

Information Memorandum



INTERNATIONAL FINANCE CORPORATION

Debt Issuance Programme

Under the Debt Issuance Programme described in this Information Memorandum ("**Programme**"), International Finance Corporation ("**IFC**" or "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue debt securities ("**Notes**") in the Australian and New Zealand domestic capital markets.

The Notes are not required to be registered under the United States Securities Act of 1933, as amended. Accordingly, no registration statement has been filed with the U.S. Securities and Exchange Commission (the "Commission"). The Notes have not been approved or disapproved by the Commission or any State Securities Commission, nor has the Commission or any State Securities Commission passed upon the accuracy or adequacy of this Information Memorandum. Any representation to the contrary is a criminal offence in the United States. For a description of certain restrictions on offers and sales of Notes and on distribution of this Information Memorandum, see "Subscription and Sale".

The Notes do not represent deposits or other liabilities of the Arranger or any Dealer, nor does the Arranger or any Dealer in any way stand behind the capital value and/or the performance of the Notes. The holding of Notes is subject to investment risk, including possible delays in repayment and loss of income and principal invested.

Arranger

Commonwealth Bank of Australia

(ABN 48 123 123 124)

7 August 2007

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Important Notice

The Issuer is not a bank which is authorised under the Banking Act 1959 of Australia and nor is the Issuer a registered bank in New Zealand pursuant to the Reserve Bank of New Zealand Act 1989. The Notes are not the obligations of The International Bank for Reconstruction and Development or of any government and, in particular, are not guaranteed by the Commonwealth of Australia or any other person or governmental agency or instrumentality of any jurisdiction.

Introduction

This Information Memorandum relates to a debt issuance programme established by the International Finance Corporation (“**IFC**” or “**Issuer**”) under which short or medium term notes and other debt instruments (“**Notes**”) may, from time to time, be issued. Subject to applicable laws, regulations and directives, the Issuer may issue Notes in Australia (“**Australian Domestic Notes**”) and Notes in any country outside Australia, including in New Zealand (“**New Zealand Domestic Notes**”). This Information Memorandum summarises information regarding the issue of Notes in registered form in the wholesale debt capital markets in Australia and New Zealand. Potential investors in other debt instruments which may be issued by the Issuer under the Programme should refer to any disclosure or offering document relevant to the issue of those debt instruments.

Each issue of Notes will be made pursuant to such documentation as the Issuer may determine. The Issuer may publish additional disclosure or offering documentation which describe the issue of Notes (or particular classes of Notes or other debt instruments) not described in this Information Memorandum.

Notes will be issued in one or more Tranches (each a “**Tranche**”) within one or more series (each a “**Series**”). Tranches of Notes within a particular Series may have various issue dates, issue prices and interest commencement dates and, in respect of the first interest payment (if any), different interest payment amounts but will otherwise be issued on identical terms and conditions.

A pricing or other supplement (“**Pricing Supplement**”) will be issued for each Tranche of Notes issued under a particular Series and will contain details of the aggregate principal amount of the Tranche of Notes and the interest (if any) payable in respect thereof, the issue price, the issue date and the maturity date of the Tranche of Notes, together with any other terms and conditions and other information with respect to that Tranche which is not otherwise contained in this Information Memorandum or such other Information Memorandum issued in relation to such Notes. A Pricing Supplement may amend or supplement any statement or information set out in this Information Memorandum.

The applicable terms and conditions of the Notes (“**Conditions**”) will be as set out in this Information Memorandum as may be supplemented, amended, modified or replaced by the applicable Pricing Supplement for those Notes. The terms and conditions applicable to other debt instruments will be as set out in any applicable additional disclosure or offering documentation or Pricing Supplement.

Notes may be listed or unlisted and application may be made to list Notes of a particular Series on the Australian Stock Exchange operated by ASX Limited (ABN 98 008 624 691) (“**ASX**”), the New Zealand Exchange Limited (“**NZX**”) or any other stock exchange. The applicable Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed on the ASX, the NZX or any other stock exchange.

Except as may otherwise be specified in the applicable Pricing Supplement, each Series of Notes will be issued in registered form pursuant to a deed poll executed by the Issuer including, as applicable, the Note Deed Poll dated 7 August 2007 (“**Note Deed Poll**”).

The Notes may be lodged in the Austraclear System (as defined below), Euroclear Bank S.A./N.A. as operator of the Euroclear System (“**Euroclear**”), Clearstream Banking, société anonyme (“**Clearstream**”), the New Zealand securities clearing and settlement system operated by the Reserve Bank of New Zealand (“**Austraclear New Zealand System**”) (in the case of New Zealand Domestic Notes) and/or any other clearing system specified in the relevant Pricing Supplement (each a “**Clearing System**”).

Issuer's responsibility

This Information Memorandum has been prepared by and issued with the authority of the Issuer. The Issuer accepts responsibility for the information contained in this Information Memorandum.

No independent verification or authorisation

The only role of the Arranger, Dealers and Agents (each as defined in the "Summary of the Programme" below) in the preparation of this Information Memorandum has been to confirm to the Issuer that their respective name and address details under "Summary of the Programme" and "Directory" are accurate as at the Preparation Date (as defined below).

The Arranger, Dealers or Agents have not independently verified the other information contained in this Information Memorandum. Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility is accepted, by them as to the accuracy or completeness of the information contained or incorporated by reference into this Information Memorandum or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference into this Information Memorandum or any other information provided by the Issuer in connection with the Programme.

No person is or has been authorised by the Issuer to give any information or make any representation not contained in, or consistent with, this Information Memorandum or any other information in connection with the Issuer, the Programme or the Notes and, if given or made, such information or representation must not be relied on as having been authorised by the Issuer or any of the Arrangers, Dealers or Agents.

Independent advice

This Information Memorandum contains only summary information concerning the Notes. It is not a prospectus or other disclosure document for the purposes of the Corporations Act 2001 of Australia ("**Corporations Act**") or the Securities Act 1978 (New Zealand) and is not intended to provide the basis of any credit or other evaluation in respect of the Issuer or the Notes and should not be considered as a recommendation or a statement of opinion (or a report of either of these things) by the Issuer, the Arranger, the Dealers or the Agents that any recipient of this Information Memorandum or any other financial statements should purchase any Notes or any rights in respect of any Notes. Each investor contemplating purchasing any Notes or any rights in respect of any Notes under the Programme should make (and shall be taken to have made) its own independent investigation of the financial condition and affairs of, and its own appraisal of the creditworthiness of, the Issuer.

No advice is given in respect of the taxation treatment of investors in connection with investment in any Notes and each investor is advised to consult its own professional adviser concerning the consequences of owning or acquiring rights in the Notes in their particular circumstances under the tax laws of Australia or New Zealand, the United States Internal Revenue Code or the laws of any other taxing jurisdiction.

No offer

This Information Memorandum or any other information supplied in connection with the Programme or the issue of any Notes does not, and is not intended to, constitute an offer or invitation by or on behalf of the Issuer, the Arrangers, the Dealers or any Agent to any person to subscribe for, purchase or otherwise deal in any Notes.

Currency of information

The information contained in this Information Memorandum is prepared as of its Preparation Date. Neither the delivery of this Information Memorandum nor any offer, issue or sale made in connection with this Information Memorandum at any time implies that the information contained in it is correct at any time subsequent to the Preparation Date or that any other information supplied in connection with the Programme is correct as of any time subsequent to the Preparation Date. In particular, the Issuer is not under any obligation to the holders of any Notes to update this Information Memorandum at any time after an issue of Notes.

In this Information Memorandum, “**Preparation Date**” means:

- in relation to this Information Memorandum, the date indicated on its face or, if the Information Memorandum has been amended or supplemented, the date indicated on the face of that amendment or supplement;
- in relation to any reports and financial statements incorporated by reference in this Information Memorandum, the date up to, or as at, the date on which the reports and statements relate; and
- in relation to any other item of information which is incorporated by reference in this Information Memorandum, the date indicated in that information as being its date of release.

The Arranger, the Dealers and the Agents expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, amongst other things, the documents which are deemed to be incorporated in this Information Memorandum by reference when deciding whether or not to purchase any Notes. In addition, the Issuer makes filings with the relevant market or regulatory authorities where its securities may be offered or listed from time to time, and such filings may include information material to investors. Copies of such filings are available from the Issuer on request.

No person has been authorised to give any information or make any representation not contained in, or consistent with, this Information Memorandum in connection with the Issuer, the Programme or the issue or sale of the Notes and, if given or made, that information or representation must not be relied on as having been authorised by the Issuer, Arranger, Dealers or Agents.

Agency and dealer fees

The Issuer has agreed to pay the Agents' fees for undertaking their respective roles and reimburse them for certain of their expenses incurred in connection with the Programme. The Issuer may also pay a Dealer a fee in respect of the Notes subscribed by it and has agreed to reimburse the Dealers for certain expenses incurred in connection with the Programme and indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes.

Each Dealer, its subsidiaries, directors and employees may have pecuniary or other interests in the Notes and may also have interests pursuant to other arrangements and may receive fees, brokerage and commissions and may act as a principal in dealing in any Notes.

Distribution arrangements

This Information Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Information Memorandum and any relevant Pricing Supplement and the subscription, offer, sale or transfer of Notes may be restricted by law in certain jurisdictions. None of the Issuer, the Arranger, Dealers or Agents represents that this Information Memorandum may be lawfully distributed, or that any Notes may be lawfully subscribed for, offered, sold or transferred in compliance with any applicable law in any such jurisdiction, or under an exemption available in that jurisdiction, or assumes any responsibility for facilitating any distribution or offering. No action has been taken, or will be taken, by the Issuer, the Arranger, Dealers or Agents in any jurisdiction which would permit a public offering of any Notes or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Information Memorandum or 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. Persons into whose possession this Information Memorandum or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Information Memorandum and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Information Memorandum and the offer or sale of Notes in Australia, United Kingdom, United States of America, European Economic Area, Hong Kong, Singapore, Japan and New Zealand as more fully set out in this Information Memorandum.

References to credit ratings

There are references in this Information Memorandum to credit ratings. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency. Each rating should be evaluated independently of any other rating.

Currencies

All references in this Information Memorandum to “A\$” or “Australian dollars” are to the lawful currency of Australia, all references to “US\$” or “US dollars” are to the lawful currency of the United States of America and all references to “NZ\$” or “New Zealand dollars” are to the lawful currency of New Zealand.

Documents incorporated by reference

This Information Memorandum is to be read in conjunction with all documents which are deemed to be incorporated into it by reference. This Information Memorandum shall, unless otherwise expressly stated, be read and construed on the basis that such documents are so incorporated and form part of this Information Memorandum. References to “Information Memorandum” are to this Information Memorandum together with any other document incorporated by reference collectively and to any of them individually.

The following documents are incorporated in, and taken to form part of, this Information Memorandum:

- all amendments and supplements to this Information Memorandum published by the Issuer from time to time;
- the Information Statement dated 31 October 2006, which contains the Issuer’s audited financial statements as of and for the years ended 30 June 2006 and 30 June 2005;
- any quarterly or annual financial statements filed with the U.S. Securities and Exchange Commission subsequent to the date of the Information Statement; and
- all documents published by the Issuer and stated to be incorporated in this Information Memorandum by reference including any relevant Pricing Supplement.

Any statement contained in this Information Memorandum or in any of the documents incorporated by reference in, and forming part of this Information Memorandum, shall be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement.

