian Domestic Instruments) of such Australian Domestic Instruments, a transfer of the relevant Australian Domestic Instruments from Austraclear to the Issuer may be entered in the Australian Register; and
- (b) if Austraclear exercises any power it may have under the Austraclear Regulations or these Conditions to require the relevant Australian Domestic Instruments to be transferred on the Australian Register to a member of the Austraclear System, the relevant Australian Domestic Instruments may be transferred on the Australian Register from Austraclear to the member of the Austraclear System.

In either of these cases, the relevant Australian Domestic Instruments will cease to be held in the Austraclear System.

Where Austraclear is recorded in the Australian Register as the holder of an Australian Domestic Instrument, each person in whose Security Record (as defined in the Austraclear Regulations) an Australian Domestic Instrument is recorded is deemed to acknowledge in favour of the Australian Registrar and Austraclear that:

- (a) the Australian Registrar's decision to act as the Australian Registrar of that Australian Domestic Instrument does not constitute a recommendation or endorsement by the Australian Registrar or Austraclear in relation to that Australian Domestic Instrument, but only indicates that the holding of

such Australian Domestic Instrument is considered by the Australian Registrar to be compatible with the performance by it of its obligations as Australian Registrar under the Australian Registry Services Agreement; and

- (b) the holder of the Australian Domestic Instrument does not rely on any fact, matter or circumstance contrary to paragraph (a).

In this Condition 1:

“**Austraclear**” means Austraclear Limited (ABN 94 002 060 773).

“**Austraclear Regulations**” means the rules and regulations established by Austraclear (as amended or replaced from time to time) to govern the use of the Austraclear System.

“**Austraclear System**” means the system operated by Austraclear for holding securities and the electronic recording and settling of transactions in those securities between members of that system.

2 Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes

- (a) **Exchange of Exchangeable Bearer Notes:** Subject as provided in Condition 2(e), Exchangeable Bearer Notes may be exchanged for the same nominal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 6(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Noteholders. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.
- (c) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(a) or (b) shall be available for delivery within three business days of receipt of the request for exchange or form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless

such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

- (d) **Exchange Free of Charge:** Exchange and transfer of Notes and Certificates on registration or transfer shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (e) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of that Note, (ii) after any such Note has been called for redemption or (iii) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.
- (f) **Australian Domestic Instruments:** For the avoidance of doubt, this Condition 2 shall not apply in respect of Australian Domestic Instruments.

3 Guarantee and Status

- (a) **Guarantee:** The Commonwealth of Australia (the “**Guarantor**”) irrevocably guarantees the payment of all amounts in principal and interest due and payable by the Issuer under the relevant Notes and Coupons according and subject to (i) the Deed of Guarantee, (ii) the Scheme Rules and (iii) the relevant Eligibility Certificate issued under the Deed of Guarantee and the Scheme Rules in respect of the relevant Notes and Coupons. The due payment of fees and expenses payable by the Issuer to the Issuing and Paying Agent and the other Agents will not be guaranteed by the Guarantor.

*Section 13A of the Banking Act 1959 of Australia provides that the assets of an authorised deposit-taking institution (“**Australian ADI**”), which includes the Issuer, in Australia would, in the event of the Australian ADI becoming unable to meet its obligations or suspending payment, be available to meet that Australian ADI’s deposit liabilities in Australia in priority to all other liabilities of that Australian ADI. Under Section 16 of the Banking Act 1959 of Australia, debts due to the Australian Prudential Regulation Authority (“**APRA**”) shall in a winding-up of an Australian ADI have, subject to Section 13A of the Banking Act 1959 of Australia, priority over all other unsecured debts of that Australian ADI. Further, under Section 86 of the Reserve Bank Act 1959 of Australia, debts due by a bank to the Reserve Bank of Australia shall in a winding-up of that bank have, subject to Section 13A of the Banking Act 1959, priority over all other debts, other than debts due to the Commonwealth of Australia.*

The Issuer makes no representation as to whether the Australian Domestic Transferable Deposits, or any of them, would constitute deposit liabilities in Australia under such statutory provisions.

- (b) **Status of Notes:** The Notes and Coupons relating to them constitute unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

4 Interest and other Calculations

- (a) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(f).
- (b) **Interest on Floating Rate Notes:**
- (i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(f). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.
- (A) ISDA Determination for Floating Rate Notes
- Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and

- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

- (x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 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 as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

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

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being “BBSW”, the Rate of Interest in respect of such Notes for the relevant Interest Period shall be the average mid rate for Bills (having the meaning that term has in the Bills of Exchange Act 1909 of Australia) having a tenor closest to the relevant Interest Period displayed on the “BBSW” page of the Reuters Monitor System on the first day of that Interest Period, plus or minus (as indicated hereon) the Margin (if any), all as determined by the Calculation Agent. However, if the average mid rate is not displayed by 10:30 a.m. on that day, or if it is displayed but the Calculation Agent determines that there is an obvious error in that rate, the Rate of Interest in respect of such Notes for the relevant Interest Period shall be determined by the Calculation Agent in good faith at approximately 10:30 a.m. on that day, having regard, to the extent possible, to the mid rate of the rates otherwise bid and offered for bank accepted Bills of that tenor at or about that time.

- (y) if the Relevant Screen Page is not available or, if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (x)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the

Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).
- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5(b)(i)).

- (d) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7).
- (e) **Margin, Maximum/Minimum Rates of Interest, Redemption Amounts and Rounding:**
- (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph.
 - (ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified hereon, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
 - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the countries of such currency.
- (f) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply, save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (g) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts and Early Redemption Amounts:** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount or Early Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount or Early Redemption Amount to be notified to the Issuing and Paying Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the

commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 4(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

- (h) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Business Day” means:

- (i) in the case of a 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 for such currency; and/or
- (ii) in the case of euro, a day on which the TARGET system is operating (a **“TARGET Business Day”**); and/or
- (iii) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) (which, if the currency is Australian dollars, shall be Sydney) or, if no currency is indicated, generally in each of the Business Centres.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the **“Calculation Period”**):

- (i) if **“Actual/Actual”** or **“Actual/Actual - ISDA”** is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if **“Actual/365 (Fixed)”** is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if **“Actual/360”** is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if **“30/360”**, **“360/360”** or **“Bond Basis”** is specified hereon, the number of days in the Calculation 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 Calculation Period falls;

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

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

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

“D₁” is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation 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 Calculation Period falls;

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

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

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

“D₁” is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31, in which case D₂ will be 30

- (vi) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation 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 Calculation Period falls;

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

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

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

“**D₁**” is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30;

(vii) if “**Actual/Actual-ICMA**” is specified hereon:

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(B) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(viii) if “**RBA Bond Basis**” is specified hereon, the product of (x) one divided by the number of Interest Payment Dates in a year and (y) the actual number of days in the Interest Accrual Period divided by the total number of days in the Interest Period ending on the next (or first) Interest Payment Date.

Where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date;

“**Determination Date**” means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s);

“**Euro-zone**” means the region comprising member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date;

“Interest Amount” means:

- (A) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (B) in respect of any other period, the amount of interest payable per Calculation Amount for that period;

“Interest Commencement Date” means the Issue Date or such other date as may be specified hereon;

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro;

“Interest Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

“Interest Period Date” means each Interest Payment Date unless otherwise specified hereon;

“ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon;

“Rate of Interest” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon;

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified hereon;

“Reference Rate” means the rate specified as such hereon;

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service as may be specified hereon;

“Specified Currency” means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated; and

“TARGET System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

- (i) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes,

references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount or Early Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

Notwithstanding the foregoing, the Issuer may undertake the duties of Calculation Agent in respect of the Notes unless another entity is so specified as Calculation Agent hereon.

5 Redemption, Purchase and Options

(a) Final Redemption:

Unless previously redeemed or purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount).

(b) Early Redemption:

(i) *Zero Coupon Notes:*

- (A)** The Early Redemption Amount payable in respect of any Zero Coupon Note upon it becoming due and payable as provided in Condition 9 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B)** Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C)** If the Early Redemption Amount payable in respect of any such Note upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

- (ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in paragraph (i) above), upon it becoming due and payable as provided in Condition 9, shall be the Final Redemption Amount unless otherwise specified hereon.
- (c) **Purchases:** The Issuer and any of its subsidiaries may at any time purchase Notes (provided that all unmatured Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.
- (d) **Holding, Reselling or Cancellation:** All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may be held, reissued or resold or, at the option of the purchaser, surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Coupons and all unexchanged Talons to the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged. Registered Notes purchased by the Issuer shall be cancelled by operation of law.

