



NATIONAL AUSTRALIA BANK LIMITED

(ABN 12 004 044 937)

Euro Medium-Term Notes, Series A Due 3 Months or more from Date of Issue

National Australia Bank Limited (the "Bank") may offer from time to time up to US\$15,000,000,000 aggregate principal amount outstanding at any one time, or its equivalent in another currency or composite currencies of its Medium-Term Notes, Series A (the "Notes"). The Notes will mature 3 months or more from the date of issue, as selected by the purchaser and agreed to by the Bank which maturity date may be subject to extension at the option of the Bank or the Holder thereof. See "Extendible Notes" and "Renewable Notes". If so specified in an applicable supplement to this memorandum (a "Pricing Supplement"), the Notes may be redeemable at the option of the Bank, or repayable at the option of the Holder, or both, as agreed at the time of sale. See "Description of Notes — Optional Redemption" and "— Optional Repayment". The Notes will otherwise not be subject to redemption by the Bank except in the event that the Bank becomes obligated to pay any additional amounts referred to under "Payment of Additional Amounts". The Notes will be subject to a minimum purchase requirement of US\$1,000, or any integral multiple thereof (or such other minimum denomination or integral multiple thereof in a Specified Denominated Currency (as defined herein)). Unless otherwise specified in the applicable Pricing Supplement, Notes denominated or payable in any currency other than U.S. dollars or euro will not be sold in, or to residents of, the country issuing such currency. See "Foreign Currency Risks".

The Notes are unsecured direct obligations of the Bank and may be issued as Unsubordinated Notes (as defined herein) or Subordinated Notes (as defined herein), as specified in the applicable Pricing Supplement. See "Description of the Notes". Each Note will bear interest at a fixed rate or rates (a "Fixed Rate Note") or at a rate or rates determined by reference to an interest rate basis specified in the applicable Pricing Supplement as adjusted by the spread and/or spread multiplier (as set forth in the applicable Pricing Supplement or on the face of the applicable Notes), if any, or will not bear interest or will bear interest which at the time of issuance is below market rates. Unless otherwise indicated at the time of issuance, interest on Fixed Rate Notes will be payable each March 15 and September 15 and at maturity or earlier redemption or repayment. Interest on other Notes will be payable on the dates indicated therein and in the applicable Pricing Supplement. The Notes may also be issued as Original Issue Discount Notes, Indexed Notes or Amortising Notes (as defined herein).

Notes will be initially represented by a temporary Global Bearer Note, without interest coupons attached, which will be deposited with a common depositary for the benefit of the Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg"). The temporary Global Bearer Note will either be exchangeable for (a) a permanent Global Bearer Note, (b) definitive Bearer Notes or (c) definitive Registered Notes, in each case as described herein. The permanent Global Bearer Note will be exchangeable in whole but not in part for definitive Bearer Notes or definitive Registered Notes, in each case, upon not less than 60 days' written notice to the Bank and the Trustee.

The Notes may be listed on the Luxembourg Stock Exchange. This Offering Memorandum may be used to list the Notes issued under the medium-term note programme described in this memorandum (the "Programme") on the Luxembourg Stock Exchange during the period of twelve months from the date hereof. The Bank may also issue Notes which are unlisted.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may 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.

Offers to purchase Notes are being solicited, on a reasonable efforts basis, from time to time by the agents listed below (the "Agents") on behalf of the Bank as specified under "Plan of Distribution". Notes may be sold to the Agents on their own behalf at negotiated discounts for resale to investors or other purchasers. The Bank reserves the right to sell Notes directly on its own behalf. The Bank also reserves the right to withdraw, cancel or modify the offering contemplated hereby without notice. No termination date for the offering of the Notes has been established. The Bank or the Agents may reject any order as a whole or in part. See "Plan of Distribution".

Agents

**ABN AMRO
Deutsche Bank
HSBC
Merrill Lynch International
National Australia Bank Limited
RBC Capital Markets
TD Securities**

**Barclays Capital
Goldman Sachs International
JPMorgan
Morgan Stanley
Nomura International
Schroder Salomon Smith Barney*
The Royal Bank of Scotland**

UBS Warburg

The date of this Offering Memorandum is February 6, 2003 and this Offering Memorandum cancels and replaces the Offering Memorandum dated February 14, 2002.

* Schroder is a trademark of Schroders Holdings plc and is used under license by Salomon Brothers International Limited.

There are restrictions on the offer and sale of the Notes in the United Kingdom. All applicable provisions of the Financial Services and Markets Act 2000 and the Public Offers of Securities Regulations 1995 (as amended) with respect to anything done by any person in relation to the Notes in, from or otherwise involving the United Kingdom must be complied with. This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction in which such offer or solicitation is unlawful. See "Plan of Distribution". The Notes will not be offered or sold in Australia, its territories or possessions or to any resident thereof.

The distribution of this Offering Memorandum and the offer, distribution or sale of Notes may be restricted by law in certain jurisdictions. Neither the Bank nor the Agents represent that this document may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Bank or the Agents (save for the approval of this document as listing particulars by the Luxembourg Stock Exchange) which would permit a public offering of the Notes or distribution of this document, in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Agents have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Offering Memorandum or any Notes come must inform themselves about, and observe, any such restrictions.

The Bank accepts responsibility for the information contained in this Offering Memorandum. No person has been authorised to give any information or to make any representations other than those contained in this Offering Memorandum and, if given or made, such information or representations must not be relied upon as having been authorised. This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates.

No representation or warranty is made or implied by the Agents, the Trustee or any of their respective affiliates, and neither the Agents nor the Trustee nor any of their respective affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Offering Memorandum. Neither the delivery of this Offering Memorandum or any Pricing Supplement nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Offering Memorandum is true subsequent to the date hereof or the date upon which this Offering Memorandum has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Bank since the date hereof or, if later, the date upon which this Offering Memorandum has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

In this Offering Memorandum, references to the "National" or the "Group" are to the Bank and its consolidated subsidiaries. References to "dollars" or "A\$" are to Australian dollars, unless otherwise identified as U.S. dollars ("US\$"). References to "€" or "euro" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union, as amended.

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This Offering Memorandum, together with each Pricing Supplement used for each issue of Notes, may only be used for the offer, sale and listing of Notes in an aggregate principal amount outstanding at any one time of up to US\$15,000,000,000 or its equivalent in the currency or composite currencies in which any Notes are denominated (a "Specified Denominated Currency"), determined using the exchange rate in effect on the date of issue. Reference herein to the Offering Memorandum shall include any relevant Pricing Supplement. Pursuant to the International Distribution Agreement referred to under "Plan of Distribution", the Bank will represent to the Agents that as of the original issue date of any Notes, the Offering Memorandum, as then amended or supplemented, will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading (subject to certain exceptions contained in the International Distribution Agreement). The Bank has undertaken, in connection with the listing of the Notes, that if, while Notes of the Bank are outstanding and listed on the Luxembourg Stock Exchange, there shall occur any adverse change in the business or financial position of the Bank that is material in the context of the issuance under the Programme which is not reflected in the Offering Memorandum (or any of the documents incorporated by reference in the Offering Memorandum) and if so required by the Luxembourg Stock Exchange the Bank will prepare or procure the preparation of an amendment or supplement of the Offering Memorandum or, as the case may be, publish a new Offering Memorandum for use in connection with any subsequent offering by the Bank of Notes to be listed on the Luxembourg Stock Exchange.

If the "Description of the Notes" (as set out in the Offering Memorandum) are modified or amended in a manner which would make the Offering Memorandum, as amended or supplemented, inaccurate or misleading, a further Offering Memorandum will be prepared to the extent required by law.

In connection with the issue and distribution of any tranche of Notes, the Agent (if any) disclosed as the stabilising manager in the applicable Pricing Supplement or any person acting for such Agent may over-allot or effect transactions with a view to supporting the market price of the Notes of the series of which such tranche forms a part at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there may be no obligation on the stabilising manager or any of its agents to do this. Such stabilising, if commenced, may be discontinued at any time and must be brought to an end after a limited time. Such stabilising shall be in compliance with all applicable laws, regulations and rules.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Offering Memorandum:

(a) the Bank's Annual Report to Shareholders on Form 20-F for the most recent fiscal year (including the consolidated audited financial statements of the Group and the non-consolidated audited financial statements of the Bank) and, if later, the most recently published interim consolidated and non-consolidated financial statements of the Group and the Bank, respectively, and

(b) all amendments and supplements to this Offering Memorandum circulated by the Bank from time to time.

Any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Memorandum to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The Bank will provide, without charge, to each person to whom a copy of this Offering Memorandum has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Bank at its registered office set out under "National Australia Bank Limited". In addition, such documents will be available free of charge from the principal office in Luxembourg of Deutsche Bank Luxembourg S.A. in its capacity as listing agent for Notes listed on the Luxembourg Stock Exchange.

SUMMARY OF THE PROGRAMME AND OF THE TERMS AND CONDITIONS OF THE NOTES

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Memorandum and, in relation to the terms and conditions of any particular tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in "Description of the Notes" below shall have the same meanings in this summary.

Issuer:	National Australia Bank Limited
Description:	Euro Medium Term Note Programme
Arranger:	National Australia Bank Limited
Agents:	ABN AMRO Bank N.V. Barclays Bank PLC Deutsche Bank AG London Goldman Sachs International HSBC Bank plc J.P. Morgan Securities Ltd. Merrill Lynch International Morgan Stanley & Co. International Limited National Australia Bank Limited Nomura International plc Royal Bank of Canada Europe Limited Salomon Brothers International Limited The Royal Bank of Scotland plc The Toronto-Dominion Bank UBS AG, acting through its business group UBS Warburg
Certain Restrictions:	<p>Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "Plan of Distribution") including the following restrictions applicable as of the date of this Offering Memorandum.</p> <p>Notes denominated in Swiss Francs or carrying a Swiss Franc related element with a Stated Maturity of more than one year (other than Notes privately placed with a single investor with no publicity) will be issued in compliance with the relevant regulations of the Swiss National Bank based on Article 7 of the Federal Law on Banks and Savings Banks of November 8, 1934 (as amended) and Article 15 of the Federal Law on Stock Exchanges and Securities Trading of March 24, 1995 in connection with Article 2, Paragraph 2, of the Ordinance of the Federal Banking Commission on Stock Exchanges and Securities Trading of December 2, 1996. Under the said regulations, the relevant Agent or, in the case of a syndicated issue, the lead manager, must be a bank domiciled in Switzerland (which includes branches or subsidiaries of a foreign bank located in Switzerland) or a securities dealer</p>

duly licensed by the Swiss Federal Banking Commission as per the Federal Law on Banks and Savings Banks of November 8, 1934 and the Federal Law on Stock Exchanges and Securities Trading of March 24, 1995, respectively (the "Swiss Agent"). The Swiss Agent must report certain details of the relevant transaction to the Swiss National Bank no later than the relevant issue date for such a transaction.

Trustee:	Deutsche Trustee Company Limited (formerly Bankers Trustee Company Limited)
Principal Paying Agent (the "Principal Paying Agent"):	Deutsche Bank AG London, unless otherwise specified by the Bank in the applicable Pricing Supplement.
Paying Agents (each, a "Paying Agent"):	Deutsche Bank AG London and Deutsche Bank Luxembourg S.A.
Programme Size:	Up to US\$15,000,000,000 (or its equivalent in other currencies calculated as described herein) outstanding at any time, or any increased amount which amount the Bank and the Agents may agree from time to time.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Bank and the relevant Agent (as indicated in the applicable Pricing Supplement).
Maturities:	<p>Such Maturities as may be agreed between the Bank and the relevant Agent (as indicated in the applicable Pricing Supplement), subject to such minimum or maximum Maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Bank or the relevant Specified Denominated Currency.</p> <p>At the date of this Offering Memorandum, the minimum Stated Maturity of all Notes is three months.</p>
Form of Notes:	Each tranche of Notes will initially be represented by a temporary Global Bearer Note which will be deposited on the relevant Issue Date with a common depositary for Euroclear and Clearstream, Luxembourg. Depending on the terms of such temporary Global Bearer Note, beneficial interests in such temporary Global Bearer Note will be exchanged, unless otherwise specified in the applicable Pricing Supplement, for either definitive Bearer Notes, definitive Registered Notes or beneficial interests in permanent Global Bearer Notes on or after 40 days after the delivery of the temporary Global Bearer Note to Euroclear or Clearstream, Luxembourg, as the case

may be, upon certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations.

A beneficial interest in a permanent Global Bearer Note will be exchangeable, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole but not in part, for definitive Bearer or Registered Notes upon not less than 60 days' written notice to the Bank and the Paying Agent, as described in "Description of the Notes — Form, Denomination and Title" below. Any interest in a Global Bearer Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as appropriate.

Fixed Rate Notes:

Unless otherwise specified in the applicable Pricing Supplement, interest on Fixed Rate Notes (other than Zero Coupon Notes), will be payable on March 15 and September 15 of each year until (and where applicable, including) the Stated Maturity.

Floating Rate Notes:

Floating Rate Notes will bear interest based on an interest rate formula designated in the applicable Pricing Supplement, which formula may include the Commercial Paper Rate, the Prime Rate, the CD Rate, the Federal Funds Rate, LIBOR, EURIBOR, the Treasury Rate, the CMT Rate, the Australian Bank Bill Rate or such other interest rate formula as may be agreed between the Bank and the purchaser. Unless otherwise specified in the applicable Pricing Supplement, the interest rate on each Floating Rate Note will be calculated by reference to the specified interest rate (a) plus or minus the Spread, if any, and/or (b) multiplied by the Spread Multiplier, if any.

The interest rate, the interest period and the interest amount on each Floating Rate Note will be communicated to the Luxembourg Stock Exchange as soon as possible but in no event later than the first day of the relevant interest period.

Indexed Notes:

Amounts due on an Indexed Note may be determined by reference to such index and/or formula as the Bank and the relevant Agent may agree (as indicated in the applicable Pricing Supplement).

Other provisions in relation to Floating Rate Notes:

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both or neither.

Interest on Floating Rate Notes, as selected prior to issue by the Bank and the relevant Agent, will be payable on such Interest Payment Dates as are specified in, or determined pursuant to, the applicable Pricing Supplement.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount unless otherwise specified in the applicable Pricing Supplement.

Redemption:	The applicable Pricing Supplement relating to each tranche of Notes will indicate either that the Notes of such tranche cannot be redeemed prior to their Stated Maturity (other than for certain taxation reasons) or that such Notes will be redeemable at the option of the Bank upon giving not more than 60 days' notice nor less than 30 days' prior notice to the Holders on a date or dates specified prior to such Stated Maturity and at a price or prices and on such terms as are indicated in the applicable Pricing Supplement.
Repayment:	The applicable Pricing Supplement relating to each tranche of Notes will indicate either that the Notes of such tranche cannot be repaid prior to their Stated Maturity or that the Notes will be repayable at the option of the Holders on a date or dates specified prior to the Stated Maturity upon giving no more than 45 days' nor less than 30 days' prior notice to the Principal Paying Agent.
Denomination of Notes:	Notes will be issued in denominations of US\$1,000 and any integral multiples thereof (or such other minimum denominations and integral multiples thereof in a Specified Denominated Currency), except where a greater minimum denomination is required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Denominated Currency. See "Certain Restrictions — Notes with a maturity of less than one year" above.
Redenomination, Renominalisation and/or Reconventioning:	Notes denominated in a national currency unit of a member state of the European Union which is a participant in the third stage of European Economic and Monetary Union may (following the giving of notice by the Bank to the Holders, the Principal Paying Agent, the Trustee, Euroclear and Clearstream, Luxembourg), be subject to redenomination, renominalisation and/or reconventioning in accordance with applicable laws and regulations and then current market practice. Further provisions relating to such redenomination, renominalisation and/or reconventioning may be made in the applicable Pricing Supplement.
Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed within Australia, except as described under "Payment of Additional Amounts".
Negative Pledge:	The terms of the Unsubordinated Notes will contain a negative pledge provision as described under "Negative Pledge with Respect to Unsubordinated Notes". The terms of the Subordinated Notes will not be subject to a negative pledge provision.
Status of the Unsubordinated Notes:	Unsubordinated Notes will be direct, unsecured and general

obligations of the Bank and will rank *pari passu* with all other unsecured and unsubordinated obligations of the Bank (other than any obligation preferred by mandatory provisions of applicable law).

Status of the Subordinated Notes: Subordinated Notes will be unsecured and subordinated to the claims of all Unsubordinated Creditors of the Bank in right of payment with respect to the assets of the Bank in the event of a Winding Up of the Bank. See "Subordination".

Rating: Subordinated Notes and Unsubordinated Notes have been rated by Moody's Investors Service, Inc. and Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by an assigning rating agency and any rating should be evaluated independently of any other information.

Listing: If indicated in the applicable Pricing Supplement, the Notes will be listed on the Luxembourg Stock Exchange. The Bank may also issue Notes which are unlisted.

Governing Law: Other than in relation to the subordination provisions applicable to the Subordinated Notes which are governed by and construed in accordance with the laws of the State of Victoria and the Commonwealth of Australia, the Notes will be governed by, and construed in accordance with, the laws of the State of New York.

Selling Restrictions: There are selling restrictions in relation to the United States, the United Kingdom, France, Switzerland, New Zealand, Hong Kong, Australia, Japan and Germany and such other jurisdictions as may be required in connection with the offering and sale of a particular tranche of Notes. See "Plan of Distribution".

DESCRIPTION OF THE NOTES

General

The Notes are to be issued under an Indenture, dated as of March 15, 1997, as amended (the "Indenture"), between the Bank and Deutsche Trustee Company Limited, as trustee (the "Trustee"), a copy of which is available for inspection at the office of the Trustee located at Winchester House, 1 Great Winchester Street, London EC2N 2DB, Attention: Corporate Trust and Agency Services. Capitalised terms not defined herein have the meanings assigned to them in the Indenture.

The following summaries of certain provisions of the Indenture and the Notes do not purport to be complete and are subject to and are qualified in their entirety by reference to all of the provisions of the Indenture and the Notes including the definitions therein of certain terms. The following sets forth certain general terms and provisions of the Notes offered hereby. The terms and conditions set forth below will apply to each Note unless otherwise specified herein or in the applicable Pricing Supplement and in such Note. References to interest payments and interest-related information do not apply to Zero Coupon Notes (as defined below).

The total aggregate principal amount of Notes offered hereby shall not exceed US\$15,000,000,000 outstanding at any one time (or, in the case of Foreign Currency Notes (as defined below), the equivalent thereof at the Market Exchange Rate (as defined below) on the applicable trade dates in another currency or composite currencies).

The Notes will be unsecured direct obligations of the Bank. Notes issued as unsubordinated notes ("Unsubordinated Notes") will rank *pari passu* with all other unsecured and unsubordinated obligations of the Bank (other than any preferred by mandatory provisions of applicable law). Notes issued as subordinated notes ("Subordinated Notes") will be subordinate to the claims of all Unsubordinated Creditors (as defined below) of the Bank in right of payment with respect to the assets of the Bank in the event of a Winding Up (as defined below) of the Bank. The Subordinated Notes will rank senior in right of payment to the Bank's Undated Floating Rate Notes. See "— Subordination". The Unsubordinated Notes will have the benefit of a negative pledge as described under "— Negative Pledge with Respect to Unsubordinated Notes". The Unsubordinated Notes and the Subordinated Notes will each constitute a separate, single series for purposes of the Indenture. "Unsubordinated Creditors" means all creditors of the Bank (including but not limited to depositors of the Bank) other than (a) Holders of Subordinated Notes, (b) creditors whose claims against the Bank rank, or are expressed to rank, *pari passu* with the claims of Holders of Subordinated Notes (which creditors shall be deemed to include all creditors, present and future, to whom the Bank is indebted where the terms of such indebtedness (i) provide that such indebtedness will become due and payable on a specified or determinable date or at the end of a specified or determinable period, and that in the event of a Winding Up of the Bank the claims of those creditors against the Bank will be, or are expressed to be, subordinated in right of payment to the claims of all depositors and other unsubordinated creditors of the Bank, and (ii) do not provide that in the event of a Winding Up of the Bank the claims of those creditors against the Bank will rank, or are expressed to rank, ahead of the claims of any other subordinated creditors of the Bank to whom the Bank is indebted on terms which conform to the foregoing description contained in this clause (b) excluding this sub-clause (ii)), and (c) creditors whose claims against the Bank rank, or are expressed to rank, after the claims of the Holders of the Subordinated Notes (which creditors shall be deemed to include all creditors, present and future, to whom the Bank is indebted where the terms of such indebtedness provide that such indebtedness is undated or perpetual or otherwise of no fixed and determinable maturity, and that in the event of a Winding Up of the Bank the claims of those creditors against the Bank will be, or are expressed to be, subordinated in right of payment to the claims of all depositors and other unsubordinated creditors of the Bank and any or all of the creditors of the Bank referred to in clause (b) above).

The Subordinated Notes will not contain any limitations on the amount of senior debt and deposits and other obligations that may be hereafter incurred or assumed by the Bank. At September 30, 2002, the aggregate principal amount of the outstanding obligations to creditors of the Bank ranking senior to the Subordinated Notes (based upon total liabilities reflected on the Bank's consolidated balance sheet including deposits and other debt) was A\$317.3 billion and the Bank expects to incur additional indebtedness.

Section 13A(3) of the Banking Act 1959 of Australia provides that, in the event of an authorised deposit-taking institution ("ADI") becoming unable to meet its obligations or suspending payment, the assets of the ADI in Australia shall be available to meet its deposit liabilities in Australia in priority to all other liabilities of the ADI. Section 86 of the Reserve Bank Act 1959 of Australia provides that debts due to the Reserve Bank of Australia by an ADI specified under the Banking Act 1959 of Australia (of which the Bank is one) shall, in a winding up, but subject to the aforesaid Section 13A(3) of the Banking Act 1959 of Australia, have priority over all other debts of such ADI other than debts due to the Commonwealth of Australia. The Bank's indebtedness under the Notes will not constitute a deposit liability of the Bank for the purposes of section 13A(3) of the Banking Act 1959 of Australia.

Section 16 of the Banking Act 1959 of Australia provides that in a winding up of an ADI the costs (including costs in the nature of remuneration and expenses) of the Australian Prudential Regulatory Authority ("APRA") of being in control of the ADI or of having an administrator in control of the ADI's business will, subject to the aforesaid Section 13A(3) of the Banking Act 1959 of Australia have priority over all other unsecured debts.

The terms of the Notes described herein, including the maturities and interest rates, if any, may differ from one Note to another. The Notes will be offered on a continuing basis and will mature on any date three months or more from their original dates of issue (the "Stated Maturity"), as selected by the purchaser and agreed to by the Bank, which Stated Maturity may be subject to extension at the option of the Bank or the Holder thereof. See "Extendible Notes" and "Renewable Notes".

Unless otherwise specified in the applicable Pricing Supplement, the Notes will be denominated in United States dollars. The Bank may issue Notes denominated or payable in another currency or composite currencies ("Foreign Currency Notes"), as set forth in the applicable Pricing Supplement. See "— Special Provisions Relating to Foreign Currency Notes".

If so specified in the applicable Pricing Supplement, the Notes may be subject to redemption, in whole or in part, prior to their Stated Maturity at the option of the Bank at such prices and on the terms specified in such Pricing Supplement. In addition, the Notes are subject to redemption prior to their Stated Maturity in the event certain additional amounts are required to be paid. See "— Optional Redemption". If so specified in the applicable Pricing Supplement, the Unsubordinated Notes may be repayable prior to their Stated Maturity at the option of the Holder. See "— Optional Repayment".

If so specified in the applicable Pricing Supplement, amounts due on the Notes in respect of principal, interest and premium, if any, may be determined by reference to an index. See "— Indexed Notes". If so specified in the applicable Pricing Supplement, a Fixed Rate Note may pay a level amount in respect of both interest and principal amortised over the life of such Note. See "— Amortising Notes".

The Notes may be issued at a discount from the face amount thereof due at the Stated Maturity and with an amount other than the face amount payable upon redemption or repayment or upon acceleration due to default as set forth in such original issue discount note and as specified in the applicable Pricing Supplement ("Original Issue Discount Notes") and either not pay any interest until the Stated Maturity of such Original Issue Discount Note ("Zero Coupon Notes") or pay interest at a fixed or floating rate.