Copies of documents incorporated by reference may be obtained from the Issuer.

Stabilisation

In connection with any issue of Notes outside Australia or New Zealand, the Dealer (if any) designated as stabilising manager in any relevant Pricing Supplement may over-allot or effect transactions outside Australia or New Zealand (as the case may be) and on a market operated outside Australia or New Zealand which stabilise or maintain the market price of the Notes of the relevant Series at a level which might not otherwise prevail for a limited period after the issue date and only if such transactions occur outside Australia or New Zealand and have no relevant jurisdictional connection to Australia or New Zealand. Such stabilising shall be in compliance with all relevant laws and regulations.

Summary of the Programme

The following is a summary only and should be read with the rest of this Information Memorandum and, in relation to any Notes, the Conditions of the Notes and any applicable Pricing Supplement.

Issuer: International Finance Corporation.

Description: A non-underwritten debt issuance programme (“**Programme**”) under which, subject to applicable laws and directives, the Issuer may issue Notes in the Australian and New Zealand domestic capital markets.

The features of the Notes are described in greater detail elsewhere in this Information Memorandum.

The features of any other debt instruments will be described in a disclosure document relevant to the issue of those debt instruments prior to their issuance.

Arranger: Commonwealth Bank of Australia (ABN 48 123 123 124).

Dealers: Dealers may be appointed from time to time by the Issuer in accordance with the Dealer Agreement for any Tranche of Notes. The Issuer may also issue Notes directly to purchasers or investors (as applicable) procured by it.

Registrar: For:

- (a) Australian Domestic Notes, The Reserve Bank of Australia (ABN 50 008 559 486) (“**Australian Registrar**”);
- (b) New Zealand Domestic Notes, Computershare Investor Services Limited (“**New Zealand Registrar**”); and
- (c) any other party appointed by the Issuer under an Agency Agreement (as defined in the Conditions) to establish and maintain a Register on the Issuer’s behalf from time to time and expressed to be the registrar in respect of any Series or Tranche of Notes.

A Registrar may also provide issue and paying agency services with respect to each Series or Tranche of Notes initially lodged and held through or predominantly through a Clearing System (as defined below).

Calculation Agents: If a Calculation Agent is required for the purpose of calculating any amount or making any determination in respect of a Series or Tranche of Notes, that appointment will be notified in the relevant Pricing Supplement. The Issuer may terminate the appointment of the Calculation Agent, appoint additional or other Calculation Agents or elect to have no Calculation Agent. Where no Calculation Agent is appointed the calculation of interest, principal and other payments in respect of Notes will be made by the Issuer.

Agent: Each Registrar, Calculation Agent and any other person appointed by the Issuer to perform other agency functions with respect to a Series or Tranche of Notes. Details of each appointment will be notified in the relevant Pricing Supplement.

Programme Term:	The Programme continues until terminated by the Issuer giving 30 days notice to the Arranger or earlier by agreement between the Issuer and the Arranger.
Rating:	<p>Notes to be issued under the Programme are expected to be assigned a rating of AAA by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc and a rating of Aaa by Moody's Investors Service Limited.</p> <p>Structured Notes may have a different credit rating than the other Notes. Where an individual Tranche or Series of Notes is rated, the rating may not necessarily be the same as the ratings specified above.</p> <p>A rating is not a recommendation to buy, sell or hold Notes and is subject to variation, suspension or withdrawal at any time by the assigning organisation.</p>
Form of Notes:	<p>Notes issued by the Issuer will be in registered form. They will be debt obligations of the Issuer which are constituted by, and owing under, a Note Deed Poll dated 7 August 2007 (as amended and/or supplemented from time to time) ("Note Deed Poll").</p> <p>Notes will take the form of entries in a register maintained by the Registrar.</p> <p>The terms and conditions of the Notes ("Conditions") are contained in this Information Memorandum, as modified and supplemented by a Pricing Supplement for the relevant Tranche.</p> <p>Notes may bear interest at a fixed or floating rate, be issued at a discount or premium to the face value or otherwise bear interest which is calculated by a formula or an index as specified in the relevant Pricing Supplement. The Notes of any Series may be described as "Fixed Rate Notes", "Floating Rate Notes", "Zero Coupon Notes", "Structured Notes" or by any other marketing name specified in the relevant Pricing Supplement.</p>
Method of Issue:	The Notes may be issued on a syndicated or non-syndicated basis.
Interest Periods and Interest Rates:	The length of the interest periods and the applicable rate of interest or its method of calculation may differ from time to time or be constant for any Series as specified in the relevant Pricing Supplement. Notes may have a maximum rate of interest, a minimum rate of interest or both.
Status and ranking:	<p>The Notes will constitute unsubordinated and unsecured obligations of the Issuer, as described in Condition 4.</p> <p>The Issuer is not a bank which is authorised under the Banking Act 1959 of Australia, nor is the Issuer a registered bank in New Zealand pursuant to the Reserve Bank of New Zealand Act 1989. The Notes are not the obligations of The International Bank for Reconstruction and Development or of any government and, in particular, are not guaranteed by the Commonwealth of Australia or any other person or governmental agency or instrumentality of any jurisdiction.</p>
Tenor:	Notes must have a tenor of more than 365 days. There is no maximum tenor for Notes.
Currencies:	Subject to any applicable legal or regulatory requirements, Notes may be denominated in any currency or currencies, including, without limitation, Australian dollars, New Zealand dollars or any other freely transferable and

freely convertible currency as may be agreed between the Issuer and the relevant Dealer.

Payments in respect of Notes may be made in, or limited to, a currency or currencies other than the currency in which the Notes are denominated, all as set out in the relevant Pricing Supplement.

Issue Price: Notes may be issued at any price on a fully or partly paid basis, as specified in any relevant Pricing Supplement.

Settlement Price: As specified in any relevant Pricing Supplement, or as otherwise agreed between the parties.

Issuance in Series: Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and (unless the Notes are approved for trading in the Austraclear System) interest commencement date may be different in respect of different Tranches of a Series. The Notes of each Series are intended to be fungible with other Notes of that Series.

However, in certain circumstances, Notes of a particular Tranche may not be, nor will they become, fungible with Notes of any other Tranche or Tranches forming part of the same Series until a specified time following their issue, as described in the relevant Pricing Supplement.

Denominations: Notes will be issued in the single denomination of A\$10,000 (in the case of Australian Domestic Notes), NZ\$10,000 (in the case of New Zealand Domestic Notes) or such other notional face value of a Note as specified in the applicable Pricing Supplement, provided that:

- (a) in relation to Australian Domestic Notes offered in Australia:
 - (i) the aggregate consideration payable in respect of an issue or transfer is at least A\$500,000 (or its equivalent in another currency, disregarding money lent by the offeror or its associates); and
 - (ii) the issue results from an offer or invitation for those Notes which does not require disclosure to investors under Part 6D.2 of the Corporations Act; or
- (b) in relation to New Zealand Domestic Notes offered in New Zealand:
 - (i) the aggregate consideration payable in respect of an issue or transfer is not less than NZ\$500,000 (disregarding any amount lent by the offeror, the Issuer or any associated person of the offeror or Issuer); or
 - (ii) the notes are issued or transferred to persons whose principal business is the investment of money, or who, in the ordinary course of or for the purposes of their business, habitually invest money within the meaning of the Securities Act 1978 of New Zealand; and
- (c) the issue complies with all other applicable laws.

Title:	<p>Entry of the name of the person in the Register in respect of a Note constitutes the obtaining and passing of title and it is conclusive evidence that the person so entered is the absolute owner of the Notes subject to correction for fraud or error. Title to those Notes passes when details of the transfer are entered in the Register.</p> <p>Notes held in the Austraclear System (as defined below) will be registered in the name of Austraclear Limited (ABN 94 002 060 773) ("Austraclear"). Title to Notes held in a Clearing System (as defined below) will be determined in accordance with the rules and regulations of that Clearing System.</p> <p>No certificates or other evidence of title will be issued to holders of Notes unless the Issuer determines that certificates should be available or are required by any applicable law or regulation.</p>
Clearing System:	<p>Notes may be transacted either within or outside any Clearing System. The Issuer may apply to Austraclear for approval for the Notes to be traded on the settlement system operated by Austraclear ("Austraclear System"). Such approval of the Notes by Austraclear is not a recommendation or endorsement by Austraclear of the Notes.</p> <p>Notes may also be traded on the settlement system operated by Euroclear Bank S.A./N.A. ("Euroclear"), the settlement system operated by Clearstream Banking, société anonyme ("Clearstream"), the New Zealand securities clearing and settlement system operated by the Reserve Bank of New Zealand ("Austraclear New Zealand System") (in the case of New Zealand Domestic Notes) or any other clearing system outside Australia specified in the relevant Pricing Supplement (together with the Austraclear System, Euroclear, Clearstream and the Austraclear New Zealand System, each a "Clearing System").</p>
Negative pledge:	None.
Cross default:	See Condition 15.
Governing law:	The Notes and all related documents will be governed by the laws in force in New South Wales, except that any registry services and/or issuing and paying agency agreement entered into with a registrar or other agent outside Australia, may be governed by the law of another jurisdiction. In particular, any Registry and Paying Agency Agreement entered into with the New Zealand Registrar will be governed by the laws of New Zealand.
Use of proceeds:	The net proceeds from any issue of Notes will be used for the general operations of the Issuer in accordance with the Articles of Agreement of the Issuer (" Articles ").
Transfer procedure:	<p>Notes may only be transferred in whole.</p> <p>Notes may only be transferred between persons in a jurisdiction or jurisdictions other than Australia if the transfer is in compliance with the laws of the jurisdiction in which the transfer takes place.</p> <p>Notes not held in a Clearing System may only be transferred by completing and delivering to the Registrar a signed transfer form in compliance with all applicable laws.</p> <p>Interests in respect of Notes held in a Clearing System are transferable only in accordance with the rules and regulations of the relevant Clearing System.</p>

Redemption:	<p>Notes may be redeemed before their stated maturity as described in the Conditions.</p> <p>Notes held in a Clearing System will be redeemed through that Clearing System in a manner consistent with the rules and regulations of that Clearing System.</p>
Payments and Record Date:	<p>Payments will be made to the persons whose names are entered in the Register as at 5.00pm (local time) in the place of payment on the relevant Record Date. The Record Date is, in relation to:</p> <ul style="list-style-type: none"> (a) Australian Domestic Notes, the 8th calendar day before a payment date; or (b) New Zealand Domestic Notes, the 10th calendar day before a payment date. <p>Payments to persons who hold interests or rights in respect of any Notes held in a Clearing System will be made by transfer to their relevant account in accordance with the rules and regulations of the relevant Clearing System.</p> <p>If Notes are not held in a Clearing System, payments will be made to the account of the registered holder noted in the Register. If no account is notified, then payments will be made by cheque mailed on the Business Day immediately before the payment date to the registered holder at its address appearing in the Register at the close of business on the Record Date.</p>
Taxation:	<p>The Notes and interest thereon are not exempt from taxation generally.</p> <p>Under the Articles, the Issuer is not under any obligation to withhold or pay any tax imposed by any member country in respect of the Notes. Accordingly, payments in respect of principal, premium (if any) and interest due on the Notes will be paid to the relevant Agent without deduction in respect of any such tax. However, tax withholding requirements may apply to payments made by financial intermediaries acting in any capacity other than as the Issuer's Agent or paying agent.</p> <p>Under the Articles, payments in respect of principal, premium (if any), and interest due on the Notes are not subject to any tax by a member country (i) which tax discriminates against the Notes solely because they are issued by the Issuer or (ii) if the sole jurisdictional basis for the tax is the place or currency in which the Notes are issued, made payable or paid, or the location of any office or place of business maintained by the Issuer.</p> <p>Investors should obtain their own taxation advice regarding the taxation status of investing in Notes.</p>
Stamp duty:	<p>Any stamp duty incurred on a transfer of Notes will be for the account of the relevant investors. However, as at the date of this Information Memorandum, no Australian or New Zealand stamp duty is payable on the issue, transfer or redemption of the Notes.</p> <p>Investors are advised to seek independent advice regarding any stamp duty or other taxes imposed by another jurisdiction upon the transfer of Notes, or interests in Notes, in any jurisdiction outside of Australia.</p>
Selling restrictions:	<p>The offer, sale, transfer and delivery of Notes and the distribution of this Information Memorandum and other material in relation to the Notes are</p>

subject to such restrictions as may apply in any jurisdiction in which the Notes may be offered, sold or transferred in connection with the offering and sale of a particular Tranche of Notes. In particular, restrictions on the offer or sale of the Notes in Australia, the United Kingdom, the United States of America, Hong Kong, Japan, New Zealand, Singapore and the European Economic Area are set out in the section entitled "Selling Restrictions" below.