6 Payments and Talons

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of payments of principal and, in the case of interest, as specified in Condition 6(f)(v)) or Coupons (in the case of interest, save as specified in Condition 6(f)(v)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank. “Bank” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System or, in the case of Australian dollars, Sydney.
- (b) **Registered Notes:**
 - (i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
 - (ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made in the relevant currency by cheque drawn on a Bank and mailed to the holder (or to the first-named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a Bank.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) 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 of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such

payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

- (d) **Payments Subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Issuing and Paying Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities, (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed and (vii) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 6(c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

- (f) **Unmatured Coupons and unexchanged Talons:**
 - (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes, such Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount or Early Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of five years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
 - (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
 - (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
 - (iv) Where any Bearer Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any Bearer Note is presented for redemption without any

unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

- (v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender, if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent in exchange for a further Coupon sheet (and, if necessary, another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8).
- (h) **Non-Business Days:** If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “**Financial Centres**” hereon, and:
 - (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency (which, if the currency is Australian dollars, shall be Sydney); or
 - (ii) (in the case of a payment in euro) which is a TARGET Business Day.
- (i) **Australian Domestic Instruments:**
 - (i) Notwithstanding the foregoing, the provisions of this Condition 6(i) shall apply in respect of Australian Domestic Instruments only.
 - (ii) The Australian Registrar will act (through its office in Sydney) as paying agent for Australian Domestic Instruments pursuant to an Agency and Registry Services Agreement (such Agency and Registry Services Agreement as amended or supplemented from time to time, the “**Australian Registry Services Agreement**”) between the Issuer and the Australian Registrar.
 - (iii) For the purposes of this Condition 6(i), in relation to Australian Domestic Instruments, “**Business Day**” has the meaning given in the Australian Registry Services Agreement.
 - (iv) Payments of principal and interest will be made in Sydney in Australian dollars to the persons who, on the relevant Record Date (as defined below), are registered as the holders of such Australian Domestic Instruments, subject in all cases to normal banking practice and all applicable laws and regulations. Payment will be made either (A) by cheques drawn on the Sydney branch of an Australian bank and dispatched by post on the relevant payment date at the risk of the holder or (B) at the option of the holder, by the Australian Registrar giving irrevocable instructions for the effecting of a transfer of the relevant funds to an Australian

dollar account in Australia specified by the holder to the Australian Registrar (or in any other manner in Sydney which the Australian Registrar and the holder agree).

- (v) In the case of payments made by electronic transfer, payments will for all purposes be taken to be made when the Australian Registrar gives irrevocable instructions in Sydney for the making of the relevant payment by electronic transfer, being instructions which would be reasonably expected to result, in the ordinary course of banking business, in the funds transferred reaching the account of the holder on the same day as the day on which the instructions are given.
- (vi) If a cheque posted or an electronic transfer for which irrevocable instructions have been given by the Australian Registrar is shown, to the satisfaction of the Australian Registrar, not to have reached the holder and the Australian Registrar is able to recover the relevant funds, the Australian Registrar may make such other arrangements as it thinks fit for the effecting of the payment in Sydney.
- (vii) Interest will be calculated in the manner specified in Condition 4 and will be payable to the persons who are registered as holders on the relevant Record Date and cheques will be made payable to the holder (or, in the case of joint holders, to the first-named) and sent to their registered address, unless instructions to the contrary are given by the holder (or, in the case of joint holders, by all the holders) in such form as may be prescribed by the Australian Registrar. Payments of principal will be made to, or to the order of, the persons who are registered as holders on the relevant Record Date, subject, if so directed by the Australian Registrar, to receipt from them of such instructions as the Australian Registrar may require, and cheques will be made payable to the holder (or, in the case of joint holders, to the first-named) and sent to their registered address, unless instructions to the contrary are given by the holder (or, in the case of joint holders, by all the holders) in such form as may be prescribed by the Australian Registrar.
- (viii) Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto. Neither the Issuer nor the Australian Registrar shall be liable to any holder or other person for any commissions, costs, losses or expenses in relation to or resulting from such payments.
- (ix) In this Condition 6(i) in relation to Australian Domestic Instruments, “**Record Date**” means, in the case of payments of principal or interest, the close of business in Sydney on the date which is the eighth calendar day before the due date of the relevant payment of principal or interest.

7 Taxation

All payments of principal and/or interest by or on behalf of the Issuer or the Guarantor in respect of the Notes and the Coupons or under the Substitution Guarantee (as defined below) shall be made subject to withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Commonwealth of Australia or any authority therein or thereof having power to tax.

As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (a)

“**principal**” shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it and (b) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it.

8 Prescription

Claims against the Issuer and/or the Guarantor for payment in respect of the Notes and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within five years from the date the relevant payment first became due.

9 Events of Default

If any of the following events (“**Events of Default**”) occurs and is continuing, the holder of any Note may give written notice to the Issuing and Paying Agent at its specified office that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together (if applicable) with accrued interest to the date of payment shall become immediately due and payable, unless such event of default shall have been remedied prior to the receipt of such notice by the Issuing and Paying Agent:

- (a) **Non-Payment:** default is made for more than 30 days in the payment on the due date of interest or principal in respect of any of the Notes; or
- (b) **Breach of Other Obligations:** the Issuer does not perform or comply with any one or more of its other obligations in the Notes, which default is not remedied within 60 days of notice of such default requiring the same to be remedied having been given to the Issuer and the Issuing and Paying Agent at its specified office by the Noteholder; or
- (c) **Insolvency:** the Issuer becomes insolvent or is unable to pay its debts as they fall due (within the meaning of the Corporations Act 2001 of Australia).

10 Meeting of Noteholders, Modifications

- (a) **Meetings of Noteholders:** The Agency Agreement contains provisions for convening meetings of Noteholders of each Series to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be one or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals (i) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount or the Early Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes or (vii) to modify the provisions concerning the

quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be one or more persons holding or representing not less than 75 per cent. or at any adjourned meeting not less than 25 per cent. in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders, provided that an Extraordinary Resolution which results in the Notes no longer being guaranteed as set out in Condition 3(a) shall have no effect unless it is accepted by all Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

- (b) **Modification of Agency Agreement:** The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.
- (c) **Australian Domestic Instruments:** In the case of Australian Domestic Instruments, the following provisions shall apply in lieu of any provisions of Condition 10(a) and (b) which are inconsistent with the following provisions. Meetings of holders may be convened in accordance with the meetings provisions set out in the schedule to the Deed Poll (“**Meetings Provisions**”). Any such meeting may consider any matter affecting the interests of holders, including, without limitation, the variation of the terms of the Australian Domestic Instruments by the Issuer and the granting of approvals, consents and waivers, and the declaration of an Event of Default. The Deed Poll may be amended by the parties to it without the consent of any holder for the purposes of curing any ambiguity or correcting or supplementing any defective or inconsistent provision therein, provided that such amendment does not have a materially adverse affect on the interests of the holders. The Deed Poll may otherwise be varied by the Issuer with the approval of the holders by Extraordinary Resolution (as defined in the Meetings Provisions). Other than variations to the Conditions made in accordance with this Condition 10, no variation to the Conditions has effect in relation to the holders who hold Australian Domestic Instruments at the date of any amending deed or agreement unless otherwise agreed in writing by the holders. A variation will take effect in relation to all subsequent holders. A resolution passed at a meeting of holders duly convened and held (or passed by those holders in writing) pursuant to the Meetings Provisions is binding on all holders, whether or not present and whether or not voting at the meeting (or signing or not signing the written resolution), and each holder is bound to give effect to it accordingly. The passing of any such resolution is conclusive evidence that the circumstances of such resolution justify its passing. The Issuer must give notice to the holders of the result of the voting on a resolution within 14 days of such result being known but failure to do so will not invalidate the resolution. Such notice to holders must be given in the manner provided in Condition 14.

