



Australia and New Zealand Banking Group Limited

Australian Business Number 11 005 357 522
(Incorporated with limited liability in Australia)

MARKETS ISSUANCE PROGRAMME relating to Notes, Certificates and Warrants

This Offering Circular

Taken as a whole, this document is described as an offering circular (the "**Offering Circular**"). This Offering Circular is the offering circular for the Markets Issuance Programme relating to Notes, Certificates and Warrants (the "**Programme**") which allows for the issue of securities by Australia and New Zealand Banking Group Limited (the "**Issuer**" or "**ANZ**").

The Issuer shall issue the securities out of its London branch with registered address at 40 Bank Street, Canary Wharf, London E14 5EJ, Hong Kong branch with registered address at 22nd floor, Three Exchange Square, 8 Connaught Place, Central, Hong Kong and/or Singapore branch with registered address at 10 Collyer Quay, #30-00 Ocean Financial Centre, Singapore 049315, as shall be specified in the final terms in respect of each series of securities.

Pages 1 to 239 of this Offering Circular comprise a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC, as amended or superseded (the "**Prospectus Directive**") in respect of Securities (as defined below) to be admitted to the Official List of the FCA (as defined below) and admitted to trading on the London Stock Exchange's regulated market and/or offered to the public in the United Kingdom (the "**Prospectus**").

Pages 240 to 273 of this Offering Circular comprise an information memorandum (the "**Information Memorandum**") in respect of securities which are not admitted to the Official List of the FCA or any other the European Economic Area regulated market or offered to the public in the European Economic Area ("**Non-PD Securities**"). The Information Memorandum has not been reviewed or approved by the UK Listing Authority and does not constitute a prospectus for the purposes of the Prospectus Directive.

This Prospectus

This Prospectus is issued for the purpose of giving information with regard to ANZ and its subsidiary companies which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits, losses and prospects of ANZ, and of the rights attaching to securities issued under this Prospectus. This Prospectus is valid for one year from the date printed at the top of this page and may be supplemented from time to time by the publication of a "**Supplement**" to reflect any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus. This Prospectus does not affect any existing securities issued by the Issuer, or any future securities issued by the Issuer under a different prospectus.

In respect of any series of securities, this Prospectus will be supplemented and completed by a final terms document containing economic and other terms specific to that series ("**Final Terms**").

Securities

Under the terms of this Prospectus, ANZ may issue the following types of securities (together, "**Securities**"):

- notes ("**Notes**")
- redeemable certificates ("**Redeemable Certificates**")
- exercisable certificates ("**Exercisable Certificates**") or warrants which may be exercised on a specific date or dates (such warrants and Exercisable Certificates together, "**Warrants**")

Redeemable Certificates and Warrants are referred to collectively as "**C&W Securities**".

Securities issued under this Prospectus may pay interest at a fixed rate, or at a floating rate, or no interest (zero coupon Securities). Alternatively, Securities may be issued that will only pay a fixed rate of interest if the price of a specified reference equity share is above a specified level on the day when the interest payment is calculated.

Notes issued under this Prospectus may redeem at their nominal amount or another fixed amount or amounts. Alternatively, Notes may be issued that will redeem at their nominal amount or another fixed amount or amounts plus a bonus amount if the price of a specified reference equity share is above a specified level on the day when the redemption payment is calculated.

Redeemable Certificates issued under this Prospectus will entitle the holder on the redemption date to receive either a cash amount or physical delivery of certain specified assets.

Warrants issued under this Prospectus will entitle the holder on the exercise date to receive either a cash amount or physical delivery of assets against payment of a specified sum.

Securities whose interest or redemption amounts are related to the performance of a specified equity share are referred to collectively as “**Equity Linked Securities**” or “**Reference Item Linked Securities**”.

Terms and Conditions

This Prospectus contains, among other things, the legal terms and conditions relating to the Securities, which include the following:

- (i) general terms that apply to all Securities (referred to as the Base General Conditions);
- (ii) either (a) if the Securities are Notes, general terms that apply to all Notes (referred to as the Base Note Conditions) or (b) if the Securities are C&W Securities, general terms that apply to all C&W Securities (referred to as the Base C&W Conditions); and
- (iii) if the Securities are Equity Linked Securities, additional terms that apply to Equity Linked Securities (referred to as the Equity Linked Additional Conditions).

All the sections of the terms and conditions contained in this Prospectus taken together are referred to as the “**Conditions**”.

Specific details of a series of Securities, such as amounts, dates, rates and the application (or disapplication) of certain base conditions will be set out in the applicable Final Terms for those Securities.

Credit Ratings

Securities issued under this Prospectus will be rated or unrated. Where an issue of Securities is to be rated, such rating will not necessarily be the same as the rating assigned to Securities already issued. Whether or not a rating in relation to any Securities will be treated as having been issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies will be disclosed in the relevant Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Risks

Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Prospectus. This Prospectus describes all of the principal and material risks of an investment in the Securities that have been identified by the Issuer.

Prospective purchasers of Securities should ensure that they understand the nature of the relevant Securities and the extent of their exposure to risks and that they consider the suitability of the relevant Securities as an investment in the light of their own circumstances and financial condition. Securities may involve a high degree of risk and prospective purchasers should recognise that Securities, other than Securities having a minimum expiration or redemption value, may expire worthless. Potential purchasers should be prepared to sustain a total loss of their investment. It is the responsibility of potential purchasers to ensure they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in Securities and are not relying on the advice of the Issuer or the Initial Dealer. See “Risk Factors” and “Taxation”.

Equity Linked Securities involve a high degree of risk. Equity Linked Securities provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the Underlying Shares which such Equity Linked Securities relate.

Prospective investors should be aware that the Issuer’s London, Hong Kong and Singapore branches are branches, not subsidiaries, of Australia and New Zealand Banking Group Limited and are not legal entities separate from the Issuer. In the case of any default by the Issuer under the Securities and any subsequent enforcement action in connection therewith, all claims of the Securityholders against the Issuer shall ultimately rank *pari passu* with the Issuer’s other present and future unsubordinated and unsecured obligations. Please see “Information about ANZ – Legal Status” for further details.

Taxes

The Issuer will not be liable for, or otherwise obliged to pay, any tax, duty or other payment which may arise as a result of the ownership, transfer, exercise, redemption or enforcement of any Security by any person and all payments and/or deliveries made by the Issuer shall be made subject to any such tax, duty, withholding or other payment.

Listing and Admission to Trading

This Prospectus has been approved by the United Kingdom Financial Conduct Authority (the “**FCA**”) under Part VI of the Financial Services and Markets Act 2000 (“**FSMA**”) (the “**UK Listing Authority**”). Application has been made to the UK Listing Authority for Securities issued under the Programme during the period of twelve months from the date of this Prospectus to be admitted to the Official List of the UK Listing Authority (the “**Official List**”) and to the London Stock Exchange plc (the “**London Stock Exchange**”) for such Securities to be admitted to trading on its Regulated Market (the “**Market**”). The Market is a regulated market for the purposes of Directives 2004/39/EC and 2014/65/EU (in each case, as amended).

Definitions

Unless otherwise defined, capitalised terms used in this Prospectus have the meanings given to them in the Conditions.

Australia and New Zealand Banking Group Limited

Arranger and Initial Dealer

IMPORTANT NOTICES

If, in the context of a Public Offer (as defined below), you are offered Securities by any entity, you should check that it is authorised to use this Prospectus for the purposes of making such offer before agreeing to purchase any Securities. To be authorised to use this Prospectus in connection with a Public Offer (referred to below as an “Authorised Offeror”), an entity must either be:

- authorised to make such offers under the Markets in Financial Instruments Directive and all other applicable legislation and have published on its website that it is using this Prospectus for the purposes of such Public Offer in accordance with the consent of the Issuer;
- named in Part A of the relevant Final Terms in the paragraph entitled “Name(s) and address(es) of Managers/Intermediary” in the sub-section entitled “Distribution”; or
- named on the Issuer's website (<http://www.debtinvestors.anz.com>) as an Authorised Offeror in respect of the relevant Public Offer (if the entity has been appointed after the relevant Final Terms were published).

Valid offers of Securities may only be made by an Authorised Offeror in the context of a Public Offer if the offer is made within the time period referred to in the Final Terms as the “Offer Period”. Other than as set out above, the Issuer has not authorised the making of any Public Offer by any person in any circumstances and no such person is permitted to use this Prospectus in connection with any offer of Securities.

Please see below for certain important legal information relating to Public Offers.

Responsibility

The Issuer accepts responsibility for the information contained in this Prospectus and, to the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Any person (an “Investor”) intending to acquire or acquiring any Securities from any person (an “Offeror”) should be aware that, in the context of an offer to the public as defined in section 102B of the FSMA (a “Public Offer”), subject as provided in the relevant Final Terms, the only persons authorised to use this Prospectus in connection with an offer of Securities are the Initial Dealer and the persons named in the relevant Final Terms as the Intermediaries, or identifiable as the Intermediaries, as the case may be.

In addition, in the context of a Public Offer in the United Kingdom, the Issuer accepts responsibility for the content of this Prospectus in relation to any Investor in the United Kingdom to whom an offer of any Securities is made by any financial intermediary to whom it has given its consent to use this Prospectus (an “Authorised Offeror”), where the offer is made in the United Kingdom during the period for which that consent is given, provided that this Prospectus remains authorised for such purpose and its use is in compliance with all other conditions attached to the giving of the consent, all as mentioned in this Prospectus. However, the Issuer has no responsibility for any of the actions of any third party, including those of an Authorised Offeror, and compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to an offer.

This Prospectus contains information which has been sourced from a third party. The Issuer confirms that such information has been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, the Issuer has identified the source(s) of such information.

Consent

The Issuer consents to the use of this Prospectus in connection with a Public Offer of any relevant Securities, so long as it remains authorised for such purpose during the Offer Period specified in the relevant Final Terms (the “Offer Period”) in the United Kingdom, by any of:

(1) any financial intermediary which satisfies the following conditions:

(a) it is authorised to make offers of the relevant kind in accordance with MIFID;

(b) it acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the “**Rules**”), including the Rules published by the FCA (including its guidance for distributors in “The Responsibilities of Providers and Distributors for the Fair Treatment of Customers”) from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Instruments by any person and disclosure to any potential investor;

(c) it complies with the restrictions set out under “Offering and Sale” in this Prospectus;

(d) it complies with the target market assessment and distribution channels identified under the “MiFID II product governance” legend set out in the applicable Final Terms or Drawdown Prospectus (as the case may be) in respect of an offer of Securities;

(e) it ensures that any fee (and any commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Instruments does not violate the Rules and is fully and clearly disclosed to investors or potential investors;

(f) it holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Securities under the Rules, including authorisation under the FSMA;

(g) it complies with applicable anti-money laundering, anti-bribery and “know your client” Rules, and does not permit any application for Securities in circumstances where the financial intermediary has any suspicions as to the source of the application monies;

(h) it retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer in order to enable the Issuer to comply with anti-money laundering, anti-bribery and “know your client” Rules applying to the Issuer;

(i) it does not, directly or indirectly, cause the Issuer to breach any Rule or subject it to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction; and

(j) it accepts such Public Offer by publishing on its website the following statement (with the information in square brackets completed with the relevant information): “**We, [insert legal name of financial intermediary], refer to the [insert title of relevant Securities] (the “Securities”) described in the Final Terms dated [insert date] (the “Final Terms”) published by Australia and New Zealand Banking Group Limited (the “Issuer”). We hereby accept the offer by the Issuer of its consent to our use of the Prospectus (as defined in the Final Terms) in connection with the offer of the Securities in the United Kingdom (the “Public Offer”) subject to the conditions to such consent, as specified in the Prospectus, and we are using the Prospectus in connection with the Public Offer accordingly.**”, and accepts any further conditions specified in the relevant Final Terms;

(2) the financial intermediaries identified, and subject to the relevant conditions specified, in the relevant Final Terms, for so long as they are authorised to make offers of the relevant kind in accordance with MIFID; or

(3) any additional financial intermediary named on the Issuer's website (<http://www.debtinvestors.anz.com>) as an Authorised Offeror in respect of the relevant Public Offer (if the financial intermediary has been appointed after the relevant Final Terms were published).

The Issuer may give consent to additional financial intermediaries after the date of the relevant Final Terms and, if it does so, it will publish any new information in relation to such financial intermediaries who are unknown at the time of the approval of this Prospectus or the filing of the relevant Final Terms at <http://www.debtinvestors.anz.com>.

The consent referred to above relates to Offer Periods (if any) occurring within 12 months from the date of this Prospectus.

In the event of an offer being made by an Offeror, that Offeror will provide information to Investors on the terms and conditions of the offer at the time the offer is made.

An Investor intending to acquire or acquiring any Securities from an Offeror will do so, and offers and sales of the Securities to an Investor by an Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such Investor, including as to price, allocations and settlement arrangements. The Issuer will not be a party to any such arrangements with Investors in connection with the offer or sale of the Securities and, accordingly, this Prospectus and any Final Terms will not contain such information. The Investor must look to the Offeror at the time of such offer for the provision of such information.

This Prospectus should be read and construed together with any amendments or supplements hereto and with any other information and documents incorporated by reference herein and, in relation to any Series (as defined herein) of Securities, should be read and construed together with the relevant Final Terms. This Prospectus shall be read and construed on the basis that such information is incorporated in, and forms part of, this Prospectus.

*The Securities may be issued in series (each a “**Series**”) having identical terms (or identical other than in respect of certain dates) and are intended to be interchangeable with all other Securities of that same Series. Each Series of Securities may be issued in tranches (each a “**Tranche**”) bearing identical terms other than the Issue Price and nominal amount of the Tranche, the specific terms of which will be completed in the relevant final terms document (the “**Final Terms**”).*

In relation to any Series, the aggregate nominal amount of the Securities of such Series, the interest (if any) payable in respect of the Securities of such Series and the Issue Price will be set out in the relevant Final Terms which, with respect to the Securities listed on the London Stock Exchange, will be delivered to the FCA and the London Stock Exchange on or before the date of issue of the Securities of such Series.

Warrants create options which are either exercisable by the relevant holder or which will be automatically exercised (by the Principal Certificate and Warrant Agent on behalf of each Warranholder) as provided herein. There is no obligation upon the Issuer to pay any amount or deliver any asset to any holder of a Warrant unless the relevant holder duly exercises such Warrant or such Warrant is automatically exercised and, in each case, unless, in the case of Cash Settled Securities (as defined below), Automatic Exercise: No delivery of C&W Exercise Notice is specified as applying in the relevant Final Terms, a C&W Exercise Notice (as defined below) is duly delivered. Warrants will be exercised or will be exercisable in the manner set forth herein and in the relevant Final Terms. In order to receive payment of any amount or delivery of any asset due under a Security, the Warranholder will, unless, in the case of Cash Settled Securities, Automatic Exercise: No delivery of C&W Exercise Notice is specified as applying in the relevant Final Terms, be required to deliver a C&W Exercise Notice which includes, inter alia, a certification (in accordance with the provisions outlined in “Terms and Conditions of the C&W Securities”) that such Warranholder is not a U.S. person or a person who has purchased such Warrant for resale to U.S. persons, that it is not exercising such Warrant within the United States or on behalf of a U.S. person and that no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with the exercise thereof.

Redeemable Certificates shall be redeemed on the redemption date, and Notes shall mature on the maturity date, by payment of the Cash Settlement Amount (as defined below) (in the case of Cash Settled Securities) and/or by delivery of the Asset Amount (in the case of Physical Delivery Securities (as defined below)). In order to receive the Asset Amount, the holder of a Redeemable Certificate or a Note will be required to deliver an Asset Transfer Notice which includes, inter alia, a certification (in accordance with the provisions outlined in “Terms and Conditions of the Notes” or “Terms and Conditions of the C&W Securities”, as the case may be) that such holder of a Redeemable Certificate or of a Note is not a U.S. person or a person who has purchased such Redeemable Certificate for resale to U.S. persons, that it is not redeeming such Redeemable Certificate within the United States or on behalf of a U.S. person and that no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with the redemption thereof.