Listing:

The Issuer currently intends to list the Notes on the Australian Stock Exchange Limited ("**ASX**").

The Issuer may also elect to apply to list one or more Tranches of Notes on any other stock exchange specified in the relevant Pricing Supplement or may decide to issue unlisted Notes. Notes listed on the ASX will not be transferred through or registered on the Clearing House Electronic Sub-Register System ("**CHESS**") operated by the ASX and will not be "Approved Financial Products" for the purposes of CHESS. If an interface between the Register and CHESS is established the documents relating to the Programme may be amended to facilitate settlement on CHESS and the Notes will become "Approved Financial Products" for the purposes of CHESS.

The Issuer may also issue unlisted Notes.

Investment Risks:

This paragraph does not describe all the risks of an investment in the Notes. Prospective investors or purchasers should consult their own financial and legal advisers about risks associated with an investment in a particular Tranche of Notes and the suitability of investing in the Notes in light of their particular circumstances.

An investment in certain types of structured Notes, the premium and/or the interest on or principal of which is determined by reference to one or more values of currencies, commodities, interest rates or other indices or formulae, either directly or indirectly, may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the resulting interest rate will be less than that payable on a conventional debt security purchased at the same time and/or that an investor could lose all or a substantial portion of the principal of those Notes.

Neither the current nor the historical value of the relevant currencies, commodities, interest rates or other indices or formulae should be taken as an indication of future performance of such currencies, commodities, interest rates or other indices or formulae during the term of any Notes.

The Issuer

IFC is an international organization, established in 1956 to further economic growth in its developing member countries by promoting private sector development. IFC is a member of the World Bank Group, which also includes the International Bank for Reconstruction and Development ("**World Bank**"), the International Development Association ("**IDA**"), and the Multilateral Investment Guarantee Agency ("**MIGA**"). It is a legal entity separate and distinct from the World Bank, IDA and MIGA with its own Articles, share capital, financial structure, management, and staff. Membership in IFC is open only to member countries of the World Bank. The obligations of IFC are not obligations of, or guaranteed by, the World Bank or any government.

IFC is an experienced supranational organization providing financing and financial services to the private sector in developing countries that are members of IFC. It combines the characteristics of a multilateral development agency with those of a private financial institution. As of 30 June 2007, IFC's entire share capital was held by 179 member countries. The five largest of IFC's 179 shareholders are the United States (23.64% of the total voting power), Japan (5.87%), Germany (5.36%), United Kingdom (5.03%), and France (5.03%). As of 30 June 2007, Australia held 1.97% of the total voting power and New Zealand 0.16%. Generally, IFC charges market-based rates for its loans and seeks market returns on its equity investments. Unlike most other multilateral institutions, IFC does not accept host government guarantees of its loans. The financial strength of IFC is based principally on the quality of its loan and equity portfolio, its substantial paid-in capital and reserves, and low debt to equity ratio, the size of its liquid assets, its diversified earnings base and its consistent profitability.

Conditions of the Notes

The following are the Conditions which, as supplemented, amended, modified or replaced in relation to any Note by any relevant Pricing Supplement, apply to each Series of Notes issued by the Issuer constituted by the Note Deed Poll described below. References below to the "Pricing Supplement" are references to any Pricing Supplement applicable to the relevant Tranche of Notes but do not limit the provisions which may be supplemented, amended, modified or replaced by a relevant Pricing Supplement in relation to that particular Series or Tranche of Notes.

Each Holder and any person claiming through or under a Holder is deemed to have notice of, and is bound by, these Conditions, the Note Deed Poll, the Information Memorandum, the applicable Agency Agreement and any applicable Pricing Supplement.

Copies of the above documents (to the extent they relate to a Tranche of Notes) will be available for inspection by Holders of any Note of such Tranche during normal business hours at the respective offices of the Issuer and the Registrar.

Definitions and interpretation provisions are set out in Condition 1 ("Interpretation"). All capitalised terms that are not defined in these Conditions will have the meanings given to them in the applicable Pricing Supplement. References in these conditions to "Notes" are to the Notes of one specific Series only, not to all Notes that may be issued under the Programme.

Part 1 Introduction

1 Interpretation

1.1 Definitions

In these Conditions the following expressions have the following meanings:

Agency Agreement means:

- (a) the Australian Registry Services Agreement;
- (b) the New Zealand Registry Services Agreement; or
- (c) any other agency agreement entered into by the Issuer in relation to an issue of Notes.

Agent means:

- (a) in the case of an issue of Australian Domestic Notes, the Australian Registrar;
- (b) in the case of an issue of New Zealand Domestic Notes, the New Zealand Registrar;
- (c) the Paying Agent;
- (d) the Calculation Agent; and
- (e) such other person appointed by the Issuer in relation to any Notes from time to time.

Amortised Face Amount means, in relation to a Note, an amount equal to the sum of:

- (a) the issue price specified in the Pricing Supplement; and
- (b) the amount resulting from the application of the amortisation yield specified in the Pricing Supplement (compounded annually) to the issue price (as specified in the

Pricing Supplement) from (and including) the Issue Date specified in the Pricing Supplement to (but excluding) the date fixed for redemption or (as the case may be) the date the Note becomes due and repayable.

If the calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year must be made on the basis of the Day Count Fraction specified in the Pricing Supplement.

Articles means the Articles of Agreement constituting the Issuer.

Austraclear means Austraclear Limited (ABN 94 002 060 773).

Austraclear New Zealand Regulations means the regulations known as the "Austraclear New Zealand System Rules" established by the Reserve Bank of New Zealand to govern the use of the Austraclear New Zealand System and includes the operating guidelines deemed to form part of these rules.

Austraclear New Zealand System means the system operated by the Reserve Bank of New Zealand in New Zealand for holding securities and electronic recording and settling of transactions in those securities between members of that system.

Austraclear Regulations means the regulations known as "Austraclear System Regulations" established by Austraclear to govern the use of the Austraclear System.

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

Australian Domestic Notes means a Note denominated in Australian dollars, which may be cleared through the Austraclear System and specified as such in the applicable Pricing Supplement.

Australian Registrar means, in relation to Australian Domestic Notes, The Reserve Bank of Australia (ABN 50 008 559 486) or such other person appointed by the Issuer pursuant to the Australian Registry Services Agreement to maintain a Register in relation to Australian Domestic Notes and perform such payment and other duties as specified in that agreement.

Australian Registry Services Agreement means the agreement entitled "Agency and Registry Agreement" dated between the Issuer and the Australian Registrar and dated on or about 7 August 2007.

Business Day means a day on which banks are open for general banking business in Washington, DC, and:

- (a) for Australian Domestic Notes, Sydney, Australia; and
- (b) for New Zealand Domestic Notes, Auckland and Wellington, New Zealand,

and in each (if any) Relevant Financial Centre specified in the Pricing Supplement (not being a Saturday, Sunday or public holiday in that place) and, if a Note is to be issued or paid on that day, a day on which each Clearing System is operating.

Business Day Convention means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following conventions, where specified in the Pricing Supplement in relation to any date applicable to any Note, have the following meanings:

- (a) **Floating Rate Convention** means that the date is postponed to the next following day which is a Business Day unless that day falls in the next calendar month, in which event:

- (i) that date is brought forward to the first preceding day that is a Business Day; and
 - (ii) each subsequent Interest Payment Date is the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the Pricing Supplement after the preceding applicable Interest Payment Date occurred;
- (b) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;
- (c) **Modified Following Business Day Convention or Modified Business Day Convention** means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is brought forward to the first preceding day that is a Business Day;
- (d) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day; and
- (e) **No Adjustment** means that the relevant date must not be adjusted in accordance with any Business Day Convention.

If no convention is specified in the Pricing Supplement, the Following Business Day Convention applies. Different conventions may be specified in relation to, or apply to, different dates.

Calculation Agent means the Registrar or any other person specified in the Pricing Supplement as the party responsible for calculating the Interest Rate and other amounts required to be calculated under these Conditions.

Clearing System means:

- (a) the Austraclear System;
- (b) the Austraclear New Zealand System; or
- (c) any other clearing system specified in the applicable Pricing Supplement.

Corporations Act means the Corporations Act 2001 of Australia.

Custodian means New Zealand Central Securities Depositary Limited or any other entity appointed from time to time by the Operator, under the Austraclear New Zealand Regulations, as custodian trustee to hold securities on the Austraclear New Zealand System.

Day Count Fraction means, in respect of the calculation of interest for any period of time ("**Calculation Period**"), the day count fraction specified in the Pricing Supplement and:

- (a) if "**Actual/Actual (ICMA)**" is so specified, means:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the

actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

- (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;
- (b) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:
 - (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and
 - (ii) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if "**30/360**" is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months unless:
 - (i) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day is not considered to be shortened to a 30-day month; or
 - (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February is not considered to be lengthened to a 30-day month);
- (f) if "**30E/360**" or "**Eurobond Basis**" is so specified means, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February is not considered to be lengthened to a 30-day month);
- (g) if "**RBA Bond Basis**" or "**Australian Bond Basis**" is so specified, means one divided by the number of Interest Payment Dates in a year; and
- (h) any other day count fraction specified in the Pricing Supplement.

Denomination means A\$10,000 (in the case of an Australian Domestic Note), NZ\$10,000 (in the case of a New Zealand Domestic Note) or such other notional face value of a Note as specified in the Pricing Supplement.

Early Redemption Amount means the early redemption amount specified in, or determined in accordance with, the Pricing Supplement.

Event of Default means an event so described in Condition 15 ("Events of Default").

Extraordinary Resolution has the meaning given in the Meetings Provisions.

Fixed Rate Note means a Note on which interest is calculated at a fixed rate payable in arrear on a fixed date or fixed dates in each year and on redemption or on any other dates as specified in the Pricing Supplement.

Floating Rate Note means a Note on which interest is calculated at a floating rate payable 1, 2, 3, 6, or 12 monthly or in respect of any other period or on any date specified in the Pricing Supplement.