11 Substitution of the Issuer

- (a) The Issuer may, with the consent of the Commonwealth of Australia, without any further consent of the Noteholders or Couponholders being required, when no payment of principal of or interest on any of the Notes is in default, be replaced and substituted by any directly or indirectly wholly-owned subsidiary of the Issuer (the “**Substituted Debtor**”) as principal debtor in respect of the Notes and the relative Coupons, provided that:
 - (i) such documents shall be executed by the Substituted Debtor and the Issuer as may be necessary to give full effect to the substitution (together the “**Documents**”) and (without limiting the generality of the foregoing) pursuant to which the Substituted Debtor shall undertake in favour

of each Noteholder and Couponholder to be bound by the Terms and Conditions of the Notes and the provisions of the Agency Agreement (or Deed Poll in respect of Australian Domestic Instruments) as fully as if the Substituted Debtor had been named in the Notes, the relative Coupons and the Agency Agreement (or Deed Poll in respect of Australian Domestic Instruments) as the principal debtor in respect of the Notes and the relative Coupons in place of the Issuer and pursuant to which the Issuer shall guarantee, which guarantee shall be unconditional and irrevocable, (the “**Substitution Guarantee**”) in favour of each Noteholder and each holder of the relative Coupons the payment of all sums payable in respect of the Notes and the relative Coupons;

- (ii) the Documents shall contain a covenant by the Substituted Debtor and the Issuer to indemnify and hold harmless each Noteholder and Couponholder against all liabilities, costs, charges and expenses (provided that, insofar as the liabilities, costs, charges and expenses are taxes or duties, the same arise by reason of a law or regulation having legal effect or being in reasonable contemplation thereof on the date such substitution becomes effective) which may be incurred by or levied against such holder as a result of any substitution pursuant to this Condition 11 and which would not have been so incurred or levied had such substitution not been made (and, without limiting the foregoing, such liabilities, costs, charges and expenses shall include any and all taxes or duties which are imposed on any such Noteholder or Couponholder by any political sub-division or taxing authority of any country in which such Noteholder or Couponholder resides or is subject to any such tax or duty and which would not have been so imposed had such substitution not been made);
- (iii) the Documents shall contain a warranty and representation by the Substituted Debtor and the Issuer (a) that each of the Substituted Debtor and the Issuer has obtained all necessary governmental and regulatory approvals and consents for such substitution and the performance of its obligations under the Documents, and that all such approvals and consents are in full force and effect and (b) that the obligations assumed by each of the Substituted Debtor and the Issuer under the Documents are all valid and binding in accordance with their respective terms and enforceable by each Noteholder;
- (iv) each stock exchange which has Notes listed thereon shall have confirmed that following the proposed substitution of the Substituted Debtor such Notes would continue to be listed on such stock exchange;
- (v) the Substituted Debtor shall have delivered to the Issuing and Paying Agent or procured the delivery to the Issuing and Paying Agent of a legal opinion from a leading firm of local lawyers acting for the Substituted Debtor to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Debtor, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Issuing and Paying Agent;
- (vi) the Issuer shall have delivered to the Issuing and Paying Agent or procured the delivery to the Issuing and Paying Agent of a legal opinion from the internal legal adviser to the Issuer to the effect that the Documents (including the Substitution Guarantee) constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Issuing and Paying Agent;

- (vii) the Issuer shall have delivered to the Issuing and Paying Agent or procured the delivery to the Issuing and Paying Agent of a legal opinion from a leading firm of English lawyers (or Australian lawyers in respect of Australian Domestic Instruments) to the effect that the Documents (including the Substitution Guarantee) constitute legal, valid and binding obligations of the Substituted Debtor and the Issuer under English law (or Australian law in respect of Australian Domestic Instruments), such opinion to be dated not more than three days prior to the date of substitution of the Substituted Debtor for the Issuer and to be available for inspection by Noteholders and Couponholders at the specified office of the Issuing and Paying Agent (or Australian Registrar in respect of Australian Domestic Instruments);
 - (viii) the Substituted Debtor (if not incorporated in England) shall have appointed a process agent as its agent to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Notes, the relative Coupons and the Documents; and
 - (ix) all Notes and the relative Coupons remain guaranteed as set out in Condition 3(a) immediately following the substitution of the Issuer by the Substituted Debtor.
- (b) In connection with any substitution effected pursuant to this Condition, neither the Issuer nor the Substituted Debtor need have any regard to the consequences of any such substitution for individual Noteholders or Couponholders 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 no Noteholder or Couponholder, except as provided in Condition 11(a)(ii), shall be entitled to claim from the Issuer or any Substituted Debtor under the Notes and the relative Coupons any indemnification or payment in respect of any tax or other consequences arising from such substitution.
 - (c) Upon the execution of the Documents as referred to in Condition 11(a) above, and subject to the notification as referred to in Condition 11(e) below having been given, the Substituted Debtor shall be deemed to be named in the Notes and the relative Coupons as the principal debtor in place of the Issuer and the Notes and the relative Coupons shall thereupon be deemed to be amended to give effect to the substitution. The execution of the Documents shall operate to release the Issuer as issuer from all of its obligations as principal debtor in respect of the Notes and the relative Coupons, save that any claims under the Notes and the relative Coupons prior to release shall enure for the benefit of Noteholders and Couponholders.
 - (d) The Documents shall be deposited with and held by the Issuing and Paying Agent for so long as any Notes or Coupons remain outstanding and for so long as any claim made against the Substituted Debtor by any Noteholder or Couponholder in relation to the Notes or the relative Coupons or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Debtor and the Issuer shall acknowledge in the Documents the right of every Noteholder and Couponholder to the production of the Documents for the enforcement of any of the Notes or the relative Coupons or the Documents.
 - (e) Not later than 15 business days after the execution of the Documents, the Substituted Debtor shall give notice thereof to the Noteholders in accordance with Condition 14.

12 Replacement of Notes, Certificates, Coupons and Talons

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to

Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

For the avoidance of doubt, this Condition 12 shall not apply in respect of Australian Domestic Instruments.

13 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in these Conditions to “Issue Date” shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to “Notes” shall be construed accordingly.

14 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in The Netherlands (which is expected to be *Het Financieele Dagblad*), in a daily English language newspaper of general circulation in London (which is expected to be the *Financial Times*) and, so long as the Notes are listed on Euronext Amsterdam and the rules of the exchange so require, in the Euronext Amsterdam Daily Official List (*Officiële Prijscourant*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 14.

In the case of Australian Domestic Instruments, the following provisions shall apply in lieu of any provisions of this Condition 14 which are inconsistent with the following provisions. Notices regarding Australian Domestic Instruments shall be published in a leading daily newspaper of general circulation in Australia. It is expected that such notices will normally be published in *The Australian Financial Review*. Any such notice will be deemed to have been given to the holders on the date of such publication.

15 Contracts Rights of Third Parties

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

16 Governing Law and Jurisdiction

- (a) **Governing Law:** The Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, save that the Australian Domestic Instruments and any non-contractual obligations arising out of

or in connection with them shall be governed by, and shall be construed in accordance with, the laws in force in New South Wales, Australia.

- (b) **English Jurisdiction:** The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not). For the avoidance of doubt, this Condition 16(b) shall not apply in the case of Australian Domestic Instruments.
- (c) **Australian Jurisdiction:** In the case of Australian Domestic Instruments, the Issuer has irrevocably agreed for the benefit of holders that the courts of New South Wales, Australia and courts of appeal from them are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Australian Domestic Instruments, the Deed Poll or the Australian Registry Services Agreement and that accordingly any suit, action or proceedings arising out of or in connection with the Australian Domestic Instruments, the Deed Poll or the Australian Registry Services Agreement (together referred to as “**Australian Proceedings**”) may be brought in such courts. The Issuer has irrevocably waived any objection which it may have now or hereafter to the laying of the venue of any Australian Proceedings in any such court and any claim that any such Australian Proceedings have been brought in an inconvenient forum and has further irrevocably agreed that a judgment in any such Australian Proceedings brought in the courts of New South Wales and courts of appeal from them shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.
- (d) **Service of Process:** The Issuer irrevocably appoints the General Manager for the time being of ING Bank N.V., London Branch, currently at 60 London Wall, London EC2M 5TQ as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 14. Nothing shall affect the right to serve process in any manner permitted by law.

17 Determinations by the Calculation Agent and/or the Issuer

For the purposes of the Notes, any determinations, calculations or other decisions made by the Calculation Agent and/or the Issuer under or pursuant to the terms of the Notes shall be made in its/their sole and absolute discretion. All such determinations, calculations or other decisions of the Calculation Agent and/or the Issuer shall (save in the case of manifest error) be final, conclusive and binding on all parties, and neither the Calculation Agent nor the Issuer shall have any liability to any person therefor.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

This section “Summary of Provisions relating to the Notes while in Global Form” shall not apply to Australian Domestic Instruments.

1 Initial Issue of Notes

If the Global Notes are stated in the applicable Final Terms to be issued in NGN form, they are intended to be eligible collateral for Eurosystem monetary policy and the Global Notes will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Global Notes with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global Notes which are issued in CGN form and Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depositary.