The Notes will be initially represented by a single temporary Global Bearer Note which will be deposited with a common depositary for Clearstream, Luxembourg and Euroclear. Euroclear or

Clearstream, Luxembourg, as the case may be, will credit the account of each subscriber with the principal amount of Notes being subscribed by it. The Bank will irrevocably undertake to exchange beneficial interests in the temporary Global Bearer Note for beneficial interests in either, depending on the terms of such temporary Global Bearer Note, definitive Bearer Notes (as defined below), definitive Registered Notes (as defined below) or a permanent Global Bearer Note on or after the day that is 40 days after the delivery of the temporary Global Bearer Note to the common depositary, Clearstream, Luxembourg or Euroclear, as the case may be, subject to receipt of the proper certificates, or any later exchange dates on which proper certification is received. Interest will accrue but not be payable with respect to any temporary Global Bearer Note, including the temporary Global Bearer Note as well as any Bearer Note or Registered Note (as defined below) that is issued in temporary form pending preparation and issuance of such permanent Notes. Interest accrued in respect of any temporary Global Bearer Note, or in respect of any beneficial interest therein, shall be paid to any holder of a definitive Bearer Note, a definitive Registered Note or a beneficial interest in the permanent Global Bearer Note for which such temporary Global Bearer Note is exchanged (or, if applicable, to any holder of any definitive Bearer Note or definitive Registered Note, obtained through the exchange of beneficial interest in such permanent Global Bearer Note) on the first Interest Payment Date (as hereinafter defined) after the exchange by the Bank of the temporary Global Bearer Note for definitive Bearer Notes, definitive Registered Notes or a permanent Global Bearer Note. Additional interest will not be payable with respect to such accrued interest.

Any beneficial interest in a permanent Global Bearer Note will be exchangeable for definitive Bearer Notes or Registered Notes, in whole but not in part, at the election of a holder of such beneficial interest, upon not less than 60 days' written notice to the Bank and the Paying Agent through Euroclear or Clearstream, Luxembourg. Such notice shall specify whether the permanent Global Bearer Note is to be exchanged for Bearer Notes or Registered Notes, or both, the denominations in which any Registered Notes shall be issued and the name or names of the persons in whose name any Registered Notes shall be issued. Upon receipt of such notice, the Bank will cause to be prepared for delivery the requested Bearer Notes and/or Registered Notes, in the specified denominations and, if applicable, in the specified names. Upon such election, such beneficial owner's interest in the permanent Global Bearer Note and the balance, if any, of all of the interests in the permanent Global Bearer Note will be exchanged for Bearer Notes or Registered Notes. The Bank will provide, through the Paying Agent, not less than 45 days' prior notice of the issuance of any Bearer Notes or Registered Notes in accordance with the Indenture. Upon expiration of the related notice period, the Paying Agent will deliver such Bearer Notes or Registered Notes, as the case may be, to the common depositary for Euroclear and Clearstream, Luxembourg against the surrender of the permanent Global Bearer Note and thereafter an owner of an interest in such permanent Global Bearer Note so exchanged may obtain from Euroclear or Clearstream, Luxembourg one or more Bearer Notes or Registered Notes, as the case may be, of like tenor and of equal aggregate principal amount and in any authorised denomination. In addition, after the date of exchange of beneficial interests in the temporary Global Bearer Note for beneficial interests in a permanent Global Bearer Note, if (a) either of Euroclear and Clearstream, Luxembourg (or their successors) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or permanently ceases business or announces an intention to permanently cease business or notifies the Bank that it is unwilling or unable to continue as common depositary with respect to such permanent Global Bearer Note or (b) an Event of Default (as defined herein) shall have occurred, or an event which after notice or lapse of time would become an Event of Default shall have occurred, and such event is continuing with respect to the Notes of that issue, the Bank will issue Bearer Notes and/or Registered Notes in exchange for the permanent Global Bearer Note.

The Pricing Supplement relating to each issue of Notes to be listed on the Luxembourg Stock Exchange will describe, inter alia, the following terms of such issue: (a) the amount of such issue; (b) the first Interest Payment Date of such issue and frequency of interest payments thereafter; (c) the

denominated currency of such issue; (d) the issue price of such issue; (e) the issue date of such issue; (f) the Stated Maturity of such issue; (g) the rate per annum, if any, at which the relevant Notes will bear interest and whether Notes of that issue will bear interest at a fixed or floating rate; (h) the relevant Euroclear and Clearstream, Luxembourg security codes; and (i) the provisions for early redemption, if any. The Pricing Supplement will be available free of charge at the offices of the listing agent during regularly scheduled business hours.

Form, Denominations and Title

The Notes of a series will be issuable in fully registered form ("Registered Notes"), without coupons, and in bearer form ("Bearer Notes"), in either case in denominations of US\$1,000 and any integral multiples thereof (or such other minimum denominations and integral multiples thereof in a Specified Denominated Currency in the case of Notes denominated in a Specified Denominated Currency); provided that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Specified Denominated Currency. Except for Zero Coupon Notes, definitive Bearer Notes will have interest coupons attached. As described above, Notes which are issuable as Bearer Notes may instead be represented by a permanent Global Bearer Note in bearer form, without coupons.

All Notes with the same terms that were originally issued on the same day will be represented initially by a temporary Global Note, without interest coupons, which will be deposited with a common depositary in London for Euroclear and Clearstream, Luxembourg for the accounts of the purchasers of the Notes on the related settlement date. Upon deposit of each temporary Global Note, Euroclear or Clearstream, Luxembourg, as the case may be, will credit each purchaser with a principal amount of Notes equal to the principal amount thereof for which such purchaser has paid, which in any event shall not be less than US\$1,000, or any integral multiple thereof, (or its equivalent in the Specified Denominated Currency). The Bank will undertake to exchange the temporary Global Bearer Note for definitive Bearer Notes, definitive Registered Notes or a permanent Global Bearer Note. The interests of the beneficial owner or owners in any permanent Global Bearer Note will be exchangeable, in whole but not in part, at the option of the beneficial owners of interests in such permanent Global Bearer Note upon not less than 60 days' written notice to the Bank and the Paying Agent from Euroclear or Clearstream, Luxembourg, for either definitive Registered Notes or definitive Bearer Notes.

In the event of any redemption or repayment of the temporary Global Bearer Note, the permanent Global Bearer Note or any definitive Bearer Note or definitive Registered Note, the Bank shall not be required to (a) issue, register the transfer of or exchange such Notes during a period beginning at the opening of business 15 days before any selection of such Notes to be redeemed or repaid and ending at the close of business on the day of mailing of the relevant notice of redemption or repayment or (b) register the transfer of or exchange any such Note, or portion thereof, called for redemption or with respect to which repayment is duly requested by a Holder, except the unredeemed or unrepaid portion of any such Note being redeemed or repaid in part.

No Bearer Note (or interest therein) will be delivered in the United States (as defined under "— Limitations on Issuance of Bearer Notes"). No beneficial interest in a permanent Global Bearer Note may be delivered until (a) the person entitled to receive such a beneficial interest furnishes written certification to Euroclear or Clearstream, Luxembourg, in the form set forth in the Indenture, dated no earlier than the fifteenth day prior to the date set for exchange of such temporary Global Bearer Note to a permanent Global Bearer Note, and (b) Euroclear or Clearstream, Luxembourg, as appropriate, furnishes written certification to the Bank, in the form required by the Indenture, to the effect that such beneficial interest (i) is held by a person that is not a United States person (as defined below under "— Limitations on Issuance of Bearer Notes"), (ii) is held by a United States person that is a foreign branch of a United States financial institution purchasing for its own account or for resale, or is held by

a United States person who acquired the Note through such a foreign branch and who holds such interest through such financial institution on the date of certification, provided in either case that such foreign branch has certified that it agrees to comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations thereunder, or (iii) is owned by a financial institution for purposes of resale during the restricted period (as defined in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)). A financial institution described in clause (iii) of the preceding sentence (whether or not also described in clause (i) or (ii)) must certify that it has not acquired such beneficial interest for purposes of resale directly or indirectly to a United States person or to a person within the United States. See “— Limitations on Issuance of Bearer Notes”.

An interest in a temporary Global Bearer Note must be exchanged for an interest in a definitive Bearer Note, a definitive Registered Note or a permanent Global Bearer Note before interest can be collected.

Title to any temporary Global Bearer Note, any Bearer Note and any coupons appertaining thereto will pass by delivery of the certificate representing such Note. The Bank, the Trustee and any agent of the Bank or the Trustee may treat the bearer of any Bearer Note and the bearer of any coupon appertaining thereto and the registered owner of any Registered Note as the absolute owner thereof (whether or not such Note or coupon shall be overdue and notwithstanding any notice to the contrary) for the purpose of making payment and all other purposes.

Limitations on Issuance of Bearer Notes

In compliance with United States Federal tax law and regulations, Bearer Notes may not be offered, sold or delivered during the Distribution Compliance Period (as defined in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)) within the United States or to United States persons other than to an office located outside the United States of a United States financial institution (as defined in Section 1.165-12(c)(1)(v) of the United States Treasury Regulations), purchasing for its own account or for resale or for the account of certain customers, that provides a certificate stating that it agrees to comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the United States Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations thereunder, or to certain other persons described in Section 1.163-5(c)(2)(i)(D)(1)(iii)(B) of the United States Treasury Regulations. Any Distributor (as defined in United States Treasury Regulations Section 1.163-5(c)(2)(i)(D)(4)) participating in the offering of Bearer Notes must covenant that, in connection with the original issuance thereof, they will not offer, sell or deliver any Bearer Notes in the United States or to United States persons (other than the persons described above) and that they have in effect procedures reasonably designed to ensure that their employees and agents who are directly engaged in selling the Bearer Notes are aware of the restrictions described above. No Bearer Note (other than a temporary Global Note) may be delivered in connection with its original issuance, nor may interest be paid on any Bearer Note, until delivery of the written certification described above under “Form, Denominations and Title”. Bearer Notes will bear a legend to the following effect: “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 Section 165(j) and 1287(a) of the Internal Revenue Code”.

As used in the foregoing paragraph and in “Form, Denominations and Title”, “United States person” means any citizen or resident of the United States, any corporation, partnership or other entity created or organised in or under the laws of the United States and any estate or trust the income of which is subject to United States federal income taxation regardless of its source, and “United States” means the United States of America (including the states and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction.

Interest Rate; Payments of Interest and Principal

Each interest-bearing Note will bear interest at either (a) a fixed rate (a "Fixed Rate Note") or (b) an interest rate determined by reference to an interest rate formula (a "Floating Rate Note") in each case as specified in the applicable Pricing Supplement. In the case of Floating Rate Notes listed on the Luxembourg Stock Exchange, to the extent such information is available prior to the Interest Reset Date (as defined below), the Bank will notify the Luxembourg Stock Exchange of the interest rate, the interest period and the amount of interest that will accrue for such period.

Unless otherwise indicated in an applicable Pricing Supplement, each interest-bearing Note will bear interest at the applicable rate from, and including, the date of issue, or the most recent Interest Payment Date (as defined below) with respect to which interest on such Note has been paid or duly provided for to but excluding the relevant Interest Payment Date or Stated Maturity, as the case may be, until the principal thereof is paid or duly made available for payment. Interest will be payable on each Interest Payment Date and at Stated Maturity. Interest payments, if any, will be in the amount of interest accrued from and including the next preceding Interest Payment Date in respect of which interest has been paid or duly provided for (or from and including the date of issue, if no interest has been paid with respect to such Note) to, but excluding, the applicable Interest Payment Date or Stated Maturity, as the case may be. Unless otherwise specified in the applicable Pricing Supplement, Deutsche Bank AG London shall be the calculation agent (the "Calculation Agent") with respect to the Floating Rate Notes.

Interest rates and interest rate formulas are subject to change by the Bank from time to time, but no such change will affect any Note already issued or as to which an offer to purchase has been accepted by the Bank prior to the effective time of the change. Interest rates offered by the Bank with respect to the Notes may differ depending upon, among other things, the aggregate principal amount of Notes purchased in a single transaction.

Unless otherwise specified in the applicable Pricing Supplement, if any Interest Payment Date or Stated Maturity of any Fixed Rate Note is not a Business Day (or a Business Day at the place of payment), the related payment of principal, premium or interest need not be made on such date, but may be made on the next succeeding Business Day (or a Business Day at the place of payment), with the same force and effect as if made on such Interest Payment Date or Stated Maturity, as the case may be; provided that no interest shall accrue on the amount so payable for the period from and after any such Interest Payment Date or Stated Maturity.

Unless otherwise specified in the applicable Pricing Supplement, interest on Floating Rate Notes will be payable, in the case of Notes which reset daily, weekly or monthly, on the third Wednesday of each month or on the third Wednesday of March, June, September or December, as specified in the applicable Pricing Supplement; in the case of Notes which reset quarterly, on the third Wednesday of March, June, September or December, as specified in the applicable Pricing Supplement; in the case of Notes which reset semi-annually, on the third Wednesday of the two months specified in the applicable Pricing Supplement; and in the case of Notes which reset annually, on the third Wednesday of the month specified in the applicable Pricing Supplement (each such date or dates specified for the payment of interest in the applicable Pricing Supplement, but subject to adjustment as provided below, an "Interest Payment Date" with respect to Floating Rate Notes), and, in each case, at Stated Maturity. If pursuant to the preceding sentence any Interest Payment Date (other than at Stated Maturity) with respect to any Floating Rate Note would otherwise fall on a day that is not a Business Day with respect to such Note, such Interest Payment Date shall be the next succeeding Business Day with respect to such Note, except that if such Note is a LIBOR Note or a EURIBOR Note and the next succeeding such Business Day falls in the next succeeding calendar month, such Interest Payment Date shall be the immediately preceding Business Day.

Each permanent Global Bearer Note will provide that principal (and premium, if any) represented thereby and interest in respect thereof payable in respect of any Interest Payment Date will be paid to

each of Euroclear and Clearstream, Luxembourg with respect to that portion of such permanent Global Bearer Note held for its account. Each of Euroclear and Clearstream, Luxembourg will undertake in such circumstances to credit such principal (and premium, if any) and interest received by it in respect of a permanent Global Bearer Note to the respective accounts of the persons who are owners of beneficial interests in such permanent Global Bearer Note at Stated Maturity or on such Interest Payment Date, as the case may be. If a Registered Note is issued in exchange for any portion of a permanent Global Bearer Note after the close of business at the office or agency where such exchange occurs on (a) any regular record date and before the opening of business at such office or agency on the relevant Interest Payment Date, or (b) any special record date and before the opening of business at such office or agency on the related proposed date for payment of defaulted interest, interest or defaulted interest, as the case may be, will not be payable on such Interest Payment Date or proposed date for payment, as the case may be, in respect of such Registered Note, but will be payable on such Interest Payment Date or proposed date for payment, as the case may be, only to Euroclear and Clearstream, Luxembourg, and Euroclear and Clearstream, Luxembourg will undertake in such circumstances to credit such interest to the account of the person who was the beneficial owner of such portion of such permanent Global Bearer Note on such regular record date or special record date, as the case may be. Payment of principal of (and premium, if any), and interest payable at Stated Maturity in respect of, any permanent Global Bearer Note will be made to Euroclear and Clearstream, Luxembourg in immediately available funds. See "General" above for a description of restrictions and procedures with respect to interest on temporary Global Bearer Notes.

Except as set forth above, interest on Bearer Notes for a particular Interest Payment Date will be paid in immediately available funds to the bearer of the coupon upon presentation of the applicable coupon and at Stated Maturity upon surrender of the Bearer Note to a paying agent located outside the United States and Australia; provided, in the case of any Note payable in other than U.S. dollars, such coupon or Note, as the case may be, is presented to such paying agent in time for such paying agent to make such payments in such funds in accordance with its normal procedures. Such payment will be made by cheque or, if requested in writing by the Holder of US\$5,000,000 or more (or the equivalent in a Specified Denominated Currency as calculated on the applicable issue date) in aggregate principal amount of such Bearer Notes, by transfer to an account maintained by the payee with a bank located outside the United States and Australia. No payment of principal of, and any premium or interest on, any Bearer Note shall be made at any office or agency of the Bank in the United States or Australia or by cheque mailed to any address in the United States or Australia or by transfer to an account maintained with a bank located in the United States or Australia.

Unless otherwise specified in the applicable Pricing Supplement, at the option of the Bank interest (other than interest payable at Stated Maturity) payable in U.S. dollars on Registered Notes will be paid by cheque mailed to the address of the person entitled thereto as it appears in the Security Register (as defined below); provided that a Holder of US\$5,000,000 or more (or the equivalent in a Specified Denominated Currency as calculated on the applicable trade date) in aggregate principal amount of Registered Notes shall be entitled to receive, with respect to amounts to be paid in U.S. dollars, payments of interest other than at Stated Maturity by wire transfer of immediately available funds to an account maintained by such Holder with a bank if appropriate wire transfer instructions have been received by the appropriate paying agent in writing on or before the relevant record date. See also "— Special Provisions Relating to Foreign Currency Notes". Unless otherwise specified in the applicable Pricing Supplement, payments of principal of (and premium, if any) and interest payable at Stated Maturity on Registered Notes will be made in immediately available funds upon surrender of such Notes, at the office of any paying agent; provided the Note is presented to such paying agent in time for such paying agent to make such payments in such funds in accordance with its normal procedures.

Interest payable on any Interest Payment Date for a Fixed Rate Registered Note will be payable to the person in whose name such Fixed Rate Note is registered at the close of business on the record date for such interest which, unless otherwise specified in the applicable Pricing Supplement, shall be

the March 1 or September 1 (whether or not a Business Day (as defined below)) next preceding the March 15 or September 15 Interest Payment Dates described below; provided, however, that interest payable at Stated Maturity will be payable to the person to whom principal shall be payable. Interest payable on any Interest Payment Date for a Floating Rate Registered Note will be payable to the person in whose name such Floating Rate Note is registered at the close of business on the record date for such interest, which shall be the fifteenth calendar day (whether or not such day is a Business Day) next preceding each Interest Payment Date; provided, however, that interest payable at Stated Maturity will be payable to the person to whom principal shall be payable.

The first payment of interest on any Registered Note originally issued between a record date and an Interest Payment Date will be made on the Interest Payment Date following the next succeeding record date to the owner on such next succeeding record date. Subject to the provisions described herein relating to payment of interest on temporary Global Bearer Notes, the first payment of interest on any Bearer Note originally issued prior to an Interest Payment Date will be made on the next succeeding Interest Payment Date upon proper presentment of the relevant coupon appertaining to such Bearer Note.

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

- (a) the "Following Business Day Convention", such Interest Payment Date or Stated Maturity shall be postponed to the next day which is a Business Day (or a Business Day in the place of payment); or
- (b) the "Modified Following Business Day Convention", such Interest Payment Date or Stated Maturity shall be postponed to the next day which is a Business Day (or a Business Day in the place of payment) unless it would thereby fall into the next calendar month, in which event such Interest Payment Date or Stated Maturity shall be brought forward to the immediately preceding Business Day (or a Business Day in the place of payment); or
- (c) the "Preceding Business Day Convention", such Interest Payment Date or Stated Maturity shall be brought forward to the immediately preceding Business Day (or a Business Day in the place of payment);

provided that no interest shall accrue on the amount so payable for the period from and after any such Interest Payment Date or Stated Maturity.

Fixed Rate Notes

Unless otherwise specified in the applicable Pricing Supplement, interest on Fixed Rate Notes (other than Zero Coupon Notes) will be payable on March 15 and September 15 of each year and at Stated Maturity.

If the applicable Pricing Supplement relating to a Fixed Rate Note specifies one of the following "Day Count Fractions" to be used to calculate the interest payable on such Note, then such interest shall be calculated on the basis of:

- (a) if "Actual/Actual (ISMA)" or "Actual/Actual (Fixed)" is specified in the applicable Pricing Supplement:
 - (i) in the case of Notes where the number of days in the relevant period from and including the most recent Interest Payment Date (or, if none, the date of issue) to but excluding the relevant payment date (the "Accrual Period") is equal to or shorter than the Interest Determination Period (as defined below) during which the Accrual Period ends, the number of

days in such Accrual Period divided by the product of (1) the number of days in such Interest Determination Period and (2) the number of Interest Determination Dates (specified in the applicable Pricing Supplement) that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; or

(ii) in the case of Notes where the Accrual Period is longer than the Interest Determination Period commencing on the last Interest Payment Date on which interest was paid (or, if none, the date of issue), the sum of:

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

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

(b) if “30/360” is specified in the applicable Pricing Supplement, the number of days in the period from and including the most recent Interest Payment Date (or, if none, the date of issue) to but excluding the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

For the purpose of the foregoing:

“Interest Determination Period” means the period from and including an Interest Determination Date (as specified in the applicable Pricing Supplement) to but excluding the next Interest Determination Date.

Floating Rate Notes

If the applicable Pricing Supplement relating to a Floating Rate Note specifies one of the following “Day Count Fractions” to be used to calculate interest payable on such Note, then such interest shall be calculated on the basis of:

(a) if “Actual/365” or “Actual/Actual (ISDA)” is specified in the applicable Pricing Supplement, the actual number of days in the relevant period from and including the most recent Interest Payment Date (or, if none, the date of issue) to but excluding the relevant payment date in respect of which payment is being made divided by 365 (or, if any portion of that relevant period falls in a leap year, the sum of (A) the actual number of days in that portion of the relevant period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the relevant period falling in a non-leap year divided by 365);

(b) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in the relevant period from and including the most recent Interest Payment Date (or, if none, the date of issue) to but excluding the relevant payment date in respect of which payment is being made divided by 365;

(c) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in the relevant period from and including the most recent Interest Payment Date (or, if none, the date of issue) to but excluding the relevant payment date in respect of which payment is being made divided (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) by 360;

(d) if “30/360”, or “Bond Basis” is specified in the applicable Pricing Supplement, the number of days in the relevant period from and including the most recent Interest Payment Date (or, if none, the date of issue) to but excluding the relevant payment date in respect of which payment is being made (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360 (unless (i) the last day of the relevant period is the 31st day of a month but the first day of the relevant period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the relevant period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); and

(e) if “30E/360” or “Eurobond Basis” is specified in the applicable Pricing Supplement, the number of days in the relevant period from and including the most recent Interest Payment Date (or, if none, the date of issue) to but excluding the relevant payment date in respect of which payment is being made divided by 360 (without regard to the date of the first day or last day of the relevant period unless, in the case of the final relevant period, the last relevant payment date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

The applicable Pricing Supplement relating to a Floating Rate Note will designate an interest rate formula for such Floating Rate Note. Such formula may include one or more of the following: (a) the Commercial Paper Rate, in which case such Note will be a Commercial Paper Rate Note, (b) the Prime Rate, in which case such Note will be a Prime Rate Note, (c) the CD Rate, in which case such Note will be a CD Rate Note, (d) the Federal Funds Rate, in which case such Note will be a Federal Funds Rate Note, (e) LIBOR, in which case such Note will be a LIBOR Note, (f) the Treasury Rate, in which case such Note will be a Treasury Rate Note, (g) the CMT Rate, in which case such Note will be a CMT Rate Note, (h) the Australian Bank Bill Rate, in which case such Note will be an Australian Bank Bill Rate Note, (i) EURIBOR, in which case such Note will be a EURIBOR Note, or (j) such other interest rate formula as may be agreed to between the Bank and the purchaser and set forth in such Pricing Supplement. In addition, a Floating Rate Note may bear interest at the lowest or highest or average of two or more interest rate formulae.

Unless otherwise specified in the applicable Pricing Supplement, the interest rate on each Floating Rate Note will be calculated by reference to the specified interest rate (a) plus or minus the Spread, if any, and/or (b) multiplied by the Spread Multiplier, if any. The “Spread” is the number of basis points (one one-hundredth of a percentage point) specified in the applicable Pricing Supplement to be added to or subtracted from the designated interest rate for such Floating Rate Note, and the “Spread Multiplier” is the percentage specified in the applicable Pricing Supplement to be applied to the designated interest rate for such Floating Rate Note.

As specified in the applicable Pricing Supplement, a Floating Rate Note may also have either or both of the following: (a) a maximum limitation, or ceiling, on the rate of interest which may accrue during any interest period; and (b) a minimum limitation, or floor, on the rate of interest which may accrue during any interest period. In addition to any maximum interest rate that may be applicable to any Floating Rate Note pursuant to the above provisions, the interest rate on a Floating Rate Note will in no event be higher than the maximum rate permitted by New York law, as the same may be modified by United States law of general application. Under current New York law, the maximum rate of interest, subject to certain exceptions, for any loan in an amount less than US\$250,000 is 16% and for any loan in the amount of US\$250,000 or more but less than US\$2,500,000 is 25% per annum on a simple interest basis. These limits do not apply to loans of US\$2,500,000 or more.