Holder means, in respect of a Note, each person whose name is entered in the Register as the holder of that Note.

For the avoidance of doubt, where a Note is held in a Clearing System, references to a Holder include the operator of that system or a nominee for that operator or a common depository for one or more Clearing Systems (in each case acting in accordance with the rules and regulations of the Clearing System or Systems).

Index Linked Note means a Note in respect of which the amount payable in respect of interest is calculated by reference to an index or a formula or both as specified in the Pricing Supplement.

Information Memorandum in respect of a Note means the information memorandum, disclosure document (as defined in the Corporations Act) or other offering document referred to in the Pricing Supplement.

Instalment Amounts has the meaning given in the Pricing Supplement.

Instalment Note means a Note which is redeemable in one or more instalments, as specified in the Pricing Supplement.

Interest Commencement Date means, for a Note, the Issue Date of the Note or any other date so specified in the Pricing Supplement.

Interest Determination Date has the meaning given in the Pricing Supplement.

Interest Payment Date means each date so specified in, or determined in accordance with, the Pricing Supplement.

Interest Period means each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date. However:

- (a) the first Interest Period commences on (and includes) the Interest Commencement Date; and
- (b) the final Interest Period ends on (but excludes) the Maturity Date.

Interest Rate means, for a Note, the interest rate (expressed as a percentage per annum) payable in respect of that Note specified in the Pricing Supplement or calculated or determined in accordance with these Conditions and the Pricing Supplement.

ISDA Definitions means the 2000 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (as supplemented, amended and updated as at the Issue Date of the first Tranche of the Notes of the Series).

Issue Date means the date on which a Note is, or is to be issued, as specified in, or determined in accordance with, the Pricing Supplement.

Issuer means International Finance Corporation.

Margin means the margin specified in, or determined in accordance with, the Pricing Supplement.

Maturity Date means, the date so specified in, or determined in accordance with, the Pricing Supplement.

Meetings Provisions means the provisions relating to meetings of Holders set out in the schedule to the Note Deed Poll.

New Zealand Domestic Note means a Note denominated in New Zealand dollars, which may be cleared through the Austraclear New Zealand System and specified as such in the applicable Pricing Supplement.

New Zealand Registrar means, in relation to New Zealand Domestic Notes, Computershare Investor Services Limited or such other person appointed by the Issuer pursuant to the New Zealand Registry Services Agreement to maintain a Register in relation to New Zealand Domestic Notes and perform such payment and other duties as specified in that agreement.

New Zealand Registry Services Agreement means the agreement entitled "Registry and Paying Agency Agreement" to be entered into between the Issuer and the New Zealand Registrar.

Note means a medium term debt obligation issued or to be issued by the Issuer which is constituted by, and owing under the Note Deed Poll, the details of which are recorded in, and evidenced by, entry in, the Register.

Note Deed Poll means the deed poll so entitled executed by the Issuer on or about 7 August 2007.

Operator means the Reserve Bank of New Zealand or its successor or replacement from time to time in its capacity as operator of the Austraclear New Zealand System.

Partly Paid Note means a Note in relation to which the initial subscription moneys are payable to the Issuer in two or more instalments.

Person means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

Pricing Supplement means, in respect of a Tranche, the pricing supplement specifying the relevant issue details in relation to it.

Record Date means:

- (a) for Australian Domestic Notes, the close of business in the place where the Register is maintained on the eighth calendar day before the payment date;
- (b) for New Zealand Domestic Notes, the close of business in the place where the Register is maintained on the tenth calendar day before the payment date; or
- (c) any other date so specified in the applicable Pricing Supplement.

Redemption Amount means:

- (a) for a Note (other than a Zero Coupon Note or a Structured Note), the outstanding principal amount as at the date of redemption;
- (b) for a Zero Coupon Note, the Amortised Face Amount calculated as at the date of redemption; and

- (c) for a Structured Note, the amount determined by the Calculation Agent in the manner specified in the Pricing Supplement,

and also includes any final instalment and any other amount in the nature of a redemption amount specified in, or determined in accordance with, the Pricing Supplement or these Conditions.

Reference Banks means the institutions so described in the Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate.

Reference Rate has the meaning given in the Pricing Supplement.

Register means the register, including any branch register, of holders of Notes established and maintained by or on behalf of the Issuer under an Agency Agreement.

Registrar means:

- (a) for Australian Domestic Notes, the Australian Registrar;
- (b) for New Zealand Domestic Notes, the New Zealand Registrar; and
- (c) any other party expressed to be the registrar in respect of any Tranche of Notes in an Agency Agreement.

Regular Period means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each Interest Period;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

Related Entity has the meaning it has in the Corporations Act.

Relevant Screen Page means:

- (a) the page, section or other part of a particular information service (including the Reuters Monitor Money Rates Service and the Dow Jones Telerate Service) specified as the Relevant Screen Page in the Pricing Supplement; or
- (b) any other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

Relevant Time has the meaning given in the Pricing Supplement.

Security Record:

- (a) for Australian Domestic Notes, has the meaning given to it in the Austraclear Regulations; and
- (b) for New Zealand Domestic Notes, has the meaning given to the term "Security Account" in the Austraclear New Zealand Regulations.

Series means an issue of Notes made up of one or more Tranches all of which form a single Series and are issued on the same Conditions except that the Issue Date and Interest Commencement Date may be different in respect of different Tranches of a Series.

Specified Office means the office specified in the Information Memorandum or any other address notified to Holders from time to time.

Structured Note means:

- (a) an Index Linked Note; or
- (b) an Instalment Note.

Taxes means taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties, fines and expenses in connection with them except if imposed on, or calculated having regard to, the net income of a Holder.

U.S.\$ means the lawful currency of the United States of America.

Tranche means an issue of Notes specified as such in the Pricing Supplement issued on the same Issue Date and on the same Conditions.

Zero Coupon Note means a Note which does not carry entitlement to periodic payment of interest before the redemption date of the Note and which is issued at a discount to its principal amount.

1.2 References to certain general terms

Unless the contrary intention appears, a reference in this agreement to:

- (a) a group of persons is a reference to any two or more of them jointly and to each of them individually;
- (b) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;
- (c) an agreement, representation or warranty by two or more persons binds them jointly and each of them individually, but an agreement, representation or warranty by a Dealer binds the Dealer, individually only;
- (d) anything (including an amount) is a reference to the whole and each part of it;
- (e) a document (including this agreement) includes any variation or replacement of it;
- (f) law means common law, principles of equity, and laws made by parliament (and laws made by parliament include federal or state laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);

- (g) a directive includes a treaty, official directive, request, regulation, guideline or policy (whether or not having the force of law) with which responsible participants in the relevant market generally comply;
- (h) Australian dollars or A\$ is a reference to the lawful currency of Australia;
- (i) New Zealand dollars or NZ\$ is a reference to the lawful currency of New Zealand;
- (j) a time of day is a reference to Sydney time unless otherwise specified;
- (k) the word “person” includes an individual, a firm, a body corporate, an unincorporated association and an authority;
- (l) a particular person includes a reference to the person’s executors, administrators, successors, substitutes (including persons taking by novation) and assigns; and
- (m) the words “including”, “for example” or “such as” when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

1.3 References to particular terms

Unless the contrary intention appears, in these Conditions:

- (a) a reference to the Issuer, the Registrar, the Calculation Agent or another Agent is a reference to the person so specified in the Pricing Supplement;
- (b) a reference to the Agency Agreement is a reference to the Agency Agreement applicable to the Notes of the relevant Series.
- (c) a reference to a Note is a reference to a Note of a particular Series issued by the Issuer specified in the Pricing Supplement;
- (d) a reference to a Holder is a reference to the holder of Notes of a particular Series;
- (e) if the Notes are Zero Coupon Notes or Structured Notes which do not bear interest, references to interest are not applicable; and
- (f) a reference to a particular date is a reference to that date adjusted in accordance with the applicable Business Day Convention.

1.4 References to principal and interest

Unless the contrary intention appears, in these Conditions:

- (a) any reference to “principal” is taken to include the Redemption Amount, any premium payable in respect of a Note, and any other amount in the nature of principal payable in respect of the Notes under these Conditions;
- (b) the principal amount of a Note issued at a discount is to be taken as at any time to equal the lesser of:
 - (i) its Denomination; and
 - (ii) if specified in the Pricing Supplement, its Amortised Face Amount at that time;
- (c) the principal amount of a Note which is to vary by reference to a schedule or formula (where such determination has been previously made in accordance with these Conditions) is to be taken as at any time to equal its varied amount;

- (d) the principal amount of a Partly Paid Note is to be taken to equal its paid up principal amount;
- (e) the principal amount of an Instalment Note at any time is to be taken to be its Denomination less the total instalments repaid to the extent that such instalments relate to a repayment of principal; and
- (f) any reference to "interest" is taken to include any amount in the nature of interest payable in respect of the Notes under these Conditions.

1.5 Number

The singular includes the plural and vice versa.

1.6 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Conditions.

1.7 Terms defined in Pricing Supplement

Terms which are defined in the Pricing Supplement as having a defined meaning have the same meaning when used in these Conditions but if the Pricing Supplement gives no meaning or specifies that the definition is "Not Applicable", then that definition is not applicable to the Notes.

2 Introduction

2.1 Programme

Notes are issued under a debt issuance programme established by the Issuer.

2.2 Pricing Supplement

Notes are issued in Series. A Series may comprise one or more Tranches having one or more Issue Dates and on conditions otherwise identical (other than in respect of the first payment of interest). A Tranche is the subject of a Pricing Supplement which supplements, amends or replaces these Conditions. If there is any inconsistency between these Conditions and the Pricing Supplement, the Pricing Supplement prevails.

Copies of the Pricing Supplement are available for inspection on request by a Holder or prospective Holder during normal business hours at the Specified Office of the Issuer or the Registrar.

2.3 Types of Notes

A Note is either:

- (a) a Fixed Rate Note; or
- (b) a Floating Rate Note; or
- (c) a Zero Coupon Note; or
- (d) a Structured Note (being either an Index Linked Note or an Instalment Note),

or a combination of the above (or any other type of debt obligation including a certificate of deposit), as specified in the relevant Pricing Supplement.

2.4 Denomination

Notes are issued in a single Denomination as specified in the Pricing Supplement.

2.5 Currency

Notes are denominated in the currency specified in the Pricing Supplement.

2.6 Clearing Systems

Notes may be held in a Clearing System, in which case the rights of a person holding an interest in the Notes lodged in the Clearing System are subject to the rules and regulations of the Clearing System.

2.7 Issue restrictions

Unless otherwise specified in any relevant Pricing Supplement, Notes may only be issued if:

- (a) in the case of:
 - (i) Australian Domestic Notes:
 - (A) the aggregate consideration payable to the Issuer by the relevant Holder is at least A\$500,000 (disregarding moneys lent by the offeror or its associates); and
 - (B) the offer or invitation for the issue of the Notes does not require disclosure to investors under Part 6D.2 of the Corporations Act; or
 - (ii) New Zealand Domestic Notes:
 - (A) the aggregate consideration payable to the Issuer by the relevant Holder is not less than NZ\$500,000 (disregarding any amount lent by the offeror, the Issuer or any associated person of the offeror or the Issuer); or
 - (B) the New Zealand Domestic Notes are issued 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 within the meaning of the Securities Act 1978 of New Zealand; and
- (b) the issue complies with all other applicable laws.