If the Global Notes is a CGN, upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream, Luxembourg (the “**Common Depositary**”) or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is an NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other permitted clearing system (“**Alternative Clearing System**”) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

3 Exchange

3.1 Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Final Terms indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “Overview of the Programme – Selling Restrictions”), in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

Each temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Conditions in addition to any permanent Global Note or Definitive Notes for which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.

3.2 Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for Definitive Notes or, in the case of paragraph 3.4 below, Registered Notes:

- (i) if the permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Issuing and Paying Agent of its election to exchange the whole or a part of such Global Note for Registered Notes; and
- (ii) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or
- (iii) principal in respect of any Notes is not paid when due, by the holder giving notice to the Issuing and Paying Agent of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.3 Permanent Global Certificates

If the Final Terms state that the Notes are to be represented by a permanent Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) if principal in respect of any Notes is not paid when due; or
- (iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

3.4 Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions (i) for Registered Notes if the permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes or (ii) for Definitive Notes if principal in respect of any Notes is not paid when due.

3.5 Delivery of Notes

If the Global Note is a CGN, on or after any due date for exchange, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be or if the Global Note is a NGN, the Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. In this Base Prospectus, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.6 Exchange Date

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

4 Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Base Prospectus. The following is a summary of certain of those provisions:

4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 6(e)(vii) will apply to the Definitive Notes only. If the Global Note is a NGN, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note will be reduced accordingly. Payments under the NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

4.2 Prescription

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of five years from the date the relevant payment first became due.

4.3 Meetings

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall be treated as being one person for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.)

4.4 Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

4.5 Purchase

Notes represented by a permanent Global Note may only be purchased by the Issuer, ING Groep N.V. or any of ING Groep N.V.'s subsidiaries, including ING Bank N.V., if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

4.6 NGN nominal amount

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

4.7 Events of Default

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 9 by stating in the notice to the Issuing and Paying Agent the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer under the terms of a Deed of Covenant executed as a deed by the Issuer as of 3 July 2009 to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

4.8 Notices

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note, except that so long as the Notes are listed on Euronext Amsterdam and the rules of the exchange so require, notices shall also be published in a daily newspaper of general circulation in The Netherlands (which is expected to be *Het Financieele Dagblad*) and/or in the Euronext Amsterdam Daily Official List (*Officiële Prijscourant*).

FORM OF FINAL TERMS OF NOTES

The form of Final Terms of the Notes that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

Final Terms dated [●]

ING Bank (Australia) Limited

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

Guaranteed by the Commonwealth of Australia

under the €5,000,000,000

Medium Term Note Programme

The Base Prospectus 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.

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 Base Prospectus dated 3 July 2009 [and the supplemental Base Prospectus dated [●] 20[●]] [which [together] constitute[s] a base prospectus for the purpose of the Prospectus Directive] #. This document constitutes the Final Terms applicable to the Notes described herein [for the purposes of Article 5.4 of the Prospectus Directive] # and must be read in conjunction with such Base Prospectus [as so supplemented]. 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 Base Prospectus [as so supplemented]. Copies of the Base Prospectus [and the supplemental Base Prospectus] may be obtained from the Issuer at Level 14, 140 Sussex Street, Sydney, NSW 2000, Australia (Tel.: +61 (0)2 9028 4000) or c/o ING Bank N.V. at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands (Tel.: +31 (0)20 501 3209).

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) contained in the Agency Agreement dated as of 3 July 2009 and set forth in the Base Prospectus dated [original date] [and the supplemental Base Prospectus dated [●] 20[●]]. This document constitutes the Final Terms applicable to 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 Base Prospectus dated 3 July 2009 [and the supplemental Base Prospectus dated [●] 20[●]] [which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive] #, save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] and [current date] [and the supplemental Prospectus dated [●] 20[●]]. 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 Prospectuses dated [original date] and [current date] [and the supplemental Prospectuses dated [●] 20[●] and [●] 20[●]]. Copies

of the Prospectuses [and the supplemental Prospectuses] may be obtained from the Issuer at Level 14, 140 Sussex Street, Sydney, NSW 2000, Australia (Tel.: +61 (0)2 9028 4000) or c/o ING Bank N.V. at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands (Tel.: +31 (0)20 501 3209).]

#[Only include if Notes are to be admitted to trading on a regulated market situated or operating within a member state of the EEA, in each case in circumstances which would require the approval of a prospectus under the Prospective Directive.]

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

[When completing final terms or 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 Base Prospectus, under Article 16 of the Prospectus Directive.]

- 1 Issuer: ING Bank (Australia) Limited
- 2 [(i)]Series Number: []
 [(ii)]Tranche Number: []
 (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]
- 3 Specified Currency or Currencies: []
- 4 Aggregate Nominal Amount: []
 [(i)]Series: []
 [(ii)]Tranche: []
- 5 Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
- 6 (i) Specified Denominations: []
 (ii) Calculation Amount: [] *[in the case of one single denomination, state “Specified Denomination”; in the case of multiple denominations, state the highest common factor by which the multiple denominations may be divided (e.g. €1,000 in the case of €51,000, €52,000, €53,000 etc.)]*
- 7 (i) Issue Date: []
 (ii) Interest Commencement Date: *[Specify/Issue Date/Not Applicable]*
- 8 Maturity Date: *[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to [specify relevant month and year]]*
- 9 Interest Basis: [[] per cent. Fixed Rate]
[[specify reference rate] +/- [] per cent. Floating Rate]
[Zero Coupon]

- [Other (*specify*)]
(further particulars specified below)
- 10 Redemption/Payment Basis: [Redemption at par]
[Other (*specify*)]
- 11 Change of Interest or Redemption/Payment Basis: [*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*]
- 12 (i) Status of the Notes: As per Condition 3
- [(ii) [Date [Board] approval for issuance of Notes obtained: [] [and []], respectively]]
(*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)
- 13 Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 14 **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/monthly/other (*specify*)] in arrear]
- (ii) Interest Payment Date(s): [] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted]
- (iii) Fixed Coupon Amount(s): [] per Calculation Amount
- (iv) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []
- (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA) / RBA Bond Basis / other]
- (vi) [Determination Dates: [] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
- 15 **Floating Rate Note Provisions** [Applicable/Not Applicable]
(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Interest Period(s): []
- (ii) Specified Interest Payment Dates: []
- (iii) First Interest Payment Date: []
- (iv) Interest Period Date: []
(*Not applicable unless different from Interest Payment*)

- Date)*
- (v) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other *(give details)*]
- (vi) Business Centre(s): []
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other *(give details)*]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Issuing and Paying Agent][Issuer]): []
- (ix) Screen Rate Determination:
- Reference Rate: []
 - Interest Determination Date(s): []
 - Relevant Screen Page: []
- (x) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
 - ISDA Definitions: 2006
- (xi) Margin(s): [+/-] [] per cent. per annum
- (xii) Minimum Rate of Interest: [] per cent. per annum
- (xiii) Maximum Rate of Interest: [] per cent. per annum
- (xiv) Day Count Fraction: []
- (xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
- 16 Zero Coupon Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Amortisation Yield: [] per cent. per annum
- (ii) Any other formula/basis of determining amount payable: []

PROVISIONS RELATING TO REDEMPTION

17 **Final Redemption Amount of each Note** [] per Calculation Amount

18 **Early Redemption Amount**

Early Redemption Amount(s) per []
Calculation Amount payable on
redemption for taxation reasons or
on event of default or other early
redemption and/or the method of
calculating the same (if required or
if different from that set out in the
Conditions):

GENERAL PROVISIONS APPLICABLE TO THE NOTES

19 Form of Notes:

Bearer Notes:

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]

[Temporary Global Note exchangeable for Definitive Notes on [] days' notice]

(If the Temporary Global Note is exchangeable for Definitive Notes at the option of the holder, the Notes shall be issued only in amounts of at least €50,000 (or equivalent) and integral multiples thereof.)

[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]

Registered Notes:

[Global Certificate - Euroclear / Clearstream, Luxembourg]

[“Australian Domestic Notes” / “Australian Domestic Transferable Deposits”]

20 New Global Note:

[Yes] [No]

21 Financial Centre(s) or other special provisions relating to payment dates:

[Not Applicable/give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub-paragraphs 14(ii) and 15(vi) relate]

22 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]

23 Redenomination, renominatisation and reconventioning provisions:

[Not Applicable/The [following provisions] [provisions in Condition []] apply]

24 Other final terms:

[Not Applicable/give details]

(When adding any other final terms consideration should be given as to whether such terms constitute a “significant new factor” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive)

DISTRIBUTION

- | | | |
|----|--|--|
| 25 | (i) If syndicated, names of Managers: | [Not Applicable/give names] |
| | (ii) Stabilising Manager(s) (if any): | [Not Applicable/give name(s)] |
| 26 | If non-syndicated, name and address of Dealer: | [Not Applicable/give name and address] |
| 27 | U.S. Selling Restrictions: | [Reg. S Compliance Category; TEFRA C / TEFRA D / TEFRA not applicable] |
| 28 | Additional selling restrictions: | [Not Applicable/give details] |

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and listing and admission to trading on Euronext Amsterdam / specify *relevant regulated market*] of the Notes described herein pursuant to the €5,000,000,000 Medium Term Note Programme of ING Bank (Australia) Limited.