Accrued interest on Floating Rate Notes will be calculated by multiplying the principal amount of a Note by an accrued interest factor. This accrued interest factor will be computed by adding the interest factors calculated for each day from the date of issue or from the last date through which interest shall have been paid or duly provided for, as the case may be, to the date for which accrued interest is being calculated. Unless otherwise specified in the applicable Pricing Supplement, the interest factor for each such day will be computed by dividing the interest rate (expressed as a decimal rounded, if necessary, as described below) applicable to such day by 360, in the case of CD Rate Notes, Commercial Paper Rate Notes, Prime Rate Notes, LIBOR Notes, EURIBOR Notes and Federal Funds Rate Notes, or by the actual number of days in the year (365 or 366, as the case may be), in the case of Treasury Rate Notes or CMT Rate Notes or by 365, in the case of Australian Bank Bill Rate Notes. The interest factor for the Notes for which two or more interest rate formulae are applicable will be calculated in each period in the same manner as if only the lowest, highest or average of, as the case may be, such interest rate formulae applied.

The interest rate in effect on an Interest Reset Date (as defined below) will be the interest rate with respect to the Interest Determination Date (as defined below) pertaining to such Interest Reset Date, and the interest rate in effect on a day that is not an Interest Reset Date will be the interest rate with respect to the Interest Determination Date pertaining to the next preceding Interest Reset Date, subject in either case to any maximum or minimum interest rate limitation referred to above and to any adjustment by a Spread and/or a Spread Multiplier referred to above; provided, however, that (a) the interest rate in effect for the period from the date of issue to the first Interest Reset Date with respect to a Floating Rate Note will be the Initial Interest Rate specified in the applicable Note and, if available, in the related Pricing Supplement; and (b) the interest rate in effect for the ten calendar days immediately prior to Stated Maturity will be that in effect on the tenth calendar day preceding such Stated Maturity.

All percentages resulting from any calculation on Floating Rate Notes will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upward (e.g., 9.876545% (or .09876545) would be rounded to 9.87655% (or .0987655)), and all U.S. dollar or other amounts used in or resulting from such calculation on Floating Rate Notes will be rounded to the nearest cent or other similar unit (with one-half cent or one-half of such other unit being rounded upward).

The rate of interest on each Floating Rate Note will be reset daily, weekly, monthly, quarterly, semi-annually or annually (each an "Interest Reset Date"), as specified in the applicable Pricing Supplement. Unless otherwise specified in the applicable Pricing Supplement, the Interest Reset Date will be, in the case of Floating Rate Notes which reset daily, each Business Day; in the case of Floating Rate Notes which reset weekly, Wednesday of each week, except, in the case of Treasury Rate Notes which reset weekly, Tuesday of each week, as more fully described below; in the case of Floating Rate Notes which reset monthly, the third Wednesday of each month; in the case of Floating Rate Notes which reset quarterly, the third Wednesday of each March, June, September and December; in the case of Floating Rate Notes which reset semi-annually, the third Wednesday of the two months specified in the applicable Pricing Supplement; and in the case of Floating Rate Notes which reset annually, the third Wednesday of the month specified in the applicable Pricing Supplement. Unless otherwise specified in the applicable Pricing Supplement, if any Interest Reset Date for any Floating Rate Note would otherwise be a day that is not a Business Day, such Interest Reset Date shall be postponed to the next day that is a Business Day, except, in the case of a LIBOR Note or a EURIBOR Note, if such Business Day is in the next succeeding calendar month, such Interest Reset Date shall be the immediately preceding Business Day, and, in each case, interest shall be reset on such day with the same force and effect as if it were reset on the originally scheduled day.

The "Interest Determination Date" pertaining to an Interest Reset Date for CD Rate Notes, Commercial Paper Rate Notes, Prime Rate Notes, EURIBOR Notes, Federal Funds Rate Notes and CMT Rate Notes will be the second Business Day preceding such Interest Reset Date. Unless otherwise specified

in an applicable Pricing Supplement, the Interest Determination Date pertaining to an Interest Reset Date for a LIBOR Note will be the second Business Day (as defined below) in London, England preceding such Interest Reset Date. The Interest Determination Date pertaining to an Interest Reset Date for a Treasury Rate Note will be the day of the week in which such Interest Reset Date falls on which Treasury bills are or (if no auction is held) would normally be auctioned. Treasury bills are usually sold at auction on Monday of each week, unless that day is a legal holiday, in which case the auction is usually held on the following Tuesday, except that such auction may be held on the preceding Friday. If, as the result of a legal holiday, an auction is so held on the preceding Friday, such Friday will be the Interest Determination Date pertaining to the Interest Reset Date occurring in the next succeeding week. If an auction date shall fall on any Interest Reset Date, then such Interest Reset Date shall instead be the first Business Day immediately following such auction date. The Interest Determination Date pertaining to an Interest Reset Date for an Australian Bank Bill Rate Note shall be such Interest Reset Date.

Unless otherwise specified in the applicable Pricing Supplement, "Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in the principal financial centre of the country issuing the currency or currency units in which such Notes are denominated and/or payable (or, if such currency is the euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System or any successor thereto is open) are authorised or obligated by law or executive order to close or are otherwise closed for general banking business and, if the interest rate basis for a Floating Rate Note is LIBOR, is also a day on which dealings in deposits in the currency or currency units in which such Notes are denominated and/or payable are transacted in the London Interbank Market; provided, however, that, notwithstanding the foregoing, when the term "Business Day" is used solely with respect to a place of payment, it shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in such place of payment are authorised or obligated by law or executive order to close.

"Index Maturity" means with respect to a Floating Rate Note, the period to maturity of the instrument or obligation on which the interest rate formula is based, as specified in the applicable Pricing Supplement and in the Floating Rate Note.

Unless otherwise specified in the applicable Pricing Supplement, the "Calculation Date", where applicable, pertaining to an Interest Determination Date is the earlier of (a) the tenth calendar day after such Interest Determination Date or, if any such day is not a Business Day, the next succeeding Business Day or (b) the Business Day preceding the applicable Interest Payment Date or Stated Maturity, as the case may be.

CD Rate Notes. CD Rate Notes will bear interest at the interest rates (calculated with reference to the CD Rate and the Spread or Spread Multiplier, if any) specified in the CD Rate Notes and in the applicable Pricing Supplement.

"CD Rate" means, with respect to any Interest Determination Date, (a) the rate on such date for negotiable certificates of deposit having the Index Maturity designated in the applicable Pricing Supplement (i) as published by the Board of Governors of the Federal Reserve System in "Statistical Release H.15(519), Selected Interest Rates", or any successor publication of the Board of Governors of the Federal Reserve System ("H.15(519)") under the heading "CDs (Secondary Market)" or (ii) if such rate is not so published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Interest Determination Date, then the CD Rate will be the rate as published by the Federal Reserve Bank of New York in its daily statistical release, "Composite 3:30 P.M. Quotations for U.S. Government Securities" or any successor publication ("Composite Quotations") under the heading "Certificates of Deposit" or (b) if such rate is not yet published in either H.15(519) or Composite Quotations by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Interest Determination Date, then the CD Rate will be calculated by the Calculation Agent and will be the arithmetic mean of the secondary

market offered rates as of 10:00 A.M., New York City time, on such Interest Determination Date, of three leading non-bank dealers in negotiable U.S. dollar certificates of deposit in The City of New York (which may include one or more of the Agents) selected by the Calculation Agent for negotiable certificates of deposit of major United States money market banks of the highest credit standing (in the market for negotiable certificates of deposit) with a remaining maturity closest to the Index Maturity designated in the applicable Pricing Supplement in a denomination of US\$5,000,000; provided, however, that if fewer than three dealers selected as aforesaid by the Calculation Agent are quoting as mentioned in this sentence, the CD Rate will be the CD Rate in effect on such Interest Determination Date.

CMT Rate Notes. CMT Rate Notes will bear interest at the interest rates (calculated with reference to the CMT Rate and the Spread or Spreads Multiplier, if any) specified in the CMT Rate Notes and in the applicable Pricing Supplement.

"CMT Rate" means, with respect to any Interest Determination Date, the rate displayed on the Designated CMT Telerate Page under the caption "...Treasury Constant Maturities...Federal Reserve Board Release H.15...Mondays Approximately 3:45 P.M.," under the column for the Designated CMT Maturity Index (as defined below) for (a) if the Designated CMT Telerate Page is 7055, the rate on such Interest Determination Date and (b) if the Designated CMT Telerate Page is 7052, the week, or the month, as applicable, ended immediately preceding the week in which the related Interest Determination Date occurs. If such rate is no longer displayed on the relevant page, or if not displayed by 3:00 P.M., New York City time, on the Calculation Date, then the CMT Rate for such Interest Determination Date will be the treasury constant maturity rate for the Designated CMT Maturity Index as published in H.15(519). If such rate is no longer published, or if not published by 3:00 P.M., New York City time, on the Calculation Date, then the CMT Rate for such Interest Determination Date will be such treasury constant maturity rate for the Designated CMT Maturity Index (or other United States Treasury rate for the Designated CMT Maturity Index) for the Interest Determination Date with respect to such Interest Reset Date as may then be published by either the Board of Governors of the Federal Reserve System or the United States Department of the Treasury that the Calculation Agent determines to be comparable to the rate formerly displayed on the Designated CMT Telerate Page and published in H.15(519). If such information is not provided by 3:00 P.M., New York City time, on the Calculation Date, then the CMT Rate for the Interest Determination Date will be calculated by the Calculation Agent and will be a yield to maturity, based on the arithmetic mean of the secondary market closing offer side prices as of approximately 3:30 P.M. (New York City time) on the Interest Determination Date reported, according to their written records, by three leading primary United States government securities dealers (each, a "Reference Dealer") in The City of New York selected by the Calculation Agent (from five such Reference Dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)), for the most recently issued direct noncallable fixed rate obligations of the United States ("Treasury Note") with an original maturity of approximately the Designated CMT Maturity Index and a remaining term to maturity of not less than such Designated CMT Maturity Index minus one year. If the Calculation Agent cannot obtain three such Treasury Note quotations, the CMT Rate for such Interest Determination Date will be calculated by the Calculation Agent and will be a yield to maturity based on the arithmetic mean of the secondary market offer side prices as of approximately 3:30 P.M. (New York City time) on the Interest Determination Date of three Reference Dealers in The City of New York (from five such Reference Dealers selected by the Calculation Agent and eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest)), for Treasury Notes with an original maturity of the number of years that is the next highest to the Designated CMT Maturity Index and a remaining term to maturity closest to the Designated CMT Maturity Index and in an amount of at least \$100 million. If three or four (and not five) of such Reference Dealers are quoting as described above, then the CMT Rate will be based on the arithmetic mean of the offer prices obtained and neither the highest nor lowest of such quotes will be

eliminated; provided, however, that if fewer than three Reference Dealers selected by the Calculation Agent are quoting as described herein, the CMT Rate will be the CMT Rate in effect on such Interest Determination Date. If two Treasury Notes with an original maturity as described in the third preceding sentence, have remaining terms to maturity equally close to the Designated CMT Maturity Index, the quotes for the Treasury Note with the shorter remaining term to maturity will be used.

“Designated CMT Telerate Page” means the display on the Dow Jones Telerate Service, or any successor service on the page designated in the applicable Pricing Supplement (or any other page as may replace such page on that service for the purpose of displaying treasury constant maturities as reported in H.15(519)), for the purpose of displaying treasury constant maturities as reported in H.15(519). If no such page is specified in the applicable Pricing Supplement, the Designated CMT Telerate Page shall be 7052, for the most recent week.

“Designated CMT Maturity Index” means the original period to maturity of the U.S. Treasury securities (either 1, 2, 3, 5, 7, 10, 20, or 30 years) specified in the applicable Pricing Supplement with respect to which the CMT Rate will be calculated. If no such maturity is specified in the applicable Pricing Supplement, the Designated CMT Maturity Index shall be 2 years.

Commercial Paper Rate Notes. Commercial Paper Rate Notes will bear interest at the interest rates (calculated with reference to the Commercial Paper Rate and the Spread or Spread Multiplier, if any) specified in the Commercial Paper Rate Notes and in the applicable Pricing Supplement.

“Commercial Paper Rate” means with respect to any Interest Determination Date, (a) the Money Market Yield (calculated as described below) of the rate on the Interest Determination Date for commercial paper having the Index Maturity designated in the applicable Pricing Supplement, (i) as published in H.15(519) under the heading “Commercial Paper”, or (ii) if such rate is not published prior to 3:00 P.M., New York City time, on the Calculation Date pertaining to such Interest Determination Date, then as published in Composite Quotations under the heading “Commercial Paper”, or (b) if such rate is not published in either H.15(519) or Composite Quotations by 3:00 P.M., New York City time, on such Calculation Date, the Commercial Paper Rate shall be the Money Market Yield (as defined below) of the arithmetic mean of the offered per annum rates quoted on a bank discount basis of three leading dealers of commercial paper in The City of New York (which may include one or more of the Agents) selected by the Calculation Agent as of 11:00 A.M., New York City time, on that Interest Determination Date, for commercial paper having the Index Maturity designated in the applicable Pricing Supplement placed for an industrial issuer whose bond rating is “Aa”, or the equivalent, from a nationally recognised rating agency; provided, however, that if fewer than three dealers selected as aforesaid by the Calculation Agent are quoting as mentioned in this sentence, the Commercial Paper Rate will be the Commercial Paper Rate in effect on such Interest Determination Date.

“Money Market Yield” shall be the yield (expressed as a percentage) calculated in accordance with the following formula:

$$\text{Money Market Yield} = \frac{D \times 360}{360 - (D \times M)} \times 100$$

where “D” refers to the per annum rate for commercial paper quoted on a bank discount basis and expressed as a decimal; and “M” refers to the actual number of days in the interest period for which interest is being calculated.

Prime Rate Notes. Prime Rate Notes will bear interest at the interest rates (calculated with reference to the Prime Rate and the Spread or Spread Multiplier, if any) specified in the Prime Rate Notes and in the applicable Pricing Supplement.

“Prime Rate” means, with respect to any Interest Determination Date, (a) the rate on such date as published in H.15(519) under the heading “Bank Prime Loan” or (b) if such rate is not published before

3:00 P.M., New York City time, on the Calculation Date pertaining to such Interest Determination Date, then the Prime Rate with respect to such Interest Reset Date shall be the arithmetic mean of the rates of interest publicly announced by each bank that appears on the display designated as page "USPRIME 1" on the Reuters Monitor Money Rates Service (or such other page as may replace the USPRIME 1 page on that service for the purpose of displaying prime rates or base lending rates of major United States banks) ("Reuters Screen USPRIME 1 Page") as such bank's prime rate or base lending rate as in effect for such Interest Determination Date as quoted on the Reuters Screen USPRIME 1 Page on such Interest Determination Date. If fewer than four such rates appear on the Reuters Screen USPRIME 1 Page on such Interest Determination Date, the Prime Rate with respect to such Interest Reset Date shall be the arithmetic mean of the prime rates or base lending rates (quoted on the basis of the actual number of days in the year divided by a 360-day year) as of the close of business on such Interest Determination Date by three major banks in The City of New York selected by the Calculation Agent; provided, however, that if fewer than three banks so selected by the Calculation Agent are quoting as mentioned in this sentence, the Prime Rate with respect to such Interest Reset Date shall be the Prime Rate in effect on such Interest Determination Date.

LIBOR Notes. Unless otherwise specified in the applicable Pricing Supplement, LIBOR Notes will bear interest at the interest rates (calculated with reference to LIBOR and the Spread or Spread Multiplier, if any) specified in the LIBOR Notes and in the applicable Pricing Supplement.

"LIBOR" will be determined by the Calculation Agent in accordance with the following provisions:

(a) With respect to an Interest Determination Date, LIBOR shall be either: (i) if "LIBOR Reuters" is specified in the applicable Pricing Supplement, the arithmetic mean of the offered rates (unless the specified Designated LIBOR Page by its terms provides only for a single rate, in which case such single rate shall be used) for deposits in the Index Currency having the Index Maturity designated in the applicable Pricing Supplement, commencing on the second Business Day in London, England immediately following such Interest Determination Date, that appear on the Designated LIBOR Page specified in the applicable Pricing Supplement as of 11:00 A.M., London time, on such Interest Determination Date, if at least two such offered rates appear (unless, as aforesaid, only a single rate is required) on such Designated LIBOR Page, or (ii) if "LIBOR Telerate" is specified in the applicable Pricing Supplement or if neither "LIBOR Reuters" nor "LIBOR Telerate" is specified as the method for calculating LIBOR, the rate for deposits in the Index Currency having the Index Maturity designated in the applicable Pricing Supplement, commencing on the second Business Day in London, England immediately following such Interest Determination Date that appears on the Designated LIBOR Page specified in the applicable Pricing Supplement as of 11:00 A.M., London time, on such Interest Determination Date. If fewer than two such offered rates appear (if "LIBOR Reuters" is specified in the applicable Pricing Supplement and the specified Designated LIBOR Page does not by its terms provide only for a single rate), or if no such rate appears (if "LIBOR Telerate" is specified in the applicable Pricing Supplement or if "LIBOR Reuters" is so specified and the specified Designated LIBOR Page by its terms provides only for a single rate), as applicable, LIBOR in respect of the related Interest Determination Date shall be determined in accordance with the provisions described in clause (b) below.

(b) With respect to an Interest Determination Date on which fewer than two offered rates appear (if "LIBOR Reuters" is specified in the applicable Pricing Supplement and the specified Designated LIBOR Page does not by its terms provide only for a single rate), or no rate appears (if "LIBOR Telerate" is specified in the applicable Pricing Supplement or if "LIBOR Reuters" is so specified and the specified Designated LIBOR Page by its terms provides only for a single rate), as the case may be, on the applicable Designated LIBOR Page as specified in clause (a) above, the Calculation Agent will request the principal London offices of each of four major reference banks in the London interbank market (which may include branches or affiliates of the Bank), as selected

by the Calculation Agent, to provide the Calculation Agent with its offered quotation for deposits in the Index Currency for the period of the Index Maturity designated in the applicable Pricing Supplement, commencing on the second Business Day in London, England immediately following such Interest Determination Date, to prime banks in the London interbank market at approximately 11:00 A.M., London time, on such Interest Determination Date and in a principal amount equal to an amount of not less than US\$1 million (or the equivalent thereof in the Index Currency, if the Index Currency is not U.S. dollars) that is representative for a single transaction in such market at such time. If at least two such quotations are provided, LIBOR determined on such Interest Determination Date shall be the arithmetic mean of such quotations. If fewer than two quotations are provided, LIBOR determined on such Interest Determination Date shall be the arithmetic mean of the rates quoted by three major banks in The City of New York (which may include branches or affiliates of the Bank) selected by the Calculation Agent at approximately 11:00 A.M., New York City time, on such Interest Determination Date for loans in the Index Currency to leading European banks, having the Index Maturity specified in the applicable Pricing Supplement and in the principal amount equal to an amount of not less than US \$1 million (or the equivalent thereof in the Index Currency, if the Index Currency is not U.S. dollars) that is representative for a single transaction in such market at such time; provided, however, that if the banks selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, LIBOR determined as of such Interest Determination Date will be LIBOR in effect on such Interest Determination Date.

“Designated LIBOR Page” means either (a) if “LIBOR Reuters” is specified in the applicable Pricing Supplement, the display on the Reuters Markets 3000 for the purpose of displaying the London interbank rates of major banks for the Index Currency, or (b) if “LIBOR Telerate” is specified in the applicable Pricing Supplement, the display on the Bridge/Telerate for the purpose of displaying the London interbank rates of major banks for the Index Currency. If neither “LIBOR Reuters” nor “LIBOR Telerate” is specified in the applicable Pricing Supplement as the method for calculating LIBOR, the “Designated LIBOR Page” shall be the display on the Bridge/Telerate for the purpose of displaying the London interbank rates of major banks for the Index Currency and, if the U.S. dollar is the Index Currency, the display designated as page 3750 on the Bridge/Telerate (or such other page as may replace Page 3750 for the purpose of displaying London interbank offered rates of major banks).

“Index Currency” means the currency (including composite currencies) specified in the applicable Pricing Supplement as the currency for which LIBOR shall be calculated. If no such currency is specified in the applicable Pricing Supplement, the Index Currency shall be U.S. dollars.

EURIBOR Notes. EURIBOR Notes will bear interest at the rates (calculated with reference to EURIBOR and the Spread or the Spread Multiplier, if any) and the provisions specified in the Pricing Supplement.

“EURIBOR” means

(a) the rate per annum which appears on Page 248 on the Telerate Screen (or any successor screen); or

(b) if no such rate appears on the Telerate Screen, the arithmetic mean (rounded up to four decimal places) of the rates quoted by the Calculation Agent to leading banks in the Euro-Zone Interbank Market.

Treasury Rate Notes. Treasury Rate Notes will bear interest at the interest rates (calculated with reference to the Treasury Rate and the Spread or Spread Multiplier, if any), specified in the Treasury Rate Notes and in the applicable Pricing Supplement.

“Treasury Rate” means, with respect to any Interest Determination Date, the rate for the most recent auction of direct obligations of the United States (“Treasury bills”) having the Index Maturity designated in the applicable Pricing Supplement as published in H.15(519) under the heading “U.S.

Government Securities/Treasury Bills/Auction Average (Investment)'' on each Interest Determination Date or, if not so published by 3:00 P.M., New York City time, on the Calculation Date pertaining to such Interest Determination Date, the auction average rate (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) for such auction as otherwise announced by the United States Department of the Treasury. In the event that the results of the auction of Treasury bills having the Index Maturity designated in the applicable Pricing Supplement are not published or reported as provided above by 3:00 P.M., New York City time, on such Calculation Date or if no such auction is held in a particular week, then the Treasury Rate shall be calculated by the Calculation Agent and shall be the yield to maturity (expressed as a bond equivalent on the basis of a year of 365 or 366 days, as applicable, and applied on a daily basis) of the arithmetic mean of the secondary market bid rates, as of approximately 3:30 P.M., New York City time, on such Interest Determination Date, of three leading primary United States government securities dealers (which may include one or more of the Agents) selected by the Calculation Agent for the issue of Treasury bills with a remaining maturity closest to the Index Maturity designated in the applicable Pricing Supplement; provided, however, that if fewer than three dealers selected as aforesaid by the Calculation Agent are quoting as mentioned in this sentence, the Treasury Rate will be the Treasury Rate in effect on such Interest Determination Date.

Federal Funds Rate Notes. Federal Funds Rate Notes will bear interest at the interest rates (calculated with reference to the Federal Funds Rate and the Spread or Spread Multiplier, if any) specified in the Federal Funds Rate Note and in the applicable Pricing Supplement.

''Federal Funds Rate'' means, with respect to any Interest Determination Date, the rate for Federal Funds as published in H.15(519) under the heading ''Federal Funds (Effective)'' . In the event that such rate is not published prior to 3:00 P.M., New York City time, on the relevant Calculation Date, then the Federal Funds Rate will be the rate on such Federal Funds Interest Determination Date as published in Composite Quotations under the heading ''Federal Funds/Effective Rate'' . If by 3:00 P.M., New York City time, on such Calculation Date such rate is not published in either H.15(519) or Composite Quotations, the Federal Funds Rate with respect to such date shall be calculated by the Calculation Agent and shall be the arithmetic mean of the rates, as of 11:00 A.M., New York City time, on such Interest Determination Date, for the last transaction of not less than U.S. \$1,000,000 in overnight Federal Funds arranged by three leading brokers of Federal Funds transactions in The City of New York (which may include one or more of the Agents) selected by the Calculation Agent; provided, however, that if fewer than three brokers selected as aforesaid by the Calculation Agent are quoting as mentioned in this sentence, the Federal Funds Rate will be the Federal Funds Rate in effect on such Interest Determination Date.

Australian Bank Bill Rate Notes. Each Australian Bank Bill Rate Note will bear interest at the interest rate (calculated with reference to the Australian Bank Bill Rate and the Spread or Spread Multiplier, if any), specified in the Australian Bank Bill Rate Notes and in the applicable Pricing Supplement.

''Australian Bank Bill Rate'' means, with respect to any Interest Reset Date in respect of an Australian Bank Bill Rate Note, a rate determined by the Calculation Agent by taking the rates quoted on the Reuters Screen BBSW page at or about 10:00 A.M., Melbourne time, on such Interest Reset Date. If such rate does not appear on the Reuters Screen BBSW Page, the rate for that Interest Reset Date will be determined by the Calculation Agent by taking the mean buying and selling rates for a bill (which for the purpose of this definition means a bill of exchange of a type specified for the purpose of quoting on the Reuters Screen BBSW Page) having a tenor of the Index Maturity specified in the applicable Pricing Supplement, quoted at approximately 10:00 A.M., Melbourne time, on such Interest Reset Date by five major financial institutions in the Australian market authorised to quote on the Reuters Screen BBSW Page selected by the Calculation Agent on application by the Calculation Agent, eliminating the highest and the lowest mean rates and taking the arithmetic mean of the remaining mean rates and then, if necessary, rounding the resulting figure upwards to four decimal places; provided, however,

that if the banks selected as aforesaid by the Calculation Agent are not quoting as mentioned in this sentence, the Australian Bank Bill Rate will be the Australian Bank Bill Rate in effect on such Interest Reset Date (or, if there was no such Interest Reset Period, the Australian Bank Bill Rate shall be the Initial Interest Rate).