Part 2 The Notes

3 Form

3.1 Constitution under Note Deed Poll

Notes are debt obligations of the Issuer constituted by, and owing under, the Note Deed Poll.

3.2 Form

Notes are issued in registered form by entry in the Register.

3.3 No certificates

No certificates will be issued to Holders unless the Issuer determines that certificates should be available or are required by any applicable law.

4 Status

The Notes are direct, unconditional, general and unsecured obligations of the Issuer ranking *pari passu* without any preference among themselves and *pari passu* with all other outstanding unsecured and unsubordinated obligations for borrowed money of the Issuer.

THE NOTES ARE NOT OBLIGATIONS OF THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT OR OF ANY GOVERNMENT.

5 Title and transfer of Notes**5.1 Title**

Title to Notes passes when details of the transfer are entered in the Register.

5.2 Effect of entries in Register

Each entry in the Register in respect of a Note constitutes:

- (a) an unconditional and irrevocable undertaking by the Issuer to the Holder to pay principal and (if applicable) interest and any other amount in accordance with these Conditions; and
- (b) an entitlement to the other benefits given to Holders under these Conditions in respect of the relevant Note.

5.3 Register conclusive as to ownership

Entries in the Register in relation to a Note constitute conclusive evidence that the person so entered is the absolute owner of the Note subject to correction for fraud or error.

5.4 Non-recognition of interests

Except as required by law, the Issuer and the Registrar must treat the person whose name is entered in the Register as the holder of a Note as the absolute owner of that Note. This Condition applies whether or not a Note is overdue and despite any notice of ownership, trust or interest in the Note.

5.5 Joint holders

Where two or more persons are entered in the Register as the joint holders of a Note then they are taken to hold the Note as joint tenants with rights of survivorship, but the Registrar is not bound to register more than four persons as joint holders of a Note.

5.6 Transfers in whole

Notes may be transferred in whole but not in part.

5.7 Compliance with laws

Notes may only be transferred if:

- (a) in the case of Australian Domestic Notes:
 - (i) the aggregate consideration payable is at least A\$500,000 (disregarding moneys lent by the transferor or its associates); and

- (ii) the offer or invitation giving rise to the transfer does not constitute an offer or invitation for which disclosure is required to be made to investors under Part 6D.2 of the Corporations Act;
- (b) in the case of New Zealand Domestic Notes:
 - (i) the aggregate consideration payable is no less than NZ\$500,000 (but disregarding any part of the aggregate consideration paid or to be paid out of money lent by the person offering the Notes, or an associate of that person); or
 - (ii) the New Zealand Domestic Notes are transferred 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 within the meaning of the Securities Act 1978 of New Zealand; and
- (c) the transfer complies with any applicable law or directive of the jurisdiction where the transfer takes place.

5.8 Transfer procedures

Interests in Notes held in a Clearing System are transferable only in accordance with the rules and regulations of that Clearing System.

In particular, where the Custodian is the Holder and the Note is lodged in the Austraclear New Zealand System, the Operator may, in its absolute discretion and, to the extent not prohibited by the Austraclear New Zealand Regulations, instruct the New Zealand Registrar to transfer the Note to the person in whose Security Record that Note is recorded without any consent or action of such transferee and, as a consequence, remove that Note from the Austraclear New Zealand System.

Application for the transfer of Notes not held in a Clearing System must be made by the lodgment of a transfer form with the Registrar at its Specified Office. Transfer forms must be in the form available from the Registrar. Each transfer form must be:

- (a) duly completed;
- (b) accompanied by any evidence the Registrar may require to establish that the transfer form has been duly executed; and
- (c) signed by, or on behalf of, both the transferor and the transferee.

Transfers are registered without charge provided all applicable Taxes have been paid.

5.9 Effect of transfer

Upon registration and entry of the transferee in the Register, the transferor ceases to be entitled to future benefits under these Conditions in respect of the transferred Notes and the transferee becomes so entitled in accordance with Condition 5.2 ("Effect of entries in Register").

5.10 CHESS

Notes listed on the Australian Stock Exchange Limited (ABN 98 008 624 691) are not transferred through, or registered on, the Clearing House Electronic Sub-register System operated by the Australian Stock Exchange and are not "Approved Financial Products" (as defined for the purposes of that system).

5.11 Austraclear or Custodian as Holder

If Austraclear or the Custodian is recorded in the Register as the Holder, each person in whose Security Record a Note is recorded is taken to acknowledge in favour of the Issuer, the Registrar and the relevant Holder (and, if the Holder is the Custodian, the Operator) that:

- (a) the Registrar's decision to act as the Registrar of that Note is not a recommendation or endorsement by the Registrar or the relevant Holder (or, if the Holder is the Custodian, the Operator) in relation to that Note, but only indicates that the Registrar considers that the holding of the Note is compatible with the performance by it of its obligations as Registrar under an Agency Agreement; and
- (b) the relevant Holder does not rely on any fact, matter or circumstance contrary to paragraph (a).

5.12 Estates

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

5.13 Unincorporated associations

A transfer of Notes to an unincorporated association is not permitted.

5.14 Transfer of unidentified Notes

Where the transferor executes a transfer of less than all Notes registered in its name, and the specific Notes to be transferred are not identified, the Registrar may (subject to the limit on minimum holdings) register the transfer in respect of such of the Notes registered in the name of the transferor as the Registrar thinks fit, provided the aggregate principal amount of the Notes registered as having been transferred equals the aggregate principal amount of the Notes expressed to be transferred in the transfer.

Part 3 Interest

6 Fixed Rate Notes

This Condition 6 ("Fixed Rate Notes") applies to the Notes only if the Pricing Supplement states that it applies.

6.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate. Interest is payable in arrears on each Interest Payment Date.

6.2 Fixed Coupon Amount

Unless otherwise specified in the Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the preceding Interest Period is the Fixed Coupon Amount specified in the Pricing Supplement.

6.3 Calculation of interest payable

The amount of interest payable in respect of a Fixed Rate Note for any period for which a Fixed Coupon Amount is not specified in the Pricing Supplement is calculated by multiplying

the Interest Rate for that period, the outstanding principal amount of the Fixed Rate Note and the applicable Day Count Fraction.

7 Floating Rate Notes

This Condition 7 ("Floating Rate Notes") applies to the Notes only if the Pricing Supplement states that it applies.

7.1 Interest on Floating Rate Notes

Each Floating Rate Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrears:

- (a) on each Interest Payment Date; or
- (b) if no Interest Payment Date is specified in the Pricing Supplement, each date which falls the number of months or other period specified as the Specified Period in the Pricing Supplement after the preceding Interest Payment Date (or in the case of the first Interest Payment Date, after the Interest Commencement Date).

7.2 Interest Rate determination

The Interest Rate payable in respect of a Floating Rate Note must be determined by the Calculation Agent in accordance with these Conditions.

7.3 Fallback Interest Rate

Unless otherwise specified in the Pricing Supplement, if, in respect of an Interest Period, the Calculation Agent is unable to determine a rate in accordance with Condition 7.2 ("Interest Rate determination"), the Interest Rate for the Interest Period is the Interest Rate applicable to the Floating Rate Notes during the immediately preceding Interest Period.

7.4 ISDA Determination

If ISDA Determination is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate Notes for each Interest Period is the sum of the Margin and the ISDA Rate.

In this Condition:

- (a) **"ISDA Rate"** means for an Interest Period, a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction if the Calculation Agent for the Floating Rate Notes were acting as Calculation Agent for that Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
 - (i) the Floating Rate Option, the Designated Maturity and the Reset Date are as specified in the Pricing Supplement; and
 - (ii) the Period End Dates are each Interest Payment Date, the Spread is the Margin and the Floating Rate Day Count Fraction is the Day Count Fraction; and
- (b) **"Swap Transaction"**, **"Floating Rate"**, **"Calculation Agent"** (except references to **"Calculation Agent for the Floating Rate Notes"**), **"Floating Rate Option"**, **"Designated Maturity"**, **"Reset Date"**, **"Period End Date"**, **"Spread"** and **"Floating**

Rate Day Count Fraction” have the meanings given to those terms in the ISDA Definitions.

7.5 Screen Rate Determination

If Screen Rate Determination is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate Notes for each Interest Period is the sum of the Margin and the Screen Rate.

In this Condition, “**Screen Rate**” means, for an Interest Period, the quotation offered for the Reference Rate appearing on the Relevant Screen Page at the Relevant Time on the Interest Determination Date. However:

- (a) if there is more than one offered quotation displayed on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, the “**Screen Rate**” means the rate calculated by the Calculation Agent as the average of the offered quotations. If there are more than five offered quotations, the Calculation Agent must exclude the highest and lowest quotations (or in the case of equality, one of the highest and one of the lowest quotations) from its calculation;
- (b) if an offered quotation is not displayed by the Relevant Time on the Interest Determination Date or if it is displayed but the Calculation Agent determines that there is an obvious error in that rate, the “**Screen Rate**” means:
 - (i) the rate the Calculation Agent calculates as the average mean of the Reference Rates that each Reference Bank quoted to the leading banks in the Relevant Financial Centre specified in the Pricing Supplement at the Relevant Time on the Interest Determination Date; or
 - (ii) where the Calculation Agent is unable to calculate a rate under paragraph (i) because it is unable to obtain at least two quotes, the rate the Calculation Agent calculates as the average of the rates (being the nearest equivalent to the Reference Rate) quoted by two or more banks chosen by the Calculation Agent in the Relevant Financial Centre at approximately the Relevant Time on the Interest Determination Date for a period equivalent to the Interest Period to leading banks carrying on business in the Relevant Financial Centre in good faith; or
- (c) if the Pricing Supplement specifies an alternative method for the determination of the Screen Rate Determination, then that alternative method applies.

7.6 Bank Bill Rate Determination

If Bank Bill Rate Determination is specified in the Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate Notes for each Interest Period is the sum of the Margin and the Bank Bill Rate.

In this Condition:

- (a) **Bank Bill Rate** means, for an Interest Period:
 - (i) in the case of Australian Domestic Notes, the average mid rate for Bills having a tenor closest to the Interest Period as displayed on the “BBSW” page of the Reuters Monitor System on the first day of that Interest Period; and
 - (ii) in the case of New Zealand Domestic Notes, the “FRA” Rate for Bills having a tenor closest to the Interest Period as displayed on the “BKBM” page of the Reuters Monitor System (or its successor page) on the first day of that Interest Period.

However, if the average mid rate is not displayed by 10:30 am on that day (or, in the case of New Zealand Domestic Notes, as close as reasonably practicable to 10:45 am (New Zealand time) on that day), or if it is displayed but the Calculation Agent determines that there is an obvious error in that rate, **Bank Bill Rate** means the rate determined by the Calculation Agent in good faith at approximately 10:30 am on that day (or, in the case of New Zealand Domestic Notes, as close as reasonably practicable to 10:45 am (New Zealand time) on that day), having regard, to the extent possible, to the mid rate of the rates otherwise bid and offered for bank accepted Bills of that tenor at or around that time; and

- (b) **Bill** has the meaning it has in the Bills of Exchange Act 1909 of Australia in respect of Australian Domestic Notes, and the Bills of Exchange Act 1908 in respect of the New Zealand Domestic Notes, and a reference to the acceptance of a Bill is to be interpreted in accordance with that Act.