Subject to the paragraphs above, the Issuer has confirmed that this Prospectus contains all information relating to itself and its subsidiaries which is (in the context of the Programme and the issue, offering and sale of the Securities by it) material; that such information in respect of it and its subsidiaries is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein by it are honestly held or made and are not misleading in any material respect; that this Prospectus does not omit to state any material fact necessary to ensure that such information, opinions, predictions or intentions are (in the context of the Programme and the issue, offering and sale of the Securities by it) not misleading in any material respect; and

that all proper enquiries have been made to verify the foregoing. The Issuer has further confirmed that this Prospectus, together with, in relation to any Series of Securities, the relevant Final Terms, contains all information necessary to enable investors to make an informed assessment of its and its subsidiaries' assets and liabilities, final position, profit and losses and prospects and the rights attaching to the relevant Securities.

Following the publication of this Prospectus, a supplementary prospectus may be prepared by the Issuer and approved by the FCA in accordance with Article 16 of the Prospectus Directive in connection with any subsequent issue of Securities in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of any Securities. Neither this Prospectus nor any Final Terms constitutes an offer of, or an invitation to subscribe for or purchase, any Securities by the Issuer and should not be considered as a recommendation by the Issuer that any recipient of this Prospectus or any Final Terms should subscribe for or purchase any Securities. Each recipient of this Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

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

The distribution of this Prospectus and any Final Terms and the offer, sale and delivery of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus or any Final Terms comes are required by the Issuer to inform themselves about and to observe any such restrictions.

The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction in the United States, and may include Securities in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (each as defined in Regulation S under the Securities Act). For a description of certain restrictions on offers and sales of Securities and on distribution of this Prospectus or any Final Terms, see "Offering and Sale".

Neither this Prospectus nor any information nor any document incorporated by reference herein is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer that any recipient of this Prospectus or any information or document incorporated by reference herein should purchase the Securities. Each potential purchaser of Securities should determine for itself the relevance of the information contained in this Prospectus or any other financial statements and its purchase of Securities should be based upon any such investigation as it deems necessary.

This Prospectus has been prepared on the basis that any offer of Securities in any Member State of the European Economic Area which has implemented the Prospectus Directive (each a "**Relevant Member State**") will be made pursuant to the Prospectus Directive, as implemented in that Relevant Member State. Accordingly, any person making or intending to make an offer in that Relevant Member State of Securities which are the subject of an offering contemplated in this Prospectus as completed by Final Terms or a drawdown prospectus (a "**Drawdown Prospectus**") in relation to the offer of those Securities may only do so if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by Final Terms or is a Drawdown Prospectus which specifies that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or Final Terms or Drawdown Prospectus, as applicable. The only Relevant Member State for the purposes of this Prospectus is the United

Kingdom and accordingly each Tranche of Securities may only be offered to Investors as part of a Public Offer in the United Kingdom.

MIFID II product governance / target market – The Final Terms or Drawdown Prospectus in respect of any Securities may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, “**MiFID II**”) is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), the Initial Dealer and any Intermediaries subscribing for any Securities is a manufacturer in respect of such Securities, but otherwise none of the Arranger, the Initial Dealer and the Intermediaries and any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms or Drawdown Deed in respect of any Securities specifies “Prohibition of Sales to EEA Retail Investors” to be “Applicable”, the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Amounts payable under the Securities may be calculated by reference to one or several specific benchmark(s), each of which are provided by an administrator. As at the date of this Prospectus, the specific benchmark(s) are not yet determined. The Final Terms or Drawdown Prospectus (as the case may be) will set out under “Other Information – Statement on Benchmarks” the name of the specific benchmark(s) and the relevant administrator. They will further specify if the relevant administrator appears or does not appear to be on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“**ESMA**”) pursuant to Article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the “**BMR**”). Transitional provisions in the BMR may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the applicable Final Terms or Drawdown Prospectus (as the case may be). The registration status of any administrator under the BMR is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms or Drawdown Prospectus (as the case may be) to reflect any change in the registration status of the administrator.

The Securities issued by the Issuer will not be deposit liabilities or protected accounts (as defined in the Banking Act 1959 (Cth) of Australia (the “**Banking Act**”)) of the Issuer in Australia. A “**protected account**” is broadly an account or a specified financial product: (i) kept with the Australian authorised deposit-taking institution (“**ADI**”) where the ADI is required to pay the account holder, on demand or at an agreed time, the net credit balance of the account; or (ii) that is prescribed by regulation. Protected accounts include current accounts, savings accounts and term deposit accounts. The Australian Treasurer has published a declaration of products described as protected accounts for the purposes of the Banking Act.

The Securities are not guaranteed or insured by any government, government agency or compensation scheme of Australia or any jurisdiction.

There are references in this Prospectus to the credit ratings of the Issuer and Securities. A credit rating is not a recommendation to buy, sell or hold the Securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency.

Credit ratings in respect of the Securities or the Issuer are for distribution to persons in Australia only if such persons are not “retail clients” within the meaning of section 761G of the Australian Corporations Act and are also

sophisticated investors, professional investors or other investors in respect of whom disclosure is not required under Part 6D.2 or Part 7.9 of the Australian Corporations Act and, in all cases, in such circumstances as may be permitted by applicable law in any jurisdiction in which an investor may be located. Accordingly, anyone in Australia who is not such a person is not entitled to receive this Prospectus and anyone who receives this Prospectus must not distribute it to any person who is not entitled to receive it.

The credit ratings of Australia and New Zealand Banking Group Limited referred to in this Prospectus have been issued by Standard & Poor's (Australia) Pty Limited ("Standard & Poor's"), Moody's Investors Service Pty Limited ("Moody's") and Fitch Australia Pty Limited ("Fitch"), none of which is established in the European Union and/or has applied for registration under Regulation (EC) No. 1060/2009 as amended by Regulation (EC) No. 513/2011 (the "CRA Regulation"), but their credit ratings are endorsed on an ongoing basis by Standard & Poor's Credit Market Services Europe Limited, Moody's Investor Service Limited and Fitch Ratings Ltd, respectively, pursuant to and in accordance with the CRA Regulation. Standard & Poor's Credit Market Services Europe Limited, Moody's Investor Service Limited and Fitch Ratings Ltd are established in the European Union and are registered under the CRA Regulation. All other credit ratings attributable to persons described in this Prospectus have been issued by Standard & Poor's, Moody's and/or Fitch.

Securities to be issued under the Programme may be rated or unrated. Where a Series of Securities is rated, the credit rating or expected credit rating will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to the relevant Series of Securities will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms.

In general, European regulated investors are restricted from using a credit rating for regulatory purposes unless such credit rating is issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended) or issued by a credit rating agency established in a third country but whose credit ratings are endorsed by EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("ESMA") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Credit ratings are not a recommendation or suggestion, directly or indirectly, to any investor or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. The rating agencies are not advisers and nor do the rating agencies provide investors or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services.

In connection with the issue of any Series of Securities, the Initial Dealer or Intermediaries (if any) named as the stabilising manager(s) (the "Stabilising Manager(s)", or persons acting on behalf of any Stabilising Manager(s)) in the process of the sale of the Series may over-allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series of Securities is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Series of Securities and 60 days after the date of the allotment of the relevant Series of Securities. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

Singapore SFA Product Classification: - In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), unless otherwise specified before an offer of Securities, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Securities are not ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and are Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).

In this Prospectus, references to the “UK” are to the United Kingdom of Great Britain and Northern Ireland, references to a “Member State” are references to a Member State of the European Economic Area, references to “PRC” are to the People’s Republic of China which, for the purpose of this Prospectus, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan. In this Prospectus, unless otherwise specified, references to “A\$”, “\$”, “dollars”, “Australian dollars” or “¢” are to the lawful currency of Australia, references to “NZ\$” are to the lawful currency of New Zealand, references to “euro” or “€” are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended from time to time, references to “Sterling” are to the lawful currency of the United Kingdom, references to “US\$” or “U.S. dollars” are to the lawful currency of the United States of America, references to “Yen” are to the lawful currency of Japan, and references to “Renminbi”, “RMB” and “CNY” are to the lawful currency of the PRC, and references to “Offshore RMB Securities” are to Securities denominated in Renminbi deliverable outside the PRC.

The Securities may not be a suitable investment for all investors.

Each potential investor in any Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact such an investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including Securities with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;
- understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

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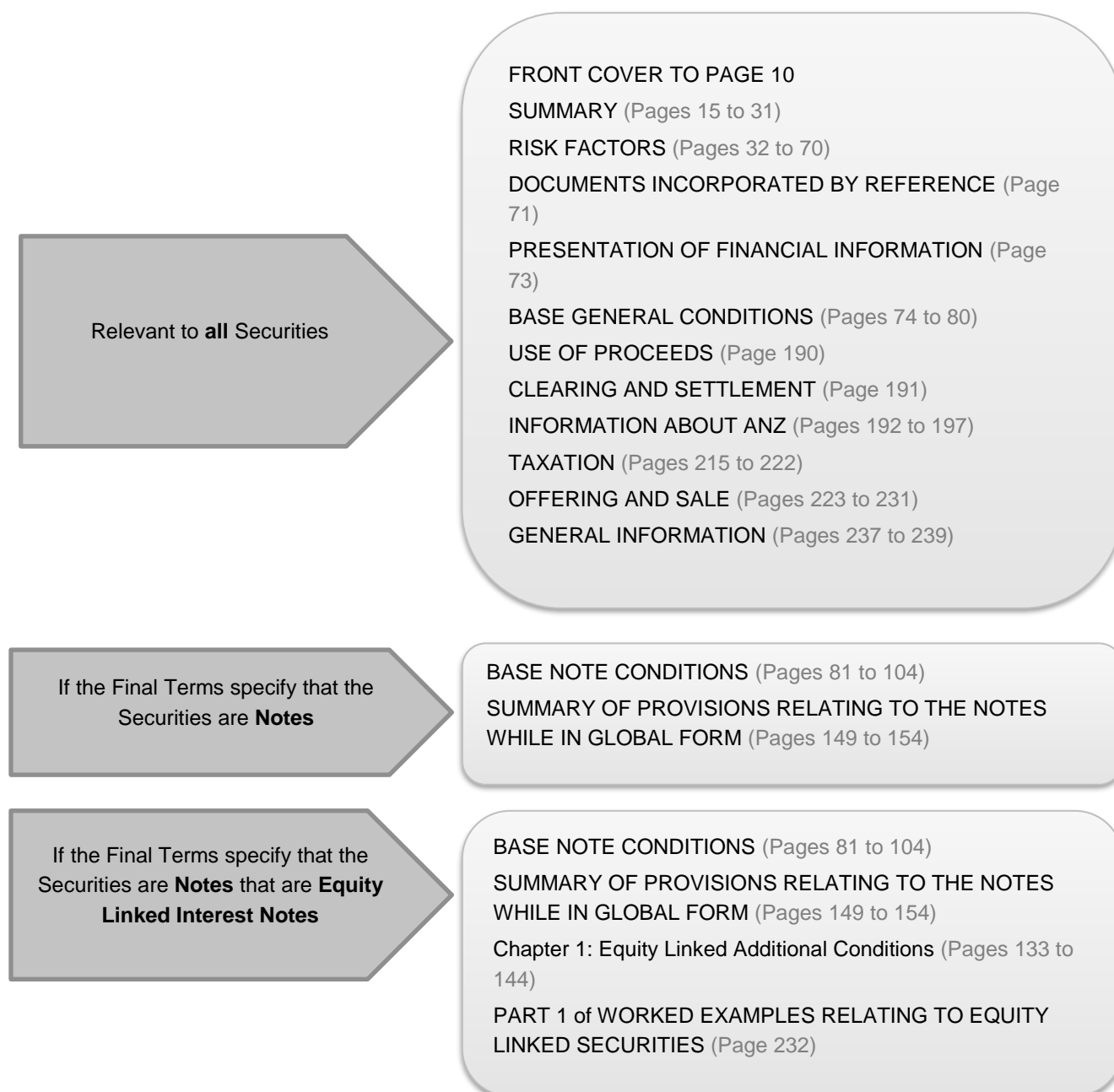
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This section provides a guide as to which parts of this Prospectus are relevant to particular Securities.

A wide range of Securities may be issued under the Programme. This Prospectus provides information about all Securities that may be issued under the Programme. Accordingly, only some of the information in this Prospectus will be relevant to a particular issue of Securities.

In respect of a particular issue of Securities, the following sections of this Prospectus will be relevant (in addition to the Final Terms of such Securities):





Readers should note that this Reader's Guide is relevant **only** to Securities (as defined on page 1) issued under the Prospectus (as defined on page 1). The Information Memorandum (as defined on page 1) is relevant **only** to Non-PD Securities (as defined on page 1), and therefore does not form part of the Prospectus and is not referred to in this Reader's Guide.

SUMMARY

This section comprises a summary in the format, and with the content, required by Article 5(2) of the Prospectus Directive.

Summaries are made up of disclosure requirements known as “**Elements**”. These Elements are set out in Sections A to E below (and numbered A.1 to E.7). This summary contains all the Elements required for a summary for the type of securities offered under this Prospectus and the type of issuer. Because some Elements are not required, there are gaps in the numbering sequence of the Elements. Even though an Element may need to be inserted in the summary because of the type of securities and the type of issuer, it is possible that no relevant information can be given regarding the Element, in which case the Element shall be described as “not applicable”.