For all Floating Rate Notes, the interest rate, the interest period and the interest amount will be communicated to the Luxembourg Stock Exchange as soon as possible, but in no event later than the first day of the relevant interest period pursuant to the requirements of the Luxembourg Stock Exchange.

Zero Coupon Notes

Original Issue Discount Notes may be issued in the form of Zero Coupon Notes which do not provide for any periodic payments of interest. The specific terms of any Zero Coupon Note will be set forth in the applicable Pricing Supplement.

Indexed Notes

Amounts due on a Note in respect of principal, interest and/or premium, if any, and in the case of Original Issue Discount Notes, the Amortised Face Amount, may be determined by reference to (a) a currency exchange rate or rates, (b) a securities or commodities exchange index, (c) the value of a particular security or commodity or (d) any other index or indices or formulas (any such Note being herein referred to as an "Indexed Note"). The Pricing Supplement relating to an Indexed Note will set forth the method by and terms on which the amount of principal (whether at or prior to the Stated Maturity thereof), interest and premium, if any, or the Amortised Face Amount, will be determined, the tax consequences to holders of Indexed Notes, a description of certain risks associated with investments in Indexed Notes and other information relating to such Indexed Notes.

This Offering Memorandum and any Pricing Supplement do not describe all risks of an investment in Indexed Notes, including risks which may be associated with economic, financial or political events over which neither the Bank nor the Agents have any control, either as such risks exist at the date of this Offering Memorandum or as such risks may change from time to time. An investment in Notes indexed, as to principal or any premium or interest, to one or more values of currencies (including exchange rates between currencies), commodities or interest rate indices entails significant risks that are not associated with investments in a conventional fixed-rate debt security. For example, Indexed Notes that are indexed as to interest may bear interest at a rate lower than the prevailing market interest rate for fixed-rate Notes or may not bear interest, and the principal (and premium, if any) payable at Stated Maturity with respect to Indexed Notes that are indexed with respect to principal (and premium, if any) may be less than the face amount or initial purchase price thereof or may be zero. Special considerations independent of the creditworthiness of the Bank and the value of the applicable currency, commodity or interest rate index, including economic, financial and political events over which the Bank has no control also may affect the secondary market for Indexed Notes. Additionally, if the formula used to determine the amount of principal or any premium or interest payable with respect to such Notes contains a multiple or leverage factor, the effect of any change in the applicable currency, commodity or interest rate index will be increased. The historical experience of the relevant currencies, commodities or interest rate indices should not be taken as an indication of the future performance of such currencies, commodities or interest rate indices during the term of any Note. Any credit ratings assigned to the Bank's debt securities are a reflection of the Bank's credit status and, in no way, are a reflection of the potential impact of the factors discussed above, or any other factors, on the market value of the Notes. Prospective purchasers should consult their own financial and legal advisors as to the risks entailed in an investment in Indexed Notes, the suitability of an investment in Indexed Notes in light of their particular circumstances, and with other matters that may affect the purchase or holding of an Indexed Note.

Amortising Notes

Notes may be issued as Amortising Notes, on which the interest will be computed on the basis of a year of 360 days with 12 30-day months. Payments with respect to Amortising Notes will be applied first to interest due and payable thereon and then to reduction of the unpaid principal amount thereof. Further information concerning additional terms and provisions of Amortising Notes will be specified in the applicable Pricing Supplement. A table setting forth repayment information in respect of each Amortising Note will be included in the applicable Pricing Supplement and set forth in each such Note.

Indexed Amortising Notes

Notes may be issued as Indexed Amortising Notes the rate of amortisation and Stated Maturity of which are subject to periodic adjustment based upon the degree to which an objective base or index rate (any such rate, a "Reference Rate") coincides with a specified "Target Rate". Indexed Amortising Notes may provide for such adjustment of the amortising rate either on every Interest Payment Date, or only on Interest Payment Dates that occur after a specified "Lockout Date". Each Indexed Amortising Note will have annexed to it an amortisation table, specifying the rate at which the Note is to be amortised following any applicable Interest Payment Date, based upon the difference between the Reference Rate and the Target Rate. Certain additional information relating to the offering of any Indexed Amortisation Notes will be set forth in the applicable Pricing Supplement.

Extendible Notes

Notes may be issued as Extendible Notes the Stated Maturity of which may be extended, either in whole or in part, at the option of the Bank for one or more periods up to but not beyond the Note's final maturity date (as specified in the applicable Pricing Supplement). The specific terms for such extensions, including the date or dates on which the option can be exercised and whether the option can be exercised with respect to some but not all of the Note's outstanding principal balance, will be as set forth in the Note. The specific terms and conditions upon which the Stated Maturity of such Notes may be extended will be set forth in the applicable Pricing Supplement.

Renewable Notes

Notes may be issued as Renewable Notes the Stated Maturity of which may be renewed at the Holder's option for one or more specified periods up to but not beyond the Note's final maturity date (as specified in the applicable Pricing Supplement). The specific terms of such renewal option, including the date or dates on which the option may be exercised and whether the option may be exercised with respect to some but not all of the Note's outstanding principal balance, will be as set forth in the Note. The specific terms and conditions on which the Stated Maturity of such Notes may be renewed will be set forth in the applicable Pricing Supplement.

Combination of Provisions

If so specified in the applicable Note, any Note may be subject to all of the provisions, or any combination of the provisions, as described above under "Indexed Notes", "Amortising Notes", "Indexed Amortising Notes", "Extendible Notes" and "Renewable Notes" and below under "Optional Redemption" and "Optional Repayment" or as set forth in the applicable Pricing Supplement.

Paying Agents

The Bank has initially designated Deutsche Bank AG London, acting through its principal office in London, England (the "Principal Paying Agent") and Deutsche Bank Luxembourg S.A., acting through its principal office in Luxembourg, as its paying agents (each, a "Paying Agent") for the Notes, pursuant to the terms of a Paying and Calculation Agency Agreement, dated May 23, 1991, as amended on

March 21, 1997, June 23, 2000 and April 4, 2001, between the Trustee, Deutsche Bank AG London, Deutsche Bank Luxembourg S.A. and the Bank. The Bank will be required at all times to maintain a paying agent in Luxembourg so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such Stock Exchange shall so require.

Transfer Agent

The Bank has initially designated Deutsche Bank AG London, acting through its principal office in London, as a transfer agent for the Registered Notes offered pursuant to this Offering Memorandum. The Bank will be required to maintain at all times a transfer agent in Luxembourg so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such exchange shall so require. The transfer agent in Luxembourg is presently Deutsche Bank Luxembourg S.A.

Optional Redemption

Unless an Initial Redemption Date is specified in the applicable Pricing Supplement, a Note will not be redeemable prior to its Stated Maturity except in the event of certain changes involving tax laws of Australia, as described below. If an Initial Redemption Date is so specified with respect to any Note, the applicable Pricing Supplement will also specify one or more redemption prices (expressed as a percentage of the principal amount of such Note) ("Redemption Prices") and the redemption period or periods ("Redemption Periods") during which such Redemption Prices shall apply. Unless otherwise specified in the Pricing Supplement, any such Note shall be redeemable at the option of the Bank at any time on or after such specified Initial Redemption Date at the specified Redemption Price applicable to the Redemption Period during which such Note is to be redeemed, together with interest accrued to the date of redemption; provided, however, the Bank may not redeem any Subordinated Note without the prior written consent of APRA.

The Notes of a series may be redeemed, in whole or in part, at the option of the Bank, upon not more than 60 days' nor less than 30 days' prior notice, at a price equal to (a) in the case of Notes other than Original Issue Discount Notes, 100% of their principal amount, together with interest accrued to the date fixed for redemption or (b) in the case of an Original Issue Discount Note, the amount determined in accordance with the terms of such Note, if, as a result of any amendment to, or change in, the laws or regulations of the Commonwealth of Australia or any political subdivision or taxing authority thereof or therein affecting taxation, or any amendment to or change in an official interpretation or application of such laws or regulations, which amendment or change is effective on or after the date hereof, the Bank will become obligated to pay additional amounts (as described below under "— Payment of Additional Amounts") on the next succeeding Interest Payment Date, upon sale or exchange of any Note, or at Stated Maturity, provided, however, that (i) no such notice of redemption may be given earlier than 90 days prior to the earliest date on which the Bank would be obligated to pay such additional amounts were any payment in respect of the Notes then due, (ii) at the time such notice is given, such obligation to pay such additional amounts remains in effect and (iii) the Note or Notes being redeemed are not in temporary form. Immediately prior to the publication of any notice of redemption pursuant to this paragraph, the Bank shall deliver to the Trustee a certificate and an opinion of counsel stating that the Bank is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Bank so to redeem have occurred.

Interest will cease to accrue in respect of the Notes on the date of redemption in respect thereto unless, upon due presentation by a Holder of a Note to be redeemed, payment is improperly withheld or refused. In such event, interest will continue to accrue up to and including the date on which, upon further presentation thereof, payment of the principal thereof is made or (if earlier) the seventh day after notice is duly given to the Holder of such Note that upon further presentation thereof being duly

made, such payment will be made, provided that upon further presentation thereof being duly made such payment is made.

Optional Repayment

The Pricing Supplement relating to each Note will indicate either that such Note cannot be repaid prior to the Stated Maturity or that the Note will be repayable at the option of the Holder on a date or dates specified prior to the Stated Maturity at a price or prices set forth in the applicable Pricing Supplement, together with accrued interest to the date of repayment. The Indenture provides that only Unsubordinated Notes may be repayable at the option of the Holder prior to the Stated Maturity.

In order for a Note to be repaid prior to the Stated Maturity, the Principal Paying Agent must receive at least 30 days but not more than 45 days prior to the date of repayment the Note with the form entitled "Option to Elect Repayment" on the reverse of the Note duly completed. Exercise of the repayment option by the Holder of a Note shall be irrevocable. The repayment option may be exercised by the Holder of a Note for less than the entire principal amount of the Note, provided that the principal amount of the Note remaining outstanding after repayment is an authorised denomination.

If a Note is represented by a Global Bearer Note, the common depositary will be the Holder of such Note and therefore will be the only entity that can exercise a right to repayment. In order to ensure that the common depositary will timely exercise a right to repayment with respect to a particular Note, the beneficial owner of an interest in such Note must instruct Euroclear or Clearstream, Luxembourg, as the case may be, to notify the common depositary of its desire to exercise a right to repayment.

Payment of Additional Amounts

The Bank will pay to the Holder of any Note or any coupon appertaining thereto such additional amounts as may be necessary in order that every net payment of the principal of and premium, if any, and interest (including original issue discount) on such Note, after deduction or other withholding for or on account of any present or future tax, assessment or other governmental charge imposed upon or as a result of such payment by the Commonwealth of Australia or any political subdivision or taxing authority thereof or therein (including any payment of additional amounts), will not be less than the amount provided for in such Note or coupon to be then due and payable; provided, however, that the foregoing obligation to pay additional amounts will not apply to any tax, assessment or other governmental charge:

(a) which is payable otherwise than by deduction or withholding from payments of principal of and premium, if any, or interest on such Note;

(b) which is payable by reason of the Holder or beneficial owner having, or having had, some personal or business connection with the Commonwealth of Australia (other than mere ownership of or receipt of payment under the Notes or the fact that payments are, or for the purposes of taxation are deemed to be, from sources in, or secured in, the Commonwealth of Australia);

(c) which is payable solely by reason of the Holder's or beneficial owner's failure to comply with any certification, identification or other reporting requirement concerning nationality, residence, identity or connection with the taxing jurisdiction;

(d) which is payable by reason of a change in law that becomes effective more than thirty days after the relevant payment of principal, premium, if any, or interest is first made available for payment to the Holder;

(e) which is an estate, inheritance, gift, sales, transfer, personal property or similar tax, assessment or other charge;

(f) which is payable by reason of the Holder being an associate of the Bank for the purposes of Section 128F(6) of the Income Tax Assessment Act 1936 of Australia;

(g) which is imposed or withheld as a consequence of a determination having been made under Part IVA of the Income Tax Assessment Act 1936 of Australia (or any modification thereof or provision substituted therefor) by the Commissioner of Taxation of the Commonwealth of Australia that withholding tax is payable in respect of a payment in circumstances where the payment would not have been subject to withholding tax in the absence of the scheme which was the subject of that determination;

(h) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 or any law implementing or complying with, or introduced in order to conform to, such directive;

(i) which is presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or coupon to another paying agent in a member state of the European Union; or

(j) any combination of (a) through (i) above;

nor will additional amounts be paid with respect to any payment of principal of, premium, if any, or interest (including original issue discount) on any Note to any Holder who is a fiduciary or partnership or other than the sole beneficial owner of any such payment to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or the beneficial owner would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the holder of such Note or any coupon appertaining thereto.

Events of Default

An event of default ("Event of Default") with respect to any series of Notes will occur in the following events:

(a) default in any payment when due of principal of or any premium on such series of Notes;

(b) default in payment of any instalment of interest on such series of Notes for a period of 30 days after the date when due;

(c) default in the deposit of any sinking fund payment when due by the terms of a Note of such series;

(d) default by the Bank in performance or observance of or compliance with any of its other undertakings in the Notes or the Indenture continued for 30 days after appropriate notice as provided in the Indenture;

(e) (i) any other present or future indebtedness of the Bank for or in respect of monies borrowed or raised (other than in the ordinary course of their respective businesses) becomes due and payable prior to its stated maturity as a result of a default by the Bank; or (ii) such indebtedness is not paid when due or (as the case may be) within any applicable grace period therefor; or (iii) the Bank fails to pay when due or expressed to be due any amount payable or expressed to be payable by it under any present or future guarantee or indemnity for any monies borrowed (other than such a guarantee or indemnity given in the ordinary course of their respective businesses); or (iv) any mortgage, charge, pledge, lien or other encumbrance, present or future, and created or assumed by the Bank (other than in respect of monies borrowed or raised on a non-recourse basis) becomes enforceable and the holder thereof takes any steps to enforce the same;

(f) a distress or execution or other legal process is levied or enforced or sued out upon or against any part of the property, assets or revenues of the Bank which has a material adverse effect on the Bank's ability to perform its obligations under the Notes and is not discharged or stayed within 14 days of having been so levied, enforced or sued out;

(g) an encumbrancer takes possession or a receiver or administrator is appointed of the whole or any part of the undertaking, property, assets or revenues of the Bank;

(h) the Bank becomes insolvent or is unable to pay its debts as they mature or applies for or consents to or suffers the appointment of a liquidator or receiver or administrator of the Bank or of the whole or any part of the undertaking, property, assets or revenues of the Bank or takes any proceeding under any law for a readjustment or deferment of its obligations or any part thereof or makes or enters into a general assignment or an arrangement or composition with or for the benefit of creditors;

(i) an order is made or an effective resolution passed for the Winding Up (as defined below) of the Bank, other than under or in connection with a scheme of amalgamation or reconstruction not involving a bankruptcy or insolvency;

(j) a moratorium shall be agreed or declared in respect of any indebtedness of the Bank, or any governmental authority or agency shall have condemned, seized or compulsorily purchased or expropriated all or a substantial part of the assets of or capital of the Bank; or

(k) (i) the Bank ceases to carry on a banking business in the Commonwealth of Australia, or the Bank's authority under the Banking Act of 1959 of Australia or any amendment or re-enactment thereof to carry on banking business in Australia is revoked, (ii) the Bank enters into an arrangement or agreement for any sale or disposal of the whole of its business by amalgamation or otherwise other than as permitted in the Indenture or (iii) an order is made or an effective resolution passed for the Winding Up of the Bank, other than under or in connection with a scheme of amalgamation or reconstruction not involving a bankruptcy or insolvency.

"Winding Up" means any liquidation, dissolution or other winding up of the Bank, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy.

Upon the occurrence of any such Event of Default relating to a particular series of Unsubordinated Notes, either the Trustee or the Holders of at least 25% in aggregate principal amount of the Outstanding Unsubordinated Notes of such series may declare the principal amount (or, in the case of a Zero Coupon Note or an interest-bearing Original Issue Discount Note, the Amortised Face Amount) to be due and immediately payable. Upon the occurrence of an Event of Default pursuant to Subsection (i) above relating to a particular series of Subordinated Notes, either the Trustee or the Holders of at least 25% in aggregate principal amount of the Outstanding Subordinated Notes of such series may declare the principal amount (or, in the case of a Zero Coupon Note or an interest-bearing Original Issue Discount Note, the Amortised Face Amount) to be due and immediately payable. Any such acceleration must be made by written notice to the Bank and the Trustee and unless such Event of Default shall have been cured by the Bank prior to the receipt of such written notice, the principal amount of the Notes Outstanding of such series (or, in the case of a Zero Coupon Note or an interest-bearing Original Issue Discount Note, the Amortised Face Amount) shall become and be immediately due and payable. At any time after a declaration of acceleration with respect to any series of Notes has been made, but before a judgement or decree for payment of money has been obtained by the Trustee, the Holders of not less than 66% in aggregate principal amount of outstanding Notes of that series may, under certain circumstances, rescind and annul such declaration.

The Indenture provides that, subject to the duty of the Trustee during default to act with the required standard of care, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the Holders, unless such Holders shall have

offered to the Trustee reasonable indemnity. Subject to such provisions for the indemnification of the Trustee, the holders of a majority in aggregate principal amount of the Outstanding Notes of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, with respect to the Notes of that series.

Subordination

If so specified in the applicable Pricing Supplement, the Notes will be issued as Subordinated Notes and the payment of the principal of and any premium and interest on such Notes will, to the extent set forth in such Notes, be subordinate to the claims of Unsubordinated Creditors of the Bank (such Notes being hereinafter referred to as "Subordinated Notes"). Subordinated Notes will be subordinate to the claims of Unsubordinated Creditors of the Bank in right of payment with respect to the assets of the Bank in the event of a Winding Up of the Bank. The Subordinated Notes rank senior in right of payment to the Bank's Undated Subordinated Floating Rate Notes. There is no limitation on the amount of senior debt, deposits or other obligations ranking senior to the Subordinated Notes that may be hereafter incurred or assumed by the Bank.

Pursuant to the subordination provisions set forth in the Subordinated Notes, in the event of a Winding Up of the Bank, the Unsubordinated Creditors will be entitled to receive payment in full of all amounts due or to become due on or in respect of their claims before the Holders of the Subordinated Notes are entitled to receive any payment on account of principal of or any premium or interest on the Subordinated Notes. Accordingly, if proceedings with respect to the Winding Up of the Bank in the Commonwealth of Australia were to occur, the Holders of Subordinated Notes could recover less ratably than the Unsubordinated Creditors. If, in any such Winding Up, the amount payable with respect to the Subordinated Notes and any claims ranking equally with the Subordinated Notes cannot be paid in full, the Subordinated Notes and other claims ranking equally with the Subordinated Notes will share ratably in any distribution of assets of the Bank in a Winding Up in proportion to the respective amounts to which they are entitled. To the extent that Holders of the Subordinated Notes are entitled to any recovery with respect to the Subordinated Notes in any Winding Up, such Holders might be entitled only to a recovery in Australian dollars. A Holder of Notes must not set-off against any amounts owing to it in respect of a Note any amount owing by the Holder of the Notes to the Bank on any account.

The subordination provisions of the Indenture and of the Subordinated Notes will be governed by and construed in accordance with the laws of the State of Victoria, the Commonwealth of Australia (see "Governing Law" below). Mallesons Stephen Jaques, Australian counsel to the Bank, will furnish the Agents with a legal opinion to the effect that, subject to Sections 13A(3) and (16) of the Banking Act 1959 of Australia and Section 86 of the Reserve Bank Act 1959 of Australia (see "General" above), the Subordinated Notes will rank *pari passu* among themselves and junior to all unsecured and unsubordinated obligations of the Bank but senior to the Bank's Undated Subordinated Floating Rate Notes.

Negative Pledge with Respect to Unsubordinated Notes

So long as any of the Unsubordinated Notes remain Outstanding (as defined in the Indenture), the Bank will not create or have outstanding any mortgage, lien, pledge or other security interest upon, or with respect to, any of its present or future assets or revenues to secure repayment of any non-Australian dollar indebtedness or to secure any guarantee or indemnity in respect of any non-Australian dollar indebtedness without, at the same time, according to the Unsubordinated Notes, or causing to be accorded to the Unsubordinated Notes, the same security.

For the purposes of the foregoing paragraph “non-Australian dollar indebtedness” means any obligation for the repayment of borrowed money (a) consisting of or evidenced by bonds, notes, debentures or other securities which are, or are capable of being, listed, quoted, ordinarily dealt in or traded on any recognised stock exchange, over-the-counter or other recognised securities market, and (b) which by its terms is payable, or may be required to be paid, in or by reference to any currency other than Australian dollars.

Meetings, Modification and Waiver

Modifications of and amendments to the Indenture may be made by the Bank and the Trustee by supplemental indenture with the consent of the Holders of not less than 66⅔% in aggregate principal amount of the Outstanding Notes of each series affected by such modification or amendment; provided, however, that no such modification or amendment may, without the consent of the Holder of each Outstanding Note affected thereby, (a) change the Stated Maturity of the principal of, or any instalment of principal of, or interest on, any Note, (b) reduce the principal amount of, or premium, or interest on, any Note, (c) change any obligation of the Bank to pay additional amounts except as contemplated by the Indenture, (d) reduce the amount of principal of an Original Issue Discount Note payable upon acceleration of the Stated Maturity thereof, (e) change the coin or currency in which any Note or any premium or interest thereon is payable, (f) impair the right to institute suit for the enforcement of any payment on or with respect to any Note after the Stated Maturity or Redemption Date, (g) reduce the percentage in principal amount of Outstanding Notes of any series, the consent of whose Holders is required for modification or amendment of the Indenture or for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults, (h) reduce the requirements contained in the Indenture for quorum or voting, (i) change any obligation of the Bank to maintain an office or agency in the places and for the purposes required by the Indenture, (j) modify any of the provisions contained in the Indenture relating to the Subordinated Notes, or (k) modify any of the provisions set forth in this paragraph except to increase any such percentage.

The Holders of at least 66⅔% in aggregate principal amount of the Outstanding Notes of each series may, on behalf of the Holders of all the Notes of that series, waive, insofar as that series is concerned, compliance by the Bank with certain restrictive provisions of the Indenture. The Holders of not less than 66⅔% in aggregate principal amount of the Outstanding Notes of each series may, on behalf of all Holders of Notes of that series and any coupons appertaining thereto, waive any past default under the Indenture with respect to Notes of that series, except a default (a) in the payment of principal of, any premium on or any interest on, any Note of such series or (b) in respect of a covenant or provision of the Indenture which cannot be modified or amended without the consent of the Holder of each Outstanding Note of such series affected.

The approval of APRA is required to modify the terms of any series of Subordinated Notes.

The Indenture provides that in determining whether the Holders of the requisite principal amount of the Outstanding Notes have given any request, demand, authorisation, direction, notice, consent or waiver thereunder or whether a quorum is present at a meeting of Holders of Notes (a) the principal amount of an Original Issue Discount Note that shall be deemed to be Outstanding shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon acceleration of the Stated Maturity thereof and (b) the principal amount of a Note denominated in other than U.S. dollars shall be the U.S. dollar equivalent, determined on the date of original issuance of such Note, of the principal amount of such Note (or, in the case of an Original Issue Discount Note, the U.S. dollar equivalent on the date of original issuance of such Note of the amount determined as provided in (a) above in relation to such Note).

The Indenture provides for convening meetings of the Holders of Notes of a series if Notes of that series are issuable as Bearer Notes. A meeting may be called at any time by the Trustee, and also, upon request to the Trustee, by the Bank or the Holders of at least 10% in principal amount of the Outstanding Notes of such series in any such case upon notice given in accordance with the terms of the Indenture. Except for any consent which must be given by the Holder of each Outstanding Note affected thereby, as described above, any resolution presented at a meeting or adjourned meeting at which a quorum is present may be adopted by the affirmative vote of the Holders of a majority in principal amount of the Outstanding Notes of that series; provided, however, that, except for any consent which must be given by the Holder of each Outstanding Note affected thereby, as described above, any resolution with respect to any consent or waiver which may be given by the Holders of not less than 66⅔% in principal amount of the Outstanding Notes of a series may be adopted at a meeting or an adjourned meeting at which a quorum is present only by the affirmative vote of 66⅔% in principal amount of the Outstanding Notes of that series; and provided, further, that, except for any consent which must be given by the Holder of each Outstanding Note affected thereby, as described above, any resolution with respect to any request, demand, authorisation, direction, notice, consent, waiver or other action which may be made, given or taken by the Holders of a specified percentage, which is less than a majority, in principal amount of Outstanding Notes of a series may be adopted at a meeting or adjourned meeting duly reconvened at which a quorum is present by the affirmative vote of the Holders of such specified percentage in principal amount of the Outstanding Notes of that series. Any resolution passed or decision taken at any meeting of Holders of Notes of any series duly held in accordance with the Indenture will be binding on all Holders of Notes of that series and the related coupons. The quorum at any meeting will be persons holding or representing a majority in principal amount of the Outstanding Notes of a series; provided, however, that if any action is to be taken at such meeting with respect to a consent or waiver which may be given by the Holders of not less than 66⅔% in principal amount of the Outstanding Notes of a series, the persons holding or representing 66⅔% in principal amount of the Outstanding Notes of such series will constitute a quorum.