7.7 Interpolation

If the Pricing Supplement states that "Linear Interpolation" applies to an Interest Period, the Interest Rate for that Interest Period is determined through the use of straight line interpolation by reference to two ISDA Rates, Screen Rates, Bank Bill Rates or other floating rates specified in the Pricing Supplement.

The first rate must be determined as if the Interest Period were the period of time for which rates are available next shorter than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).

The second rate must be determined as if the Interest Period were the period of time for which rates are available next longer than the length of the Interest Period (or any alternative Interest Period specified in the Pricing Supplement).

8 Structured Notes

This Condition 8 ("Structured Notes") applies to the Notes only if the Pricing Supplement states that it applies.

8.1 Interest on Structured Notes

Each interest bearing Structured Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrear:

- (a) on each Interest Payment Date; or
- (b) if no Interest Payment Date is specified in the Pricing Supplement, each date which falls the number of months or other period specified as the Specified Period in the Pricing Supplement after the preceding Interest Payment Date (or in the case of the first Interest Payment Date, after the Interest Commencement Date).

8.2 Interest Rate

The Interest Rate payable in respect of an interest bearing Structured Note must be determined in the manner specified in the Pricing Supplement.

9 General provisions applicable to interest

9.1 Maximum or Minimum Interest Rate

If the Pricing Supplement specifies a Maximum Interest Rate or Minimum Interest Rate for any Interest Period, the Interest Rate for the Interest Period must not be greater than the maximum, or be less than the minimum, so specified.

9.2 Calculation of Interest Rate and interest payable

The Calculation Agent must, as soon as practicable after determining the Interest Rate in relation to each Interest Period for each Floating Rate Note and interest bearing Structured Note, calculate the amount of interest payable for the Interest Period in respect of the outstanding principal amount of that Note.

Unless otherwise specified in the Pricing Supplement, the amount of interest payable is calculated by multiplying the product of the Interest Rate for the Interest Period and the outstanding principal amount of the Note by the applicable Day Count Fraction.

The rate determined by the Calculation Agent must be expressed as a percentage rate per annum.

9.3 Calculation of other amounts

If the Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent must, as soon as practicable after the time at which that amount is to be determined, calculate the amount in the manner specified in the Pricing Supplement.

9.4 Notification of Interest Rate, interest payable and other items

The Calculation Agent must notify the Issuer, the Registrar, the Holders, each other Agent and any stock exchange or other relevant authority on which the Notes are listed of:

- (a) each Interest Rate, the amount of interest payable and each other amount, item or date calculated or determined by it together with the Interest Payment Date; and
- (b) any amendment to any amount, item or date referred to in paragraph (a) arising from any extension or reduction in any Interest Period or calculation period.

The Calculation Agent must give notice under this Condition as soon as practicable after it makes its determination. However, it must give notice of each Interest Rate, the amount of interest payable and each Interest Payment Date by the fourth day of the Interest Period.

The Calculation Agent may amend its determination of any amount, item or date (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of the Interest Period or calculation period without prior notice but must notify the Issuer, the Registrar, the Holders, each other Agent and each stock exchange or other relevant authority on which the Notes are listed after doing so.

9.5 Determination final

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it under these Conditions is, in the absence of manifest error, final and binding on the Issuer, the Registrar, each Holder and each other Agent.

9.6 Rounding

For the purposes of any calculations required under these Conditions (unless otherwise specified in the Pricing Supplement):

- (a) all percentages resulting from the calculations must be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.);
- (b) all figures must be rounded to five decimal places (with halves being rounded up); and
- (c) all amounts that are due and payable must be rounded (with halves being rounded up) to:
 - (i) in the case of Australian dollars, New Zealand dollars or euro, one cent; and
 - (ii) in the case of any other currency, the lowest amount of that currency available as legal tender in the country of that currency.

Part 4 Redemption and purchase

10 Redemption

10.1 Scheduled redemption

Each Note is redeemable by the Issuer on the Maturity Date at its Redemption Amount unless:

- (a) the Note has been previously redeemed;
- (b) the Note has been purchased and cancelled; or
- (c) the Pricing Supplement states that the Note has no fixed Maturity Date.

10.2 Partly paid Notes

Each Partly Paid Note is redeemable on the Maturity Date in accordance with the Pricing Supplement.

10.3 Instalment Notes

Each Instalment Note is partially redeemable in the Instalment Amounts and on the Instalment Dates specified in the Pricing Supplement. The principal amount of each Instalment Note is reduced by the Instalment Amount with effect from the related Instalment Date.

10.4 Early redemption at the option of Holders (Holder put)

If the Pricing Supplement states that a Holder may require the Issuer to redeem all or some of the Notes of a Series held by that Holder before their Maturity Date, the Issuer must redeem the Notes specified by the Holder at the Redemption Amount and any interest accrued on it to (but excluding) the redemption date if the following conditions are satisfied:

- (a) the amount of Notes to be redeemed is a multiple of their Denomination;
- (b) the Holder has given at least 30 days' (and no more than 60 days') (or any other period specified in the Pricing Supplement) notice, to the Issuer and the Registrar by delivering to the Specified Office of the Registrar during normal business hours a completed and signed redemption notice in the form obtainable from the Specified Office of the Registrar together with any evidence the Registrar may require to establish title of the Holder to the Note; and
- (c) the notice referred to in paragraph (b) specifies an account in the country of the currency in which the Note is denominated to which the payment should be made or an address to where a cheque for payment should be sent; and

- (d) the redemption date is an Early Redemption Date (Put) specified in the Pricing Supplement; and
- (e) any other condition specified in the Pricing Supplement is satisfied.

A Holder may not require the Issuer to redeem any Note under this Condition 10.4 if the Issuer has given notice that it will redeem that Note under Condition 10.5 ("Early redemption at the option of the Issuer (Issuer call)").

10.5 Early redemption at the option of the Issuer (Issuer call)

If the Pricing Supplement states that the Issuer may redeem all or some of the Notes of a Series before their Maturity Date under this Condition, the Issuer may redeem so many of the Notes specified in the Pricing Supplement at the Redemption Amount and any interest accrued on it to (but excluding) the redemption date.

However, the Issuer may only do so if:

- (a) the amount of Notes to be redeemed is, or is a multiple of, their Denomination;
- (b) the Issuer has given at least 30 days' (and no more than 60 days') (or any other period specified in the Pricing Supplement) notice to the Registrar, the Holders, each other Agent and any stock exchange or other relevant authority on which the Notes are listed; and
- (c) the proposed redemption date is an Early Redemption Date (Call) specified in the Pricing Supplement; and
- (d) any other condition specified in the Pricing Supplement is satisfied.

10.6 Partial redemptions

If only some of the Notes are to be redeemed under Condition 10.5 ("Early redemption at the option of the Issuer (Issuer call)"), the Notes to be redeemed must be specified in the notice and selected:

- (a) in a fair and reasonable manner; and
- (b) in compliance with any applicable law, directive or requirement of any stock exchange or other relevant authority on which the Notes are listed.

10.7 Effect of notice of redemption

Any notice of redemption given under this Condition 10 ("Redemption") is irrevocable.

10.8 Late payment

If an amount is not paid under this Condition 10 ("Redemption") when due, then:

- (a) for a Note (other than a Zero Coupon Note or a Structured Note), interest continues to accrue on the unpaid amount (both before and after any demand or judgment) at the default rate specified in the Pricing Supplement (or, if no default rate is specified, the last applicable Interest Rate) until the date on which payment is made to the Holder;
- (b) for a Zero Coupon Note, the obligation to pay the amount is replaced by an obligation to pay the Amortised Face Amount recalculated as at the date on which payment is made to the Holder; and
- (c) for a Structured Note as specified in the Pricing Supplement:

(i) interest continues to accrue at the default rate specified in the Pricing Supplement (or, if no default rate is specified, the last applicable Interest Rate) until the date on which payment is made to the Holder; or

(ii) the obligation to pay the amount is replaced by an obligation to pay an amount determined in the manner specified in the Pricing Supplement.

10.9 Purchase

The Issuer and any of its Related Entities may at any time purchase Notes in the open market or otherwise and at any price. If purchases are made by tender, tenders must be available to all Holders alike. Notes purchased under this Condition 10.9 may be held, resold or cancelled at the discretion of the purchaser and (if the Notes are to be cancelled, the Issuer), subject to compliance with any applicable law or requirement of any stock exchange or other relevant authority on which the Notes are listed.

Part 5 Payments

11 General provisions

11.1 Summary of payment provisions

Payments in respect of Notes must be made in accordance with Condition 12 ("Payments").

11.2 Payments subject to law

All payments are subject to applicable law, but without prejudice to the provisions of Condition 13 ("Taxation").

11.3 Payments on business days

If a payment is due on a day which is not a Business Day then the due date for payment is adjusted in accordance with the applicable Business Day Convention.

The Holder is not entitled to any additional payment in respect of that delay.

11.4 Currency indemnity

The Issuer waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due. However, if a Holder receives an amount in a currency other than that in which it is due:

- (a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate. It may deduct its usual costs in connection with the conversion; and
- (b) the Issuer satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the costs of the conversion.

12 Payments

12.1 Payment of principal

Payments of principal and any final Instalment Amount in respect of a Note will be made to each person registered at 10.00 am on the payment date as the holder of a Note.

12.2 Payment of interest

Payments of interest and Instalment Amounts (other than the final Instalment Amount) in respect of a Note will be made to each person registered at the close of business on the Record Date as the holder of that Note.

12.3 Payments to accounts

Payments in respect of Notes will be made:

- (a) if the Notes are held in the Austraclear System, by crediting on the payment date, the amount due to:
 - (i) the account of Austraclear (as the Holder) in the country of the currency in which the Note is denominated previously notified to the Issuer and the Registrar; or
 - (ii) if requested by Austraclear, the accounts of the persons in whose Security Record (as defined in the Austraclear Regulations) a Note is recorded in the country of the currency in which the Note is denominated as previously notified by Austraclear to the Issuer and the Registrar in accordance with Austraclear Regulations;
- (b) if the Notes are held in the Austraclear New Zealand System, by crediting on the Payment Date, the amount due to:
 - (i) the account of the Custodian (as the Holder) in the country of the currency in which the Note is denominated previously notified to the Issuer and the Registrar; or
 - (ii) if requested by the Operator, the accounts of the persons in whose Security Record a Note is recorded in the country of the currency in which the Note is denominated as previously notified by the Operator to the Issuer and the Registrar in accordance with the Austraclear New Zealand Regulations; and
- (c) if the Notes are not held in the Austraclear System, by crediting on the payment date, the amount then due under each Note to an account in the country of the currency in which the Note is denominated previously notified by the Holder to the Issuer and the Registrar.

12.4 Payments by cheque

If the Holder has not notified the Registrar of an account to which payments to it must be made by the close of business on the Record Date, payments in respect of the Note will be made by cheque sent by prepaid post on the Business Day immediately before the payment date, at the risk of the registered Holder, to the Holder (or to the first named joint holder of the Note) at its address appearing in the Register at the close of business on the Record Date. Cheques sent to the nominated address of a Holder are taken to have been received by the Holder on the payment date and, no further amount is payable by the Issuer in respect of the Notes as a result of the Holder not receiving payment on the due date.

13 Taxation

The Notes (and any interest thereon) are not exempt from taxation generally.