Section A		
A.1	Introduction and warnings	<p>This summary must be read as an introduction to this Prospectus. Any decision to invest in the Securities should be based on a consideration of the Prospectus as a whole, including any documents incorporated by reference. Following the implementation of the Prospectus Directive (Directive 2003/71/EC) (as amended or superseded, the “Prospectus Directive”) in each Member State of the European Economic Area, no civil liability will attach to the Issuer in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, including any information incorporated by reference or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Securities. Where a claim relating to the information contained in this Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p>
A.2	Offer Period, Consents	<p><i>Issue specific summary:</i></p> <p>[The Issuer consents to the use of the Prospectus in connection with a public offer (requiring the publication of a prospectus under the Prospectus Directive) (a “Public Offer”) of any relevant Securities during the period from [●] until [●] (the “Offer Period”) in the United Kingdom either (1) by any financial intermediary which satisfies the following conditions: (a) is authorised to make offers of the relevant kind in accordance with MIFID; (b) acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the “Rules”), including the Rules published by the FCA (including its guidance for distributors in “The Responsibilities of Providers and Distributors for the Fair Treatment of Customers”) from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Instruments by any person and disclosure to any potential investor; (c) complies with the restrictions set out under “Offering and Sale” in this Prospectus; (d) complies with the target market assessment and distribution channels identified under the “MiFID II product governance” legend set out in the applicable Final Terms or Drawdown Prospectus (as the case may be) in respect of an offer of Securities; (e) ensures that any fee (and any commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Instruments does not violate the Rules and is fully and clearly disclosed to investors or potential investors; (f) holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Securities under the Rules, including authorisation under the FSMA; (g) complies with applicable anti-money laundering, anti-bribery and “know your client” Rules, and does not permit any application for Securities in circumstances where the financial intermediary has any suspicions as to the source of the application monies; (h) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer in order to enable the Issuer to comply with anti-money laundering, anti-bribery and “know your client” Rules applying to the Issuer; (i) does not, directly or indirectly, cause the Issuer to breach</p>

		<p>any Rule or subject it to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction; and (j) accepts such Public Offer by publishing on its website the following statement (with the information in square brackets completed with the relevant information): “We, [insert legal name of financial intermediary], refer to the [insert title of relevant Securities] (the “Securities”) described in the Final Terms dated [insert date] (the “Final Terms”) published by Australia and New Zealand Banking Group Limited (the “Issuer”). We hereby accept the offer by the Issuer of its consent to our use of the Prospectus (as defined in the Final Terms) in connection with the offer of the Securities in the United Kingdom (the “Public Offer”) subject to the conditions to such consent, as specified in the Prospectus, and we are using the Prospectus in connection with the Public Offer accordingly.”, and any further conditions specified in the relevant Final Terms or (2) by the financial intermediaries, and subject to the relevant conditions, specified in the relevant Final Terms, for so long as they are authorised to make offers of the relevant kind in accordance with MIFID.</p> <p>A Public Offer may be made during the relevant Offer Period by any of the Issuer, the Initial Dealer or any relevant Authorised Offeror in the United Kingdom subject to any relevant conditions specified above and/or in the relevant Final Terms, as the case may be.</p> <p>The Terms and Conditions of the Public Offer shall be provided to Investors by that Authorised Offeror at the relevant time.]</p> <p>[Not Applicable: the Issuer does not consent to the use of the Prospectus by any person.]</p>
Section B – Issuer		
B.1	The legal and commercial name of the Issuer	Australia and New Zealand Banking Group Limited (“ ANZ ”)
B.2	The domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation	ANZ is a public company limited by shares incorporated in Australia and registered in the State of Victoria, where it also has its headquarters. It is the Group parent company, with Australian Business Number 11 005 357 522.
B.4b	A description of any known trends affecting the Issuer and the industries in which it operates	Not applicable; there are no known trends affecting ANZ or the industries in which it operates.
B.5	Description of the Group and the Issuer’s position within the Group	ANZ, together with its subsidiaries (the “ Group ”), is one of the four major global banking groups headquartered in Australia. The Issuer is the Group’s parent company. The Issuer is one of the four major banking groups headquartered in Australia.
B.9	Profit forecast or estimate	Not Applicable; no profit forecast or estimate is made.
B.10	Qualifications in the Auditors’ report	Not Applicable; there are no qualifications in the Auditors’ report.
B.12	Selected financial	

	information	FY18 (A\$)	FY17 (A\$)	
		Cash profit (\$b) ¹	5.8	6.9
		Operating income (\$b) ¹	19.0	20.5
		Operating expenses (\$b) ¹	9.8	9.4
		Impairment charges (\$b) ¹	0.7	1.2
		Statutory profit (\$b)	6.4	6.4
		Earnings per share (cents)	221.6	220.1
		Dividend payout ratio	72.1%	73.4%
		Net interest margin ¹	1.87%	1.99%
		Customer deposits (\$b) ²	487.3	467.6
		Net loans and advances (including acceptances) (\$b) ^{2,3}	604.9	580.3
		<p>The financial information above is selected historical key financial information of ANZ and its consolidated subsidiaries, inclusive of discontinued operations.⁴</p> <p>¹ This financial information is reported on a cash profit basis. Cash profit is not subject to review or audit by the external auditor.</p> <p>² Customer deposits and net loans and advances as at 30 September 2018 and 30 September 2017 include customer deposits and net loans and advances held for sale.</p> <p>³ Customer liability for acceptances has been recognised as other assets from 30 September 2017.</p> <p>⁴ In this context, "discontinued operations" refers to certain discontinued operations in connection with the sales agreements with IOOF Holdings Limited and Zurich Financial Services Australia Limited as outlined under the section headed "Information about ANZ" in the Base Prospectus.</p> <p>There has been no significant change in the financial or trading position of ANZ or the Group since 30 September 2018. There has been no material adverse change in the prospects of ANZ since 30 September 2018, the date of ANZ's last published audited financial statements.</p>		
B.13	Recent material events particular to the Issuer	Not Applicable; there have been no recent events particular to the Issuer that are to a material extent relevant to the evaluation of the Issuer's solvency.		
B.14	Extent to which the Issuer is dependent on other entities within the Group	Not Applicable; the Issuer is not dependent upon other entities within the Group.		
B.15	Principal activities of the Issuer	The Issuer is the parent company of the Group. The Group provides a broad range of banking and financial products and services to retail, small business, corporate and institutional clients. It conducts its operations primarily in Australia, New Zealand and the Asia Pacific region. The Group also operates in a number of other countries, including the United Kingdom and the United States.		
B.16	Extent to which the Issuer is directly or indirectly owned or controlled	ANZ is not directly or indirectly owned or controlled by any other corporation or corporations, or by any foreign government.		
B.17	Credit ratings assigned to the	At the date of this Prospectus, ANZ has the following debt ratings for long-term unsubordinated unsecured obligations:		

	Issuer or its debt securities	<ul style="list-style-type: none"> • Standard & Poor's: AA-; • Moody's: Aa3; and • Fitch: AA-. <p>As defined by Standard & Poor's, an "AA-" rating means that ANZ's capacity to meet its financial commitments is very strong. As defined by Moody's, an "Aa3" rating means that ANZ's relevant obligations are judged to be of high quality and are subject to very low credit risk. As defined by Fitch, an "AA-" rating denotes expectations of very low default risk for ANZ's relevant obligations, and indicates very strong capacity for payment of financial commitments, such capacity being not significantly vulnerable to foreseeable events.</p> <p>Issue specific summary: The Securities are [not rated]/[rated [●] by [●]].</p>
Section C – Securities		
C.1	Type and class of Securities	<p>All Securities</p> <p>The Securities may be issued in Series having identical terms (or identical other than in respect of certain dates) and are intended to be interchangeable with all other Securities of that same Series. Each Series of Securities may be issued in Tranches bearing identical terms other than the Issue Price and nominal amount of the Tranche, the specific terms of which will be completed in the relevant Final Terms.</p> <p>Notes</p> <p>Notes may be issued in bearer form or in registered form and may be in definitive form, or may initially be represented by one or more global securities deposited with a common depository or common safekeeper for Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg") and/or any other relevant clearing system, with interests in such global securities being traded in the relevant clearing system(s). Global securities may be exchanged for Notes in definitive form in the limited circumstances described in the relevant global security.</p> <p>Any permanent Global Note may be exchanged for Definitive Notes only in the limited circumstances specified in the permanent Global Note.</p> <p>C&W Securities</p> <p>Each issue of C&W Securities will be represented by a Global Security.</p> <p>Issue specific summary:</p> <p>[The Notes are in [bearer/registered uncertified] form [and will be represented on issue by a [temporary Global Notes exchangeable for a permanent Global Note which is exchangeable for Definitive Notes [on [●] days' notice][at any time][in the limited circumstances specified in the permanent Global Note]] [temporary Global Note exchangeable for Definitive Notes [on [●] days' notice]] [permanent Global Note exchangeable for Definitive Notes [on [●] days' notice][at any time][in the limited circumstances specified in the permanent Global Note]]].</p> <p>[The [Redeemable Certificates][Exercisable Certificates][Warrants] will be represented by a Global Security.]</p> <p>ISIN Code: [●]</p> <p>Common Code: [●]</p> <p>Legal Entity Identifier (LEI): JHE42UYNWWTJB8YTTU19</p>
C.2	Currencies	Subject to compliance with all relevant laws, regulations and directives, Securities under the Programme may be denominated in any currency or units of exchange and settled in any deliverable currency.

		<p><i>Issue specific summary:</i></p> <p>The Securities are denominated in [●] and will be settled in [●].</p>
C.5	A description of any restrictions on the free transferability of the Securities	<p>Selling restrictions apply. These include without limitation, conditions applicable in respect of the UK, Australia, Japan, Hong Kong, Singapore, Taiwan and South Korea. Any offer of Securities to members of the public in any Relevant Member State shall be made in accordance with the Prospectus Directive (in respect of Securities having a specified denomination of less than €100,000 or its equivalent in any other currency as at the date of issue of the relevant Securities).</p> <p>United States Category 2 selling restrictions will apply to the Securities for the purposes of Regulation S under the Securities Act. The Securities will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the “D Rules”).</p>
C.8	Description of the rights attaching to the Securities	<p><u>Ranking (status):</u></p> <p>Securities constitute unsubordinated and unsecured obligations of the Issuer and rank <i>pari passu</i> among themselves and with its other present and future unsubordinated and unsecured obligations (save for certain obligations required to be preferred by applicable law including obligations incurred pursuant to any recapitalisation order made by the Australian Prudential Regulation Authority and, in the event of the Issuer’s insolvency, debts owed to depositors or to the Reserve Bank of Australia).</p> <p><u>Events of Default:</u></p> <p>The Securities contain the following events of default in relation to the Issuer:</p> <ul style="list-style-type: none"> (a) default is made in the payment of any principal or interest when due, in respect of any Security of such Series, and such default continues for a period of seven days; or (b) default is made in the delivery of any Asset Amount when due and such failure to deliver continues for a period of seven days, unless any of the conditions to settlement to be satisfied by the Securityholder have not been so satisfied as at the due date for delivery, or the Issuer has elected to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price; or (c) the Issuer fails to perform or observe any of its obligations under any Security of such Series other than those specified in paragraphs (i) and (ii) above and in such case (except where such failure is incapable of remedy) such failure continues for a period of 30 days next following the service by any holder of any Security of such Series on the Issuer and the Fiscal Agent or Principal Certificate and Warrant Agent (as applicable) of written notice requiring the same to be remedied; or (d) otherwise than for the purpose of an amalgamation or reconstruction or merger within the meaning of these words under the laws of the Issuer’s country of incorporation or, where the Issuer is acting through its branch, of the jurisdiction, country or territory in which the branch through which the Issuer is acting as specified in the relevant Final Terms is located, a resolution is passed that the Issuer be wound up or dissolved; or (e) the Issuer stops payment (within the meaning of Australian or any other applicable bankruptcy law) of its obligations; or (f) an encumbrancer takes possession of or a receiver is appointed of the whole or a substantial part of the undertaking and assets of the Issuer and any such event is continuing for 45 days after its occurrence and would materially prejudice the performance by the Issuer of its obligations under the Securities of such Series or a distress or execution is levied or enforced upon or sued out against the whole or a substantial part of the undertaking and assets of the

		<p>Issuer which would materially prejudice the performance of the Issuer of its obligations under the Securities of such Series and is not discharged within 60 days thereof; or</p> <p>(g) proceedings are initiated against the Issuer under any applicable bankruptcy, reorganisation or other similar law and such proceedings are not discharged or stayed within a period of 60 days; or</p>
		<p>(h) the Issuer initiates or consents to proceedings relating to itself under any applicable bankruptcy, insolvency, composition or other similar law (otherwise than for the purpose of amalgamation, reconstruction or merger (within the meaning of those words under the laws of the Issuer's country of incorporation or, where the Issuer is acting through its branch, of the jurisdiction, country or territory in which the branch through which the Issuer is acting as specified in the relevant Final Terms is located)) and such proceedings would materially prejudice the performance by the Issuer of its obligations under the Securities of such Series.</p> <p>Notwithstanding the above, no event of default in respect of any Securities shall occur solely on account of any failure by ANZ to perform or observe its obligations in relation to, or the taking of any process or proceeding in respect of any share, note or other security or instrument constituting Tier 1 capital or Tier 2 capital (each as defined by the Australian Prudential Regulation Authority from time to time).</p> <p><u>Governing law:</u> English law.</p> <p><u>Issue specific summary:</u></p> <p><u>Issue Price:</u> The Issue Price of the Securities is [●] per cent.</p> <p><u>Specified Denomination:</u> The Securities have a Specified Denomination of [●].</p> <p><u>Securityholder Options:</u> [There are no Securityholder options in respect of the Securities.] [The Securities are [American style][European style] [Call][Put] Warrants [to which Automatic Exercise applies].] [The Securities are Redeemable Certificates to which a [Call][Put] option is applicable.]</p> <p><u>Withholding tax:</u> [All payments of principal and interest in respect of the Securities will be made free and clear of withholding taxes of any relevant jurisdiction unless compelled by law. In that event, the Issuer will, subject to customary exceptions (including the standard EU exceptions), pay such additional amounts as will result in the payment to the Securityholders or Securityholders of the amounts which would otherwise have been received in respect of the Securities had no withholding or deduction been made.] [All payments of principal and interest in respect of the Securities will be made subject to withholding taxes imposed by any relevant jurisdiction and the Issuer will not be obliged to gross up any payments in respect of the Securities and shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any Security and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. The Issuer may, but is under no obligation to, take steps to mitigate the burden</p>

	of such tax, duty or withholding applied to the Securities (as deemed appropriate by the Issuer in its sole discretion).]
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C.9	Interest, maturity and redemption provisions, yield and representative of the Security-holders	<p><u>Fixed Rate Securities:</u></p> <p><i>Issue specific summary:</i></p> <p>The Securities are [not] fixed rate securities. [Each Security will bear interest on its Calculation Amount from the Interest Commencement Date at a fixed rate of [●] per cent. per [specify period] payable [annually/semi-annually/quarterly/monthly] in arrear on [●] in each year.</p> <p>The Calculation Amount per Security is [●].</p> <p>The Interest Commencement Date is [●].]</p> <p><u>Floating Rate Securities:</u></p> <p><i>Issue specific summary:</i></p> <p>[The Securities are [not] floating rate securities.] [Each Security will bear interest on its Calculation Amount from the Interest Commencement Date at a floating rate of [specify ISDA Rate with Designated Maturity] (which is published at [●]) [+/-] [●] per cent. per [specify period] payable [annually/semi-annually/quarterly/monthly] in arrear on [●] in each year.</p> <p>The Calculation Amount per Security is [●].</p> <p>The Interest Commencement Date is [●].]</p> <p><u>Zero Coupon Securities:</u></p> <p><i>Issue specific summary:</i></p> <p>[Zero coupon securities may be issued at their nominal amount or at a discount to it and will not bear interest.]</p> <p>[The Securities are [not] zero coupon securities[and do not bear interest].]</p> <p><u>Reference Item Linked Securities:</u></p> <p><i>Issue specific summary:</i></p> <p>[The Securities are [not Reference Item Linked Securities][Reference Item Linked C&W Securities that are Equity Linked C&W Securities][Reference Item Linked Interest Notes that are Equity Linked Notes].]</p> <p><i>Applicable only to Equity Linked C&W Securities:</i></p> <p>[Interest payments are not linked to the performance of the Underlying Share, but are described above in this section C.9.]</p> <p><i>Applicable only to Equity Linked Notes:</i></p> <p>[The Underlying Share is [●]. The Settlement Price of the Underlying Share on any date relevant for the purposes of calculating the return on a Note will be that published by [●]. However, if the price is unavailable at the relevant time, the Settlement Price will be determined by ANZ in its capacity as Calculation Agent, acting in good faith, as an amount equal to the middle market price (i.e. the price half way between the fair buying price and the fair selling price) for the share, on the basis of quotations obtained from two or more different financial institutions. The Settlement Price will be converted, if appropriate, into the currency in which the Note is denominated. If the Settlement Price of the Underlying Share on an Interest Determination Date is greater than or equal to the [Initial Price][Strike Price], an amount of interest of [●] per Note shall be payable on the corresponding Interest Payment Date].</p> <p>If the Settlement Price of the Underlying Share on an Interest Determination Date is less than the [Initial Price][Strike Price], zero interest shall be payable on the corresponding Interest Payment Date.</p> <p>The [Initial Price][Strike Price] is [●].]</p> <p>[The Securities will not bear interest.]</p>
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Interest Periods and Rates of Interest:

The length of the interest periods for Securities issued under the Programme and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Securities may have a maximum interest rate, a minimum interest rate, or both.

Issue specific summary:

The Interest Determination Date[s] and [its][their] corresponding Interest Payment Dates [is][are] as follows:

Interest Determination Date	Interest Payment Date
[•]	[•]
[•]	[•]
[•]	[•]

The [minimum][maximum] rate of interest for the Securities is [•].