GUARANTEE

An Eligibility Certificate has been [issued][applied for] in respect of the Notes such that the Guarantee of the Commonwealth of Australia shall apply according and subject to that Eligibility Certificate, the Deed of Guarantee and the Scheme Rules as applicable on the date of the Eligibility Certificate [*insert date of Eligibility Certificate if known*].

[STABILISATION]

In connection with the issue of the Notes, [*insert name of stabilising manager*] (the “**Stabilising Manager**”) (or persons acting on behalf of the Stabilising Manager) may, outside Australia and on a market operated outside Australia, 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 (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms (in the case of Notes convertible or exchangeable into shares or into other securities equivalent to shares) or terms (in all other cases) of the offer of the 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 Notes and 60 days after the date of the allotment of the Notes. Such stabilisation action or over-allotment shall be conducted in accordance with all applicable laws and rules.]

RESPONSIBILITY

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

Signed on behalf of ING Bank (Australia) Limited:

By:

Duly authorised

By:

Duly authorised

PART B – OTHER INFORMATION

1 LISTING

- (i) Listing: [Euronext Amsterdam / other (specify) / None]
- (ii) Admission to trading: [Application [has been made] [will be made] for the Notes to be admitted to trading on [Euronext Amsterdam / other (specify)] with effect from [●]]
[Not Applicable]
- (iii) Estimate of total expenses related to admission to trading: [●]

2 RATINGS

- Ratings: [The Notes will not be rated]
[The Notes to be issued have been rated:
[S & P: [●]]
[Moody's: [●]]
[Fitch: [●]]
[[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 [NOTIFICATION]

The Netherlands Authority for Financial Markets has provided the *[names of competent authorities of host Member States]* with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

4 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

“Save as discussed in “Subscription and Sale” in Chapter 1 of the Base Prospectus in respect of any appointed Dealer, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.”

[(If there are any material/ conflicting interests, for example for dealers or distributors, then describe those in this section. 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 Base Prospectus under Article 16 of the Prospectus Directive.)]

5 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) [Reasons for the offer [●]]
(See “Use of Proceeds” wording in the Base Prospectus – if

reasons for offer different from making profit 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)

6 [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.]

7 OPERATIONAL INFORMATION

(i) Intended to be held in a manner which would allow Eurosystem eligibility:

[Yes / No]

[Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the International Central Securities Depositories as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.][*include this text if “yes” selected in which case the Notes must be issued in New Global Note form*]

(ii) ISIN CODE:

[•]

(iii) Common Code:

[•]

(iv) Other relevant code:

[•] [Not Applicable]

(v) Clearing system(s):

[Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme] [The Austraclear System] [Other] [Not applicable]

(vi) Delivery

Delivery [against/free of] payment

(Include details of any other method and time limits for paying up and delivering the Notes)

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

[•]

(viii) Name and address of Calculation Agent (if other than the Issuer):

[•]

USE OF PROCEEDS

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

DESCRIPTION OF ING BANK (AUSTRALIA) LIMITED

Profile

ING Bank (Australia) Limited is a company incorporated for unlimited duration under the Australian Corporations Act. The address and telephone number of the registered office of ING Bank (Australia) Limited is Level 14, 140 Sussex Street, Sydney, NSW 2000, Australia (Tel.: +61 (0)2 9028 4000).

ING Bank (Australia) Limited's ultimate parent entity is ING Groep N.V. ING Bank (Australia) Limited has three operating divisions: Mortgages, Savings and Commercial Property Finance (all trading as "**ING DIRECT**").

The principal activity of ING Bank (Australia) Limited is the provision of banking and related services.

ING Bank (Australia) Limited is subject to detailed banking, financial services and other laws and regulations. ING Bank (Australia) Limited at all times endeavours to comply with all applicable governance requirements under the corporate law of its jurisdiction of incorporation.

Incorporation and History

ING Bank (Australia) Limited was originally incorporated in New South Wales, Australia on 4 May 1971 and is an unlisted public company limited by shares. Its constitution was last amended on 16 October 2008.

ING Bank (Australia) Limited (then called Mercantile Mutual Finance Corporation Ltd and a wholly-owned and fully guaranteed subsidiary of Mercantile Mutual Holdings Ltd ("**MMH**")) obtained a banking authorisation under section 9 of the Australian Banking Act on 1 December 1994. At the same time, the company changed its name to ING Mercantile Mutual Bank Limited to reflect its new status and ING Bank N.V. acquired 90 per cent. of the voting shares. MMH retained ownership of the remaining 10 per cent. of voting shares and 100 per cent. of non-voting shares.

On 26 November 1997, MMH transferred shares in the then called ING Mercantile Mutual Bank Limited to ING Bank N.V. making ING Mercantile Mutual Bank Limited a wholly-owned subsidiary of ING Bank N.V. On 12 August 1999, ING Mercantile Mutual Bank Limited changed its name to ING Bank (Australia) Limited.

ING Bank N.V. transferred its shares in ING Bank (Australia) Limited on 26 August 2002 to ING Direct Holding GmbH (a wholly-owned subsidiary of ING Bank N.V.). On 27 February 2003, shares in ING Direct Holding GmbH were transferred to ING Direct N.V. and on 10 November 2005 the shares in ING Bank (Australia) Limited held by ING Direct Holding GmbH were transferred to ING Direct N.V. The shares of ING Direct N.V. are wholly-owned by ING Bank N.V. Thus ING Bank (Australia) Limited remains (indirectly) wholly-owned by ING Bank N.V.

Board of Directors

The Board of Directors of ING Bank (Australia) Limited comprises five Non-Executive Directors (two of which are representatives of ING Groep N.V.) and one Executive Director. The Chairman is a Non-Executive Director. The board generally meets five times a year with a minimum meeting requirement of three meetings per year. The Board of Directors is subject to the prudential requirements of APRA and reviews the corporate governance policies and procedures of ING Bank (Australia) Limited at least once every year, and has external experts address it on best practice and developments in corporate governance, risk management and other issues of interest and concern to the Board of Directors.

To maintain director independence and objectivity a majority of directors are not executives of ING Bank (Australia) Limited. External Directors are appointed for an initial term of four years.

The Directors, their positions in ING Bank (Australia) Limited and their other principal activities are:

- P R Shirriff (Chairman): Member of the Audit Committee and the Risk Committee. Director of ING Australia Limited and subsidiaries, ING (NZ) Limited and subsidiaries, ANZ Managed Investments Pty Limited, Austbrokers Holding Limited, Glebe Asset Management Limited, Glebe Investment Company Pty Limited, Glebe Mortgage Finance Limited. Chairman of Glebe Administration Board. Nationality: Australian;
- H D Harley: Chairman of the Audit Committee and Member of the Risk Committee. Director of Huanjon Pty Limited, Millfence Pty Limited and Norbron Pty Limited. Nationality: Australian;
- D Koch: Chief Executive Officer and Member of the Risk Committee. No activities performed outside ING Bank (Australia) Limited. Nationality: Australian;
- I Y L Lee: Chairman of the Risk Committee and Member of the Audit Committee. Director of QBE Insurance Group and Gaming Asset Management Pty Limited. Executive Chairman of Mariner Bridge Investments Limited. Nationality: Australian;
- B Tellings: Member of the Audit Committee and the Risk Committee. CEO ING-DiBa, Member of the Supervisory Board ING Direct N.V., Member of the General Management Team ING Direct N.V. and Member of the Leadership Council ING Group. Nationality: Dutch; and
- D H Harryvan: Member of the Audit Committee and the Risk Committee. Global Head ING Direct N.V., Member of the Executive Board of ING Group N.V., Member of the Supervisory Board of ING Direct N.V., Non-Executive Member of the Boards of ING Bank, fsb/USA, ING-DiBa AG and ING Bank of Canada. Member of the Board of the Netherlands-Canadian Chamber of Commerce, Executive Board Member of American European Community Association (AECA), Advisory Board European Professional Women's Network Amsterdam and Executive Sponsor Hewlett Packard. Nationality: Dutch.