Under the Articles, the Issuer is not under any obligation to withhold or pay any tax imposed by any member country in respect of the Notes. Accordingly, payments in respect of principal, premium (if any), and interest due on the Notes will be paid to the relevant Agent without deduction in respect of any such tax.

Under the Articles, payments in respect of principal, premium (if any), and interest due on the Notes are not subject to any tax by a member:

- (i) which tax discriminates against the Notes solely because they are issued by the Issuer; or
- (ii) if the sole jurisdictional basis for the tax is the place or currency in which the Notes are issued, made payable or paid, or the location of any office or place of business maintained by the Issuer.

14 Time limit for claims

A claim against the Issuer for a payment under a Note is void unless made within 10 years (in the case of principal) or 5 years (in the case of interest and other amounts) from the date on which payment first became due.

Part 6 Events of Default

15 Events of Default

With respect to a Series of Notes, if the Issuer shall either:

- (a) fail to pay when due the principal of, premium (if any), or interest on, any Note of such Series; or
- (b) fail to pay when due in aggregate an amount equal to or exceeding U.S.\$20,000,000 or its equivalent in any other relevant currency or currencies of the principal of, premium (if any), or interest on, any Note of another Series, or any notes, bonds or similar obligations (other than the Notes) which shall have been issued, assumed or guaranteed by the Issuer,

and in either case, such failure shall continue for a period of 90 days, then at any time thereafter and during the continuance of such failure, the Holder of any Note of such Series may deliver or cause to be delivered to the Issuer written notice that such Holder elects to declare all Notes of such Series held by it (the denominations of which shall be set forth in such notice) to be due and payable, and on the thirtieth day after such notice shall be so delivered to the Issuer, such Notes shall become due and payable together with accrued interest thereon, unless prior to that time all such defaults shall have been cured.

For the purpose of this Condition 15, any payment obligations that are denominated in a currency other than U.S. dollars shall be translated into U.S. dollars at the spot rate for the sale of U.S. dollars against the purchase of the relevant currency quoted by a leading commercial bank in Sydney on the day on which default in respect of payment thereon occurred (or, if for any reason such rate is not available on that day, on the first day thereafter on which such rate is available or as otherwise determined by the Calculation Agent after consultation with the Issuer).

Part 7 General

16 Agents**16.1 Role of Agents**

In acting under an Agency Agreement, each Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any Holder.

16.2 Appointment and replacement of Agents

Each initial Agent for a Series of Notes is specified in the Pricing Supplement. Subject to Condition 16.4 ("Required Agents"), the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor.

16.3 Change of Agent

Notice of any change of an Agent or its Specified Offices must promptly be given to the Holders by the Issuer or the Agent on its behalf.

16.4 Required Agents

The Issuer must:

- (a) at all times maintain a Registrar; and
- (b) if a Calculation Agent is specified in the Pricing Supplement, at all times maintain a Calculation Agent.

17 Meetings of Holders

The Meetings Provisions contain provisions (which have effect as if incorporated in these Conditions) for convening meetings of the Holders of any Series to consider any matter affecting their interests, including any variation of these Conditions by Extraordinary Resolution.

18 Variation

18.1 Variation with consent

Unless Condition 18.2 ("Variation without consent") applies, any Condition may be varied by the Issuer with prior approval from the Holders by Extraordinary Resolution in accordance with the Meetings Provisions.

18.2 Variation without consent

Any Condition may be amended by the Issuer without the consent of the Holders if the amendment:

- (a) is of a formal, minor or technical nature;
- (b) is made to correct a manifest error;
- (c) is made to cure any ambiguity or correct or supplement any defective or inconsistent provision and, in the reasonable opinion of the Issuer, is not materially prejudicial to the interests of the Holders; or
- (d) only applies to Notes issued by it after the date of amendment.

19 Further issues

The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same Conditions as the Notes of any Series in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes of that Series.

20 Notices

20.1 Notices to Holders

All notices and other communications to Holders must be in writing and must be left at the address of or sent by prepaid post (airmail, if appropriate) to the address of the Holder (as shown in the Register at the close of business on the day which is three Business Days before the date of the notice or communication).

They may also be:

- (a) in the case of Australian Domestic Notes, given by an advertisement published in the Australian Financial Review or The Australian;
- (b) in the case of New Zealand Domestic Notes, given by an advertisement published in the New Zealand Herald; or
- (c) if the Pricing Supplement specifies an additional or alternate newspaper, given by an advertisement published in that newspaper.

20.2 Notices to the Issuer and the Agents

All notices and other communications to the Issuer or an Agent must be in writing and may be left at the address of, or sent by prepaid post (airmail, if appropriate) to, the Specified Office of the Issuer or the Agent.

20.3 When effective

All notices and other communications take effect from the time they are received unless a later time is specified in them.

20.4 Deemed receipt - publication in newspaper

If published in a newspaper, all notices and other communications are taken to be received on the first date that publication has been made in all the required newspapers.

20.5 Deemed receipt - postal

If sent by post, all notices and other communications are taken to be received five days after posting.

21 Governing law

21.1 Governing law

Notes are governed by the law in force in New South Wales.

21.2 Jurisdiction

The Issuer submits, and each Holder is taken to have submitted, to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them. The Issuer waives any right it has to object to an action being brought in those courts including by claiming that the action has been brought in an inconvenient forum or that those courts do not have jurisdiction. Pursuant to Article VI, Section 3 of the Issuer's Articles of Agreement, actions may be brought against the Issuer only in a court of competent jurisdiction in the territories of a member in which the Issuer has an office, has appointed an agent for the purpose of accepting service or notice of process, or has issued or guaranteed securities.

21.3 Serving documents

Without preventing any other method of service, any document in any action may be served on the Issuer or a Holder by being delivered or left at their registered office or principal place of business.

21.4 Service of process

Any document referred to in Condition 21.3 ("Serving Documents") may be served on the Issuer at its office at Level 19, 14 Martin Place, Sydney NSW 2000. If for any reason that person ceases to be able to act as such, the Issuer will immediately appoint another person with an office located in New South Wales to receive any such document and promptly notify the Registrar and the Holders of such appointment.

Form of Pricing Supplement

The Pricing Supplement to be issued in respect of each Tranche of Notes will be substantially in the form set out below.

Series No.: [●]

Tranche No.: [●]

International Finance Corporation

Debt Issuance Programme

Issue of

[Aggregate Principal Amount of Tranche]

[Title of Notes] ("Notes")

The date of this Pricing Supplement is [●].

This Pricing Supplement (as referred to in the Information Memorandum dated 7 August 2007 in relation to the above Programme) relates to the Tranche of Notes referred to above. It is supplementary to, and should be read in conjunction with the Note Deed Poll executed by the Issuer dated 7 August 2007.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

The Notes are not required to be registered under the United States Securities Act of 1933, as amended. Accordingly, no registration statement has been filed with the U.S. Securities and Exchange Commission (the "Commission"). The Notes have not been approved or disapproved by the Commission or any State Securities Commission, nor has the Commission or any State Securities Commission passed upon the accuracy or adequacy of this Information Memorandum. Any representation to the contrary is a criminal offence in the United States. For a description of certain restrictions on offers and sales of Notes and on distribution of this Pricing Supplement and the Information Memorandum, see the section headed "Subscription and Sale" in the Information Memorandum.

[The Issuer is not a bank which is authorised under the Banking Act 1959 of Australia and nor is the Issuer a registered bank in New Zealand pursuant to the Reserve Bank of New Zealand Act 1989. The Notes are not the obligations of The International Bank for Reconstruction and Development or of any government and, in particular, are not guaranteed by the Commonwealth of Australia or any other person or governmental agency or instrumentality of any jurisdiction.] [Amend as appropriate depending on whether the Notes are Australian Domestic Notes or New Zealand Domestic Notes]

The Notes do not represent deposits or other liabilities of the Arranger or any Dealer, nor does the Arranger or any Dealer in any way stand behind the capital value and/or the performance of the Notes. The holding of Notes is subject to investment risk, including possible delays in repayment and loss of income and principal invested.

The particulars to be specified in relation to the Tranche of Notes referred to above are as follows:

1 Issuer : International Finance Corporation

2 Type of Notes : Australian Domestic Notes: [Fixed Rate]

Other Notes (including New Zealand Domestic Notes):
[Fixed Rate / Floating Rate / Zero Coupon / Index Linked /

		Instalment / other]
3	If to form a single Series with an existing Series, specify the existing Series and the date on which all Notes of the Series become fungible, if not the Issue Date	: [Specify]
4	Method of distribution	: [Private / Syndicated Issue]
5	Lead Manager[s]	: [Name(s)]
6	Purchasing Dealer[s]	: [Name(s)]
7	Principal amount of Tranche	: [Specify]
8	Issue Date	: [Specify]
9	Purchase Price	: [Specify]
10	Currency and denomination	: [Specify currency and amount]
11	Maturity Date	: [Specify] [In the case of amortising Notes, insert the date on which the last instalment of principal is payable].
12	Status of the Notes	: Unsubordinated
13	If the Notes are Fixed Rate Notes	: Condition 6 applies: [Yes / No]
	Fixed Coupon Amount	: [Specify]
	Interest Rate	: [Specify]
	Interest Commencement Date, if not Issue Date	: [Specify]
	Interest Payment Dates	: [Specify]
	Business Day Convention	: [Following Business Day Convention / Preceding Business Day Convention / No Adjustment / other]
	Day Count Fraction	: [Specify]
14	If the Notes are Floating Rate Notes	: Condition 7 applies: [Yes / No]
	Interest Commencement Date, if not Issue Date	: [Specify / Not applicable]
	Interest Rate	: [Specify method of calculation]
	Interest Payment Dates	: [Specify dates or the Specified Period]
	Business Day Convention	: [Floating Rate Convention (specify interest period) / Following Business Day Convention / Modified Following Business Day Convention / Preceding Business Day Convention / No Adjustment / other]
	Margin	: [Specify] (state if positive or negative)

	Day Count Fraction	:	[Specify]
	Fallback Interest Rate	:	[Specify / Not applicable]
	Interest Rate Determination	:	[ISDA Determination / Screen Rate Determination / Bank Bill Rate Determination]
	[If ISDA Determination applies, specify]		
	Floating Rate Option	:	[Specify]
	Designated Maturity	:	[Specify]
	Reset Date	:	[Specify]
	[If Screen Rate Determination applies, specify]		
	Relevant Screen Page	:	[Specify]
	Relevant Time	:	[Specify]
	Reference Rate	:	[Specify]
	Reference Banks	:	[Specify]
	Interest Determination Date	:	[Specify]
	[If Bank Bill Rate Determination applies, specify]		
	Bank Bill Rate	:	[Yes / No] [Set out any variation to the Conditions]
15	Relevant Financial Centre	:	[Applicable (specify) / Not applicable]
16	Linear Interpolation	:	[Applicable / Not applicable] [If applicable, provide details]
17	If Notes are Structured Notes	:	Condition 8 applies: [Yes / No] [Specify full interest determination provisions, including Interest Commencement Date, rate or calculation basis for interest or actual amounts of interest payable, amount and dates for payment, minimum / maximum rates / late payment default]
18	Amortisation Yield	:	[Specify] [In the case of Zero Coupon Notes, specify the Reference Price]
19	If Notes are Instalment Notes	:	[Specify details of Instalments including Instalment Amount and Instalment Dates]
20	If Notes are Partly Paid Notes	:	[Specify details]
21	Business Day Convention	:	[Specify]
22	Redemption Amount	:	[Specify any variations to the Redemption Amount as defined in the Conditions]