Maturities:

Subject to compliance with all relevant laws, regulations and directives, Securities issued under the Programme may have any maturity.

Issue specific summary:

[The Maturity Date of the Securities is [•]. [The Securities do not have a maturity date.]

[The Redemption Date of the Securities is [•].]

[The Settlement Date of the Securities is [•].]

Redemption:

Issue specific summary:

Applicable only to Cash Settled Securities that are not Equity Linked Notes or Equity Linked Redeemable Certificates:

[The [Final Redemption Amount][Cash Settlement Amount] of each Security is [•] per Security. The [Final Redemption Amount][Cash Settlement Amount] represents the principal element of the Security to which the Securityholder is entitled at the end of the term of the Security.]

Applicable only to Physically Settled Securities:

[The Asset Amount of each Security is [•] per Security. The Asset Amount represents the principal element of the Security to which the Securityholder is entitled at the end of the term of the Security.]

Applicable only to Cash Settled Securities that are Equity Linked Notes or Equity Linked Redeemable Certificates:

[The Underlying Share is [•]. The Settlement Price of the Underlying Share on any date relevant for the purposes of calculating the return on a Security will be that published by [•]. However, if the price is unavailable at the relevant time, the Settlement Price will be determined by ANZ in its capacity as Calculation Agent, acting in good faith, as an amount equal to the middle market price (i.e. the price half way between the fair buying price and the fair selling price) for the share, on the basis of quotations obtained from two or more different financial institutions. The Settlement Price will be converted, if appropriate, into the currency in which the Security is denominated. If the Settlement Price of the Underlying Share on the final Valuation Date is greater than or equal to the Strike Price, the [Final Redemption Amount][Cash Settlement Amount] of each Security is the Calculation Amount plus an Uplift Amount of [•].]

		<p>If the Settlement Price of the Underlying Share on the final Valuation Date is less the Strike Price, the [Final Redemption Amount][Cash Settlement Amount] of each Security is the Calculation Amount only. The [Final Redemption Amount][Cash Settlement Amount] represents the principal element of the Security to which the Securityholder is entitled at the end of the term of the Security.</p> <p>The Strike Price is [●].</p> <p><u>Optional Redemption:</u> <i>Issue specific summary:</i> The Securities [may/may not] be redeemed prior to their stated maturity at the option of the [Issuer (either in whole or in part) [and/or] the Securityholders]. [The Optional Redemption Amount of each Security is [●]. The Optional Redemption Amount represents the principal element of the Security to which the Securityholder is entitled upon optional redemption.]</p> <p><u>Warrant Exercise:</u> <i>Issue specific summary:</i> Each Security [may be exercised by the Securityholder on their stated Exercise Date in which case][will be automatically exercised on their stated Exercise Date and][the Cash Settlement Amount][Asset Amount will be] calculated as described in C.18 below. The [Cash Settlement Amount][Asset Amount] represents the principal element of the Security to which the Securityholder is entitled upon exercise.</p> <p><u>Early Redemption:</u> Except as provided in “Optional Redemption” and “Redemption” above, Securities will be redeemable at the option of the Issuer prior to maturity only for reasons related to taxation, change in law/illegality, or currency disruption.</p> <p><i>Issue specific summary:</i> [The Early Redemption Amount(s) of each Security is [●] per Calculation Amount. The Early Redemption Amount represents the principal element of the Security to which the Securityholder is entitled upon early redemption only for reasons related to taxation, change in law/illegality, or currency disruption.]</p> <p><u>Indication of Yield (Fixed Rate Securities):</u> The yield in respect of each issue of Fixed Rate Securities will be calculated on the basis of the Issue Price, using the following formula:</p> $P = \frac{C}{r} \left(1 - (1 + r)^{-n} \right) + A(1 + r)^{-n}$ <p>Where: “P” is the Issue Price of the Security; “C” is the annualised Interest Amount; “A” is the principal amount of Securities due on redemption; “n” is time to maturity in years; and “r” is the annualised yield.</p> <p>Yield is not an indication of future price.</p> <p><u>Issue specific summary:</u> The Yield of the Securities is [●] per cent. per annum.</p> <p><u>Representation of Securityholders:</u> The Securityholders may represent themselves at any meeting of Securityholders.</p>
C.10	Derivative component in interest	<p><u>Reference Item Linked Securities:</u> <i>Issue specific summary:</i> [The Securities are [not Reference Item Linked Securities]][Reference Item Linked C&W</p>

	payments	<p>Securities that are Equity Linked C&W Securities, and interest amounts are not linked to the performance of the Underlying Share.].</p> <p>[The Underlying Share is [●]. The Settlement Price of the Underlying Share on any date relevant for the purposes of calculating the return on a Note will be that published by [●]. However, if the price is unavailable at the relevant time, the Settlement Price will be determined by ANZ in its capacity as Calculation Agent, acting in good faith, as an amount equal to the middle market price (i.e. the price half way between the fair buying price and the fair selling price) for the share, on the basis of quotations obtained from two or more different financial institutions. The Settlement Price will be converted, if appropriate, into the currency in which the Note is denominated. Whether any interest is payable on a Reference Item Linked Security that is an Equity Linked Note depends on whether the Settlement Price of the Underlying Share on the relevant Interest Determination Date is greater than or equal to the [Initial Price][Strike Price]. If it is greater than or equal to the [Initial Price][Strike Price], an interest amount of [●] per Note shall be payable in respect of the corresponding Interest Payment Date. If it is less than the [Initial Price][Strike Price], no interest will be payable in respect of the corresponding Interest Payment Date.]</p>
C.11	Listing and admission to trading/ indication of market where securities will be traded	<p>Securities issued under the Programme may be admitted to the Official List and admitted to trading on the London Stock Exchange's regulated market, or may be unlisted.</p> <p><u>Issue specific summary:</u></p> <p>[Application has been made by the Issuer (or on its behalf) for the Securities to be admitted to trading on the London Stock Exchange's regulated market with effect from [●].]</p> <p>[Application is expected to be made by the Issuer (or on its behalf) for the Securities to be admitted to trading on the London Stock Exchange's regulated market with effect from [●].]</p> <p>[The Securities are unlisted.]</p>
C.15	Affect of value of underlying instrument(s) on value of derivative securities	<p><u>Issue specific summary:</u></p> <p>[Not applicable]</p> <p>[The value of a Security consists of its principal value and the value of expected interest payments.</p> <p><u>Principal value</u></p> <p><i>Applicable to Physically Settled Equity Linked Notes only:</i></p> <p>[The Asset Amount of each Security is described in C.18 below, An Asset Amount is an amount of a Relevant Asset, not an entitlement to cash. Its value depends entirely on the value of the Relevant Asset and could be zero if that Relevant Asset loses all of its value.]</p> <p><i>Applicable to Cash Settled Equity Linked Securities only:</i></p> <p>[The Underlying Share is [●]. The Settlement Price of the Underlying Share on any date relevant for the purposes of calculating the return on a Security will be that published by [●]. However, if the price is unavailable at the relevant time, the Settlement Price will be determined by ANZ in its capacity as Calculation Agent, acting in good faith, as an amount equal to the middle market price (i.e. the price half way between the fair buying price and the fair selling price) for the share, on the basis of quotations obtained from two or more different financial institutions. The Settlement Price will be converted, if appropriate, into the currency in which the Security is denominated. If the Settlement Price of the Underlying Share on the final Valuation Date is greater than or equal to the Strike Price, the [Final Redemption Amount][Cash Settlement Amount] of each Security is the Calculation Amount of [●] plus an Uplift Amount of [●].</p> <p>If the Settlement Price of the Underlying Share on the final Valuation Date is less the Strike Price, the [Final Redemption Amount][Cash Settlement Amount] of each Security is the Calculation Amount of [●] only.</p> <p>The holder of the Security is therefore entitled to receive a minimum of the Calculation Amount, but the value of the Security will be affected by the Settlement Price of the Underlying Share because it will determine whether an Uplift Amount is payable.]</p>

		<p><i>Applicable to Physically Settled Warrants only:</i></p> <p>[The Asset Amount to which the holder of each Warrant is entitled is [●] per Warrant. An Asset Amount is an amount of a Relevant Asset, not an entitlement to cash. Its value depends entirely on the value of the Relevant Asset and could be zero if that Relevant Asset loses all of its value. Depending on the price initially paid for the Warrant, the Asset Amount may represent either a positive or a negative return on investment.]</p> <p><i>Applicable to Cash Settled Warrants only:</i></p> <p>[The Cash Settlement Amount to which the holder of each Warrant is entitled is [●] per Warrant. Depending on the value of the Underlying Share on the Exercise Date, the Cash Settlement Amount may be a positive amount or it may be zero (although it may not be lower than zero). The value of the Cash Settlement Amount is wholly dependent on the performance of the Underlying Share; if the Cash Settlement Amount is zero, it represents a total loss of the amount paid for the Warrant.]</p> <p><u>Interest Value</u></p> <p>[The Securities do not bear interest.]</p> <p>[The Interest Amounts payable in respect of the Securities are not linked to any underlying instruments.]</p> <p><i>Applicable to Equity Linked Interest Securities only:</i></p> <p>[The Underlying Share is [●]. The Settlement Price of the Underlying Share on any date relevant for the purposes of calculating the return on a Security will be that published by [●]. However, if the price is unavailable at the relevant time, the Settlement Price will be determined by ANZ in its capacity as Calculation Agent, acting in good faith, as an amount equal to the middle market price (i.e. the price half way between the fair buying price and the fair selling price) for the share, on the basis of quotations obtained from two or more different financial institutions. The Settlement Price will be converted, if appropriate, into the currency in which the Security is denominated. Whether any Interest Amount is payable on a Security depends on whether the Settlement Price of the Underlying Share on the relevant Interest Determination Date is greater than or equal to the [Initial Price][Strike Price]. If it is greater than or equal to the [Initial Price][Strike Price], an Interest Amount of [●] per Security shall be payable in respect of the corresponding Interest Payment Date. If it is less than the [Initial Price][Strike Price], no interest will be payable in respect of the corresponding Interest Payment Date. It is therefore possible that no interest will be payable on any Interest Payment Date, and this will have a corresponding effect on the value of the Security.]]</p>
C.16	Expiration/ maturity date of derivative securities	<p>Issue specific summary:</p> <p>[Not applicable]</p> <p>[The Securities are Reference Item Linked Securities that are Equity Linked Securities whose [Optional Redemption Date][Settlement Date is [●].]</p>
C.17	Settlement procedure for derivative securities	<p>Issue specific summary:</p> <p>[Not applicable]</p> <p>[The Securities are Reference Item Linked Securities that are Equity Linked Securities that are [cash-][physically-]settled [through [Clearstream, Luxembourg][Euroclear]].]</p>
C.18	Description of return on derivative securities	<p>Issue specific summary:</p> <p>[Not applicable]</p> <p><i>Applicable to Physically Settled Warrants only:</i></p> <p>[The Asset Amount to be delivered to the Warrantholder upon the exercise of each Warrant is [●] per Warrant.]</p> <p><i>Applicable only to Cash Settled Warrants to which Averaging does not apply:</i></p> <p>[The Underlying Share is [●].The Settlement Price of the Underlying Share on any date relevant for the purposes of calculating the return on a Warrant will be that published by</p>

[●]. However, if the price is unavailable at the relevant time, the Settlement Price will be determined by ANZ in its capacity as Calculation Agent, acting in good faith, as an amount equal to the middle market price (i.e. the price half way between the fair buying price and the fair selling price) for the share, on the basis of quotations obtained from two or more different financial institutions. The Settlement Price will be converted, if appropriate, into the currency in which the Warrant is denominated.

[The Cash Settlement Amount to be paid to a holder of Call Warrants is an amount per Warrant calculated as the Settlement Price of the Underlying Share minus the Exercise Price on the relevant Exercise Date. However, this is subject to a minimum of zero.]

[The Cash Settlement Amount to be paid to a holder of Put Warrants is an amount per Warrant calculated as the Exercise Price minus the Settlement Price of the Underlying Share on the relevant Exercise Date. However, this is subject to a minimum of zero.]]

Applicable only to Cash Settled Warrants to which Averaging applies:

[The Underlying Share is [●]. The Settlement Price of the Underlying Share on any date relevant for the purposes of calculating the return on a Warrant will be that published by [●]. However, if the price is unavailable at the relevant time, the Settlement Price will be determined by ANZ in its capacity as Calculation Agent, acting in good faith, as an amount equal to the middle market price (i.e. the price half way between the fair buying price and the fair selling price) for the share, on the basis of quotations obtained from two or more different financial institutions. The Settlement Price will be converted, if appropriate, into the currency in which the Warrant is denominated.

[The Cash Settlement Amount to be paid to a holder of Call Warrants is an amount per Warrant calculated by determining the aggregate of the Settlement of the Underlying Share on each of the specified Averaging Dates and dividing it by the number of Averaging Dates to obtain the arithmetic average of the Settlement Prices of the Underlying Share over the Averaging Dates, and then taking that result and subtracting the Exercise Price from it. However, this is subject to a minimum of zero.]

[The Cash Settlement Amount to be paid to a holder of Put Warrants is an amount per Warrant calculated by determining the aggregate of the Settlement Prices of the Underlying Share on each of the specified Averaging Dates and dividing it by the number of Averaging Dates to obtain the arithmetic average of the Settlement Prices of the Underlying Share over the Averaging Dates, and then taking that result and subtracting it from the Exercise Price. However, this is subject to a minimum of zero.]