The business address of all members of the Board of Directors is ING Bank (Australia) Limited, Level 14, 140 Sussex Street, Sydney, NSW 2000, Australia.

None of the members of the Board of Directors have any conflict, and there are no potential conflicts of interest between any duties owed by the members of the Board of Directors to ING Bank (Australia) Limited and any private interests and/or other duties which such persons may have.

Principal Activities and Markets

ING Bank (Australia) Limited is a specialist retail bank operating in the Australian banking market. It provides customers with a select range of products through low-cost distribution channels (such as by telephone, via the internet or by post) while providing high-level customer service. ING Bank (Australia) Limited operates without the need for traditional bank branches.

The Savings business offers deposit products through ING Bank (Australia) Limited which include the ING DIRECT "Savings Maximiser", "Savings Accelerator" and "Business Optimiser" accounts. The "Savings Maximiser" and "Business Optimiser" accounts are aimed at individuals and small-to-medium sized enterprises, respectively, with these products offering a high variable interest rate and no bank fees. The "Savings Accelerator" offers a tiered interest rate, with a higher rate applying when the balance exceeds A\$50,000. A range of term deposit products are also available.

The Mortgages business offers a range of home and investment loans through the ING DIRECT call centre and through mortgage brokers, mortgage managers and financial advisers.

The Commercial Property Finance division offers loans to customers in the specialised commercial property area.

Other Information

As at 31 December 2008, the issued share capital of ING Bank (Australia) Limited amounted to A\$1,334,000,004, comprising 1,284,000,000 ordinary shares of A\$1 each, 50,000,004 ordinary non-voting shares of A\$1 each and 1,000,000 redeemable preference shares of A\$1,000 each. There are no transfer restrictions or pre-emption rights applicable to the shares. ING Bank (Australia) Limited does not have any profit sharing certificates issued and outstanding and has not paid any dividends in the past seven years other than in respect of interim dividends on the redeemable preference shares.

DESCRIPTION OF THE GUARANTOR AND THE GUARANTEE

Information about the Guarantor and the Australian Government Guarantee Scheme has been prepared by the Commonwealth of Australia and included in the Australian Government Guarantee Standard Disclosure Document, which is incorporated by reference herein. See “Documents Incorporated by Reference”. The Australian Government Guarantee Standard Disclosure Document may be amended and supplemented from time to time.

Notes will be guaranteed by the Commonwealth of Australia under the Australian Government Guarantee Scheme only upon issuance of an Eligibility Certificate in respect of the relevant Notes. Notes issued under the Programme are not “protected accounts” for the purpose of the Financial Claims Scheme and are not deposit liabilities of ING Bank (Australia) Limited for the purposes of the Australian Government Guarantee Scheme.

TAXATION

AUSTRALIAN TAXATION

The following is a summary of the Australian taxation treatment under the Australian Tax Act at 3 July 2009 of payments of interest (as defined in the Australian Tax Act) on the Notes issued by the Issuer and certain other matters. It is not exhaustive and, in particular, does not deal with the position of certain classes of holders of Notes (including, without limitation, dealers in securities, custodians or other third parties who hold Notes on behalf of other persons).

Prospective holders of Notes should also be aware that 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. Prospective holders of Notes should consult and rely on the advice of their professional advisers on the tax implications of an investment in the Notes for their particular circumstances.

Interest Withholding Tax

An exemption from Australian interest withholding tax (“Australian IWT”) imposed under Division 11A of Part III of the Australian Tax Act is available for interest paid by the Issuer in respect of the Notes under section 128F of the Australian Tax Act if the following conditions are met:

- (a) the Issuer is a resident of Australia when it issues such Notes and when interest (as defined in section 128A(1AB) of the Australian Tax Act) is paid. Interest is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts;
- (b) those Notes are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that the Issuer is offering Notes for issue. In summary, the five methods are:
 - (i) offers to 10 or more unrelated financiers or securities dealers;
 - (ii) offers to 100 or more investors;
 - (iii) offers of listed Notes;
 - (iv) offers via publicly available information sources; and
 - (v) offers to a dealer, manager or underwriter who offers to sell the Notes within 30 days by one of the preceding methods.

In addition, the issue of any of those Notes (whether in global form or otherwise) and the offering of interests in any of those Notes by one of these methods should satisfy the public offer test;

- (c) the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that those Notes or interests in those Notes were being, or would later be, acquired, directly or indirectly, by an “associate” of the Issuer, except as permitted by section 128F(5) of the Australian Tax Act; and
- (d) at the time of the payment of interest, the Issuer does not know, or have reasonable grounds to suspect, that the payee is an “associate” of the Issuer, except as permitted by section 128F(6) of the Australian Tax Act.

The Issuer proposes (unless otherwise specified) to issue Notes in a manner which will satisfy the public offer test and which otherwise meets the requirements of section 128F of the Australian Tax Act.

Associates

An “associate” of the Issuer for the purposes of section 128F of the Australian Tax Act includes (i) a person or entity which holds more than 50 per cent. of the voting shares in, or otherwise controls, the Issuer, (ii) any entity in which more than 50 per cent. of the voting shares are held by, or which is otherwise controlled by, the Issuer, (iii) a trustee of a trust where the Issuer is capable of benefiting (whether directly or indirectly) under that trust, and (iv) a person or entity who is an “associate” of another person or entity which is an “associate” of the Issuer under any of the foregoing.

However, “associate” does not include:

- (A) onshore associates (i.e. Australian resident associates who do not hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia and non-resident associates who hold the Notes in the course of carrying on business at or through a permanent establishment in Australia); or
- (B) offshore associates (i.e. Australian resident associates who hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia and non-resident associates who do not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia) who are acting in the capacity of:
 - (i) in the case of section 128F(5), a dealer, manager or underwriter in relation to the placement of the relevant Notes, a clearing house, custodian, funds manager or responsible entity of a registered managed investment scheme; or
 - (ii) in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered managed investment scheme (within the meaning of the Australian Corporations Act).

Exemptions under recent tax treaties

The Commonwealth of Australia has signed or announced new or amended double tax conventions (“**New Treaties**”) with a number of countries (each a “**Specified Country**”) which contain certain exemptions from Australian IWT.

In broad terms, once implemented, the New Treaties effectively prevent Australian IWT applying to interest derived by:

- the government of the relevant Specified Country and certain governmental authorities and agencies in the Specified Country; and
- a “financial institution” which is a resident of a “Specified Country” and which is unrelated to and dealing wholly independently with the Issuer. The term “financial institution” refers to either a bank or any other form of enterprise which substantially derives its profits by carrying on a business of raising and providing finance. However, interest under a back-to-back loan or an economically equivalent arrangement will not qualify for this exemption.

The Australian Federal Treasury maintains a listing of Australia’s double tax conventions which provides details of country, status, withholding tax rate limits and Australian domestic implementation which is available to the public at the Federal Treasury Department’s website at: <http://www.treasury.gov.au/contentitem.asp?pageId=&ContentID=625>.

Bearer Debt Notes - section 126 of the Australian Tax Act

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 if the Issuer fails to disclose the names and addresses of the holders of bearer Notes to the Australian Taxation Office (“ATO”). Section 126 does not apply to the payment of interest on bearer Notes held by non-residents who do not carry on business at or through a permanent establishment in Australia where the issue of those bearer Notes has satisfied the requirements of section 128F of the Australian Tax Act or IWT is payable. In addition, the ATO has confirmed that for the purpose of section 126 of the Australian Tax Act, the holder of debentures (such as bearer Notes) means the person in possession of the debentures. Section 126 is therefore limited in its application to persons in possession of the bearer Notes who are residents of Australia or non-residents who are engaged in carrying on business in Australia at or through a permanent establishment in Australia. Where interests in the relevant bearer Notes are held through Euroclear or Clearstream, Luxembourg, the Issuer intends to treat the operators of those clearing systems as the holder for the purposes of section 126 of the Australian Tax Act.

No Tax Gross-Up

The Issuer shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation or surrender for payment or enforcement of any Note and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted.