Consolidation, Merger and Sale of Assets

The Bank, without the consent of the holders of any of the Outstanding Notes under the Indenture, may consolidate with or merge into, or transfer or lease its assets substantially as an entirety to, any person which is a corporation, partnership or trust organised and validly existing under the laws of Australia or may permit any such person to consolidate with or merge into the Bank or convey, transfer or lease its properties and assets substantially as an entirety to the Bank, provided that any successor person assumes the Bank's obligations on the Notes and under the Indenture, that after giving effect to the transaction no Event of Default, and no event which, after notice or lapse of time, would become an Event of Default, shall have occurred and be continuing, and that certain other conditions are met.

Transfer and Exchange

Registered Notes will be exchangeable for other Registered Notes of any authorised denominations and of a like aggregate principal amount and tenor. At the option of the Holder, subject to the terms of the Indenture, Bearer Notes (with all unmatured coupons, except as provided below, and all matured coupons in default) will be exchangeable into Registered Notes of any authorised denominations and of a like aggregate principal amount and tenor. Bearer Notes surrendered in exchange for Registered Notes between a record date and the relevant date for payment of interest shall be surrendered without the coupon relating such date for payment of interest and interest will not be payable in respect of the Registered Notes issued in exchange for such Bearer Notes, but will be payable only to the Holder of such coupon when due in accordance with the terms of the Notes. Bearer Notes will not be issued in exchange for Registered Notes.

Notes of a series may be presented for exchange as provided above, and Registered Notes may be presented for registration of transfer (duly endorsed or with a written instrument of transfer duly executed), at the office of the Trustee, or at the office of any transfer agent designated by the Bank for such purpose, without service charge and upon payment of any taxes and other governmental charge required to be paid in connection with such exchange or registration of transfer. Such transfer or exchange will be effected upon the Trustee or such transfer agent, as the case may be, being satisfied with the documents of title and identity of the person making the request.

Repayment of Monies

Any monies paid by the Bank to the Trustee or any paying agent for the payment of principal, any premium or interest or additional amounts in respect of Notes and remaining unclaimed at the end of two years following the date on which such principal, premium or interest or additional amounts become due and payable shall be returned to the Bank at the Bank's request, and the Holder of such Notes or any coupon appertaining thereto shall thereafter look, as an unsecured general creditor, only to the Bank for the payment thereof and all liability of the Trustee or any paying agent with respect to such trust monies shall thereafter cease, without, however, limiting in any way the obligations of the Bank, which are absolute and unconditional, to pay the principal of, and premium, if any, and any interest and additional amounts on, any Note as such payments become due, subject to any applicable periods of limitation as set forth under Australian law.

Judgement Currency

The Bank has agreed to indemnify the Trustee and any Holder of the Notes, as the case may be, against any loss incurred by the Trustee or such Holder as a result of any judgement or order being given or made for any amount due hereunder or under the Notes and such judgement or order being expressed and paid in a currency (the "Judgement Currency") other than the currency in which such amount is payable under a Note, which, in the case of a Foreign Currency Note, shall be the Specified Currency (as defined in such Foreign Currency Note) unless the holder thereof has made a U.S. dollar Payment Election (as defined in such Foreign Currency Note) and, in all other cases, shall be U.S. dollars (in each case, the "Obligation Currency") and as a result of any variation as between (a) the rate of exchange at which the Obligation Currency amount is converted into Judgement Currency for the purpose of such judgement or order and (b) the rate of exchange at which the Trustee or the Holder of the Notes, as the case may be, is able to purchase the Obligation Currency with the amount of the Judgement Currency actually received by the Trustee or the holder of the Notes, as the case may be, on the date of receipt therefor. In determining the rate of exchange, any premiums and costs of exchange payable in connection with the purchase of, or conversion into, the relevant currency shall be taken into account.

The Indenture (other than the provisions of Article Fourteen thereof with respect to subordination), the Notes and any coupons appertaining to the Notes will be governed by, and construed in accordance with, the laws of the State of New York. A judgement for money in an action based on Notes denominated or payable in a foreign currency or composite currencies in a Federal or state court in the United States ordinarily would be enforced in the United States only in United States dollars. The date used to determine the rate of conversion of the currency or composite currencies in which any particular Note is denominated or payable into United States dollars will depend upon various factors, including which court renders the judgement. Under Section 27 of the New York Judiciary Law, a state court in the State of New York rendering a judgement on a Note denominated or payable in a foreign currency would be required to render such judgement in such currency, and such judgement would be converted into United States dollars at the exchange rate prevailing on the date of entry of the judgement.

Successor Trustee

The Indenture provides that the Trustee may resign or may be removed by the Bank. Such resignation or removal shall take effect upon the appointment of and acceptance by a successor Trustee. The Indenture provides that any successor Trustee shall be a corporation, bank or trust company organised and doing business under the laws of the United States, any State thereof, the District of Columbia or England and Wales, authorised under such laws to exercise corporate trust powers, having or being an affiliate of a person having a combined capital and surplus of at least US\$50,000,000, in good standing and having an established place of business in the Borough of Manhattan, The City of New York.

The Indenture further provides that any corporation, bank or trust company resulting from any merger, conversion or consolidation to which the Trustee is a party or to which the Trustee shall sell or transfer all or substantially all of its assets or business shall be the successor Trustee, provided such corporation, bank or trust company shall be otherwise qualified and eligible under the Indenture, without the execution or filing of any paper or any further act on the part of any party to the Indenture.

Notices

Notices to Holders of Bearer Notes will be given by publication at least once in a daily newspaper in Europe, which so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such Exchange shall so require, shall be in a daily newspaper in Luxembourg. Any such published notice shall be in the English language and may also be in the official language of the country of publication. The Bank currently expects to publish such notices in the Luxembourg Wort.

Until such time as definitive Bearer or definitive Registered Notes shall be issued, there may in the case of Notes listed on the Luxembourg Stock Exchange (provided that the rules of the Luxembourg Stock Exchange permit), so long as any Global Bearer Note is held in its entirety on behalf of Euroclear or Clearstream, Luxembourg, be substituted for such publication in such newspaper the delivery of the relevant notice to Euroclear or Clearstream, Luxembourg for communication by the relevant clearing system to the Holders. A notice shall be deemed to have been given to the Holders on the seventh day after the day on which the said notice was given to the relevant clearing system. In the case of Registered Notes, so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such Exchange shall so require, all notices shall be published in a daily newspaper in Luxembourg. Any such published notice shall be in English language and may also be in the official language of the country of publication. The Bank currently expects to publish such Notices in the Luxembourg Wort.

Replacement of Notes and Coupons

If any Note (including the coupons appertaining to any Note) is mutilated, destroyed, lost or stolen, the Bank in its discretion may execute and, upon the request of the Bank, the Trustee or any transfer agent authorised for that purpose will replace such Note by issuing a new Note of the same series upon the surrender of such mutilated Note or delivery of satisfactory evidence of the destruction or loss thereof to the Trustee and such transfer agent. In the case of a destroyed, lost or stolen Note, indemnity satisfactory to the Trustee and the Bank may be required of the holder of such Note before a replacement Note will be issued. All expenses of the Bank (including the fees and expenses of the Trustee) associated with obtaining such indemnity and in issuing the new Note shall be borne by the owner of the mutilated, destroyed, lost or stolen Note.

Governing Law

The Indenture, the Notes, and the coupons will be governed by, and construed in accordance with, the laws of the State of New York, except for the subordination provisions of the Indenture and of the

Subordinated Notes (see “— Subordination”), which will be governed by, and construed in accordance with, the laws of the State of Victoria, Commonwealth of Australia. The Bank has appointed its Executive Vice President Americas as its agent for service of process in The City of New York in connection with any action arising out of the sale of the Notes or enforcement of the terms of the Indenture.

Trustee

Deutsche Trustee Company Limited will be the Trustee under the Indenture. The Bank regularly conducts customary banking transactions with Deutsche Trustee Company Limited and its affiliates in the ordinary course of business.

Special Provisions Relating to Foreign Currency Notes

General. Unless otherwise indicated in the applicable Pricing Supplement, the Notes will be denominated in U.S. dollars and payments of principal of, any premium and interest on the Notes will be made in U.S. dollars in the manner indicated in this Offering Memorandum. Should the Bank issue Notes denominated or payable in a currency or composite currencies other than U.S. dollars (“Foreign Currency Notes”), the following special provisions shall apply. For a description of certain risks associated with Foreign Currency Notes, see “Foreign Currency Risks”.

Unless otherwise indicated in the applicable Pricing Supplement, a Foreign Currency Note will not be sold in, or to a resident of, the country of the Specified Denominated Currency or Specified Currency (as defined below).

Specific information concerning the foreign currency or currency unit in which a particular Foreign Currency Note is denominated or payable, including a description of the currency and any exchange controls, will be contained in the applicable Pricing Supplement.

Purchases. Unless otherwise indicated in the applicable Pricing Supplement, purchasers are required to pay for Foreign Currency Notes and Holders of such Notes shall be paid in the currency or currency unit specified in the applicable Pricing Supplement (the “Specified Currency”).

Payment of Principal, Premium and Interest. Unless otherwise indicated in the applicable Pricing Supplement, payments of the principal of and any premium and interest on Foreign Currency Notes will be made in the relevant Specified Currency in the country issuing the Specified Currency, provided that, in certain circumstances, payments on Notes in other than U.S. dollars may be made in U.S. dollars. See “Payment Currency”.

Unless otherwise indicated in the applicable Pricing Supplement, any U.S. dollar amount to be received by a Holder of a Foreign Currency Note will be based on the highest bid quotation in The City of New York received by the Exchange Rate Agent specified in the applicable Pricing Supplement at approximately 11:00 A.M., New York City time, on the second Business Day preceding the applicable payment date from three recognised foreign exchange dealers selected by the Exchange Rate Agent (one of which may be the Exchange Rate Agent) for the purchase by the quoting dealer of the Specified Currency for U.S. dollars for settlement on such payment date of the aggregate amount of such Specified Currency payable to all Holders of Foreign Currency Notes scheduled to receive U.S. dollar payments and at which the applicable dealer commits to execute a contract. If such bid quotations are not available, payments will be made in the Specified Currency. See “Payment Currency”. All currency exchange costs will be borne by the Holder of the Foreign Currency Note by deductions from such payments.

Unless otherwise specified in the applicable Pricing Supplement, payments of interest and principal (and premium, if any) with respect to any Registered Note to be made in a Specified Currency other than U.S. dollars will be made by wire transfer to an account maintained by the registered Holder with

a bank located in the country issuing the Specified Currency or, with respect to Notes denominated in the euro, are transferred to a euro account (or any other account to which the euro may be transferred or credited) specified by the Registered Holder or, at the option of the Registered Holder, by a euro cheque or, other jurisdiction acceptable to the Bank as shall have been designated at least fifteen days prior to the Interest Payment Date or Stated Maturity, as the case may be, by the Holder of such Note on the relevant record date or, in the case of Bearer Notes, on the relevant Interest Payment Date, or in the case of either Registered Notes or Bearer Notes, on the day that is fifteen days prior to the Stated Maturity, provided that, in the case of payment of principal of (and premium, if any) and any interest due at Stated Maturity, the Note is presented in time for the Trustee to make such payments in such funds in accordance with its normal procedures. Such designation shall be made by filing the appropriate information with any paying agent and, unless revoked, any such designation made with respect to any Note by a registered Holder will remain in effect with respect to any further payments with respect to such Note payable to such Holder. If a payment with respect to any such Note cannot be made by wire transfer because the required designation has not been received by the Trustee on or before the requisite date or for any other reason, a notice will be mailed to the Holder at its registered address requesting a designation pursuant to which such wire transfer can be made and, upon such paying agent's receipt of such a designation, such payment will be made within 15 days of such receipt. Any administrative costs imposed by banks in connection with making payments by wire transfer will be borne by the Bank and any tax, assessment or government charge imposed upon payments (other than those described under "— Payment of Additional Amounts") will be borne by the Holders of the Notes in respect of which payments are made.

Payment Currency. If a Specified Currency is not available for the payment of principal or any premium or interest with respect to a Foreign Currency Note due to the imposition of exchange controls or other circumstances beyond the control of the Bank, the Bank will be entitled to satisfy its obligations to Holders of Foreign Currency Notes by making such payment in U.S. dollars on the basis of the Market Exchange Rate (defined below) on the second Business Day prior to the date of such payment, or if such Market Exchange Rate is not then available, on the basis of the most recently available Market Exchange Rate. See "Foreign Currency Risks". The term "Market Exchange Rate" with respect to a particular Specified Currency means the noon buying rate for cable transfers in New York City as certified (or, if not so certified, as otherwise determined) for customs purposes by the Federal Reserve Bank of New York.

Notes Denominated or Payable in Japanese Yen. Notes shall not be offered, sold or delivered, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for reoffering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including, any corporation or other entity organised under the laws of Japan.

Applicable Pricing Supplement

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

National Australia Bank Limited

(ABN 12 004 044 937)

US\$15,000,000,000 Euro Medium-Term Notes, Series A, Programme dated February [●], 2003

Pricing Supplement — dated [] 200[3]

In terms of the Paying and Calculation Agency Agreement dated May 23, 1991, as amended, we wish to advise the following in respect of the latest issue under the above Programme.

Deal Reference EMTN [specify number]

Principal Amount and Specified

Currency:

[US\$[] OR [Specify details of Foreign Currency Note]

Type of Note:

Notes in [bearer/registered] form. [The [bearer/registered] Notes will not be exchangeable for Notes in [registered/bearer] form.]

The Notes will initially be represented by a Temporary Global Note which will be exchanged for [a Permanent Global Note/definitive [Bearer/Registered] Notes] on or after [40 days after the Issue Date.] [The Permanent Global Note will be exchanged for definitive [Bearer/Registered] Notes] upon 60 days written notice.]

Term:

[years]

Issue Date:

[] 200[3]

Stated Maturity:

[]

Interest/Payment Basis:

[Fixed Rate Notes]
[Floating Rate Notes]
[Original Issue Discount Notes]
[Zero Coupon Notes]
[Indexed Notes]
[Amortising Notes]
[Indexed Amortising Notes]
[Other — specify details]

Optional Redemption:

[Not applicable. Redemption at Stated Maturity (other than for tax reasons).] OR [At option of the Issuer — specify details/see further details below]

Optional Repayment:

[Not applicable. Redemption at Stated Maturity.] OR [At option of holders — specify details]

Fixed Rate Notes:

Interest Rate:

[] per cent. per annum

Interest Rate Frequency:

[Annually/Semi-annually/Quarterly/Monthly/Weekly/Daily]

Interest Payment Dates:

[March 15 and September 15 and Stated Maturity] OR
[Specify other]

Fixed Rate Day Count Fraction:

[Actual/Actual (ISMA) or Actual/Actual (Fixed)] OR [30/360]

Interest Determination Dates:	[Specify details]
Floating Rate Notes:	
Floating Rate:	Specified Interest Rate [+/- Spread] [× Spread Multiplier]
Specified Interest Rate:	[Commercial Paper Rate] OR [Prime Rate] OR [CD Rate] OR [Federal Funds Rate] OR [LIBOR] OR [EURIBOR — <i>specify details</i>] OR [Treasury Rate] OR [CMT Rate] OR [Australian Bank Bill Rate] OR [Other — <i>specify details</i>]
Spread (if applicable):	[Not applicable] OR [<i>Specify details</i>]
Spread Multiplier (if applicable):	[Not applicable] OR [<i>Specify details</i>]
Maximum (if applicable):	[Not applicable] OR [<i>Specify maximum Interest Rate</i>]
Minimum (if applicable):	[Not applicable] OR [<i>Specify minimum Interest Rate</i>]
Interest Payment Dates:	[Third Wednesday of each month/March/June/September/December] OR [<i>Specify details</i>]
Interest Reset Dates:	[Annually/Semi-annually/Quarterly/Monthly/Weekly/Daily]
Interest Determination Dates:	[Second Business Day [in London] preceding Interest Reset Date OR [<i>Specify details</i>]
Calculation Date:	[Earlier of the tenth calendar day after Interest Determination Date, or if such day is not a Business Day, the next succeeding Business Day and the Business Day preceding the applicable Interest Payment Date or Stated Maturity, as the case may be] OR [<i>Specify other</i>]
Floating Rate Day Count Fractions:	[Actual/365 or Actual/Actual (ISDA)] OR [Actual/365 (Fixed)] OR [Actual/360] OR [30/360 or Bond Basis] OR [30E/360 or Eurobond Basis]
Index Maturity:	[<i>Specify period</i>]
LIBOR Notes:	
Applicable provisions:	[LIBOR Reuters] OR [LIBOR Telerate]
Designated LIBOR Page:	[<i>Specify applicable page on Reuters or Telerate</i>]
CMT Rate Notes:	
Designated CMT Telerate Page:	[<i>Specify page on Dow Jones Telerate service</i>]
Designated CMT Maturity Index:	[1/2/3/5/7/10/20/30]
Original Issue Discount Notes:	[Applicable/Not Applicable] (If applicable, specify details of any applicable provisions.)
Zero Coupon Notes:	[Applicable/Not Applicable] (If applicable, specify details of any applicable provisions.)
Indexed Notes:	[Applicable/Not Applicable] (If applicable, specify details of any applicable provisions.)
Indexed Amortising Notes:	[Applicable/Not Applicable] (If applicable, specify details of any applicable provisions.)

Amortising Notes:	[Applicable/Not Applicable] (If applicable, specify details of any applicable provisions.)
Extendible Notes:	[Applicable/Not Applicable] (If applicable, specify details of any applicable provisions.)
Renewable Notes:	[Applicable/Not Applicable] (If applicable, specify details of any applicable provisions.)
Optional Redemption:	
Initial Redemption Date:	[Specify details]
Redemption Price(s):	[Specify details]
Redemption Period(s):	[Specify details]
General Provisions	
Business Day Convention:	[Following Business Day Convention] OR [Modified Following Business Day] OR [Preceding Business Day Convention]
Business Days:	[Specify any other applicable Business Days]
Issue Price:	[Specify details]
Fees:	[[] per cent. (comprising a Selling Concession of [[] per cent. and a Management and Underwriting Commission of [[] per cent.)]
Net Proceeds to Bank:	[(less expenses agreed between the Issuer and [])] (required only for listed issues)
Settlement:	[Agent to instruct [Euroclear] [Clearstream, Luxembourg] to credit nominal amount of Note to [Dealer] with [Euroclear] [Clearstream, Luxembourg] against payment to account of Agent for Issuer of purchase price for value on Issue Date] OR [Specify other]
Redemption Price:	[100 per cent of Principal Amount] OR [Specify other]
Selling Agents:	[]
Principal Paying Agent:	[Deutsche Bank AG London]
Calculation Agent:	[Deutsche Bank AG London]
Exchange Rate Agent:	[]
Redenomination, renominatisation and reconventioning provisions:	[Applicable/Not Applicable] (If applicable, specify details of any applicable provisions.)
Listing:	[Luxembourg/None]
Listing Application:	[This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the [] Euro-Medium Term Note Programme of National Australia Bank Limited.]
Denominations:	[US\$1,000 and any integral multiple thereof] OR [Specify other]

Status: [Subordinated/Unsubordinated]
ISIN: []
Common Code: []
Additional Selling Restrictions: [*Specify details*]
Stabilisation: [In connection with this issue [name of Stabilising Manager] (the "Stabilising Manager") or any person acting for him may over-allot or effect transactions with a view to supporting the market price of the Notes at a higher level than that which might otherwise prevail for a limited period after the issue date. However, there may be no obligation on the Stabilising Manager or any agent of his to do this. Such stabilising, if commenced, may be discontinued at any time, and must be brought to an end after a limited period.]
Other term or special provisions: [Not Applicable/*specify details*]
The Issuer accepts responsibility for the information contained in this Pricing Supplement.
Signed on behalf of the Issuer:

By: _____
Duly authorised

FOREIGN CURRENCY RISKS

General

The Notes may be denominated or payable in such foreign currencies or currency units as may be designated by the Bank at the time of offering. Unless otherwise indicated in an applicable Pricing Supplement, a Foreign Currency Note will not be sold in, or to a resident of, the country issuing the Specified Denominated Currency or Specified Currency.

Exchange Rates and Exchange Controls

Governments have imposed from time to time exchange controls and may in the future impose or revise exchange controls at or prior to a Foreign Currency Note's Stated Maturity which could affect exchange rates as well as the availability of a Specified Currency at the time of payment of principal of or interest on a Note. Even if there are not exchange controls, it is possible that the Specified Currency for any particular Foreign Currency Note would not be available at such Note's Stated Maturity due to other circumstances beyond the control of the Bank. In that event, the Bank will make any such payment in U.S. dollars converted from such Specified Currency as described above.

Judgements

In the event an action based on Foreign Currency Notes were commenced in a court of the United States, it is likely that such court would grant judgement relating to such Notes only in U.S. dollars. In granting such judgement, the rate of conversion into U.S. dollars is likely to be determined with reference to the date judgement is rendered. See "Description of the Notes — Judgement Currency".

USE OF PROCEEDS

The net proceeds from the sale of the Notes will be used for the Group's general banking purposes.

NATIONAL AUSTRALIA BANK LIMITED

The following is a summary of certain information incorporated by reference into this Offering Memorandum. Reference is made to, and this summary is qualified in its entirety by, the more detailed information and Financial Statements, including the notes thereto, contained in the Bank's Annual Report to Shareholders on Form 20-F incorporated by reference into this Offering Memorandum. The address of the Bank's principal executive and registered office is Level 24, 500 Bourke Street, Melbourne, Victoria 3000, Australia; telephone (+61 3) 8641-3500.

Overview

The Bank, together with its controlled entities (the "Group"), is an international financial services group, providing a comprehensive and integrated range of financial products and services across four continents and 15 countries. Globally, as at September 30, 2002, the Group had:

- total balance sheet assets of A\$377 billion;
- almost A\$65 billion in assets under management and administration;
- A\$365 billion in assets under custody and administration; and
- almost 8 million banking customers and 2.8 million wealth management customers.

The Bank is the largest financial services institution, (by market capitalisation), listed on the Australian Stock Exchange Limited. It is one of the world's top 50 financial services companies by revenues, as listed in the July 2002 edition of Fortune Magazine.

Strategy

General

The Group operates as one international financial services group, delivering advice and solutions to help customers achieve their goals. Moving forward, the focus for the Group will be on creating growth through excellent relationships. To achieve this the Group will:

- deliver solutions that meet customers' financial needs;
- build and sustain a high performance culture;
- build trusted relationships with all stakeholders;
- build and manage the Group's portfolio of businesses to achieve strong and sustainable shareholder returns; and
- create and leverage strategic assets and capabilities for competitive advantage.

Positioning for Growth strategic review

In October 2001, the Group launched a program to drive long-term growth, termed Positioning for Growth. Positioning for Growth was designed to ensure that the Group continued to meet its performance objectives whilst making the investments necessary to underpin future growth.

The program looked to strengthen and invigorate the Group through the simplification of its structure, systems and processes, and the development of its talent base. It also examined opportunities to maximise revenue, reduce cost structures and use resources more efficiently.

In January 2002, the Group announced plans for a new corporate structure based around its principal areas of operation and designed to support clearer accountability, greater customer focus, simpler reporting and reduced bureaucracy. The new structure creates regional integrated financial services teams with broader authority and more control over distribution, products and services.

The key elements of the new structure are:

- creating three regional financial services business units — Australia, Europe and New Zealand;
- Wholesale Financial Services and Wealth Management remain as global businesses (while undergoing an internal restructure);
- the previous global divisions of Business and Personal Financial Services, Specialist and Emerging Businesses and National Shared Services have been integrated into the three regional financial services business units; and
- the support functions of Finance, Technology, Group Funding, People and Culture, Risk Management, Corporate Development and Office of the CEO are organised on a global basis; however, much of their functionality is integrated within the business units.

Business Operating Model

In recent years, the Group's operating model has been a combination of global and regionally-oriented businesses. Where managing or transferring core skills or products between geographical markets gives the Group a competitive edge, a global management model has existed and where regional focus is more important, a regional management structure has existed. This approach continues; however, alignment with customers, rather than along product lines, has been strengthened to enhance the Group's relationship-based customer advocacy stance. This enables improved integration of banking, investment and insurance offerings at the customer interface.