The Exercise Price is: [●]]

[The Averaging Dates are: [●]

The relevant number of Averaging Dates prior to the Exercise Date is: [●]]

Applicable to Physically Settled Equity Linked Redemption Notes/Equity Linked Redeemable Certificates only:

[The Asset Amount to be delivered to the holder of each Security is [●] per Security]

Applicable to Cash Settled Equity Linked Redemption Notes/Equity Linked Redeemable Certificates only:

[The Underlying Share is [●]. The Settlement Price of the Underlying Share on any date relevant for the purposes of calculating the return on a Warrant will be that published by [●]. However, if the price is unavailable at the relevant time, the Settlement Price will be determined by ANZ in its capacity as Calculation Agent, acting in good faith, as an amount equal to the middle market price (i.e. the price half way between the fair buying price and the fair selling price) for the share, on the basis of quotations obtained from two or more different financial institutions. The Settlement Price will be converted, if appropriate, into the currency in which the Warrant is denominated. The minimum amount at which the Securities will redeem is at their Calculation Amount of [●] per Security. However, if on the final Valuation Date ([●]) the Settlement Price of the Underlying Share is greater than or

		equal to the Strike Price of [●], an additional bonus amount (the Uplift Amount of [●] per Security) will be payable to the holder of each Security upon redemption on top of that Calculation Amount. In such circumstances the [Final Redemption Amount][Cash Settlement Amount] of each Security would be [●].
C.19	Description of exercise price or final reference price of underlying asset in relation to derivative securities	<p>Issue specific summary: [Not applicable]</p> <p>[The Securities are Reference Item Linked Securities that are Equity Linked Securities that may be redeemed at their stated Optional Redemption Date at the option of the Securityholders. The Optional Redemption Amount of each Security is [●].]</p> <p>[The Securities are Reference Item Linked Securities that are Equity Linked Securities that [may be exercised by the Securityholder on their stated Exercise Date in which case][will be automatically exercised on their stated Exercise Date and][the Cash Settlement Amount][Asset Amount will be][●].]</p> <p><i>Applicable only to Cash Settled Securities that are Equity Linked Notes or Equity Linked C&W Securities:</i></p> <p>The Settlement Price of an Underlying Share on any date relevant for the purposes of calculating the return on a Security will, in most cases, be that published by the stock exchange on which the Underlying Share is traded. However, if the price is unavailable at the relevant time, the Settlement Price will be determined by ANZ in its capacity as Calculation Agent, acting in good faith, as an amount equal to the middle market price (i.e. the price half way between the fair buying price and the fair selling price) for the share, on the basis of quotations obtained from two or more different financial institutions. The Settlement Price will be converted, if appropriate, into the currency in which the Security is denominated.</p>
C.20	Description of underlying asset and where information on underlying asset can be found	<p>Underlying Shares, and Relevant Assets that are equity shares, may only be equity shares that are listed and admitted to trading on either (a) regulated markets in the European Union, or (b) equivalent markets elsewhere.</p> <p>Issue specific summary: [Not applicable]</p> <p>[The [Underlying Share] [Relevant Asset] is [●] and information relating to it can be found at [●].]</p>
C.21	Listing and admission to trading/ indication of market where securities will be traded	<p>Securities issued under the Programme will be admitted to the Official List and admitted to trading on the London Stock Exchange's regulated market.</p> <p>Issue specific summary: [Application has been made by the Issuer (or on its behalf) for the Securities to be admitted to trading on the London Stock Exchange's regulated market with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Securities to be admitted to trading on the London Stock Exchange's regulated market with effect from [●].]</p>
Section D – Risks		
D.2	Key information on the key risks that are specific to the Issuer	<p>There are a number of factors which could cause the Issuer's actual results to differ, in some instances materially, from those anticipated. By investing in the Securities, an Investor is exposed to the risk that some or all of these factors could negatively affect the Issuer and, in turn, negatively impact the value of the Securities.</p> <p>As a bank, the Issuer's activities are exposed to a complex and varied set of risks. If any of these risks materialise, there is the potential they could adversely impact the Issuer's business, operations and financial condition.</p> <p>The key risks inherent in the Issuer's operations can be broadly grouped under the main categories of:</p>

		<p>capital adequacy risk (being the risk of loss arising from the Issuer failing to maintain the level of capital required by prudential regulators and other key stakeholders (shareholders, debt investors, depositors, rating agencies) to support the Issuer's consolidated operations and risk appetite);</p> <p>credit risk (being the risk of financial loss to the Issuer resulting from a counterparty failing to fulfil its obligations, or from a decrease in credit quality of a counterparty resulting in a loss in value);</p> <p>market risk (stemming from the Issuer's trading and balance sheet activities and being the risk to the Issuer's earnings arising from changes in interest rates, foreign exchange rates, credit spreads, volatility, correlations or from fluctuations in bond, commodity or equity prices);</p> <p>liquidity and funding risk (being the risk that the Issuer is unable to meet its payment obligations as they fall due, including repaying depositors or maturing wholesale debt, or that the Issuer has insufficient capacity to fund increases in assets);</p> <p>operational risk (being the risk of loss to, and/or non-compliance of the Issuer resulting from inadequate or failed internal processes, people or systems or from external events, including legal risk and the risk of reputation loss, or damage arising from inadequate or failed internal processes, people and systems, but excluding strategic risk);</p> <p>compliance risk (being the risk of failure to act in accordance with laws, regulations, industry standards and codes, internal policies and procedures and principles of good governance as applicable to the Issuer's business); and</p> <p>reputation risk (being the risk of loss caused by adverse perceptions of the Issuer held by the public, shareholders, investors, regulators or rating agencies that may directly or indirectly impact earnings, capital adequacy or value);</p> <p>insurance risk (being the risk to the Issuer of unexpected losses resulting from worse than expected claims experience (variation in timing and amount of insurance claims due to incidence or non-incidence of death, sickness, disability or general insurance claims) and includes inadequate or inappropriate underwriting, claims management, reserving, insurance concentrations, reinsurance management, product design and pricing which will expose an insurer to financial loss and the consequent inability to meet its liabilities);</p> <p>reinsurance risk (being the risk to the Issuer that a reinsurer fails to meet their contractual obligations, i.e. to pay reinsurance claims when due);</p> <p>strategic risk (being the risk that affects or is created by the Issuer's business strategy and strategic objectives); and</p> <p>technology risk (being the risk of loss, and/or noncompliance of, the issuer resulting from inadequate or failed internal processes, people or systems or from external events impacting on IT assets, including the compromise of an IT asset's confidentiality, integrity or availability).</p> <p>If any of these key risks actually occurs, the Issuer's business, operations, financial condition or reputation could be materially adversely affected, with the result that the trading price of the Notes could decline and investors could lose all or part of their investment. Importantly, the Issuer's risk profile at any point in time, including the probability and impact of certain risks occurring, is heavily influenced by (and invariably changes over time according to) prevailing general business, economic and market conditions in the major countries and regions in which the Issuer operates or trades.</p>
D.3	Key information on the key risks	Material risks relating to a particular issuance of Securities may (depending on the terms of the particular issue) include that the market price of the Securities may be volatile, the

	<p>that are specific to the Securities</p>	<p>Securities may not pay interest, or may pay less interest than expected. There is no assurance that a liquid secondary market for certain Securities will develop or continue.</p> <p>Issue specific summary:</p> <p><i>Applicable to Fixed Rate Securities only:</i></p> <p>[Investment in fixed rate Securities involves the risk that subsequent changes in market interest rates may adversely affect the value of fixed rate Securities. The values of inverse floating rate Securities are typically more volatile than market values of conventional floating rate debt securities based on the same reference rate.]</p> <p><i>Applicable to Fixed/Floating Rate Securities only:</i></p> <p>[Fixed/floating rate Securities may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Securities since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing.]</p> <p><i>Applicable to Renminbi Denominated Securities only:</i></p> <p>[Securities denominated in Renminbi have material risks associated with them on account of certain restrictions on the convertibility and availability of that currency.]</p> <p><i>Applicable to Securities featuring redemption at Issuer's option only:</i></p> <p>[The Securities may be subject to early redemption at the Issuer's discretion, or because of taxation, illegality or change in law.]</p> <p><i>Applicable to Reference Item Linked Securities that are Equity Linked Securities only:</i></p> <p>[Factors affecting the performance of equities may adversely affect the value of Reference Item Linked Securities that are Equity Linked Securities.</p> <p>A holder of Reference Item Linked Securities that are Equity Linked Securities has no claim against the Equity Issuer or recourse to the Underlying Shares.</p> <p>Holders of Reference Item Linked Securities that are Equity Linked Securities may receive physical delivery of Underlying Shares in lieu of payment of cash amounts.</p> <p>Prospective purchasers intending to purchase Reference Item Linked Securities that are Equity Linked Securities to hedge against the market risk associated with investing in any Underlying Shares should recognise the complexities of utilising Securities in this manner. Determinations made by the Calculation Agent in respect of Potential Adjustment Events, other specified extraordinary events and Additional Disruption Events may have an adverse effect on the value of the Securities.]</p>
D.6	<p>Key risks specific to Reference Item Linked Securities</p>	<p>Fluctuations in the value and/or volatility of the relevant Reference Item may affect the value of Reference Item Linked Securities.</p> <p>Issue specific summary:</p> <p>[Investors in Physically Settled Securities that are Equity Linked C&W Securities or Equity Linked Notes may risk losing their entire investment or part of it, as the case may be, if the value of the relevant Underlying Shares does not move in the anticipated direction.]</p> <p>[Cash Settled Securities that are Equity Linked Redemption Notes or Equity Linked Redeemable Certificates are principal protected, so investors in them are entitled to the return of their initial investment, but they may risk losing expected interest payments and/or Uplift Amounts (upon maturity) if the value of the relevant Underlying Shares does not move in the anticipated direction.]</p>
<p>Section E – Offer</p>		
E.2b	<p>Reason for the offer and use</p>	<p>Issue specific summary:</p> <p>[The net proceeds of the issue of the Securities will be used by the Issuer for its [general</p>

	of proceeds	corporate purposes][<i>specify any other particular identified use of proceeds</i>].]
E.3	Terms and Conditions of the Offer	<p><i>Issue specific summary:</i></p> <p>[The Securities will be offered to investors by [the Issuer in its capacity as the Initial Dealer][an Authorised Offeror] at a price of [●] per Security during the period from (and including) [●] to (and including) [●]. [The minimum number of Securities that an investor may purchase is [●]]. [The minimum value of Securities that an investor may purchase is [●].]</p>
E.4	Interests of natural and legal persons involved in the issue of the Securities	<p>The relevant intermediaries may be paid fees in relation to any issue of Securities under the Programme. Any such intermediary and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.</p> <p><i>Issue specific summary:</i></p> <p>[Save for [●], so][So] far as the Issuer is aware, no person involved in the offer of the Securities has an interest material to the offer.</p>
E.7	Estimated expenses charged to the investor by the Issuer or the Authorised Offeror	<p>The Securities are offered to the investors by [the Issuer in its capacity as the Initial Dealer][an Authorised Offeror].</p> <p>The estimated expenses to be charged to the investor by the [Issuer in its capacity as Initial Dealer][an Authorised Offeror] is an amount of [●] per Security, provided that the minimum amount of expenses per purchase of Securities shall be [●].</p>

RISK FACTORS

This section sets out the principal risks inherent in investing in Securities issued under the Programme.

Introduction

Any investment in the Securities issued under the Programme will involve risks, including those described in this section. All principal or material risks that have been identified by the Issuer are included in this section.

This section, "Risk Factors", is divided into six sub-sections, namely "Risk Factors Relating to Particular Issues of Securities", "Certain Additional Risks Relating To Reference Item Linked Securities that are Equity Linked Securities", "Certain Additional Risk Factors Associated with Warrants", "Risk Factors Associated with Offshore RMB Securities", "Risk Factors Relating to the Securities and the Market Generally" and "Risk Factors Related to the Issuer and Group".

The first five of these sub-sections concern risks relating to the Securities themselves, and the markets in which they are traded: the occurrence of the events detailed in these sub-sections, or a combination of them, could cause a decline in the trading price of the Securities whether or not the Issuer remains solvent. These sub-sections can be said to concern the market risks associated with the Securities.

The sixth sub-section concerns risk relating to the Issuer and Group which, as at the date of this Prospectus, the Issuer believes may affect the Issuer's abilities to fulfil its obligations under or in respect of the Securities, because any of the factors described in that sub-section, or a combination of them, may cause the Issuer to become insolvent and unable to fulfil its obligations as they fall due, regardless of the performance of those Securities or their trading price. The sixth sub-section can be said to concern the Issuer's credit risk. However, the risk factors described in the sixth sub-section could also be material for the purpose of assessing the market risks associated with the Securities.

If any of the following factors actually occurs, the trading price of the Securities of the Issuer could decline and an investor could lose all or part of its investment. These factors are contingencies that may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Prospective investors should carefully consider the following discussion of the risk factors and the other information in this Prospectus and consult their own financial and legal advisers about the risks associated with the Securities before deciding whether an investment in the Securities is suitable for them. Prospective investors should be aware that the risks set forth below are not exhaustive (as these will not include those risks that have not been identified by the Issuer) and should carefully consider the following factors in addition to the matters set out elsewhere in this Prospectus before investing in the Securities offered under this Prospectus. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.

Words and expressions defined in the Terms and Conditions of the Securities or elsewhere in this Prospectus have the same meanings in this section.

RISK FACTORS RELATING TO PARTICULAR ISSUES OF SECURITIES

Inverse Floating Rate Securities

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

Fixed/Floating Rate Securities

Fixed/floating rate Securities may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate

will affect the secondary market and the market value of the Securities since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the fixed/floating rate Securities may be less favourable than then prevailing spreads on comparable floating rate Securities tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Securities. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Securities.

Securities issued at a substantial discount or premium

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

Partly paid Securities

The Issuer may issue Securities where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment and not receiving any interest on the Securities.

Securities subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Securities. During any period when the Issuer may elect to redeem Securities, the market value of those Securities generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Securities when its cost of borrowing is lower than the interest rate on the Securities. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Securities being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Time lag before settlement

Unless otherwise specified in the relevant Final Terms, in the case of Securities which the Issuer is required to redeem prior to their scheduled Maturity Date (in the case of Notes), Settlement Date (in the case of Warrants or Exercisable Certificates) or the Redemption Date (in the case of Redeemable Certificates) at the option of the Securityholder, there will be a time lag between the time a Securityholder gives the instruction to redeem or cancel and the time the relevant Cash Settlement Amount (in the case of Cash Settled Securities) or the Physical Settlement Value (as defined below) (in the case of Physical Delivery Securities), as the case may be, is determined by the Calculation Agent.

Such time lag could be significantly longer, however, particularly in the case of a delay in the redemption or cancellation of Securities arising from any daily maximum exercise limitation or the occurrence of a Disrupted Day or a Market Disruption Event (if applicable), or following the imposition of any exchange controls or similar regulations affecting the ability to obtain or exchange any relevant currency. The applicable Cash Settlement Amount (in the case of Cash Settled Securities) or the Physical Settlement Value (in the case of Physical Delivery Securities), as the case may be, may change significantly during any such period.

Certain factors affecting the value and trading price of Securities

Either (i) the Cash Settlement Amount (in the case of Cash Settled Securities) or (ii)(a) the difference in the value of the Asset Amount and the Exercise Price (in the case of Physical Delivery Securities which are Warrants) or (b) the value of the Asset Amount (in the case of Physical Delivery Securities which are Redeemable Certificates or Notes) (ii)(a) or (ii)(b), as applicable, the “**Physical Settlement Value**”) at any time prior to expiration or redemption is typically expected to be less than the trading price of such Securities at that time. The difference between the trading price and the Cash Settlement Amount or the Physical Settlement Value, as the case may be, will reflect, among other things, the “time value” of the Securities. The “time value” of the Securities will depend partly upon the length of the period remaining to expiration or

redemption and expectations concerning the value of the Underlying Share (if any) specified in the relevant Final Terms. Securities offer hedging and investment diversification opportunities, but also pose some additional risks with regard to interim value.

CERTAIN ADDITIONAL RISKS RELATING TO REFERENCE ITEM LINKED SECURITIES THAT ARE EQUITY LINKED SECURITIES

Equity Linked Securities involve a high degree of risk. Equity Linked Securities provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the Underlying Shares which such Equity Linked Securities relate.

Fluctuations in the value and/or volatility of the relevant Underlying Shares may affect the value of the relevant Equity Linked Securities. Investors in Equity Linked Securities may risk losing their entire investment if the value of the relevant Underlying Shares does not move in the anticipated direction.

Other factors which may influence the market value of Equity Linked Securities include interest rates, potential dividend payments in respect of the relevant Underlying Shares and market expectations regarding the future performance of the relevant Underlying Shares and such Equity Linked Securities.

The Issuer may issue several issues of Equity Linked Securities relating to particular Underlying Shares. However, no assurance can be given that the Issuer will issue any Equity Linked Securities other than the Equity Linked Securities to which the relevant Final Terms relate. At any given time, the number of Equity Linked Securities outstanding may be substantial.

An investment in Equity Linked Securities entails significant risks in addition to those associated with investments in a conventional debt security.

Factors affecting the performance of equities may adversely affect the value of Equity Linked Securities

The performance of equities is dependent upon macroeconomic factors such as interest rates and price levels on the capital markets, currency developments, political factors and company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy.

No claim against the Equity Issuer or recourse to the Underlying Shares

Equity Linked Securities do not represent a claim against or an investment in any issuer of Underlying Shares (an “**Equity Issuer**”) to which they are linked and Securityholders will not have any right of recourse under the Securities to any such company or the Underlying Shares. The Securities are not in any way sponsored, endorsed or promoted by any Equity Issuer and such companies have no obligation to take into account the consequences of their actions for any Securityholders. Accordingly, the issuer of an Underlying Share may take any actions in respect of such Underlying Share without regard to the interests of the investors in the Securities, and any of these actions could adversely affect the market value of the Securities.