Withholding tax on payments under the Guarantee

It is unclear whether or not any payment by the Guarantor under the Guarantee would be subject to Australian interest withholding tax (“IWT”). The Australian Taxation Office has published a Taxation Determination stating that payments by a guarantor in respect of debentures (such as the Notes) are interest (as defined) to the extent that the payment is made in substitution of the payment of interest by an issuer. The Taxation Determination goes on to state that payments by a guarantor in respect of debentures (such as the Notes) are entitled to the benefit of the exemption contained in section 128F of the Australian Tax Act if payments of interest in respect of those debentures by the Issuer are exempt from IWT. However, there is some doubt as to whether the Taxation Determination applies in the context of the Guarantee and whether the reasoning in respect that the payment by a guarantor constitutes interest as adopted in the Taxation Determination is correct.

If either:

- the Taxation Determination does not apply in the context of the Guarantee; or
- the Notes are not issued in accordance with section 128F,

and the reasoning in the Taxation Determination that a payment under the Guarantee in substitution of interest in respect of the Notes constitutes interest (as defined in section 128B(1AB) of the Australian Tax Act) is correct, then IWT at the rate of 10 per cent. will be payable on those payments by the Guarantor to non-residents (other than non-residents holding the Notes in the course of carrying on a business at or through a permanent establishment in Australia) or residents of Australia holding the Notes in the course of carrying on a business at or through a permanent establishment outside Australia.

IWT at the rate of 10 per cent. will be payable on interest paid on an overdue amount by the Guarantor to non-residents (other than non-residents holding the Notes in the course of carrying on a business at or through a permanent establishment in Australia) or residents of Australia holding the Notes in the course of carrying on a business at or through a permanent establishment outside Australia.

Although it is unclear whether or not any payment by the Guarantor under the Guarantee would be subject to Australian IWT, if the Guarantor is at any time compelled or authorised by law to deduct or withhold an

amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia or other Australian jurisdictions in respect of payments under the Guarantee, the Guarantor is not obliged to pay any additional amounts to holders of Notes in respect of such deduction or withholding.

Other Australian tax matters

Under Australian laws as presently in effect:

- (a) *income tax - offshore holders of Notes* - assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes, payment of principal and interest (as defined in section 128A(1AB) of the Australian Tax Act) to a holder of the Notes, who is a non-resident of Australia and who, during the taxable year, does not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income taxes; and
- (b) *income tax - Australian holders of Notes* - Australian residents or non-Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment in Australia (“**Australian Holders**”), will be assessable for Australian tax purposes on income either received or accrued due to them in respect of the Notes. Whether income will be recognised on a cash receipts or accruals basis will depend upon the tax status of the particular holder of Notes and the terms and conditions of the Notes. Special rules apply to the taxation of Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located; and
- (c) *gains on disposal of Notes - offshore holders of Notes* - a holder of the Notes, who is a non-resident of Australia and who during the taxable year does not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income tax on gains realised during that year on sale or redemption of the Notes, provided such gains do not have an Australian source. A gain arising on the sale of Notes by a non-Australian resident holder to another non-Australian resident where the Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia should not be regarded as having an Australian source.

If the gain arising on the sale of Notes has an Australian source, a holder may be eligible for relief from Australian tax on such gain under a double tax treaty between Australia and the holder’s country of residence. If protection from Australian tax is not available under a tax treaty, it would be necessary to take into account exchange rate movements during the period that the Notes were held in calculating the amount gain; and

- (d) *gains on disposal of Notes - Australian holders of Notes* - Australian holders of Notes will be required to include any gain or loss on disposal of the Notes in their taxable income. Special rules apply to the taxation of Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located; and
- (e) *deemed interest* - there are specific rules that can apply to treat a portion of the purchase price of Notes as interest for withholding tax purposes when certain Notes originally issued at a discount or with a maturity premium or which do not pay interest at least annually, are sold to an Australian resident (who does not acquire them in the course of carrying on trade or business at or through a permanent establishment outside Australia) or a non-resident who acquires them

in the course of carrying on trade or business at or through a permanent establishment in Australia.

If the Notes are not issued at a discount and do not have a maturity premium, these rules should not apply to the Notes. These rules do not apply in circumstances where the deemed interest would have been exempt under section 128F of the Australian Tax Act if the interest had been paid to the non-resident; and

- (f) *death duties* - no Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death; and
- (g) *stamp duty and other taxes* - no *ad valorem* stamp, issue, registration or similar taxes are payable in Australia on the issue or transfer of any Notes; and
- (h) *TFN withholding taxes on payments in respect of the Notes* - section 12-140 of the Taxation Administration Act 1953 of Australia (“TAA”) imposes a type of withholding tax at the rate of (currently) 46.5 per cent. on the payment of interest on certain registered securities unless the relevant payee has quoted a Tax File Number (“TFN”), in certain circumstances an ABN or proof of some other exemption (as appropriate).

Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to Registered Notes, then the requirements of section 12-140 do not apply to payments to a holder of those Registered Notes who is not a resident of Australia and not holding those Notes in the course of carrying on business at or through a permanent establishment in Australia. Payments to other classes of holders of Registered Notes may be subject to a withholding where the holder of those Notes does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate); and

- (i) *supply withholding tax* - payments in respect of Notes can be made free and clear of the “supply withholding tax” imposed under section 12-190 of Schedule 1 to the TAA; and
- (j) *goods and services tax (GST)* - neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or (in the case of an offshore subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of the Notes, would give rise to any GST liability in Australia; and
- (k) *Division 16E accruals regime* - Australia operates an accruals regime which may apply to Australian Holders of certain Notes issued at a discount and the term of which, ascertained as at the time of issue will, or is reasonably likely to, exceed one year. If such Notes are issued, further information on Australia’s accruals regime will be specified in the relevant Final Terms (or another relevant supplement to this Base Prospectus); and
- (l) *additional withholdings from certain payments to non-residents* - section 12-315 of Schedule 1 to the TAA gives the Governor-General power to make regulations requiring withholding from certain payments to non-residents. However, section 12-315 expressly provides that the regulations will not apply to interest and other payments which are already subject to the current Australian IWT rules or specifically exempt from those rules. Further, regulations may only be made if the responsible minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. The regulations promulgated prior to the date of this Base Prospectus are not relevant to any payments in respect of the Notes. Any further regulations should also not apply to repayments of principal under the

Notes, as in the absence of any issue discount, such amounts will generally not be reasonably related to assessable income. The possible application of any regulations to the proceeds of any sale of the Notes will need to be monitored; and

- (m) *taxation of foreign exchange gains and losses* - Divisions 775 and 960 of the Australian Tax Act contain rules to deal with the taxation consequences of foreign exchange transactions. The rules are complex and may apply to any holders of Notes who are Australian residents or non-residents that hold Notes that are not denominated in Australian dollars in the course of carrying on business in Australia. Any such holders of Notes should consult their professional advisers for advice as to how to tax account for any foreign exchange gains or losses arising from their holding of those Notes; and
- (n) *taxation of financial arrangements ("TOFA")* - On 4 December 2008, the Australian Commonwealth Government introduced a Bill into Parliament to enact the proposed remaining stages of the taxation of financial arrangements reforms. The rules are complex and may apply to any holders of Notes issued following the commencement date of the TOFA legislation, if enacted, who are Australian residents or non-residents that hold Notes in the course of carrying on business in Australia. However, the scope of the regime and the extent of the many exceptions may yet change and any such holder should monitor the potential application of TOFA; and
- (o) *garnishee notices* - the Australian Taxation Office has the power to issue notices requiring any person who owes, or who may later owe, money to a taxpayer who has a tax-related liability, to pay to the Australian Taxation Office the money owed to the taxpayer. If the Issuer or the Guarantor is served with such a notice in respect of a holder of a Note, then the Issuer or the Guarantor (as the case may be) will comply with that notice and is not required to pay any additional amount to the holder on account of the amount withheld and paid to the Australian Taxation Office.

DUTCH TAXATION

This taxation paragraph solely addresses the Dutch withholding tax consequences of the payments under Notes. It does not consider other aspects of taxation that may be relevant to a particular holder of Notes. Where in this paragraph English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law.

This paragraph is based on the tax law of The Netherlands (unpublished case law not included) as it stands on the date of this Base Prospectus. The law upon which this paragraph is based is subject to change, possibly with retroactive effect. Any such change may invalidate the contents of this paragraph, which will not be updated to reflect such change.

This paragraph assumes that the place of effective management of the Issuer is not situated in The Netherlands. This paragraph further assumes that the Notes have been issued under at arm's length terms and conditions.

Withholding Tax

All payments under the Notes may be made free of withholding or deduction of or for any taxes of whatever nature imposed, levied withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein.