The Group consists of five lines of business:

- Financial Services Australia;
- Financial Services Europe;
- Financial Services New Zealand;
- Wholesale Financial Services; and
- Wealth Management.

These business lines are supported by the following global functions — Finance, Technology, Group Funding, People and Culture, Risk Management, Corporate Development and Office of the CEO.

In September 2001, a decision was taken by the Board of directors of the Bank to pursue the sale of HomeSide Lending, Inc. (HomeSide US). Following this, the operating assets and operating platform of HomeSide US were sold on March 1, 2002. HomeSide US retained the mortgage servicing rights. However, on May 31, 2002, HomeSide US sold mortgage servicing rights of approximately US\$12.8 billion of mortgages. On August 27, 2002, the Bank entered into a contract for the sale of SR Investment, Inc., the holding company of HomeSide US. The sale closed on October 1, 2002. *Refer to page 11 of the Bank's 2002 annual report on Form 20-F for a detailed discussion.*

Description of Operations

Introduction to Financial Services

The Group's Financial Services businesses, or the retailing arms of the Group, provide a range of financial products and services tailored to the needs of their customers.

The recent restructure has created regional businesses with broader authority and more control over distribution, products and services. Each region is managed separately with a distinct focus — Financial Services Australia, Financial Services Europe and Financial Services New Zealand.

The Financial Services businesses in each region are organised around customer segments, with products, services and the skills of staff matched to the needs of a similar group of customers in each region. This reflects the Group's core strategy of "creating growth through excellent relationships". The aim is to develop mutually beneficial, long-term relationships with customers in each region.

The segment-based businesses include Business, Personal, Agribusiness, Cards, Payments and Asset Finance. The segment-based businesses are supported by the specialist units of Business Development and Strategy, Channel and Process Optimisation, and Shared Services.

Business

Business provides tailored financial solutions to its customers, which range from sole traders to multi-national businesses. This segment provides total financial solutions that span the range of products and services of the Group.

Personal

Personal supports both retail and premium (higher net worth) customers, with a strong focus on tailoring financial solutions to meet all its customers' personal financial needs. This segment is committed to having the most effective sales organisation and highest standards of service.

Agribusiness

Agribusiness is dedicated to serving the agricultural sector and concentrates solely on meeting the needs of primary producers, service providers to agriculture and processors of agricultural produce. With this focus, Agribusiness has a strong understanding of the financial needs of agricultural business.

Cards

Cards manages the Group's credit card business (predominantly Visa and MasterCard).

Payments

Payments is responsible for the processing and completion of payment transactions and the development of payment processes and systems, particularly in e-commerce.

Asset Finance and Fleet Management

Asset Finance and Fleet Management specialises in plant, equipment and motor vehicle leasing, as well as the broader area of fleet management. While Asset Finance is a segment-based business, Fleet Management is run on a global management model. On September 28, 2002, a controlled entity of the Bank, Custom Fleet (NZ) Limited, entered into an agreement to purchase the New Zealand-based Hertz Fleetlease Limited and its Australian-based controlled entity, Hertz Lease Ltd. This transaction settled on November 1, 2002. The purchase provides Fleet Management with a solid position in both the Australian and New Zealand markets.

Business Development and Strategy

Business Development and Strategy represents the centralisation of strategy, marketing and product development within the retailing operations in each region.

Channel and Process Optimisation

Channel and Process Optimisation is responsible for the back office offerings and quality delivery of retail products and services. It focuses on distribution and channel management.

Shared Services

Shared Services enables the Group to more readily take an end-to-end perspective on what it does and to give greater detail over the services provided to meet the needs of local customers more effectively. It comprises operational services — Collections, Corporate Real Estate, Lending Services, Strategic Sourcing and Transaction and Business Services. Within Shared Services, the Group undertakes a number of specialised business activities through its controlled entities and its business units. These include a property owning company, NBA Properties Limited, which, with its subsidiary companies, is primarily an owner of the Group's business-related properties.

Financial Services Australia

Financial Services Australia is the Australian retailing arm of the Group that provides a range of financial products and services that consistently meet the full financial needs of its 3.4 million customers in Australia.

At September 30, 2002, Financial Services Australia had 19,100 full-time equivalent employees.

The Group is one of the largest providers of financial services in Australia. It is the largest provider of financial services to business (measure: credit outstandings, source: Greenwich Associates, date: June 2002).

The Group's strong position in business markets is the result of initiatives over a number of years, centred on a relationship management model. These initiatives have included the development of specialist Business and Agribusiness banking teams with specialist knowledge and a sound understanding of the financial needs of businesses.

Services to business customers comprise a full range of deposit, lending and payment facilities supplemented with a number of other financial services. These services include treasury, asset finance, equity finance, nominee and custodian services, corporate trustee services and insurance and investment products.

Business customer sales and relationship management are primarily conducted through a network of business banking centres and business banking suites.

In the personal segments, the Group has implemented a relationship management approach for the top 20% of the customer base, with responsibility for managing different wealth segments allocated between Wealth Management and Financial Services Australia. Financial Services Australia has dedicated bankers to pro-actively manage the portfolios of these customers, and uses a range of specialists such as financial advisers and estate planners to meet their more complex needs. Retail customers are able to access the Group's products and services through the branch network, contact centres, certain Australia Post outlets, automatic teller machines (ATMs) and the internet.

The acquisition and integration of the MLC group has resulted in the provision of additional expertise and services to both staff and customers. This has been reflected in the continued strong performance of the financial planning force, which is now established in all consumer and business segments.

Customer transactions, sales and enquiry services are provided through a network of branches and electronic distribution channels. The Group has almost 800 branches and 152 banking centres in Australia and in addition to those outlets personal customers are able to conduct transactions at over 2,900 Australia Post outlets. The number of ATMs has also increased to over 1,650. Customers are also able to conduct a range of product purchases and transactions and source information services via the internet, by telephone, by email, through contact centres, or through an extensive network of point of sale (EFTPOS) terminals. Only 9% of all transactions (by value) are now carried out through the branch network, reflecting changing customer preferences.

These channels are supported by customer relationship management systems, data warehouses and lead generation systems. These provide bankers with integrated customer information to better service and meet the needs of customers.

Refer to page 57 for detailed information of the financial performance of Financial Services Australia.

Financial Services Europe

Financial Services Europe is the European retailing arm of the Group that provides a range of financial products and services tailored to the needs of its 3.5 million customers in Great Britain and Ireland.

At September 30, 2002, Financial Services Europe had 11,900 full-time equivalent employees.

The Group's retailing activities in Europe (Great Britain and Ireland) operate under four brands. A brief discussion of the activities in Great Britain and Ireland follows.

Great Britain

The focus of the Group in Great Britain has been to grow the business and consumer segments by implementing relationship management models, which have been successfully adopted elsewhere in

the Group. This is supported by the introduction of innovative products and services (such as Rapid Repay mortgages), and continued investment in alternative channels to assist customers by extending the range of channels with which they can choose to manage their financial affairs.

The Group has 491 outlets in Great Britain (of which three are located in London), including 89 business banking centres and premium outlets. These are supported by two customer contact centres (which also service the Group's Irish operations), internet facilities and 933 ATMs.

The Group's regional banks in Great Britain are Clydesdale Bank in Scotland and Yorkshire Bank in northern England. Each bank offers a broad range of financial services to both retail and business customers.

Clydesdale Bank is one of the major banks in Scotland, with a strong business customer franchise, and has been part of the Group since 1987. Yorkshire Bank was acquired in 1990 and is a significant player in its natural marketing area of Yorkshire and the surrounding counties. Yorkshire Bank has a strong consumer franchise, with a growing business segment.

Ireland

The primary aims of the Group in Ireland are consistent with those in Great Britain: to grow the relationship management segments while investing in integrated channels. The focus over the past year has been on continuing the integration of support areas to better use the Group's resources and achieve scale economies.

The Group has 154 outlets in Ireland, including 21 business banking centres and premium outlets. These are supplemented with a network of 264 ATMs, an internet presence and access to the customer contact centres in Great Britain.

The Group has owned Northern Bank in Northern Ireland and National Irish Bank in the Republic of Ireland since 1987. Each bank offers a broad range of financial services.

Northern Bank is one of the largest banks in Northern Ireland (measure: main current accounts, source: MORI/MRC, date: March 2002), and over recent years has expanded its profile in the consumer segment.

National Irish Bank's primary strength is in the consumer segment. It has benefited from the introduction of innovative financial products and strong growth in the economy of the Republic of Ireland during the past three years.

Refer to page 58 for detailed information of the financial performance of Financial Services Europe.

Financial Services New Zealand

Financial Services New Zealand is the New Zealand retailing arm of the Group that provides a range of financial products and services tailored to the needs of its more than 960,000 customers in New Zealand.

At September 30, 2002, Financial Services New Zealand had 3,900 full-time equivalent employees.

The Group's retailing activities in New Zealand operate under the Bank of New Zealand (BNZ) brand.

BNZ was acquired by the Group in 1992. BNZ has a strong brand position in the New Zealand market with comprehensive coverage across the country. It offers a range of financial services and is one of the largest financial service providers in New Zealand (measure: credit outstandings, source: Reserve Bank of New Zealand, date: June 2002). BNZ enjoys a leadership position in the cards market

with innovative solutions including GlobalPlus (measure: outstandings, source: ACNielsen, date range: January — June 2002).

Growth in these segments is being driven through BNZ's customer relationship management strategy called TOPS. TOPS is a computer-based system that notifies staff of trigger events from customer transactional activity and milestone attainment, resulting in customers being contacted by BNZ at a time when they need it. The system has been developed from the Group's leading and award-winning customer relationship management platform.

The ongoing enhancement of the physical distribution network, coupled with improved technology, automation and functionality through electronic and remote channels, continues to be a core strategy. BNZ's vision is to provide customers with tailored financial solutions, which are deliverable through a range of convenient and cost-effective channels.

The distribution network is comprised of 183 outlets including 19 business banking centres, 383 ATMs, and shared access to an extensive nationwide EFTPOS network. BNZ also has well-established telephone banking capabilities and in 2002 launched an improved internet banking service now catering for almost 100,000 active users.

Refer to page 58 for detailed information of the financial performance of Financial Services New Zealand.

Wholesale Financial Services

Wholesale Financial Services manages the Group's relationships with large corporations, banks, financial institutions, supranationals (such as development banks) and government bodies. It operates in Australia, Europe, New Zealand, New York and Asia (Hong Kong, Singapore, Seoul and Tokyo). Each region has a dedicated leadership team to provide local, accessible senior management for customers.

At September 30, 2002, Wholesale Financial Services had 2,500 full-time equivalent employees.

Wholesale Financial Services comprises Corporate Banking, Markets, Specialised Finance, Financial Institutions Group, Custodian Services and a Support Services unit.

Corporate Banking

Corporate Banking is responsible for the Group's relationships with large corporations and provides corporate lending products and other financing solutions. Customer teams are selected to provide the appropriate blend of relationship management, industry knowledge and product skills.

Customer coverage is organised along industry segment lines to promote specialist knowledge and understanding. There are five major industry segments: consumer goods and services; telecommunications, media and technology; industrials, materials and health care; energy and utilities; and property and construction finance.

Markets

Markets focuses on traded products and risk management solutions. It provides foreign exchange, money market, commodities and derivatives products globally through a dedicated 24 hour dealing capability. These products assist both Wholesale Financial Services' customers and the Group's business customers to manage their diverse financial risks.

Markets is active in the debt capital markets, securitisation and loan syndications markets, helping customers to diversify their financing arrangements and supplying investors with a variety of asset classes.

Markets also manages the liquidity portfolio for the Group in each of its major markets. It assists in interest rate risk management and provides short-term funding for the Group.

Specialised Finance

Specialised Finance supplies a range of financial solutions utilised in large-scale, complex transactions such as project finance, structured finance and acquisition finance.

Using its specialised knowledge of the respective legal, commercial, regulatory and financial implications of these transactions, it develops innovative financing structures for customers.

Financial Institutions Group

Financial Institutions Group manages the Group's relationships with banks, other financial institutions (insurance and fund managers), supranationals and government bodies; this includes the Group's correspondent banking relationships.

Custodian Services

Custodian Services provides custody and related services to foreign institutions, superannuation funds, government bodies, fund managers, insurance companies and other entities within Australia, New Zealand and Great Britain.

The key products offered include sub-custody, global custody, master custody, investment administration outsourcing, trustee services (Great Britain only), securities lending and cash deposit facilities.

The Bank, through Custodian Services, is one of the largest custodian banks in Australia (measure: assets under custody and administration, source: Australian Custodial Services Association, date: June 2002). Globally, Custodian Services had assets under custody and administration of \$365 billion at September 30, 2002.

Support Services

Support Services is responsible for the management of the operating platform for Wholesale Financial Services, including technology, operations, portfolio management, human resources, finance and marketing. Technology and operations have two regional hubs (Australia and Europe) to promote efficiency, optimise future investment and provide common product capability across five geographic regions.

Refer to page 59 for detailed information of the financial performance of Wholesale Financial Services.

Wealth Management

Wealth Management manages a diverse portfolio of financial services businesses. It provides financial planning, insurance, private banking, superannuation and investment solutions to both retail and corporate customers and portfolio implementation systems and infrastructure services to financial advisers. It operates in Australia, New Zealand, Europe (Great Britain and Ireland) and Asia (Hong Kong, Thailand and Indonesia).

At September 30, 2002, Wealth Management had almost A\$65 billion in assets under management and administration and more than 2.8 million customers. It is the second largest retail fund manager in Australia with a 14.5% market share (source: ASSIRT, June 2002).

As at September 30, 2002, Wealth Management had 5,500 full-time equivalent employees.

Wealth Management applies a manager of managers investment approach that involves investment manager research, selection, blending and ongoing monitoring — using a range of specialist investment managers providing a specific mix of strategies. It is the fourth largest pure manager of managers organisation in the world (measure: assets under management, source: Cerulli Report, date: July 2002), with over 16 years experience in both advice and investing.

Over A\$200 million is to be invested in the Australian operations of Wealth Management over the next three to four years. This is expected to enhance the Group's capabilities to be the preferred business partner for financial advisers, and lead the market evolution towards the provision of quality advice across the entire spectrum of a customer's financial needs. This includes insurance, investment advice, debt management, tax planning and estate planning to help customers achieve their financial and lifestyle goals.

The Group is focused on exporting Wealth Management's domestic capabilities across the international businesses, which are in different stages of the financial services market evolution.

Wealth Management is dedicated to being a leading provider of financial services to retail and corporate customers and business partner of choice for financial advisers.

Wealth Management is comprised of the following business units — Investments, Insurance and Other.

Investments

Investments provides the following business activities:

- funds management, covering superannuation and investment services to retail and corporate customers;
- funds administration, supplying retail customers with the ability to direct their investments to fund managers and investment products of their choice, through one point of service;
- asset management, providing investment management advisory services including research, selection and monitoring of investment managers under a multi-manager, multi-style approach, which underpins Wealth Management's investment offerings; and
- online investing, providing self-directed investors with portfolio services and access to share trading and retail managed funds at wholesale rates.

Insurance

Insurance supplies retail insurance (covering life insurance, income insurance and general insurance agency) and group insurance for members of a corporate, business or club.

Other

Other businesses within Wealth Management incorporate the Private Bank and Distribution.

Private Bank focuses on relationship management using a range of specialists including financial advisers and estate planners to meet customers' more complex needs.

Distribution provides ongoing recruitment, training and development of financial advisers to the Group's multiple dealership groups. Further, it offers a number of business platforms and support services to financial advisers so as to support the delivery of quality financial planning services and help customers achieve their financial and lifestyle goals.

Refer to page 59 for detailed information of the financial performance of Wealth Management.

Other

Support functions

The Group's support functions focus on strategic and policy direction for the Group and incorporate the following units: Finance, Technology, Group Funding, People and Culture, Risk Management, Corporate Development and Office of the CEO. While these support functions are organised on a global basis, many of their operations are integrated within the Group's business lines and their contribution to the Group is reported within the results of those businesses.

HomeSide US

HomeSide Lending, Inc. (HomeSide US), based in Jacksonville, Florida, was acquired by the Group in 1998.

In September 2001, a strategic decision was taken by the Board of directors of the Bank to pursue the sale of HomeSide US, after reviewing its position within the Group's core strategies of banking and wealth management.

The Group commissioned a report by New York law firm Wachtell, Lipton, Rosen & Katz, in conjunction with US regulatory consultants Promontory Financial Group LLC on the events surrounding last year's write-downs at HomeSide US. While the report remains confidential, the Group released the report's conclusions on January 21, 2002. The review found no evidence that the Bank's directors or executives were derelict in their duties.

As a response to the conclusions in the review, the Board of directors undertook the actions including the following:

- senior executives skilled in finance and risk management appointed to and to remain as members of the executive teams of all major subsidiaries, regardless of the type of business;
- current policies and processes were reviewed to ensure that in the future all issues identified during due diligence investigations are appropriately dealt with; and
- internal audit processes were revised to enhance the level of oversight by the audit committee of controlled entity company audit issues.

The operating assets and operating platform of HomeSide US were sold to Washington Mutual Bank, FA. on March 1, 2002. HomeSide US retained the mortgage servicing rights and outsourced the servicing of the underlying loans, through a sub-servicing agreement, to Washington Mutual Bank, FA.

On May 31, 2002, HomeSide US sold mortgage servicing rights of approximately US\$12.8 billion of mortgages, representing approximately 8% of its mortgage servicing portfolio.

Further, on August 27, 2002, the Group agreed to sell all of its shares in SR Investment, Inc. (formerly known as HomeSide International, Inc.), the parent entity of HomeSide US, to Washington Mutual Bank, FA. The sale has resulted in the complete disposal of HomeSide US and the associated mortgage servicing rights. The sale closed on October 1, 2002. *For further details refer to "material contracts" on page 186 of the Bank's 2002 annual report on Form 20-F.*

Within the context of regulatory change, the Group will test and challenge its existing practices and procedures and take those steps necessary to maintain its position at the forefront of good governance practices. The Group is also enhancing its ability to manage regulatory change, implementing a new program to assist in the effective detection, co-ordination and implementation of change across business units and geographic regions. The aim of this new program is to leverage off the considerable experience accumulated in recent compliance initiatives such as the introduction of the goods and services tax, the reform of the financial sector and the introduction of privacy principles.

In this way, the Group will enhance its existing capabilities in handling the impact of regulatory change on the Group's operations to meet the high standards of regulatory compliance expected by the Board of directors and management.

Organisational Structure

National Australia Bank Limited is the holding company for the Group, as well as the main operating company. During 2002 the Bank had eight main operating subsidiaries: Bank of New Zealand, Clydesdale Bank PLC, MLC Limited, National Wealth Management Holdings Limited, National Irish Bank Limited, Northern Bank Limited, SR Investment, Inc. (formerly HomeSide International, Inc.) and Yorkshire Bank PLC. On August 27, 2002, the Bank entered into a contract for the sale of SR Investment, Inc. The sale closed on October 1, 2002.

Refer to note 44 in the financial report, which is part of the Bank's 2002 annual report on Form 20-F, for details of the principal controlled entities of the Group.

Description of Property

The Group operates about 2,000 outlets and offices worldwide, of which 51% are in Australia, with the largest proportion of the remainder being in Great Britain. Approximately 19% of the 2,000 outlets and offices are owned directly by the Group, with the remainder being held under commercial leases.

In June 2001, the Bank announced that Lend Lease Corporation Limited had won the bid to develop its new office complex at Victoria Harbour in the Docklands precinct of Melbourne, Australia. The Bank entered into an agreement to lease two commercial buildings in the precinct, and the leases are expected to commence in November 2003 and August 2004, respectively. Construction is now well underway, with plans for more than 3,500 staff to move into the buildings at the commencement of the leases. The principles behind the design and workstyle practices employed at Docklands (ie. those of a single working team) are to be representative of the way that the Group wants to operate at all its locations in the future.

The Group's premises are subject to continuous maintenance and upgrading and are considered suitable and adequate for the Group's current and future operations.

RECENT DEVELOPMENTS

Sale of SR Investment, Inc.

On August 27, 2002, the Bank and MSRA Holdings, Inc. (together referred to as the SRI sellers) entered into an agreement with WaMu to sell the capital stock of SRI to WaMu. SRI holds all of the capital stock in HomeSide US. Certain assets and liabilities of SRI and HomeSide US are expressly excluded from the sale (including, by way of example, borrowings other than the HomeSide US medium-term note program, stock in subsidiaries of HomeSide US, leasehold interests, employment agreements, employee liabilities and certain mortgage loans).

Closing of the agreement occurred on October 1, 2002. An interim purchase price of US\$1,260 million has been paid by WaMu, based on a good faith estimate of the final purchase price. In addition approximately US\$200 million in receivables due on the sale of bulk mortgage servicing rights were to be collected by HomeSide US and passed onto the Group. The majority of these receivables have now been collected. The final purchase price will be determined by reference to an agreed valuation of the hedge assets and mortgage servicing rights of HomeSide US and the net book value of the other assets and liabilities of SRI and HomeSide US subject to agreed adjustments.

The SRI sellers gave customary representations, warranties and indemnities in respect of SRI and HomeSide US and their business, assets and liabilities. In some cases, those representations, warranties and indemnities include various time limitations and liability caps and restrictions. In addition, undertakings have been given to protect the value of the companies acquired by WaMu, preventing the SRI sellers from engaging in or acquiring an entity that engages in certain competing activities in the US for three years.

New APRA Standards

APRA has released four revised Prudential Standards (including their related guidance notes) for Authorized Deposit-taking institutions (ADIs) covering capital adequacy, large exposures and associations with related entities. These standards give partial effect to APRA's policy framework for prudential supervision of conglomerate groups containing ADIs. The revised standards (and their related guidance notes) will come into effect on July 1, 2003.

The standards introduce a new level for measurement of capital adequacy for prescribed conglomerates at a level covering the conglomerate group as a whole. New large exposure and intra-group limits will also take effect from July 1, 2003.

To coincide with the timetable of the new Basel Capital Accord, APRA has announced that in January 2007 it will complete implementation of the conglomerate capital adequacy regime by amending capital adequacy assessments to reflect capital deduction of all equity investments in other entities unless specifically exempted, and application of a 50/50 Tier 1/Tier 2 deduction.

RESULTS FOR YEAR ENDED SEPTEMBER 30, 2002

Summary

The Bank's fiscal year ends on September 30. As used in this Offering Memorandum, the fiscal year ended September 30, 2002 is referred to as 2002 and other fiscal years are referred to in a corresponding manner. The abbreviations A\$m and A\$bn represent millions and thousands of millions (ie. billions) of Australian dollars respectively. Financial statements means the Bank's consolidated financial statements for the year ended September 30, 2002, September 30, 2001 and September 30, 2000 included at pages 73 to 178 of the Bank's 2002 annual report on Form 20-F. Any discrepancies between total and sums of components in tables contained in this annual financial report are due to rounding.

Net profit of A\$3,379 million in 2002, increased A\$1,291 million or 61.8% compared with 2001.

Significant items are those individually significant items included in profit from ordinary activities. The 2002 result included the following significant items:

- A\$412 million (after-tax) of restructuring expenses paid/provided for; and
- A\$6 million net profit on sale of SR Investment, Inc., including its controlled entity, HomeSide Lending, Inc. (HomeSide US), which conducted the Group's mortgage servicing rights business in the US.

The 2001 result included the following significant items:

- A\$1,681 million net profit on sale of Michigan National Corporation and its controlled entities; and
- A\$3,617 million (after-tax) write-downs of mortgage servicing rights and goodwill relating to HomeSide US.

Net profit before significant items of A\$3,785 million in 2002, decreased A\$239 million or 5.9% compared with 2001. On a cash basis, net profit before significant items of A\$3,845 million in 2002, increased A\$205 million or 5.6% compared with 2001.

Net interest income of A\$7,222 million in 2002, was A\$262 million or 3.8% higher than 2001. This was driven by asset growth, particularly in relation to housing lending and a 4 basis point decrease in net interest margin to 2.67%. The fall in margin largely resulted from the loss of contribution of Michigan National Corporation following its sale and the impact of product mix in Financial Services Australia.

Net life insurance income decreased by A\$138 million to A\$(10) million in 2002, from \$A128 million in 2001. This was driven by a decline in investment revenue resulting from uncertain global equity markets in the second half of the year and an increase in claims more than offsetting higher premium and related revenue.

Other banking and financial services income of A\$7,006 million in 2002, was A\$2,257 million or 47.5% higher than 2001. Excluding the proceeds received from the sale of HomeSide US's operating assets and operating platform of A\$2,314 million, other banking and financial services income was down 0.1%. This was driven by a decline in treasury-related income resulting from subdued foreign exchange and interest rate market volatility, partially offset by fee growth as housing and card volumes grew.