In the case of Securities relating to Underlying Shares, no issuer of such Underlying Shares will have participated in the preparation of the relevant Final Terms or in establishing the terms of the Securities and the Issuer will not make any investigation or enquiry in connection with such offering with respect to the information concerning any such issuer of Underlying Shares contained in such Final Terms or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date (including events that would affect the accuracy or completeness of the publicly available documents described in this paragraph or in any relevant Final Terms) that would affect the trading price of the Underlying Shares will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an issuer of Underlying Shares could affect the trading price of the Underlying Shares and therefore the trading price of the Securities.

Determinations made by the Calculation Agent in respect of Potential Adjustment Events, other specified extraordinary events and Additional Disruption Events may have an adverse effect on the value of the Securities

Upon determining that a Potential Adjustment Event or other specified extraordinary events has occurred in relation to an Underlying Share or Equity Issuer, the Calculation Agent has broad discretion to make certain determinations to account for such event, including to (i) make adjustments to the terms of the Securities; and/or (ii) (in the case of other specified extraordinary events) cause early redemption or cancellation of the Securities, any of which determinations may have an adverse effect on the value of the Securities.

Potential Adjustment Events include (a) a sub-division, consolidation or re-classification of the Underlying Shares, (b) an extraordinary dividend, (c) a call in respect of the Underlying Shares that are not fully paid, (d) a repurchase by the issuer, or an Affiliate thereof, of the Underlying Shares, (e) a separation of rights from the Underlying Shares or (f) any event having a dilutive or concentrative effect on the value of the Underlying Shares. Other extraordinary events that may be specified as applicable in the Final Terms include (I) a de-listing of the Underlying Shares on an exchange, (II) an insolvency (where all the Underlying Shares of the Equity Issuer are transferred to a trustee, liquidator or similar official or may not be legally transferred) or bankruptcy of the Equity Issuer, (III) a merger event entailing the consolidation of the Underlying Shares with those of another entity, (IV) a nationalisation of the Equity Issuer or transfer of the Underlying Shares to a governmental entity or (V) a tender offer or takeover offer that results in transfer of the Underlying Shares to another entity.

Securityholders may receive physical delivery of Underlying Shares in lieu of payment of cash amounts

Where the Securities include the right of the Issuer, which may be subject to the fulfilment of a particular condition, to redeem or settle the Securities by delivering Underlying Shares to the investor in such Securities, the investors will receive such Underlying Shares rather than a monetary amount. Securityholders will, therefore, be exposed to the issuer of such Underlying Shares and the risk associated with such Underlying Shares. The investor should not assume that he or she will be able to sell such Underlying Shares for a specific price after the redemption of the Securities or in particular for the purchase price of the Securities. Under certain circumstances, the Underlying Shares may only have a very low value or may, in fact, be worthless, in which case Securityholders may receive back less than the original invested amount. Securityholders may also be subject to certain documentary or stamp taxes in relation to the delivery and/or disposal of such Underlying Shares.

Except as provided in the Conditions in relation to Physical Delivery Securities, Securityholders will not have voting rights or rights to receive dividends or distributions or any other rights with respect to the relevant equities to which such Securities relate.

Certain considerations regarding use of Equity Linked Securities for hedging

Prospective purchasers intending to purchase Equity Linked Securities to hedge against the market risk associated with investing in any Underlying Shares as may be specified in the relevant Final Terms, should recognise the complexities of utilising Securities in this manner. For example, the value of the Securities may not exactly correlate with the value of the relevant Underlying Shares. Due to fluctuating supply and demand for the Securities, there is no assurance that their value will correlate with movements of the relevant Underlying Shares. For these reasons, among others, it may not be possible to purchase or liquidate securities in a portfolio at the prices used to calculate the value of any relevant Underlying Shares.

In the case of Securities relating to an Underlying Share, the Issuer may from time to time hedge the Issuer's obligations under such Securities (and under other instruments and over-the-counter contracts issued by or entered into from time to time by the Issuer relating to such securities) by taking positions, directly or indirectly, in such Underlying Share. Although the Issuer has no reason to believe that such hedging activities will have a material impact on the price of any Underlying Share, there can be no assurance that such hedging activities will not adversely affect the value of the Securities.

CERTAIN ADDITIONAL RISK FACTORS ASSOCIATED WITH WARRANTS

C&W Exercise Notices

Investors should note that, except in the case of Cash Settled Securities where the relevant Final Terms states that "Automatic Exercise: No delivery of C&W Exercise Notice" applies, in order to receive payment

of any amount or delivery of any asset due under a Cash Settled Warrant (regardless of whether or not such Cash Settled Warrant will be automatically exercised), the relevant holder will be required to deliver or send by authenticated SWIFT message (or such other method acceptable to the relevant clearing system) (confirmed in writing) a duly completed C&W Exercise Notice to Clearstream, Luxembourg or Euroclear, with a copy to the Issuer in accordance with the Conditions.

Limitations on exercise

(i) **Maximum Exercise Number**

If a Maximum Exercise Number is specified in the relevant Final Terms, the Issuer will have the option to limit the number of Warrants exercisable on any date (other than on the final exercise date) to the maximum number specified in the relevant Final Terms and, in conjunction with such limitation, to limit the number of Warrants exercisable by any person or group of persons (whether or not acting in concert) on such date. If the total number of Warrants being exercised on any date (other than the Expiration Date) exceeds such maximum number and the Issuer elects to limit the number of Warrants exercisable on such date, a Warrantholder may not be able to exercise on such date all Warrants that such Warrantholder desires to exercise. In any such case, the number of Warrants to be exercised on such date will be reduced until the total number of Warrants exercised on such date no longer exceeds such maximum, such Warrants being selected in the sole and absolute discretion of the Issuer. Unless otherwise specified in the relevant Final Terms, the Warrants tendered for exercise but not exercised on such date will be automatically exercised on the next date on which Warrants may be exercised, subject to the same daily maximum exercise limitation and delayed exercise provisions.

(ii) **Minimum Exercise Number**

If a Minimum Exercise Number is specified in the relevant Final Terms, a Warrantholder must tender, or, in the case of Automatic Exercise, hold, the specified minimum number of Warrants at any one time in order to exercise and, if specified in the relevant Final Terms, if tendering or holding a number at any one time greater than the Minimum Exercise Number, such number must be an integral multiple of the number specified in the relevant Final Terms in order to exercise. Thus, Warranholders with fewer than the specified minimum number of Warrants or not having the requisite integral multiple will either have to sell their Warrants or purchase additional Warrants, incurring transaction costs in each case, in order to realise their investment. Furthermore, holders of such Warrants incur the risk that there may be differences between the trading price of such Warrants and the Cash Settlement Amount (in the case of Cash Settled Securities) or the Physical Settlement Value (in the case of Physical Delivery Securities) of such Warrants.

(iii) **Time lag after exercise**

Unless otherwise specified in the relevant Final Terms, in the case of any exercise of Warrants which are Cash Settled Securities, there will be a time lag between the time a Warrantholder gives instructions to exercise and the time the applicable Cash Settlement Amount relating to such exercise is determined. Any delay between the time of exercise and the determination of the Cash Settlement Amount will be specified in the relevant Final Terms or the C&W Conditions. However, a delay in such determination could be significantly longer, particularly in the case of a delay in the exercise of Warrants arising from any daily maximum exercise limitation or the occurrence of a Disrupted Day or a Market Disruption Event (if applicable). Any such delay could decrease the Cash Settlement Amount of the Warrants being exercised from what it might otherwise have been and may result in such Cash Settlement Amount being zero. Warranholders who have exercised their Warrants will not be compensated in respect of any such delay and it will not be possible to withdraw C&W Exercise Notices in respect of such Securities.

On exercise of Warrants which are Physical Delivery Securities, there will be a time lag between the time a Warrantholder gives instructions to exercise and the time the applicable Asset Amount is delivered. Any delay between the time of exercise and such delivery will be specified in the

relevant Final Terms or the C&W Conditions. However, a delay in delivery could be significantly longer, particularly in the case of either a delay in the exercise of Warrants arising from any daily maximum exercise limitation or upon due determination by the Calculation Agent that a Settlement Disruption Event occurred at any relevant time. The value of the assets comprising the Asset Amount could increase or decrease during this period and could result in the value of the Asset Amount being less than the Exercise Price or possibly zero. Warrantholders who have exercised their Warrants will not be compensated in respect of any such delay and it will not be possible to withdraw C&W Exercise Notices in respect of such Warrants.

RISK FACTORS ASSOCIATED WITH OFFSHORE RMB SECURITIES

Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and outside the PRC which may adversely affect the liquidity of Offshore RMB Securities

Renminbi is not freely convertible at present. The government of the PRC (the “**PRC Government**”) continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite significant reduction in control by it in recent years over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. Participating banks in Hong Kong have been permitted to engage in the settlement of current account items in Renminbi under a pilot scheme introduced in July 2009 which originally applied to approved pilot enterprises in five cities in the PRC. The pilot scheme was extended in August 2011 to cover the whole nation and to make the settlement of current account items in Renminbi available worldwide.

However, remittance of Renminbi by foreign investors into the PRC for purposes such as capital contributions, known as capital account items, is generally only permitted upon obtaining specific approvals from the relevant authorities on a case-by-case basis and subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items is developing gradually.

On 3 December 2013, the Ministry of Commerce of the PRC (“**MOFCOM**”) promulgated the “Public Announcement of the Ministry of Commerce on Certain Issues Concerning Direct Investment Involving Cross border Renminbi” (《商务部关于跨境人民币直接投资有关问题的公告》) (the “**MOFCOM Circular**”). Pursuant to the MOFCOM Circular, the appropriate office of MOFCOM and/or its local counterparts were authorised to approve Renminbi foreign direct investments (“**FDI**”) with certain exceptions based on, amongst others, the size and industry of the investment. The MOFCOM Circular also stipulates that the proceeds of FDI may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in domestic companies listed in the PRC through private placements or share transfers by agreement.

The People's Bank of China (the “**PBoC**”) promulgated the “Administrative Measures on Renminbi Settlement of Foreign Direct Investment” (《外商直接投资人民币结算业务管理办法》) on 13 October 2011 and the “Circular of the People's Bank of China on Implementation Rules for Renminbi Settlement of Foreign Direct Investment” (《中国人民银行关于明确外商直接投资人民币结算业务操作细则的通知》) on 14 June 2012 (together, the “**PBoC FDI Measures**”) as part of the implementation of the PBoC's detailed FDI accounts administration system. The system covers almost all aspects in relation to FDI, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as Renminbi denominated cross-border loans. Under the PBoC FDI Measures, special approval for RMB FDI and shareholder loans from the PBoC, which was previously required, is no longer necessary. In some cases however, post-event filing with the PBoC is still necessary.

On 13 February 2015, the State Administration of Foreign Exchange of the PRC (国家外汇管理局) (the “**SAFE**”) promulgated the Notice on Further Simplifying and Improving Foreign Exchange Administration Policy of Direct Investment (关于进一步简化和改进直接投资外汇管理政策的通知) (the “**2015 SAFE Notice**”), which became effective on and from 1 June 2015. Under the 2015 SAFE Notice, SAFE delegates the authority of approval/registration for direct investment (inbound and outbound) related matters to

commercial banks. However, this 2015 SAFE Notice only applies to direct investment activities in foreign currency, and whether and how it would affect the Renminbi direct investment regime is currently unknown.

On 26 January 2017, the SAFE issued the Notice on Further Promoting Foreign Exchange Management Reform by Improving Real Compliance Audit (进一步推进外汇管理改革完善真实合规性审核的通知) (the “**2017 SAFE Notice**”) which seeks to further regulate the foreign exchange management in relation to trading. Domestic institutions should handle their currency conversion trade finance businesses and process export earnings timely in accordance with the principle of “who exports, who receives payment, who imports and who makes payment”. The 2017 SAFE Notice is also part of the PRC foreign debt, outbound loan and cross-border security regimes applicable to foreign currencies. For instance, the 2017 SAFE Notice states that in order for a domestic institution to carry out cross-border lending, the aggregate of the balance of domestic currency loans and foreign currency denominated loans shall not exceed 30 per cent. of the owner’s equity as set out in the previous years’ audited financial statements. However, there remain potential inconsistencies between these provisions and the existing PBoC rules, and it is currently unclear as to how regulators may address such inconsistencies in practice.

Subject to obtaining all necessary approvals from and registration with the relevant PRC government authorities, the Issuer may decide to remit the proceeds into China in Renminbi. However, there is no assurance that the necessary approvals from and registration with the relevant PRC government authorities will be obtained on a timely basis, or at all or, if obtained, they will not be revoked or amended in the future.

As some of the above measures and circulars are relatively new promulgations, they will be subject to interpretation and application by the relevant authorities in the PRC.

The reforms which are being introduced and will be introduced in the Shanghai Free Trade Zone (the **Shanghai FTZ**) aim to upgrade cross-border trade, liberalise foreign exchange control, improve convenient cross-border use of RMB and promote the internationalisation of RMB. However, given the nascent stage of development of the Shanghai FTZ, how the reforms will be implemented and whether (and if so when) the reforms will be rolled out throughout the PRC remain uncertain.

Although since 1 October 2016 RMB has been included in the basket of currencies that make up the Special Drawing Rights (SDR) created by the International Monetary Fund (IMF) and policies further improving accessibility to Renminbi to settle cross-boarder transactions in foreign currencies were implemented by the PBoC in 2018, there is no assurance that the PRC Government will continue to gradually liberalise control over crossborder remittance of Renminbi in the future, that the pilot scheme introduced in July 2009 (as extended) will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Offshore RMB Securities.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Securities and the Issuer's ability to source Renminbi outside the PRC to service Offshore RMB Securities

As a result of the restrictions by the PRC Government on cross border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. Since February 2004, in accordance with arrangements between the PRC central government and the Hong Kong government, licensed banks in Hong Kong may offer limited Renminbi denominated banking services to Hong Kong residents and designated business customers. The PBoC has also established a Renminbi clearing and settlement mechanism for participating banks in Hong Kong. On 19 July 2010, further amendments were made to the Settlement Agreement on the Clearing of Renminbi Business (the “**Settlement Agreement**”) between the PBoC and the Bank of China (Hong Kong) Limited as the Renminbi clearing bank (the “**Renminbi Clearing Bank**”) to further expand the scope of Renminbi business for participating banks in Hong Kong. Pursuant to the revised arrangements, all corporations are allowed to open Renminbi accounts in Hong Kong, there is no longer any limit on the ability of corporations to convert Renminbi and there is no longer any restriction on the transfer of Renminbi funds between different accounts in Hong Kong. In addition, the PBoC has now established Renminbi clearing

and settlement systems with financial institutions in other major global financial centres (each also a Renminbi Clearing Bank), including but not limited to London, Frankfurt and Singapore to further internationalise the Renminbi.

There are restrictions imposed by PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC. The Renminbi Clearing Banks only have access to onshore liquidity support from the PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that no new PRC regulations will be promulgated or the Settlement Agreement will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of the Securities. To the extent the Issuer is required to source Renminbi in the offshore market to service Offshore RMB Securities, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in Offshore RMB Securities is subject to exchange rate risks

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions as well as many other factors. In August 2015, the PBoC implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of Offshore RMB Securities in U.S. dollars or any other foreign currency terms will decline.

Payments with respect to Offshore RMB Securities may be made only in the manner designated in Offshore RMB Securities

All payments to investors in respect of Offshore RMB Securities will be made solely (i) for so long as Offshore RMB Securities are represented by a Temporary Global Note or a Permanent Global Note held with the common depositary for Clearstream, Luxembourg and Euroclear or any alternative clearing system by transfer to a Renminbi bank account maintained in Hong Kong, Taiwan, Singapore or London or (ii) for so long as any Offshore RMB Securities are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong, Taiwan, Singapore or London in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

An investment in Offshore RMB Securities may become subject to PRC tax

In considering whether to invest in Offshore RMB Securities, investors should consult their individual tax advisers regarding the applicability of PRC tax laws to their potential investments, as well as any other tax consequences that may arise under the laws of any other jurisdiction. The value of the Securityholder's investment in Offshore RMB Securities may be materially and adversely affected if the Securityholder is required to pay PRC tax with respect to acquiring, holding or disposing of and receiving payments under those Offshore RMB Securities.