EU SAVINGS DIRECTIVE

The European Union (the “EU”) has adopted a Directive regarding the taxation of savings income. Subject to a number of important conditions being met, Member States are required to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person to an individual or certain other persons in another Member State, except that Austria, Belgium and Luxembourg may instead impose a withholding system for a transitional period unless during such period they elect otherwise. A number of third countries and territories have adopted similar measures to the EU Directive.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

Subject to the terms and on the conditions contained in a dealer agreement dated as of 3 July 2009 (the “**Dealer Agreement**”) between the Issuer, the Permanent Dealer(s) and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealer(s). However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Dealers for certain of their activities in connection with the Programme. The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

United States

The Notes and the Guarantee have not been and will not be registered under 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.

Notes in bearer form having a maturity of more than one year 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 will represent and agree that, except as permitted by the Dealer Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer, by the Issuing and Paying Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of U.S. persons and it will have sent to each dealer to which it sells 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.

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

Public Offer Selling Restriction Under the Prospectus Directive

In relation to each Relevant Member State, each 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 Base Prospectus 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:

- (i) 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; or
- (ii) at any time to any legal entity which has two or more of (a) an average of at least 250 employees during the last financial year; (b) a total balance sheet of more than €43,000,000 and (c) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (iii) at any time to other natural or legal persons who are qualified investors as defined in the Prospectus Directive; or
- (iv) 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 (i) to (iv) 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.

Australia

No prospectus or other disclosure document (as defined in the Australian Corporations Act) in relation to the Programme or any Notes has been or will be lodged with the Australian Securities and Investments Commission (“**ASIC**”). Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, unless the relevant Final Terms (or a supplement to this Base Prospectus) otherwise provides, it:

- (i) has not made or invited, and will not make or invite, an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (ii) has not distributed or published, and will not distribute or publish, any base prospectus or other offering material or advertisement relating to any Notes in Australia,

unless the offeree or invitee is a “wholesale client” (within the meaning of section 761G of the Australian Corporations Act) and (a) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternate currency) (disregarding moneys lent by the offeror or its associates) or the offer otherwise does not require disclosure to investors under either Part 6D.2 or Chapter 7 of the Australian Corporations Act, (b) such action complies with applicable laws and directives (including, without limitation, the financial services licensing requirements of Chapter 7 of the Corporations Act) and (c) such action does not require any document to be lodged with ASIC.

Section 708(19) of the Australian Corporations Act provides that an offer of debentures for issue or sale does not need disclosure to investors under Part 6D.2 of the Australian Corporations Act if the Issuer is an Australian ADI. As at the date of this Base Prospectus, the Issuer is an Australian ADI.

United Kingdom

Each Dealer will represent and agree that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (“**FSMA**”)) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

The Netherlands

Each Dealer appointed under the Programme will be required to represent and agree that bearer zero coupon Notes in definitive form on which interest does not become due and payable during their term but only at maturity (savings certificates or *spaarbewijzen* as defined in the Dutch Savings Certificates Act or *Wet inzake spaarbewijzen*) (the “**SCA**”) may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member of Euronext with due observance of the provisions of the SCA and its implementing regulations (which include registration requirements). No such mediation is required, however, in respect of (i) the initial issue of such Notes to the first holders thereof, (ii) the transfer and acceptance by individuals who do not act in the conduct of a profession or business, and (iii) the issue and trading of such Notes if they are physically issued outside The Netherlands and are not immediately thereafter distributed in The Netherlands.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the “**Financial Instruments and Exchange Law**”). Accordingly, each of the Dealers will represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and other relevant laws and regulations of Japan.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither the Issuer, the Guarantor nor any other Dealer shall have responsibility therefor.

GENERAL INFORMATION

- (1) Application may be made to Euronext for Notes issued under the Programme to be admitted to listing on Euronext Amsterdam. The listing of the Notes on Euronext Amsterdam will be expressed as a percentage of their nominal amount (exclusive of accrued interest). It is expected that each Tranche of the Notes which is to be admitted to listing on Euronext Amsterdam will be admitted separately as and when issued, subject only to the issue of a temporary or permanent Global Note (or one or more Certificates) in respect of each Tranche. Prior to official listing and admission to trading, however, dealings may be permitted by Euronext in accordance with its rules. Transactions will normally be effected for delivery on the third working day after the day of the transaction. However, unlisted Notes may also be issued pursuant to the Programme.
- (2) The Issuer has obtained all necessary consents, approvals and authorisations in Australia in connection with the establishment of the Programme. The establishment of the Programme was authorised by resolution of the Board of Directors of the Issuer dated 18 February 2009.
- (3) There has been no significant change in the financial position of the Issuer and no material adverse change in the prospects of the Issuer since 31 December 2008.
- (4) The Issuer is involved in lawsuits and arbitration cases relating to claims by or against it arising in the course of ordinary activities. Although it is not feasible to predict or to determine the outcome of all current or impending legal proceedings, the Issuer is of the opinion that it is not and has not been involved in, and is not and has not been affected by, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months which are likely to have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.
- (5) Each Bearer Note having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend: "Any United States person 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 the Internal Revenue Code".
- (6) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Instruments Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.

Australian Domestic Instruments may be cleared through the Austraclear System. The appropriate identification code for each Tranche or series allocated by the Austraclear System will be specified in the relevant Final Terms. If the Australian Domestic Instruments are to clear through an additional or alternative clearing and/or settlement system, the appropriate information will be specified in the relevant Final Terms.

The address of Austraclear Services Limited is 30 Grosvenor Street, Sydney NSW 2000, Australia.

- (7) Where information in this Base Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the

reproduced information inaccurate or misleading. The source of third party information is identified where used.

- (8) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.
- (9) For so long as Notes may be issued pursuant to this Base Prospectus, copies of the following documents will, when published, be available free of charge from the Issuer and the Issuing and Paying Agent. Written or oral requests for such documents should be directed to the Issuing and Paying Agent at its specified office or the Issuer at Level 14, 140 Sussex Street, Sydney, NSW 2000, Australia (Tel.: +61 (0)2 9028 4000) or c/o ING Bank N.V. at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands (Tel.: +31 (0)20 501 3209):
 - (i) the constitution of the Issuer;
 - (ii) the Dealer Agreement, the Agency Agreement, the Deed of Covenant, each Australian Deed Poll and each Australian Registry Services Agreement, all in respect of the Notes (which includes the form of the Global Notes, the definitive Notes, the Coupons and the Talons);
 - (iii) the Deed of Guarantee, the Scheme Rules and any Eligibility Certificates issued in respect of Notes that are outstanding;
 - (iv) the publicly available audited financial statements of the Issuer in respect of the financial years ended 31 December 2007 and 2008, including the auditors' reports in respect of such years, which are contained in the Financial Reports of the Issuer for the relevant periods;
 - (v) the most recently available financial statements of the Issuer and the most recently available published interim financial statements of the Issuer (if any);
 - (vi) each Final Terms (save that Final Terms relating to a Note which is not admitted to trading on a regulated market within the European Economic Area will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Issuing and Paying Agent as to its holding of Notes and identity);
 - (vii) a copy of this Base Prospectus together with any future supplemental prospectuses to this Base Prospectus and any other documents herein or therein incorporated by reference; and
 - (viii) in the case of a syndicated issue of Notes for which a prospectus is required to be published in accordance with the Prospectus Directive, the syndication agreement (or equivalent document).
- (10) The EU Transparency Obligations Directive was implemented in The Netherlands on 1 January 2009. Consequently, the Issuer, in respect of the Programme and once Notes are listed on Euronext Amsterdam, will be required to publish half-yearly reports. Any such reports may be obtained from the Issuer c/o ING Bank N.V. at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands (Tel.: +31 (0)20 501 3209).
- (11) The financial reports of the Issuer for the financial years ended 31 December 2007 and 2008 have been audited by Ernst & Young, being an Australian partnership. The signatory of Ernst & Young is a member of The Institute of Chartered Accountants in Australia. Ernst & Young's liability is limited by a scheme approved under the Professional Standards Act 1994 (NSW). The independent auditor's reports to the members of the Issuer included in the financial reports have been produced at the request of the Issuer and have been included in this Base Prospectus, through incorporation by reference, with the consent of Ernst & Young.

- (12) Subject to the immediately following paragraph 13, the Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.
- (13) The Issuer confirms that the Australian Government Guarantee Standard Disclosure Document has been accurately reproduced from the information provided to it by the Guarantor and as far as it is aware and is able to ascertain from information published by the Guarantor, no facts have been omitted which would render the Australian Government Guarantee Standard Disclosure Document inaccurate or misleading. The Issuer does not make any other representation or warranty to, or accept any responsibility for, the accuracy or completeness of the Australian Government Guarantee Standard Disclosure Document.

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