Mortgage servicing and origination revenue of A\$378 million in 2002, was A\$432 million or 53.3% lower than 2001. Servicing fees declined as a result of higher prepayment activity. Following the sale of HomeSide US's operating assets on March 1, 2002, origination revenue was no longer derived by the Group.

The movement in the excess of net market value over net assets of life insurance controlled entities was a loss of A\$155 million in 2002, a decrease of A\$665 million from 2001, impacted by the effect of assumption and experience changes underlying the valuation.

Total expenses (before goodwill amortisation, significant expenses and the charge to provide for doubtful debts) of A\$8,707 million in 2002, were A\$2,237 million or 34.6% higher than 2001. Excluding the carrying value of HomeSide US's operating assets and operating platform sold and other expenses attributable to the sale of A\$2,322 million, total expenses were down 1.3%, largely driven by a reduction in employee numbers during the year.

The charge to provide for doubtful debts of A\$697 million in 2002, was A\$292 million or 29.5% lower than 2001. The current year's charge was impacted by a review of the loan portfolio with regard to reducing its risk profile.

Net Profit by Segment

Contribution to Group net profit by operating segment

The Group's results have been presented under a new organisation structure announced in January 2002 as part of the Positioning for Growth review. The new structure has created regional

integrated financial services teams with broader authority and more control over distribution, products and services.

	<u>2002</u>	<u>2001</u>
	<u>A\$m</u>	
Financial Services Australia	1,575	1,377
Financial Services Europe	733	749
Financial Services New Zealand	289	223
Wholesale Financial Services	793	739
Wealth Management	112	720
Other(1)	(129)	(1,725)
Net profit attributable to members of the Bank	<u>3,373</u>	<u>2,083</u>

- (1) Incorporates the net profit on sale of Michigan National Corporation and its controlled entities of \$1,681 million in 2001, as well as Michigan National Corporation's contribution to profit of \$132 million prior to it being sold. Also incorporates the results of SR Investment, Inc. (the parent entity of HomeSide Lending, Inc.).

Financial Services Australia

Financial Services Australia increased net profit 14.4% to A\$1,575 million in 2002, from A\$1,377 million in 2001. However, before significant expenses of A\$195 million (after tax) net profit increased 28.5%. Details of the increase in net profit are as follows.

Total revenue increased 6.6% to A\$5,151 million. Net interest income increased 6.2% to A\$3,284 million, reflecting growth in lending volumes, particularly housing lending, and growth in retail deposits. This was partially offset by a 19 basis point reduction in net interest margin to 3.42%, caused by the increased proportion of housing in the loan portfolio and the impact of lower market rates on deposits margins.

Non-interest income (including inter-segment revenue) increased 7.2% to A\$1,867 million, driven by strong housing loan growth and higher transaction levels during the year.

Total expenses increased 7.0% to A\$2,918 million. This includes A\$276 million of significant expenses relating to Positioning for Growth restructuring and efficiency initiatives and a A\$146 million charge to provide for doubtful debts. Excluding these items, total expenses increased 3.9%. This was due to higher personnel expenses with the impact of lower staff numbers offset by enterprise bargaining agreement increases, and an increase in the superannuation contribution. Expenses were further impacted by costs associated with upgrade of the credit card transaction processing system, an increase in credit card reward point costs and higher software amortisation due to the continued enhancement of the network. Occupancy expenses also increased due to higher security costs, the impact of the sale and leaseback of property undertaken in 2002 and goods and services tax on renewed lease agreements. The cost to income ratio decreased from 49.7% to 48.5%.

Asset quality management remained a key priority during the year. The charge to provide for doubtful debts decreased from A\$324 million in 2001 to A\$146 million in 2002. The 2002 year saw an improvement in the charge due to improving economic conditions and active credit risk management, and the favourable impact from extensive review of the business loan portfolio. Financial Services Australia has undertaken a comprehensive program to improve capital efficiency and reduce credit risk over the past 18 months.

Financial Services Europe

Financial Services Europe decreased net profit 2.1% to A\$733 million in 2002, from A\$749 million in 2001. However, before significant expenses of A\$117 million (after tax) net profit increased 13.5%. Details of the movement in net profit are as follows.

Total revenue increased 6.5% to A\$3,409 million. Net interest income increased 8.9%, or 8.9% in local currency terms, to A\$2,362 million, due to growth in retail deposits and lending, particularly mortgage and business lending, as well as an eight basis point improvement in net interest margin to 4.05%, resulting from higher lending margins on fixed rate loans, partially offset by lower deposit margins.

Non-interest income increased 1.3%, or 1.3% in local currency terms, to A\$1,047 million, driven by higher lending fees, reflecting the growth in asset volumes, partially offset by lower income from the distribution of Wealth Management products and the transition of customers to lower cost channels.

Total expenses increased 12.1% to A\$2,306 million. This includes A\$166 million of significant expenses relating to Positioning for Growth restructuring and efficiency initiatives, A\$62 million of goodwill amortisation and a A\$382 million charge to provide for doubtful debts. Excluding these items, total expenses increased 4.0%, or 3.9% in local currency terms. This was a result of flat personnel costs due to annual salary reviews being offset by reductions in overall staff numbers, costs associated with the opening of a second European call centre in October 2001 and higher occupancy costs resulting from the opening of a number of new business banking centres and rental and rate reviews. The cost to income ratio decreased from 50.9% to 49.8%.

The charge to provide for doubtful debts increased from A\$364 million in 2001 to A\$382 million in 2002. Asset quality management remained a key priority during the year and has improved significantly, with the level of impaired assets falling as a result of earlier identification and actioning of distressed loans.

Financial Services New Zealand

Financial Services New Zealand increased net profit 29.6% to A\$289 million in 2002, from A\$223 million in 2001. However, before significant expenses of A\$4 million (after tax) net profit increased 31.3%. Details of the increase in net profit are as follows.

Total revenue increased 10.5% to A\$882 million. Net interest income increased 14.1%, or 9.6% in local currency terms, to A\$599 million, reflecting growth in lending volumes, particularly in fixed rate housing mortgages and term lending, growth in retail deposit volumes and a four basis point increase in the net interest margin to 2.85%. Net interest income also benefited from a higher level of retained capital during the year.

Non-interest income increased 3.7% to A\$283 million, or was flat in local currency terms, with increased lending fees resulting from strong volumes, offset by lower income from the transition of customers to lower cost channels.

Total expenses decreased 4.5% to A\$442 million. This includes A\$6 million of significant expenses relating to Positioning for Growth restructuring and efficiency initiatives, A\$1 million of goodwill amortisation and a A\$5 million credit for doubtful debts. Excluding these items, total expenses decreased 2.0%, or 5.4% in local currency terms. This was due to improved efficiencies and continued focus on cost management disciplines, lower non-lending losses and lower branch refurbishment costs. The cost to income ratio decreased from 56.2% to 49.9%.

The charge to provide for doubtful debts decreased from A\$13 million in 2001 due to a credit of A\$5 million in 2002, following a review of provisioning requirements.

Wholesale Financial Services

Wholesale Financial Services increased net profit 7.3% to A\$793 million in 2002, from A\$739 million in 2001. However, before significant expenses of A\$32 million (after tax), net profit increased 11.6%. Details of the increase in net profit are as follows.

Total revenue decreased marginally by 1.2% to A\$1,929 million, as a result of more challenging environment and a more concentrated focus on long-term relationships. The split of income between net interest income and non-interest income can vary considerably in the wholesale market, depending on activity and environmental conditions. This was particularly evident in this year's results.

Net interest income increased 20.3%, to A\$1,077 million, mainly due to the continuing reduction in interest rates enabling strong growth in the Markets unit's net interest income from funding and liquidity management activities in the US, Europe and Australia. Net interest margin increased by six basis points to 0.79%.

Non-interest income decreased 19.5%, to A\$852 million, driven by subdued volatility in foreign exchange and interest rate markets that lowered demand for sales of risk management products and constrained risk management income, as well as lower Corporate Finance fees.

Total expenses increased 1.0% to A\$951 million. This includes A\$43 million of significant expenses relating to Positioning for Growth restructuring and efficiency initiatives and a A\$167 million charge to provide for doubtful debts. Excluding these items, total expenses increased 2.1%. This was primarily due to higher technology-related expenses, with other expenses held flat or reduced from the prior year. The cost to income ratio increased from 37.2% to 38.4%.

The quality of the loan portfolio across all regions remains high, with approximately 84% of credit exposures equivalent to investment grade or above. The charge to provide for doubtful debts decreased from A\$216 million in 2001 to A\$167 million in 2002.

Wealth Management

Wealth Management decreased net profit 84% to A\$112 million in 2002, from A\$720 million in 2001. The result comprised of A\$264 million of profit generated through operations (2001: A\$387 million) and A\$152 million of the decrease in the excess of the net market value over the net assets of life insurance controlled entities, after tax (2001: positive A\$333 million).

The main factors impacting the profit generated through operations are:

- as announced in August 2002, the impact of A\$45 million (after tax) in compensation provided for investors relating to a reduction in unit prices, which occurred in October 2001 in relation to certain products managed by National Australia Financial Management Limited (NAFM);
- the impact of the significant deterioration in global equity market conditions, which has reduced earnings generated on shareholders' invested capital and fee revenue on a reduced level of funds under management;
- increased disability claims incidence, duration and reserving resulting in an increase in claims expense;
- investment expenditure of A\$23 million (after tax), including operational and amortised capitalised expenditure) in Australia and Europe; and
- significant expenses of A\$20 million (after tax) relating to Positioning for Growth restructuring and efficiency initiatives.

Further financial highlights supporting the profit generated through operations include:

- growth in premiums and related revenue;
- capitalised losses due to increased annuitant life expectancy experience;

- growth in the contribution of the Private Bank as a result of strong lending and deposit volumes; and
- the write-down in market value of the Thai life insurance joint venture interest.

The valuation of businesses held in the mark-to-market environment increased by A\$484 million from A\$5,991 million at September 30, 2001 to A\$6,475 million at September 30, 2002. This increase in value comprised A\$639 million from growth in shareholders' net assets less A\$155 million (A\$152 million after tax) from other components over and above the increase in net assets, which are reported as the movement in the excess of net market value over net assets of life insurance controlled entities.

The components that contributed to the A\$155 million (A\$152 million after tax) negative movement in the net market value of the life insurance controlled entities comprised:

- the transfer on January 1, 2002, of the life insurance, funds management and certain other non-banking financial services businesses conducted by controlled entities of Bank of New Zealand and National Australia Group Europe Limited, to a controlled entity of NAFM, as part of an internal restructure. In accordance with AASB 1038 "Life Insurance Business", these controlled entities are required to be carried at their net market value. The difference between the acquired entities' net assets and the directors' net market value results in an increase in the valuation of A\$402 million before tax;
- the transfer of certain unit-linked NAFM businesses to MLC Limited in line with integration initiatives and the inclusion of A\$16 million in respect to the New Zealand general insurance brokerage business. Future profit margins on these businesses will be earned in the market value environment. These transactions increased the valuation by A\$153 million before tax;
- the effect of assumption and experience changes primarily comprises the impact of investment earnings being lower than expected over the period, the overall impact of lower retail sales volumes, change in mix of new business, and changes in assumptions relating to policy lapses and claims. Additionally, there have been changes to management fee and investment expense assumptions for investment-linked business following a detailed review of experience relating to the application of business tax reform and goods and services tax legislation and subsequent repricing. These changes decreased the valuation A\$710 million before tax (net of the roll forward of the discounted cash flow); and
- as synergy benefits are recognised from the integration of the MLC group with the Group's wealth management businesses, the associated value transfers to the value of inforce business and value of future business. As a result, the synergy benefits of A\$467 million recognised at September 30, 2001 have been absorbed into the overall business valuation.

Assets and Equity

Year-end total assets increased to A\$377.4 billion from A\$374.7 billion at September 30, 2001. Following the sale of the operating assets and operating platform of HomeSide Lending, Inc. (HomeSide US) on March 1, 2002, A\$3.8 billion of total assets were removed from the Group's balance sheet. The appreciation of the Australian dollar, primarily against the US dollar and British pound, decreased total assets by A\$7.1 billion in 2002, compared to a A\$17.0 billion increase in 2001. Excluding the impact of the exchange rate movements, total assets (in Australian dollar terms) grew A\$9.7 billion or 2.6% during 2002, primarily reflecting growth in lending.

Year-end total equity in the Group decreased from A\$23.6 billion at September 30, 2001 to A\$23.3 billion during 2002. The decrease in total equity was primarily attributable to an increase of A\$0.8 billion (2001: A\$0.8 billion) in retained profits, dividend reinvestment and share issues totalling A\$0.5 billion (2001: A\$0.9 billion), offset by share buy-backs of A\$1.2 billion (2001: A\$nil) and the impact of movements in the foreign currency translation reserve of A\$(0.5) billion (2001: A\$0.2 billion).

In Australia during 2002, total assets grew by A\$8.0 billion to A\$213.4 billion with gross loans and advances increasing by 13.2% to A\$120.9 billion. The major contributor to this increase was housing loans, which grew by 23.1% to A\$68.5 billion, buoyed by a continuing low interest rate environment and the Australian Commonwealth Government's first home buyers grant. In Australian dollar terms, total assets in Europe increased by 12.4% to A\$107.1 billion during 2002. Excluding the effect of exchange rate movements, total assets in Europe grew by 16.8%, reflecting growth in lending, particularly in term lending, as well as solid housing lending growth. In Australian dollar terms, total assets in New Zealand increased by 1.1% to A\$30.4 billion in 2002. Excluding the effect of exchange rate movements, total assets in New Zealand fell by 3.9%, due to lower cash and Wholesale Financial Services lending, offsetting strong retail lending growth, particularly in relation to housing lending, up 8.1%. In Australian dollar terms, total assets in the United States decreased by 42.2% to A\$17.3 billion in 2002. Excluding the effect of exchange rate movements, total assets in the United States fell by 33.4%. This was due to the sale of HomeSide US's operating assets and operating platform on March 1, 2002, which removed A\$3.8 billion of assets from the Group's balance sheet, lower mortgage servicing rights, and reduced activity in Wholesale Financial Services. In Australian dollar terms, total assets in Asia increased by 34.7% to A\$9.1 billion in 2002. Excluding the effect of exchange rate movements, total assets in Asia decreased 29.3%, reflecting reduced activity in Wholesale Financial Services.

Following the sale of SR Investment, Inc. (the parent entity of HomeSide Lending, Inc.) which closed on October 1, 2002, A\$1.4 billion of total assets have been removed from the Group's balance sheet.

Return on Average Equity

Profitability, as measured by return on average equity before significant items, decreased to 17.0% in 2002 from 18.4% in 2001 and 18.1% in 2000. This was principally impacted by a reduced contribution to Group earnings from Wealth Management in 2002 and an increase of 2.0% in weighted average equity due to the retention of profits within the Bank funding of business growth, offset by the impact of the buy-back of ordinary shares.

Cash return attributable to ordinary shareholders (as measured by net profit attributable to ordinary shareholders, excluding significant items, the movement in the excess of net market value over net assets of life insurance controlled entities and goodwill amortisation), on average tangible equity (excluding goodwill), decreased in 2002, with average tangible equity growing at a faster rate than cash earnings.

	2002	2001	2000	1999	1998
	A\$m	A\$m	A\$m	A\$m	A\$m
Weighted average equity(1)	21,172	20,752	17,586	15,915	14,054
Return on average equity (%) (1)(2)	17.0	18.4	18.1	17.3	17.8
Cash return (before life insurance excess and goodwill amortisation) on average tangible equity (%) (3)	17.6	18.2	19.4	21.1	22.9

(1) Based on amounts attributable to ordinary shareholders.

(2) Based on net profit before significant items.

(3) Cash return is based on cash earnings attributable to ordinary shareholders excluding significant items, the movement in the excess of net market value over net assets of life insurance controlled entities and goodwill amortisation.

SUMMARY OF CERTAIN CONSOLIDATED FINANCIAL INFORMATION

The following selected consolidated financial data for the Group's fiscal years ended September 30, 2002, 2001 and 2000 are derived from the Group's consolidated financial statements contained in its 2002 Form 20-F. The selected financial data as of September 30, 1999 and 1998 and for the fiscal years ended September 30, 1999 and 1998 are derived from the Group's audited consolidated financial statements for the fiscal years ended September 30, 1999 and 1998, which are not included or incorporated by reference in this Offering Memorandum. The Group's audited consolidated financial statements are prepared in accordance with Australian GAAP which vary in certain respects from United States GAAP. See *Note 58 to the Group's audited consolidated financial statements contained in the Group's 2002 Form 20-F for a discussion of the significant differences between Australian GAAP and United States GAAP as they apply to the Group for its fiscal years ended September 30, 2002, 2001 and 2000.*

Summary Statement of Financial Performance

	For year ended September 30,				
	2002	2001(1)	2000(2)	1999	1998(3)
	A\$m	A\$m	A\$m	A\$m	A\$m
Net interest income	7,222	6,960	6,371	6,066	5,858
Net life insurance income	(10)	128	332	—	—
Other banking and financial services income	7,006	4,749	4,124	4,027	3,630
Mortgage servicing and origination revenue	378	810	640	536	323
Movement in excess of net market value over net assets of life insurance controlled entities	(155)	510	202	—	—
Significant revenue	2,671	5,314	—	—	—
Operating expenses	8,707	6,470	5,807	5,701	5,320
Amortisation of goodwill	101	167	197	206	181
Charge to provide for doubtful debts	697	989	588	581	587
Significant expenses	3,266	6,866	204	—	749
Profit from ordinary activities before income tax expense	4,341	3,979	4,873	4,141	2,974
Income tax expense relating to ordinary activities	962	1,891	1,632	1,321	959
Net Profit	3,379	2,088	3,241	2,820	2,015
Net profit/(loss) attributable to outside equity interest	6	5	2	(1)	1
Net profit attributable to members of the Bank	3,373	2,083	3,239	2,821	2,014
Dividends paid/payable(4)	2,266	2,080	1,858	1,655	1,467

Summary of Statement of Financial Position

	As at September 30,				
	2002	2001(1)	2000(2)	1999	1998(3)
	A\$m	A\$m	A\$m	A\$m	A\$m
Investments relating to life insurance business . .	31,012	31,381	31,103	—	—
Loans and advances (after provisions for doubtful debts)	231,300	207,797	195,492	165,620	160,001
Total assets	377,387	374,720	343,677	254,081	251,714
Total risk-weighted assets	247,838	257,513	238,589	197,096	199,476
Deposits and other borrowings	206,864	190,965	185,097	162,468	158,084
Life insurance policy liabilities	30,425	30,257	29,879	—	—
Bonds, notes and subordinated debt	22,192	24,984	21,051	13,437	15,115
Perpetual floating rate notes	460	507	461	383	421
Exchangeable capital units(5)	1,262	1,262	1,262	1,262	1,262
Net assets	23,251	23,557	21,407	18,520	15,764
Contributed equity	9,931	10,725	9,855	9,286	6,675
Ordinary shares	7,256	8,050	7,180	6,611	5,942
Equity instruments(6)	2,675	2,675	2,675	2,675	733
Total equity (excludes outside equity interest) . . .	23,184	23,489	21,361	18,520	15,761

Shareholder information

	As at September 30,				
	2002	2001(1)	2000(2)	1999	1998(3)
	A\$m	A\$m	A\$m	A\$m	A\$m
Cash earnings per share before significant items(7)	2.48	2.37	2.15	2.01	1.87
Cash earnings per share(7)	2.22	1.11	2.06	2.01	1.53
Earnings per share before significant items(8)					
Basic	2.32	2.47	2.11	1.87	1.75
Diluted	2.21	2.43	2.08	1.83	1.72
Earnings per share(8)					
Basic	2.06	1.22	2.02	1.87	1.40
Diluted	2.03	1.23	1.99	1.83	1.39
Dividends per share(5)	1.47	1.35	1.23	1.12	1.02
Dividends per American Depositary Share (ADS)(4)	7.35	6.75	6.15	5.60	5.10
Dividend payout ratio %(4)	71.12	111.23	61.10	60.25	73.09
Net assets per share	15.11	15.15	14.12	12.46	10.87
Share price at year-end	33.48	25.66	25.51	22.43	20.39

Selected Financial Ratios

	As at September 30,				
	2002	2001(1)	2000(2)	1999	1998(3)
	%	%	%	%	%
Net profit before significant items as a percentage of:					
Average total assets (excluding statutory funds)	1.2	1.3	1.2	1.1	1.1
Average equity	17.0	18.4	18.1	17.3	17.8
Net profit as a percentage of:					
Average total assets (excluding statutory funds)	1.0	0.7	1.2	1.1	0.8
Average equity	15.1	9.0	17.3	17.3	14.3
Average equity to average total assets (excluding statutory funds)	7.2	7.3	7.3	6.7	5.9
Average net interest spread	2.4	2.3	2.4	2.5	2.6
Average net interest margin	2.7	2.7	2.9	3.0	3.2
Net profit before significant items per average full-time equivalent employee (A\$'000)	83.5	82.9	71.5	59.9	n/a
Gross non-accrual loans to gross loans and acceptances . .	0.62	0.75	0.66	0.82	0.79
Net impaired assets to total equity	4.7	5.1	4.9	6.1	6.9
Total provisions for doubtful debts to gross impaired assets .	1.6	1.6	1.8	1.6	1.7
Capital — risk asset ratio(9)					
Tier 1	7.8	7.5	6.6	7.8	6.4
Tier 2	3.7	3.9	4.0	2.9	3.1
Deductions	(1.3)	(1.2)	(1.3)	(0.3)	(0.3)
Total	10.2	10.2	9.3	10.4	9.2
Ratio of earnings to fixed charges(10)	1.5	1.3	1.4	1.5	1.3

- (1) Includes amounts relating to Michigan National Corporation and its controlled entities to March 31, 2001. The Group sold this entity on April 1, 2001.
- (2) Includes amount relating to the MLC group from July 1, 2000. The Group acquired these entities on June 30, 2000.
- (3) Includes amounts relating to SR Investment, Inc. (formerly known as HomeSide International, Inc.) from February 10, 1998, the date on which the Group acquired this entity.
- (4) Dividend amounts are for the year for which they are declared and includes issues under the bonus share plan in lieu of cash and scrip dividends. Dividends and book value per ordinary share and per American Depositary Share (ADS) calculations are based on year-end fully paid equivalent ordinary shares, adjusted for loans and rights issues as appropriate. Net profit is based on amounts attributable to ordinary shareholders after deducting distributions to other equity holders.
- (5) The exchangeable capital units of US\$1 billion are recorded in this annual financial report at the historical rate of US\$0.7922 = A\$1.00.
- (6) Equity instruments incorporate preference shares and National Income Securities.
- (7) Cash earnings are based on earnings attributable to ordinary shareholders excluding movement in excess of net market value over net assets of life insurance controlled entities and goodwill amortisation.
- (8) Refer to notes 8 and 58 in the annual financial report, which is included in the Bank's 2002 annual report on Form 20-F, for an explanation of earnings per share.
- (9) As defined by Australian Prudential Regulation Authority.
- (10) For the purpose of calculating these ratios, fixed charges are comprised of interest on all indebtedness including interest on deposits, and one-third of rental charges (which is used to be representative of an interest factor). Earnings are calculated after all operating and income deductions, except fixed charges, extraordinary items and tax based on profit and are stated before outside equity interest.

CAPITALISATION

The following table sets forth the Long-Term Debt (as defined in Note 1 below) and the capitalisation of the Bank and of the Group as at September 30, 2002. In the case of the Bank, this is adjusted to reflect the redemptions and issuances of bonds and notes, other senior debt and subordinated debt (including issuances that have not been settled) between September 30, 2002 and December 31, 2002.