Risks related to payment of Securities in an Alternative Currency

The Issuer's primary obligation is to make all payments of interest, principal and other amounts with respect to Securities in the relevant Specified Currency. However, if so specified in the Securities, in the event access to the Specified Currency becomes restricted to the extent that, by reason of a Scheduled Payment

Currency Disruption Event (as defined in Additional Condition 5.1 (*Payment of Alternative Currency Equivalent*)), it would, (having been requested to make such a determination by the Issuer) in the opinion of the nominated adjudication agent (which may be the Issuer, if so specified), be commercially impracticable for the Issuer to pay interest or principal in the Specified Currency, the Issuer may in its sole and absolute discretion (i) postpone the payment of any such amounts, (ii) make any such payment in the relevant Alternative Currency at the rates, and in the manner, set out in Additional Condition 5 (*Alternative Currency Equivalent Provisions*) and the relevant Final Terms, (iii) postpone the payment and make such payment in the relevant Alternative Currency or (iv) cancel or redeem the Securities.

On 21 July 2005, the PRC Government changed its policy of attaching the value of the Renminbi to the U.S. dollar. Under the new policy, Renminbi is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. Following the removal of the U.S. dollar peg, the Renminbi appreciated more than 20 per cent. against the U.S. dollar over the following three years. Since July 2008, the Renminbi has traded at a relatively stable level within a narrow range against the U.S. dollar, but the Renminbi has again begun gradual further appreciation against the U.S. dollar since the middle of 2010. It is unclear, however, whether this trend will continue. There remains significant international pressure on the PRC Government to adopt an even more flexible currency policy, which could result in a possible further appreciation or depreciation of the Renminbi against foreign currencies. Any fluctuation in the exchange rate between the Renminbi and Hong Kong dollar, U.S. dollar, and other foreign currencies could result in foreign currency translation losses for financial reporting purposes.

RISK FACTORS RELATING TO THE SECURITIES AND THE MARKET GENERALLY

There is no prior or active trading market for the Securities and such trading market may not develop

Each Tranche of Securities will be new securities which may not be widely distributed and for which there is currently no active trading market (unless, in the case of any particular Tranche of Securities, such Tranche is to be consolidated with and form a single series with a Tranche of Securities which is already issued). If the Securities are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Accordingly, the Issuer cannot predict, or give any assurance as to, whether an active or liquid trading market for any particular Tranche of Securities will develop or be sustained. In addition to the creditworthiness, many factors affect the trading market for, and trading value of, the Securities. These factors may include, among other things:

- the method of calculating the principal, premium and interest in respect of the Securities;
- the time remaining to the stated maturity of the Securities;
- the outstanding amount of the Securities;
- any redemption features of the Securities;
- the financial condition and results of the Issuer's operations;
- investor confidence and market liquidity; and
- the level, direction and volatility of market interest rates generally.

There may be a limited number of buyers when an investor decides to sell the Securities. This may affect the price an investor receives for such Securities or the ability to sell such Securities at all. In addition, Securities that are designed for specific investment objectives or strategies often experience a more limited trading market and more price volatility than those not so designed.

Over-issuance

As part of its issuing, market-making and/or trading arrangements, the Issuer may issue more Securities than those which are to be subscribed or purchased by third party investors. The Issuer (or any of its affiliates) may hold such Securities for the purpose of meeting any investor interest in the future. Prospective investors in the Securities should therefore not regard the issue size of any Series as indicative of the depth or liquidity of the market for such Series, or of the demand for such Series.

The Securities may be de-listed, which may materially affect an investor's ability to resell

Any Securities that are listed on the London Stock Exchange or any other listing authority, stock exchange or quotation system may be de-listed. If any Securities are de-listed, the Issuer is obliged to endeavour promptly to obtain an alternative listing. Although no assurance is made as to the liquidity of the Securities as a result of listing on the London Stock Exchange or any other listing authority, stock exchange or quotation system, de-listing the Securities may have a material adverse effect on a Securityholder's ability to resell the Securities in the secondary market.

Securities are obligations of the Issuer only

The Securities are obligations of the Issuer only and are not guaranteed by any other entity and accordingly the holders of Securities have recourse in respect thereof only to the Issuer.

Securities are unsecured obligations

All Securities will represent direct, unconditional, unsecured and unsubordinated obligations of the Issuer and of no other person. All Securities will rank without any preference among themselves and (save to the extent that laws affecting creditors' rights generally in a bankruptcy or winding-up may give preference to any of such other obligations) equally with all other unsecured and unsubordinated obligations of the Issuer.

Insolvency of the Issuer may adversely affect the Securities

The Securities are unsecured obligations of the Issuer. If one or more insolvency related events occurred in respect of the Issuer, its ability to fulfil its obligations in respect of the Securities is likely to be adversely affected. Depending on the size of the proprietary, secured and other higher ranking claims of other creditors in the Issuer's insolvency, holders of the Securities may receive only part, or even none, of the amounts due on the Securities.

Credit rating may not reflect all risks of an investment in the Securities

The credit ratings of the Securities may not reflect the potential impact of all risks related to the structure and other factors on any trading market for, or trading value of, the Securities. In addition, real or anticipated changes in the credit rating of the Issuer or any Securities will generally affect any trading market for, or trading value of, the Securities.

Effect of credit rating reduction

The value of the Securities is expected to be affected, in part, by investors' general appraisal of the Issuer's creditworthiness. Such perceptions are generally influenced by the ratings accorded to the Issuer's outstanding securities by standard statistical rating services, such as Moody's, Standard & Poor's, a division of The McGraw-Hill Companies, Inc., and Fitch. A reduction in the rating, if any, accorded to outstanding debt securities of the Issuer by one of these rating agencies could result in a reduction in the trading value of the Securities.

Cancellation or redemption due to illegality or change in law

If the Issuer determines in good faith in accordance with either Base Note Condition 5(d) (*Redemption for Illegality or Change in Law*) or Base C&W Condition 9(a) (*Illegality*) that either (i) it has become or will become unlawful, illegal, or otherwise prohibited in whole or in part; or (ii) the Issuer will incur a materially increased cost (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its Affiliates) in performing its obligations under the Securities or in holding, acquiring or disposing of any arrangement made to hedge its positions

under the Securities, whether under any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power (but, if not having the force of law, only if compliance with it is in accordance with the general practice of persons to whom it is intended to apply), or in the interpretation thereof (an “**Illegality**”), the Issuer may cancel such Securities. If the Issuer cancels the Securities, then the Issuer will, if and to the extent permitted by applicable law, pay an amount to each Securityholder in respect of each Security equal to the Early Redemption Amount (in the case of Notes) or the Early Cancellation Amount (in the case of the C&W Securities), which amount in either case shall be adjusted to account fully of any Unwind Costs, if specified as applicable in the relevant Final Terms, notwithstanding such unlawfulness, illegality or other prohibition.

Cancellation or redemption due to taxation

If at any time a payment of principal or interest in respect of the Notes was to be due (whether or not the same is in fact then due), and the Issuer would, for reasons outside its control, be unable, after making reasonable endeavours, to make such payment of principal or interest without having to pay additional amounts as provided or referred to in Base Note Condition 8 (*Taxation*), the Issuer may, at its option, redeem the Notes.

If the Issuer determines in good faith that either the performance of its obligations under the C&W Securities or that any arrangements made to hedge its position under the C&W Securities: (i) has resulted in; or (ii) will result in the Issuer and/or any of its Affiliates not being entitled to tax relief in respect of any losses, costs or expenses incurred in relation to the C&W Securities or such hedging arrangements or any other adverse tax consequences, the Issuer may cancel such C&W Securities.

If the Issuer redeems or cancels the Securities for taxation reasons, then the Issuer will pay an amount to each Securityholder in respect of each Security equal to the Early Redemption Amount (in the case of Notes) or the Early Cancellation Amount (in the case of the C&W Securities), which amount in either case shall be adjusted to account fully of any Unwind Costs, if specified as applicable in the relevant Final Terms.

Early Redemption Amount or Early Cancellation Amount of Securities

The Securities may be redeemed and cancelled earlier than the date scheduled for redemption and/or cancellation. If the Securities are redeemed or cancelled early, they will be redeemed at the applicable Early Redemption Amount (in the case of Notes) or the Early Cancellation Amount (in the case of the C&W Securities), which will be the fair market value thereof as determined by the Calculation Agent, which amount in either case shall be adjusted to account fully of any Unwind Costs if specified as applicable in the relevant Final Terms. Such amount may be less than the principal or nominal amount of such Security, or, if Units are specified as applicable in the relevant Final Terms, such Unit, and may not be sufficient such that if an investor were to reinvest such Early Redemption Amount or Early Cancellation Amount, as the case may be, it would, on the scheduled redemption or cancellation date, be worth an amount equal to the principal amount or nominal amount of such Security or Unit, as the case may be.

Disruption events and adjustment provisions

If an issue of Reference Item Linked Securities that are Equity Linked Securities includes provisions dealing with the occurrence of disruption events on a Valuation Date or an Averaging Date and the Issuer determines that, in relation to such Securities, such Valuation Date or such Averaging Date, as the case may be, is a Disrupted Day, any consequential postponement of the Valuation Date or Averaging Date or any alternative provisions for valuation provided in any Securities may have an adverse effect on the value of such Securities. If so specified in the relevant Final Terms, the postponement of a Valuation Date or Averaging Date may result in the postponement of the day on which payment or delivery in respect of interest and/or principal is made beyond the date scheduled for delivery and/or payment.

Where the Additional Condition 4 (*Additional Disruption Events*) is applicable, the Securities may be subject to adjustment or substitution of an affected Underlying Share with an alternative Underlying Share, or may be redeemed in the event of certain Additional Disruption Events occurring. Prospective investors should review the Conditions to ascertain whether and how such provisions apply to the Securities.

An investor in the Securities should ensure he fully understands the nature of the disruption events and possible consequences and fallbacks that could impact the Securities or any relevant Underlying Shares. The occurrence of any applicable disruption event may affect adversely the investors' investment schedule, timetable or plans with which the payment dates of the Securities are in connection.

Settlement Disruption Event

In the case of Physical Delivery Securities, if a Settlement Disruption Event occurs or exists on the Settlement Date (in the case of Warrants), or on the Delivery Date (in the case of Redeemable Certificates or Notes), settlement or redemption, as the case may be, will be postponed until the next Settlement Business Day in respect of which there is no Settlement Disruption Event, provided that the Issuer may elect, in its sole and absolute discretion, to satisfy its obligations in respect of the Security, or Unit, if applicable, by delivering the Asset Amount using such other manner as it may select in its sole and absolute discretion, and in such event, the Delivery Date shall be such day the Issuer deems appropriate. The Issuer in these circumstances also has the right to pay the Disruption Cash Settlement Price in lieu of delivering the Asset Amount.

If, in relation to Physical Delivery Securities, "Failure to Deliver due to Illiquidity" is specified as applying in the relevant Final Terms and, following exercise or on the date of redemption or maturity, as the case may be, of such Securities, it is impossible or impracticable, in the opinion of the Calculation Agent, to deliver, when due, some or all of the Relevant Assets (as specified in the Final Terms) where such failure to deliver is due to illiquidity in the market for such Relevant Assets, the Issuer has the right to pay the Failure to Deliver Settlement Price, in lieu of delivering some or all of such Relevant Assets which are affected by such illiquidity.

Variation of settlement

If the relevant Final Terms in respect of any Securities indicates that the Issuer has an option to vary settlement in respect of such Securities, the Issuer may, at its sole and absolute discretion, elect (i) not to pay the relevant Securityholders the Cash Settlement Amount, but to deliver or procure delivery of the Asset Amount or (ii) not to deliver or procure delivery to the relevant Securityholders of the Asset Amount, but to make payment of the Cash Settlement Amount.

Securityholder meetings

The Terms and Conditions of the Securities contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders, including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority.

Change of law

The Terms and Conditions of the Securities are based on English law in effect as at the date of issue of the relevant Securities. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Securities.

Expenses and taxes

If Expenses are specified as applicable in the Final Terms, a holder of Securities must pay all Expenses relating to the Securities. As used in the Base General Conditions, "**Expenses**" means all taxes, duties and/or expenses, including any applicable depository charges, transaction, exercise or redemption charges, trading costs, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or taxes or duties arising in connection with the exercise or redemption, as the case may be, of the Securities and/or, where applicable, the delivery or transfer of any Asset Amount as more fully set out in Base General Condition 12 (*Expenses and Taxes*), provided that a Securityholder's obligation to pay any taxes or duties described above shall be satisfied to the extent that the Early Redemption Amount (in the case of Notes) or the Early Cancellation Amount (in the case of Securities) already takes into account such amounts.

The Issuer will not be liable for, or otherwise obliged to pay, any tax, duty or other payment which may arise as a result of the ownership, transfer, exercise or redemption or enforcement of any security by any person

and all payments and/or deliveries made by the Issuer will be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted (whether by operation of law or agreement of the Issuer and its agents).

Prospective Securityholders should note that, where the relevant Securities are C&W Securities, the Issuer is not required to pay any additional amounts to the holders of C&W Securities to cover such taxes, duties, withholdings or other payments.

As described fully in Base Note Condition 8 (*Taxation*), where:

- (i) the relevant Securities are Notes; and
- (ii) payments of principal and/or interest in respect of a Note, Receipt or Coupon are subject to deduction for or on account of withholding taxes imposed by the United Kingdom,

the Issuer will (subject to certain limitations and exceptions) pay such additional amounts as may be necessary in order that the net amounts of principal and interest received by the Securityholders after the deduction shall equal the respective amounts which would have been receivable in the absence of such deduction.

Securities where denominations involve integral multiples

In the case of Securities which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that Securities may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a Securityholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Security in respect of such holding (should definitive Securities be printed) and would need to purchase a principal amount of Securities such that it holds an amount equal to one or more Specified Denominations.

If definitive Securities are issued, holders should be aware that definitive Securities which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Discontinuation of offer period

The offer period in relation to any Securities may be discontinued at any time.

Because the Global Securities and Global Note Certificates will be held by or on behalf of Euroclear, Clearstream, Luxembourg and/or an Alternative Clearing System, investors will have to rely on their procedures for transfer, payment and communication with the Issuer

Securities issued under the Programme may be represented by one or more Global Securities or Global Note Certificates. Such Global Securities and Global Note Certificates will be deposited with a common depository for Euroclear, Clearstream, Luxembourg and/or a clearing system other than Euroclear or Clearstream, Luxembourg (an “**Alternative Clearing System**”). Apart from the circumstances described in the relevant Global Security or Global Note Certificate, investors will not be entitled to Securities in definitive form. Euroclear, Clearstream, Luxembourg and/or any relevant Alternative Clearing System will maintain records of the beneficial interests in the Global Securities and Global Note Certificates. While the Securities are represented by one or more Global Securities and Global Note Certificates, investors will be able to trade their beneficial interests only through Euroclear, Clearstream, Luxembourg and/or any relevant Alternative Clearing System.