- 23 Early Redemption Amount (Default) :** [Specify]
- If Early Redemption Amount (Default) is not the Redemption Amount plus interest accrued on each Note to (but excluding) the redemption date insert amount or full calculation provisions**
- 24 [Additional or alternate newspapers] :** [Specify any additional or alternate newspapers for the purposes of Condition 20.4]
- 25 Other relevant terms and conditions :** [Specify any Conditions to be altered, varied, deleted otherwise than as provided above and also any additional Conditions to be included]
- 26 Registrar :** [Name and address]
- [If required, specify details of Agency Agreement]
- [If required, specify any other Agents]
- 27 [Calculation Agent] :** [Name and address]
- [If required, specify details of Agency Agreement]
- 28 Clearing System(s) :** Austraclear / Specify others
- 29 ISIN :** [Specify]
- 30 [Common Code] :** [Specify]
- 31 [Selling restrictions] :** [Specify any variation to the selling restrictions (clause 11.3 of the Dealer Agreement)]
- 32 Listing :** [Unlisted / Specify]
- 33 [Other amendments] :** [Specify]

CONFIRMED

**For and on behalf of
International Finance Corporation**

By:

Name:

Title:

Date:

Subscription and Sale

Under the Dealer Agreement dated 7 August 2007 between the Issuer, the Arranger and the Dealers (as amended and supplemented from time to time, "Dealer Agreement"), the Notes will be offered by the Issuer through the Dealers. The Issuer has the sole right to accept any offer to purchase Notes and may reject any offer in whole or (subject to the terms of the offer) in part. Each Dealer has the right to reject any offer to purchase Notes made to it in whole or (subject to the terms of such offer) in part. The Issuer is entitled under the Dealer Agreement to appoint one or more Dealers as a dealer for a particular Tranche of Notes or the Programme generally.

Each Dealer has agreed under the Dealer Agreement to comply with any applicable law or directive in any jurisdiction in which it may subscribe for, offer, sell, or transfer Notes and to not directly or indirectly subscribe for, offer, sell or transfer Notes or distribute any Information Memorandum or other offering material in relation to the Notes in any jurisdiction, except in circumstances that will result in compliance by the Dealer with any applicable law.

Neither the Issuer nor any Dealer has represented that any Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or in accordance with any available exemption, or assumes any responsibility for facilitating that sale.

The following selling restrictions apply:

1 General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers including following a change in or clarification of a relevant law, regulation, directive, request or guideline having the force of law or compliance with which is in accordance with the practice of responsible financial institutions in the country concerned or any change in or introduction of any of them or in their interpretation or administration. Any such modification will be set out in any relevant Subscription Agreement and in the applicable Pricing Supplement issued in respect of the Notes to which it relates or in a supplement to the Information Memorandum.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Information Memorandum or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Persons in whose hands this Information Memorandum comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material and to obtain any consent, approval or permission required by them for the purchase, offer, sale or delivery by them of any Notes under the law and regulations in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales or deliveries, in all cases at their own expense, and neither Issuer nor any Dealer shall have responsibility therefore. In accordance with the above, any Notes purchased by any person which it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances which would result in the Issuer being obliged to register any further prospectus or corresponding document relating to the Notes in such jurisdiction.

2 Australia

No prospectus or other disclosure document (as defined in the Corporations Act) in relation to the Programme or any Notes has been or will be lodged with the Australian Securities and Investments Commission ("ASIC"). Each Dealer appointed under the Programme will be required to represent and agree that, unless the relevant Pricing Supplement (or another supplement to any Information Memorandum) otherwise provides, it:

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

unless:

- (i) the aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternate currency) (disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors under Part 6D.2 of the Corporations Act 2001 of Australia;
- (ii) such action complies with applicable laws and directives; and
- (iii) such action does not require any document to be lodged with ASIC.

3 The United Kingdom

Each Dealer appointed under the Programme will be required to represent and agree that:

- (a) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (as amended) ("**FSMA**") with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom; and
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) in relation to any Notes which have a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer.

4 The United States of America

The Notes are not required to be registered under the U.S. Securities Act of 1933, as amended.

5 Hong Kong

Each Dealer appointed under the Programme will be required to represent and agree that:

- (a) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Notes other than:
 - (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent);
 - (ii) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("**SFO**") and any rules made under the SFO; or
 - (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) ("**CO**") or which do not constitute an offer to the public within the meaning of the CO; and
- (b) it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue (in each case whether in Hong Kong or elsewhere), any advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made under the SFO.

6 Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan ("**Securities and Exchange Law**") and, accordingly, each Dealer appointed under the Programme will be required to represent and agree that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to a Japanese Person, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws and regulations and guidelines promulgated by the relevant Japanese governmental authority and regulatory authorities in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

7 New Zealand

The Issuer does not intend that Notes be offered for sale or subscription to the public in New Zealand in terms of the Securities Act 1978 of New Zealand. Accordingly, no investment statement has been prepared and no prospectus has been or will be registered under the Securities Act 1978 of New Zealand.

The Notes shall not be directly or indirectly offered for sale or transferred to any member of the public in New Zealand in breach of the Securities Act 1978 or the Securities Regulations 1983 of New Zealand. In particular, but without limitation, Notes may only be offered or transferred either:

- (a) to persons whose principal business is the investment of money or to persons who, in the course of and for the purposes of their business, habitually invest money within the meaning of section 3(2)(a)(ii) of the Securities Act 1978; or
- (b) to persons who are each required to pay a minimum subscription price of at least NZ\$500,000 of the Notes (disregarding any amount lent by the offeror, the Issuer or any associated person of the offeror or the Issuer) before the allotment of those Notes.

In addition, each Dealer and each Holder is deemed to represent and agree that it will not distribute, publish, deliver or disseminate the Information Memorandum, any Pricing Supplement or any information or other material that may constitute an advertisement (as defined in the Securities Act 1978 of New Zealand) in relation to any offer of the Notes in New Zealand other than:

- (i) to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money within the meaning of section 3(2)(a)(ii) of the Securities Act 1978; or
- (ii) in other circumstances where there is no contravention of the Securities Act 1978.

8 Singapore

The Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore, as amended ("**Securities and Futures Act**"). Each Dealer appointed under the Programme will be required to represent, warrant and agree that the Notes may not be offered or sold or made the subject of an invitation for subscription or purchase nor may the Information Memorandum or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes be circulated or distributed, whether directly or indirectly, to the public or any member of the public in Singapore other than (a) to an institutional investor or other person falling within Section 274 of the Securities and Futures Act, (b) to a relevant person pursuant to Section 275(1A) of the Securities and Futures Act, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Each Dealer appointed under the Programme will be required to further represent, warrant and agree to notify (whether through the distribution of this Information Memorandum or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes or otherwise) each of the following relevant persons specified in Section 275 of the Securities and Futures Act which has subscribed or purchased Notes from and through that Dealer, namely a person who is:

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

that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Notes under Section 275 of the Securities and Futures Act except:

- (a) to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person defined in Section 275(2) of the Securities and Futures Act, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions, specified in Section 275 of the Securities and Futures Act;
- (b) where no consideration is given for the transfer; or
- (c) where the transfer is by operation of law.

9 European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (“**Relevant Implementation Date**”) it has not made and will not make an offer of Notes to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) if the Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to those Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than EUR43,000,000 and (3) an annual net turnover of more than EUR50,000,000 all as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (e) at any time any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (e) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Taxation

Australian Taxation

*The following is a summary of the taxation treatment under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, “**Australian Tax Act**”), at the date of this Information Memorandum, of payments of interest (as defined in the Australian Tax Act) on the Notes to be issued by an Issuer under the Programme and certain other matters. It is not exhaustive and, in particular, does not deal with the position of certain classes of holders of Notes (including, dealers in securities, custodians or other third parties who hold Notes on behalf of any holders of Notes).*

Prospective holders of Notes should also be aware that particular terms of issue of any Series of Notes may affect the tax treatment of that and other Series of Notes. The following is a general guide and should be treated with appropriate caution. Prospective holders of Notes should consult their professional advisers on the tax implications of an investment in the Notes for their particular circumstances.

The following summary may be amended, supplemented or replaced (in part or whole) or qualified in relation to a particular issue of Notes in the applicable Pricing Supplement.

Under Australian laws as presently in effect:

- (a) *interest withholding tax* - payments of principal and interest made under Notes will not be subject to Australian interest withholding tax;
- (b) *death duties* - no Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;
- (c) *stamp duty and other taxes* - no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or transfer of any Notes;
- (d) *other withholding taxes on payments in respect of Notes* - the tax file number requirements of Part VA of the Australian Income Tax Assessment Act 1936 and section 12-140 of the Taxation Administration Act 1953 of Australia (“**Taxation Administration Act**”) should not apply in connection with Notes issued by the Issuer;
- (e) *supply withholding tax* - payments in respect of the Notes can be made free and clear of the “supply withholding tax” imposed under section 12-190 of the Taxation Administration Act; and
- (f) *goods and services tax (“GST”)* - neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or (in the case of an offshore subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of the Notes, would give rise to any GST liability in Australia.

New Zealand Taxation

The following is a summary of the New Zealand withholding tax treatment at the date of this Information Memorandum of payments of principal and interest on Notes. This summary addresses the New Zealand withholding tax treatment of Holders. It does not address all New Zealand tax issues (including income tax issues) which may be relevant to Holders.

Prospective Holders (including prospective holders of a beneficial interest in a Note) should seek independent advice on the New Zealand tax implications applicable to them.

Under New Zealand laws currently in effect:

1. The Issuer enjoys certain exemptions from New Zealand tax under the International Finance Agreements Act 1961 and the Income Tax Act 2004. As a result, the New Zealand Registrar is not required to deduct non-resident withholding tax from interest paid in respect of New Zealand Domestic Notes where the beneficial owner of the Note is a non-resident of New Zealand and does not carry on business through a fixed establishment in New Zealand.

The Issuer is exempt from the requirement to deduct resident withholding tax (RWT) from interest paid in respect of a New Zealand Domestic Note to a New Zealand resident beneficial owner (or a non-resident beneficial owner engaged in business in New Zealand through a fixed establishment in New Zealand). However, it is possible that a person holding a New Zealand Domestic Note for such a beneficial owner might have an obligation to deduct RWT unless the beneficial owner has a valid certificate of exemption from RWT rules and has submitted a copy of that certificate to such person.

2. Neither the issue nor receipt of a New Zealand Domestic Note will give rise to any goods and services tax liability in New Zealand.
3. New Zealand does not have a stamp duty regime.

Directory

Issuer

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Facsimile: + 1 202 974 4376
Attention: Vice President, Finance and Treasury

Arranger

Commonwealth Bank of Australia

(ABN 48 123 123 124 and AFSL 234945)

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Facsimile: +61 2 9312 0755
Attention: Head of Corporate Securities, Securities Origination

Australian Registrar

Reserve Bank of Australia

(ABN 50 008 559 486)

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Telephone: + 61 9551 9820
Facsimile: + 61 9551 8007
Attention: The Registrar

New Zealand Registrar

Computershare Investor Services Limited

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159 Hurstmere Road
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New Zealand
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Facsimile: + 64 9 488 8788
Attention: Account Manager