	As at September 30, 2002		
	Group	Bank	As Adjusted Bank
	(A\$ in millions)		
Bonds and Notes			
Other Senior Debt			
Medium Term Deposit Notes(7)	14,556	14,556	15,375
JPY5,000,000,000 Loan due 2006(9)	—	—	72
JPY3,000,000,000 Loan due 2006(9)	—	—	43
Subordinated Debt			
US\$100,000,000 Subordinated Fixed Rate Notes(10)	144	0	0
US\$250,000,000 Undated Subordinated Floating Rate Notes(10)	460	460	460
A\$22,000,000 Floating Rate Extendable Notes due 2004(6)	22	22	22
A\$25,000,000 Floating Rate Extendable Notes due 2006(6)	25	25	25
A\$43,000,000 Floating Rate Extendable Notes due 2008(6)	43	43	43
US\$108,532,637.57 Subordinated Variable Rate Notes due 2002(5)	—	—	—
A\$250,000,000 Subordinated Floating Rate Step Up Notes due 2007	—	—	—
A\$150,000,000 Subordinated Step Up Notes due 2007	—	—	—
A\$20,000,000 Subordinated 7.50% Notes due 2027	20	20	20
A\$20,000,000 Subordinated 7.50% Notes due 2028	20	20	20
US\$400,000,000 Subordinated 6.4% Medium-Term Notes due 2007(4)	735	735	—
US\$400,000,000 Subordinated 6.60% Medium-Term Notes due 2007(4)	735	735	735
US\$200,000,000 Subordinated Floating Rate Notes due 2008(12)	368	368	368
US\$30,000,000 Subordinated Floating Rate Notes due 2007(12)	55	55	55
US\$150,000,000 Subordinated Floating Rate Notes due 2008(12)	276	276	276
US\$100,000,000 Subordinated Floating Rate Notes due 2009(12)	184	184	184
US\$700,000,000 Subordinated Floating Rate Notes due 2010(4)	1,287	1,287	1,287
US\$900,000,000 Subordinated 8.60% Medium-Term Notes due 2010(4)	1,654	1,654	1,654
US\$200,000,000 Subordinated Floating Rate Notes due 2011(12)	368	368	368
Exchangeable Capital Units(10)	1,262	—	—
Add Net premiums and deferred/gains (losses)	3	3	3
	<u>22,217</u>	<u>20,811</u>	<u>21,010</u>
Shareholders' Equity			
Issued and paid-up capital(11)	9,931	9,931	9,931
Reserves(11)	2,105	73	73
Retained Profits(11)	11,148	7,306	7,306
Shareholder's equity attributable to members of the Bank(11)	23,184	17,310	17,310
Outside equity interests in controlled entities(11)	67	—	—
Total Shareholders' funds	23,251	17,310	17,310

The Board of Directors of the Bank is authorised by the Bank's constitution to issue shares in such number and classes as the Board of Directors determines. As at September 30, 2002 the Bank had

issued 1,533,920,378 ordinary shares, 36,008,000 preference shares and 20,000,000 National Income Securities.

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- (1) For the purposes of the above capitalisation table, "Long Term Debt" means any obligation for the payment of borrowed money (excluding deposits evidenced by certificates of deposit, all other deposits lodged with the Bank and the Group, and borrowings, other than bonds and notes, repayable within 12 months) and includes obligations consisting of or evidenced by bonds, notes, debentures or other securities which are, or are capable of being listed, quoted, ordinarily dealt in or traded on any recognised stock exchange, over-the-counter or other recognised securities market.
 - (2) Long term debt issues denominated in foreign currencies which were outstanding at September 30, 2002 have been translated into Australian dollars at the exchange rates ruling on September 30, 2002 and those issued subsequently have been translated into Australian dollars at the exchange rates ruling on the respective dates on which issues were settled. All maturities and Japanese Yen loans are translated at trade date.
 - (3) Currency swap arrangements have been entered into in respect of certain long-term debt issues, the effect of which is not included in the above table. In these cases the liability is stated at the Australian dollar equivalent of the currency of issue translated at the rates referred to in note (2) above.
 - (4) Under the Medium-Term Deposit Note programme, notes may be issued up to an aggregate amount of US\$3 billion for terms of 9 months or more was increased by US\$2 billion. As at December 31, 2002 the Bank had US\$2,000 million outstanding under the programme.
 - (5) US\$531,643.61 of the US\$110,500,000 Subordinated Floating Rate Notes due 2002 was redeemed on August 26, 1991. A further US\$901,157.71 was redeemed on February 26, 1998 and a further US\$534,561.11 was redeemed on February 26, 1999.
 - (6) These extendable Notes were initially issued with a maturity of June 8, 2000. A\$110 million was redeemed on June 10, 1997. As from June 8, 2001, A\$22 million have a maturity of June 8, 2004. A\$25 million will have a maturity of June 8, 2006 and the remaining A\$43 million have a maturity of June 8, 2008.
 - (7) Under the Medium-Term Deposit Note programme through the Bank's New York branch, notes may be issued up to an aggregate amount of US\$1 billion for terms of 9 months or more. As at September 30, 2002 the Bank had no outstanding issues under the programme.
 - (8) Under the Euro Medium-Term Note programme, notes may be issued up to an aggregate amount of US\$15 billion for terms of 3 months or more. As at December 31, 2002 the Bank had US\$6.78 billion available under the programme.
 - (9) JPY28 billion has been classified in the audited accounts at September 30, 2002 as time deposits and is included in Deposits and other borrowings. For completeness of the capitalisation table, both Loan 5 and Loan 7 had the options that were attached to these deals Exercised and as such were repaid in full. Loan 5 was repaid on August 31, 2001 and Loan 7 repaid November 29, 2001.
 - (10) US\$250 million Undated Subordinated Floating Rate Notes, the Exchangeable Capital Units and MLC USD100 million Subordinated Fixed Rate Note has been classified in the audited accounts at September 30, 2002 as other debt issues and are included in perpetual floating rate notes and exchangeable capital units respectively.
 - (11) The Shareholders' Equity figures in the as adjusted column are as at September 30, 2002.

- (12) The US\$200 million subordinated floating rate notes due 2008, the US\$30 million subordinated floating rate notes due 2007, the US\$150 million subordinated floating rate notes due 2008, the US\$100 million subordinated floating rate notes due 2009 and US\$200 million subordinated floating rate notes due 2011 were issued off the US\$7.5 billion Euro Medium-Term Note programme, but are classified separately in the Subordinated Debt section.
- (13) The following Euro Medium-Term Notes were issued off the US\$15 billion Euro Medium-Term Note programme: HKD200 million Euro Medium-Term Note due 2003, NZD50million Euro Medium-Term Note due 2004, NZD42 million Euro Medium-Term Note due 2004, NZD80 million Euro Medium-Term Note due 2004, HKD156 million Euro Medium-Term Note due 2004, USD25 million Euro Medium-Term Note due 2005, NZD58 million Euro Medium-Term Note due 2004, HKD200 million Euro Medium-Term Note due 2004, USD500 million Euro Medium-Term Note due 2007, JPY19,400 million Euro Medium-Term Note due 2006.

Except as set out above, there has been no material change in the capitalisation or indebtedness of the Bank or the Group since September 30, 2002.

AUSTRALIAN TAXATION

The following is a summary of the Australian taxation treatment at the date of this Offering Memorandum of payments of interest on the Notes and certain other matters. It is not exhaustive, and in particular, does not deal with the positions of certain classes of holders of Notes. The following is a general guide and should be treated with appropriate caution. Prospective holders of Notes should consult their professional advisers concerning the application of Australian tax laws to their circumstances.

Interest withholding tax

An exemption from Australian interest withholding tax is available in respect of Notes (or the issue of a global bond or note and the offering of interests in the global bond or note) under section 128F of the Income Tax Assessment Act 1936 of Australia ("Australian Tax Act") if the following conditions are met:

(a) the Bank is a resident of Australia when it issues Notes and when interest (as defined in section 128A(1AB)) is paid; and

(b) 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 financial markets are aware that the Bank is offering Notes for issue. In summary, the five methods are:

- offers to 10 or more unrelated financiers or securities dealers;
- offers to 100 or more investors;
- offers of listed Notes;
- offers via publicly available information sources; and
- offers to the dealers, managers or underwriters who offer to sell the Notes within 30 days by one of the preceding methods; and

(c) the Bank does not know, or have reasonable grounds to suspect, that at the time of issue, the Notes were being, or would be, acquired (directly or indirectly) by an associate of the Bank (other than in the capacity of a dealer, manager or underwriter in relation to the placement of the Notes); and

(d) at the time of the payment of interest, the Bank does not know, or have reasonable grounds to suspect, that the payee is an associate of the Bank.

The Bank proposes to issue Notes in a manner which will satisfy the public offer test (or the requirements for a global bond or note) and which otherwise meets the requirements of section 128F of the Australian Tax Act.

As set out in more detail in "Description of the Notes — Payment of Additional Amounts", if the Bank should at any time be compelled by law to deduct or withhold an amount in respect of any withholding taxes, the Bank shall subject to certain exceptions, pay such additional amounts as may be necessary in order to ensure that the net amounts received by the holders of Notes after such deduction or withholding shall equal the respective amounts which would have been receivable had no such deduction or withholding been required.

General tax

The Bank has been advised that under Australian laws as presently in effect:

(a) assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to Notes payment of principal and interest to a holder of the Notes, who is a non-resident of Australia and who, during the taxable year, has not engaged in trade or business through a permanent establishment within Australia, will not be subject to Australian income taxes;

(b) a holder of Notes, who is a non-resident of Australia and who during the taxable year has not engaged in trade or business through a permanent establishment within Australia, will not be subject to Australian income tax on gains realised during that year on sale or redemption of Notes, provided such gains do not have an Australian source. A gain arising on the sale of a Note by a non-Australian resident holder to another non-Australian resident where the Note is sold outside Australia and all negotiations and documentation are conducted and executed outside Australia would not be regarded as having an Australian source;

(c) there are specific rules that can apply to treat a portion of the purchase price of Notes as interest for withholding tax purposes (which portion is not covered by the exemption in section 128F of the Australian Tax Act) when certain Notes originally issued at a discount or with a maturity premium are sold to an Australian resident (who does not acquire them in the course of carrying on trade or business outside Australia) or a non-resident (who acquires them in the course of carrying on trade or business through a permanent establishment in Australia);

(d) no Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority wherein having power to tax, if held at the time of death;

(e) no ad valorem, stamp, issue, registration or similar taxes are payable in Australia on the issue of any Notes or the transfer of any Notes outside Australia where no instrument is executed in Australia to effect the transfer;

(f) section 126 of the Australian Tax Act imposes a type of withholding tax at the rate of 47% on the payment of interest on bearer notes (other than certain promissory notes) if the names and addresses of the holders are not provided to the Australian Taxation Office. Section 126 does not apply to the payment of interest on bearer notes held by non-Australian residents who do not carry on a business at or through a permanent establishment in Australia where the issue of those notes satisfied the requirements of Section 128F of the Australian Tax Act or interest withholding tax is payable. The Australian Tax Office has confirmed that for the purposes of Section 126 of the Australian Tax Act, the holder of bearer notes is the person in possession of them. Section 126 is therefore limited in its application to persons in possession of 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. If section 126 imposes tax on interest payments on notes held by such persons, and that tax is deducted or withheld by the Bank, then under the terms of the Notes, the Bank is not required to pay additional amounts to such holders;

(g) section 12-140 of the Taxation Administration Act 1953 of Australia ("TAA") imposes a type of withholding tax at the rate of (currently) 48.5 per cent on the payment of interest on certain securities unless the holder has quoted a tax file number ("TFN"), in certain circumstances an Australian Business Number ("ABN") or proof of some other exception.

Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes in registered form, these rules should not apply to payments to a Holder of Registered Notes who is not a resident of Australia for tax purposes and not holding the Registered Notes in the course of carrying on business at or through a permanent establishment in Australia. Withholdings may be made from payments to Holders of Registered Notes who are residents of Australia or non-residents carrying on business at or through a permanent establishment in Australia but who do not quote a TFN, ABN or proof of an appropriate exemption. For the avoidance of doubt, these provisions will also not apply to Bearer Notes or to beneficial interests in permanent Global Notes; and

(h) the requirements of Section 12-190 of the TAA relating to the quotation of an ABN in respect of certain supplies should not apply to payments of principal and interest in respect of the Notes.

Thin Cap Act and Debt/Equity Act

A number of significant changes to Australia's tax laws have been effected as part of the Australian Federal Government's tax reform measures, including the New Business Tax System (Thin Capitalisation) Act of 2001 (the "Thin Cap Act") and the New Business Tax System (Debt and Equity) Act of 2001 (the "Debt/Equity Act"), which apply from July 1, 2001. These changes include new tests for characterising debt (for all entities) and equity (for companies) for Australian tax purposes, including for the purpose of dividend and interest withholding tax.

The Bank intends to issue Notes which are to be characterised as "debt interests" for the purposes of the tests introduced by the Debt/Equity Act and the returns paid on the Notes are to be "interest" for the purpose of Section 128F of the Australian Tax Act. The changes made by the Thin Cap Act would only have an impact on Australian residents and non-residents that carry on a business in Australia. Accordingly, the Debt/Equity Act and Thin Cap Act are unlikely to affect holders of Notes other than Australian residents and non-residents that carry on business in Australia.

New Developments

The Australian Federal Government announced in a press release on August 29, 2001 proposed amendments to Section 128F of the Australian Tax Act that will:

(a) remove onshore associates from the associates test in that Section. Onshore associates are associates that are Australian residents or non-residents carrying on business at or through a permanent establishment in Australia; and

(b) provide that the Section 128F exemption from Australian interest withholding tax will not be lost if an onshore associate buys debt securities of a related Australian issuing company.

The press release stated that the amendments would have immediate effect from August 29, 2001. On September 19, 2002, the Australian Federal Government introduced the Taxation Laws Amendment Bill (No.6) 2002 into Parliament to implement these changes. There is no assurance that the Taxation Laws Amendment Bill will be enacted in its current form.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in the Amended and Restated International Distribution Agreement dated as of February 6, 2003, (the "International Distribution Agreement"), the Notes are being offered on a continuous basis by the Bank through National Australia Bank Limited (London Branch), ABN AMRO Bank N.V., Barclays Bank PLC, Deutsche Bank AG London, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities Ltd., Merrill Lynch International, Morgan Stanley & Co. International Limited, Nomura International plc, Royal Bank of Canada Europe Limited, Salomon Brothers International Limited, The Royal Bank of Scotland plc, The Toronto-Dominion Bank, UBS AG, acting through its business group UBS Warburg, and such other agents appointed from time to time (the "Agents"), who have each agreed to use reasonable efforts to solicit purchasers for the Notes. The Bank will have the sole right to accept offers to purchase Notes and may reject any proposed purchase of Notes as a whole or in part. The Agents shall have the right, in their discretion reasonably exercised, to reject any offer to purchase Notes, as a whole or in part. The Bank may pay the Agents a commission as agreed from time to time.

The Bank may also sell Notes to the Agents as principals for their own accounts at a discount to be agreed upon at the time of sale. Such Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the Agents. The Bank reserves the right to sell Notes directly on its own behalf. No commission will be payable on any Notes sold directly by the Bank. Notes may also be sold by the Bank and the Agents to or through dealers who may resell to investors. The Agents may pay all or part of their discount or commission to such dealers.

The Bank has agreed to indemnify the Agents against certain liabilities and to reimburse the Agents for certain expenses.

The Bank has been advised by the Agents that the Agents presently intend to make a market in the Notes but are not obligated to do so. No assurance can be given as to the liquidity of the trading market for the Notes.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "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 Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Act.

Notes in bearer form 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 U.S. persons except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph shall have the meanings given to them by the U.S. Internal Revenue Code and the regulations thereunder.

Each Agent has agreed that, except as permitted by the International Distribution Agreement, it will not offer, sell or deliver any Notes, (a) as part of their distribution of such Notes at anytime or (b) otherwise until 40 days after the later of the commencement of the distribution of such Notes, as certified by the Agent or, as the case may be, any lead manager, and the closing date for such Notes (the "Distribution Compliance Period"), 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 Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Act.

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

Each Agent has represented and agreed that (1) in relation to Notes which have a maturity of one year or more, it has not offered or sold and, prior to the expiry of the period of six months from the date of issue of such Notes will not offer or sell any Notes to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for purposes of their businesses or otherwise in circumstances which have not and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended), (2) 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 (the "FSMA")) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if the Bank was not an authorised person, apply to the Bank and (3) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Each Agent has represented and agreed that: (1) it has not offered, sold or delivered and will not directly or indirectly offer, sell, or deliver any Note; and (2) it will not distribute any offering memorandum or advertisement in relation to any offer of Notes, in New Zealand other than: (A) to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money, or who in the circumstances can properly be regarded as having been selected other than as members of the public; or (B) in other circumstances where there is no contravention of the Securities Act 1978 of New Zealand.

Each of the Agents has represented and agreed that in connection with the Notes it has not, directly or indirectly, offered, sold or delivered and will not, directly or indirectly, offer, sell or deliver any Notes in Japan or to a resident of Japan except in circumstances which will result in compliance with the Securities and Exchange Law and other relevant laws, regulations and ministerial guidelines of Japan. As used in this paragraph, "resident of Japan" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Each Agent has represented and agreed, and each further Agent appointed under the Programme will be required to represent and agree, that: (1) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32) of Hong Kong; and (2) unless it is permitted to do so under the securities laws of Hong Kong, it has not issued, and will not issue, any advertisement or invitation, other than with respect to Notes intended to be disposed of to persons outside Hong Kong or only to persons whose business involves the acquisition, disposal or holding of securities, whether as principal or agent.

In connection with the initial placement of any Notes in Germany, each Agent has agreed and each additional Agent appointed under the Programme will be required to agree that any necessary application for admission under the German Banking Act or any other applicable law will be filed and/or any registration and/or notification obligation under the German Banking Act or any other applicable law will be complied with and that it will offer and sell Notes only in accordance with the provisions of the German Securities Sales Prospectus Act and the German Securities Exchange Act (i) unless otherwise provided in compliance with applicable German law in the relevant international terms agreement or the applicable Pricing Supplement in the case of an issue sold to such Agent as principal, only for an aggregate purchase price per purchaser of at least €40,000 (or the foreign currency equivalent) or such other amount as may be stipulated from time to time by applicable German law or (ii) as may otherwise be permitted in accordance with applicable German law.

The Bank and each Agent has represented and agreed and each further Agent appointed under the Programme will be required to represent and agree that, in connection with the initial distribution, it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in the Republic of France, and has not distributed or caused to be distributed to the public in the Republic of France the Offering Memorandum or any other offering material relating to the Notes, and such offers, sales and distributions have been and shall only be made in France to (i) qualified investors (*investisseurs qualifiés*) and/or (ii) a restricted group of investors (*cercle restreint d'investisseurs*), all as defined in and in accordance with Article L411-2 of the Monetary and Financial Code (*Code Monétaire et Financier*). Accordingly this Offering Memorandum has not been and will not be submitted for approval to the *Commission des Opérations de Bourse*.

Where an issue of Notes is effected as an exception to the rules relating to an *appel public à l'épargne* (offers to the public) in the Republic of France by way of an offer to a restricted group of investors (as referred to in (ii) above), such investors must, to the extent that the Notes are offered to 100 or more of such investors, provide certification as to their personal relationship of a professional or family nature with a member of the management of the Bank. In the context of the exceptions referred to in (i) and (ii) above, investors in the Republic of France may only participate in the issue of Notes for their own account in accordance with the conditions set out in *décret* no. 98-880 dated 1st October, 1998. Notes may only be resold, directly or indirectly, to the public in the Republic of France in accordance with Articles L411-1 and L412-1 of the Monetary and Financial Code (*Code Monétaire et Financier*).

Each Agent has represented and agreed, and each additional agent appointed under the Programme will be required to represent and agree, that any Notes denominated in Swiss Francs or carrying a Swiss Franc related element shall be issued in compliance with the relevant regulations of the Swiss National Bank as in effect from time to time. Under the present Swiss National Bank regulations, if Notes denominated in Swiss Francs or carrying a Swiss Franc related element and having a maturity of more than one year are to be issued, the lead Agent, in case of syndicated offerings, or the sole Agent, in case of non-syndicated offerings, must be a bank domiciled in Switzerland (which includes branches or subsidiaries of a foreign bank located in Switzerland) or a securities dealer duly licensed by the Swiss Federal Banking Commission as per the Federal Law on Banks and Savings Banks of November 8, 1934 and the Federal Law on Stock Exchanges and Securities Trading of March 24, 1995, respectively (the "Swiss Agent"). The Swiss Agent must report certain details of the applicable issue of Notes to the Swiss National Bank no later than the time of issue of such Notes.

In connection with the initial placement of any Notes in Switzerland, each Agent has agreed and each additional Agent appointed under the Programme will be required to agree that the Notes have not been offered or sold and will not be offered or sold in Switzerland save for to a limited group of persons within the meaning of Art. 652a(2) of the Swiss Code of Obligations of March 30, 1911.

No prospectus or other disclosure document in relation to the Notes has been lodged with, or registered by, the Australian Securities and Investments Commission. Each Agent has represented and agreed that, in connection with the initial distribution of Notes, it: (a) has not (directly or indirectly) offered for subscription or purchase or issued invitations to subscribe for or buy nor has it sold the Notes; (b) will not (directly or indirectly) offer for subscription or purchase or issue invitations to subscribe for or buy nor will it sell the Notes; and (c) has not distributed and will not distribute any draft or definitive offering memorandum, advertisement or other offering material relating to the Notes, in the Commonwealth of Australia, its territories or possessions ("Australia") and will not sell the Notes to any residents of Australia or any person who the Issuer has previously advised the Agent in writing is an associate of the Bank within the meaning of Section 128F of the Income Tax Assessment Act 1936 of Australia. Each Agent has agreed that, after the initial distribution of the Notes, it will not (directly or indirectly) offer for subscription or purchase, or issue invitations to subscribe for, or buy or sell the Notes or distribute any draft or definitive document in relation to any such offer, invitation, purchase or

sale in Australia, except in a manner for which no disclosure is required pursuant to Part 6D.2 of the Corporations Act 2001 of Australia and which complies with any other applicable laws.

Each Agent has agreed, and each further Agent appointed under the Programme will be required to agree, to comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers the Notes or possesses or distributes this Offering Memorandum and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Bank or any other Agents shall have responsibility therefor.

Neither the Bank nor any of the Agents represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder or assumes any responsibility for facilitating such sale.

With regard to each tranche of Notes, there may exist other additional restrictions as the Bank and the relevant Agent(s) shall agree as a term of issuance and purchase as indicated in the relevant Pricing Supplement.

Purchasers of Notes may be required to pay stamp taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the offering price of the Notes.

EXPERTS

The consolidated balance sheets as of September 30, 2002, 2001 and 2000 and consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended September 30, 2002, including in each case the notes thereto, included in the Bank's 2002 annual report on Form 20-F incorporated by reference into this Offering Memorandum, have been included herein in reliance on the report of KPMG, independent accountants, given on the authority of that firm as experts in accounting and auditing.

VALIDITY OF THE NOTES

The validity of the Notes will be passed upon by Mallesons Stephen Jaques, Australian counsel to the Bank, as to certain matters of Australian law, and by Sullivan & Cromwell, as to certain matters of New York law.

LISTING AND GENERAL INFORMATION

1. Application may be made to list each tranche of Notes issued under the Programme on the Luxembourg Stock Exchange. The Luxembourg Stock Exchange has allocated to the Programme the number 2396 for listing purposes. Prior to the listing, the Constitution of the Bank and a legal notice relating to the issue of the Notes will be deposited with the Chief Registrar of the District Court of Luxembourg, where such documents can be inspected and obtained. Each person interested can inspect and obtain, upon request, a copy of these documents, the International Distribution Agreement and the Indenture at the office of the listing agent in Luxembourg. Copies of this Offering Memorandum, supplements to this Offering Memorandum and Pricing Supplements are available free of charge, upon request, at the office of the listing agent in Luxembourg.

2. As long as Notes are listed on the Luxembourg Stock Exchange, the Bank will maintain a paying agent in the City of Luxembourg. The paying agent in Luxembourg is presently Deutsche Bank Luxembourg S.A. As long as Notes are listed on the Luxembourg Stock Exchange, the Bank will maintain a transfer agent in the City of Luxembourg. The transfer agent in Luxembourg is presently Deutsche Bank Luxembourg S.A.

3. All future annual reports to shareholders and semi-annual reports to shareholders containing the consolidated and non-consolidated financial statements of the Group and the Bank, respectively, will be available at the office of the paying agent in Luxembourg as long as the Notes are listed on the Luxembourg Stock Exchange.

4. There has been no material adverse change in the consolidated financial condition of the Group or the Bank since September 30, 2002.

5. Neither the Group nor the Bank is involved in, or has knowledge of any threat of, any litigation which is or might be material to it in the context of the issue of the Notes other than as disclosed in this Offering Memorandum.

6. On July 18, 2001 the EU Commission published a proposal for a new directive regarding the taxation of savings income. It is proposed that, subject to a number of important conditions being met, EU member states ("Member States") will be required to provide to the tax authority of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State, subject to the right of certain Member States to opt instead for a withholding system for a transitional period in relation to such payments, and subject to the proposals not being required to be applied, for a limited period of seven years after the new directive comes into force, to tranches of Notes issued before March 1, 2002 and fungible with Notes issued before March 1, 2001 or where the original offering document was certified before that date. The proposed directive is not yet final, and may be subject to further amendment and/or clarification.

7. The issuance of the Notes was authorised by the Bank's Board of Directors on December 11, 2002 and by the Committee of the Bank's Board of Directors on February 5, 2003.

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