While the Securities are represented by one or more Global Securities or Global Note Certificates, the Issuer will discharge its payment obligations under the Securities by making payments to the Common Depository for Euroclear, Clearstream, Luxembourg and/or any relevant Alternative Clearing System for distribution to their relevant account holders. A holder of a beneficial interest in a Global Security or Global Note Certificate must rely on the procedures of Euroclear, Clearstream, Luxembourg and/or any relevant Alternative Clearing System to receive payments under the relevant Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Securities or Global

Note Certificates. Holders of beneficial interests in the Global Securities or Global Note Certificates will not have a direct right to vote in respect of the relevant Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear, Clearstream, Luxembourg and/or any relevant Alternative Clearing System to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Securities or Global Note Certificates will not have a direct right under the Global Securities or Global Note Certificates to take enforcement action against the Issuer in the event of a default under the relevant Securities but will have to rely upon their rights under the Deed of Covenant.

Modification and waivers and substitution

The Conditions (see “Base General Conditions”) contain provisions for calling meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Securityholders, including Securityholders who did not attend and vote at the relevant meeting and Securityholders who voted in a manner contrary to the majority.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Securities in the Specified Currency. This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency or the Specified Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Specified Currency would decrease (i) the Investor’s Currency-equivalent yield on the Securities, (ii) the Investor’s Currency-equivalent value of the principal payable on the Securities and (iii) the Investor’s Currency-equivalent market value of the Securities. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in fixed rate Securities involves the risk that subsequent changes in market interest rates may adversely affect the value of fixed rate Securities.

Investors in Securities cleared through Euroclear and Clearstream, Luxembourg rely on the procedures of Euroclear and Clearstream, Luxembourg for transfer, payment and communication with the Issuer

Securities issued under the Programme may be represented by one or more Global Securities or Global Note Certificates. Such Global Securities or Global Note Certificates may be deposited with a Common Depository or a Common Safekeeper, as the case may be, for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Security or Global Note Certificate, investors will not be entitled to receive definitive Securities or Note Certificates. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Securities or Global Note Certificates. While the Securities are represented by one or more Global Securities or Global Note Certificates, investors will be able to trade their beneficial interests only through Euroclear or Clearstream, Luxembourg.

While the Securities are represented by one or more Global Securities or Global Note Certificates, the Issuer will discharge its payment obligations under the Securities by making payments to the Common Depository or a Common Safekeeper, as the case may be, for Euroclear or Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Security or Global Note Certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interest in the Global Securities or Global Note Certificates.

Holders of beneficial interests in the Global Securities or Global Note Certificates will not have a direct right to vote in respect of the relevant Securities. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear or Clearstream, Luxembourg to appoint appropriate proxies.

Uncertainty relating to the LIBOR calculation process, including the potential phasing out of LIBOR after 2021, and proposals to reform EURIBOR, the BBSW and other benchmark indices may adversely affect the yield on or value of the Securities

The London Inter-Bank Offered Rate (“LIBOR”), the Euro Interbank Offered Rate (“EURIBOR”) and other benchmark indices (such as the Australian Bank Bill Swap Rate (“BBSW”)) are the subject of recent national, international and other regulatory guidance and proposals for reform. Examples of reforms that are already effective include the replacement of the British Bankers' Association (“BBA”) as LIBOR administrator with ICE Benchmark Administration Limited, the replacement of the Australian Financial Markets Association (“AFMA”) as BBSW administrator with ASX Limited, the publication of the ASX BBSW Trade and Trade Reporting Guidelines, which allows for the benchmark indices to be calculated directly from a wider set of market transactions. In Australia, the Treasury Laws Amendment (2017 Measures No. 5) Act 2018 of Australia has recently amended the Australian Corporations Act, to, among other things, establish a licensing regime for administrators of significant financial benchmarks (including BBSW) and enable ASIC to make rules relating to the generation and administration of such benchmark indices. On 6 June 2018 ASIC issued the ASIC Financial Benchmark (Administration) Rules 2018 (the “Administration Rules”) and the ASIC Financial Benchmark (Compelled) Rules 2018 (the “Compelled Rules”) pursuant to this power. These Administration Rules require, among other things, a person who is licensed to administer a regulated benchmark (a benchmark administrator licensee) to: (i) use a method for generating that benchmark that is designed to ensure the quality, integrity, availability, reliability and credibility of that benchmark; (ii) to act efficiently, honestly and fairly in generating and administering that benchmark; and (iii) to ensure that arrangements with persons who contribute data to the generation of benchmarks (contributors) meet certain criteria for these purposes. The Compelled Rules, among other things, allow ASIC to require a benchmark administrator licensee to continue to generate or administer a regulated benchmark and to require contributors to continue to provide data required for the generation of the relevant benchmark. The implementation of such reforms and consequential changes to benchmark indices may cause them to perform differently than in the past, which could have a material adverse effect on the value of any Securities where the interest rate is calculated with reference to such benchmark or may have other consequences that cannot be predicted.

Key international proposals for reform of “benchmarks” include (i) the International Organisation of Securities Commission's Principles for Financial Market Benchmarks (July 2013) (the “IOSCO Benchmark Principles”); and (ii) Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and the “BMR”, which has applied from 1 January 2018 with the exception of certain provisions that began to apply from 30 June 2016 and certain other provisions that amend Regulation (EU) No 596/2014 on market abuse (the “Market Abuse Regulation”) that began to apply on 3 July 2016, when the Market Abuse Regulation came into force.

The IOSCO Benchmark Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering governance and accountability as well as the quality and transparency of benchmark design and methodologies.

The BMR applies to “contributors”, “administrators” and “users” of “benchmarks” in the EU, and, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to have satisfied certain “equivalence” conditions in its local jurisdiction, to be “recognised” by the authorities of a Member State pending an equivalence decision or for the benchmark being provided to have been “endorsed” for such purpose by an EU competent authority) and to comply with requirements in relation to the administration of “benchmarks” and (ii) bans the use by supervised entities of “benchmarks” provided by unauthorised or unregistered benchmark administrators. The scope of the BMR is wide and, in addition to so-called “critical benchmark” indices such as LIBOR and EURIBOR, could also potentially apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices

(including “proprietary” indices or strategies) which are referenced in certain financial instruments (securities or OTC derivatives listed on an EU regulated market, EU multilateral trading facility (MTF), EU organised trading facility (OTF) or “systematic internaliser”), certain financial contracts and investment funds. Different types of “benchmark” are subject to more or less stringent requirements, and in particular a lighter touch regime may apply where a “benchmark” is not based on interest rates or commodities and the value of financial instruments, financial contracts or investment funds referring to a benchmark is less than €50 billion, subject to further conditions.

The BMR could have a material impact on Securities linked to a “benchmark” rate or index, including in any of the following circumstances:

- a rate or index which is a “benchmark” could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which (subject to applicable transitional provisions) does not satisfy the “equivalence” conditions, is not “recognised” pending such a decision and is not “endorsed” for such purpose. In such event, depending on the particular “benchmark” and the applicable terms of the Securities, the Securities could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted; and
- the methodology or other terms of the “benchmark” could be changed in order to comply with the terms of the BMR, and such changes could have the effect of reducing or increasing the rate or level of the benchmark or index or affecting the volatility of the published rate or level of the benchmark or index.

Any of the international, national or other proposals for reform or the general increased regulatory scrutiny of “benchmarks” could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain “benchmarks”, trigger changes in the rules or methodologies used in certain “benchmarks” or lead to the disappearance or obsolescence of certain “benchmarks”.

As an example of such benchmark reforms, on 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the “**FCA Announcement**”). The FCA Announcement indicates that the continuation of LIBOR on the current basis (or at all) cannot and will not be guaranteed after 2021 and that planning a transition to alternative reference rates that are based firmly on transactions, such as reformed SONIA (the Sterling Over Night Index Average), must begin.

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a “risk free overnight rate” which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts.

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions of the Securities or result in adverse consequences to holders of securities linked to such benchmark (including but not limited to Floating Rate Securities whose interest rates are linked to LIBOR or any other such benchmark that is subject to reform)). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Securities, the return on the relevant Securities and the trading market for securities based on the same benchmark.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) Securities are legal investments for it, (b) Securities can be used as collateral

for various types of borrowing, (c) Securities can be used as repo-eligible securities and (d) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

Foreign account tax compliance withholding may apply to payments on Securities, including as a result of the failure of a Securityholder or a Securityholder's bank or broker to provide information to taxing authorities

The United States may impose a withholding tax as high as 30 per cent. on payments made with respect to the Securities, but the rules for calculating the amount of such withholding tax are still undetermined. This withholding tax generally will only apply to payments made on or after 1 January 2019, at the earliest and only with respect to Securities issued or modified at least six months after the date on which final regulations implementing the rules for calculating the amount of such withholding tax are published in final form. The withholding tax, when it applies, may be imposed at any point in a series of payments unless the relevant payee (including a bank, broker or individual) at each point complies with information reporting, certification and related requirements. Accordingly, a Securityholder that holds Securities through a bank or broker could be subject to withholding if, for example, its bank or broker is subject to withholding because the bank or broker fails to comply with these requirements even though the holder itself might not otherwise have been subject to withholding. If a payment on the Securities is subject to this withholding tax, no additional amounts will be paid and a Securityholders will receive less than the expected amount of the payment.

Prospective investors should consult their tax advisors and their banks or brokers regarding the possibility of this withholding. For more information, see "*Taxation – Foreign Account Tax Compliance Withholding*" below.

Dividend Equivalent Payments

Payments on the Securities may be subject to U.S. withholding tax and/or early termination on account of U.S. withholding tax

Due to recently enacted U.S. legislation, payments on any Security that are, in whole or in part, directly or indirectly contingent upon, or determined by reference to, the payment of a dividend from a U.S. entity (a "**Dividend Equivalent Payment**") may become subject to a 30 per cent. U.S. withholding tax when made to a beneficial owner that is not: (i) a citizen or individual resident of the United States, as defined in Section 7701(b) of the U.S. Internal Revenue Code; (ii) a corporation, including any entity treated as a corporation for U.S. federal income tax purposes, created or organised in or under the laws of the United States, any State thereof or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source; or (iv) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust, and one or more United States persons have the authority to control all substantial decisions of the trust, or (b) such trust has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a United States person (a "**Non-U.S. holder**"). The imposition of this U.S. withholding tax will reduce the amounts received by Non-U.S. holders. Neither the Issuer nor the Fiscal Agent nor any other person shall pay any additional amounts to the Non-U.S. holders in respect of such U.S. withholding. If a Non-U.S. holder becomes subject to this withholding tax, the Non-U.S. holder may be able to claim an exemption under its applicable double tax treaty. The application and interpretation of the rules governing U.S. withholding tax on Dividend Equivalent Payments is subject to change.

Provision of information and certifications pursuant to Common Reporting Standard compliance requirements

The OECD's Common Reporting Standard ("**CRS**") requires certain financial institutions to report information regarding certain accounts (which may include the Securities) to their local tax authority and follow related due diligence procedures. Securityholders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement. The Australian government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS. For more information, see risk factor

“Increasing compliance costs, the risk of heightened penalties and ongoing regulatory scrutiny with respect to the significant obligations imposed by global tax reporting regimes (which are still evolving), may adversely affect the Group’s business, operations and financial condition” below.

Securities subject to prior claims

Claims against ANZ under Australian law are subject to mandatory priority provisions, including those applying to ADIs (of which ANZ is one). These priority provisions include section 13A of the Banking Act, which provides that, in the event ANZ becomes unable to meet its obligations or suspends payment, its assets in Australia are available to meet specified liabilities in Australia (including protected accounts and most deposit liabilities) in priority to all other liabilities of ANZ (including the Securities). These liabilities will be substantial and are not limited by the Conditions. Further, certain assets, such as the assets of ANZ in a cover pool for covered bonds issued by ANZ, are excluded from constituting assets in Australia for the purposes of section 13A of the Banking Act, and these assets are subject to the prior claims of the covered bond holders and certain other secured creditors in respect of the covered bonds. The assets which are subject to such prior claims may also be substantial. In addition, future changes to applicable law may extend the debt required to be preferred by law or the assets to be excluded.

Determinations by the Calculation Agent

The Conditions provide that the Calculation Agent has discretion to make certain determinations and judgements in respect of the Securities and certain adjustments to the Conditions, which could affect the amount payable by the Issuer on the Securities. Such determinations, judgements or adjustments shall, in the absence of manifest error, be conclusive and binding on Securityholders. In making any determination, judgement or adjustment, the Calculation Agent shall not have regard to any interests arising from circumstances particular to individual Securityholders (whatever their number) and, in particular, but without limitation, shall not have regard to the consequences of any such determination or adjustment for individual Securityholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof and the Calculation Agent shall not be entitled to require, nor shall any Securityholder be entitled to claim, from the Issuer, the Calculation Agent or any other person any indemnification or payment in respect of any tax consequences of any such determination or adjustment upon individual Securityholders. In exercising its right to make such determinations, judgements and adjustments, the Calculation Agent is entitled to act in its sole and absolute discretion, but must act in good faith.

RISK FACTORS RELATED TO THE ISSUER AND GROUP

The Issuer’s activities are subject to risks that can adversely impact its business, operations and financial condition. Prospective investors should carefully consider the risks and the other information in this Prospectus before investing in the Issuer’s Securities. The risks and uncertainties described below are not the only ones that the Group may face. Additional risks and uncertainties that the Group is unaware of, or that the Group currently deems to be immaterial, may also become important factors that affect it. If any of the specified or unspecified risks actually occur, the Group’s business, operations, financial condition, or reputation could be materially and adversely affected, with the result that the trading price of the Group’s equity or debt securities could decline, and investors could lose all or part of their investment. If applicable, references in this section to “securities” include the Securities. In this section, references to the impact on the Group’s business, operations and financial condition and similar references, include the impact on the business prospects of the Group.

Changes in political and general business and economic conditions, including disruption in regional or global credit and capital markets, may adversely affect the Group’s business, operations and financial condition

The Group’s financial performance is primarily influenced by the political and economic conditions and the level of business activity in the major countries and regions in which the Group operates or trades, namely, Australia, New Zealand, the Asia Pacific, Europe and the United States (“U.S.”).

The economic and business conditions that prevail in the Group's major operating and trading markets are affected by, among other things, domestic and international economic events, political events and natural disasters, and by movements and events that occur in global financial markets.

For example, the global financial crisis that commenced in 2007 saw a sudden and prolonged dislocation in credit and equity capital markets, a contraction in global economic activity and the emergence of many challenges for financial services institutions worldwide.

The impact of the global financial crisis and its aftermath continue to affect regional and global economic activity, confidence and capital markets. Prudential authorities have implemented and continue to implement increased regulations in an attempt to mitigate the risk of such events recurring, although there can be no assurance that such regulations will be effective.

The Group believes that the global financial crisis has also had a lasting effect on consumer and business behaviour in the advanced economies, including the major countries and regions in which the Group operates. Consumers in recent years have reduced their savings rates in the face of weak income growth, while businesses have been reluctant to invest and inflation has remained low. Monetary authorities responded to the global financial crisis by introducing zero or near-zero interest rates across most countries and the major central banks took unconventional steps to support growth and raise inflation. While some economic factors have recently improved and some monetary authorities have begun to increase interest rates, lasting impacts from the global financial crisis and the potential for escalation in geopolitical risks suggest ongoing vulnerability and potential adjustment of consumer and business behaviour.

Changes in global political conditions, such as the "Brexit" referendum in the United Kingdom on 23 June 2016 (and the related negotiations with the European Union), the commencement of Donald Trump's presidency in January 2017, and global trade developments relating to, among other things, the imposition or threatened imposition of trade tariffs and levies by major countries have resulted in increased political and economic uncertainty and volatility in the global financial markets and may continue to do so. This is in part due to the unknown consequences for global trade, the broader global economy and financial markets.

Furthermore, since the commencement of Donald Trump's presidency, President Donald Trump has outlined a political and economic agenda for the United States that, in certain ways, significantly differs from previous U.S. trade, tax, fiscal, regulatory and other policies. In particular, President Donald Trump has pursued a protectionist trade policy which includes a series of expansive tariffs, up to and potentially including the entirety of goods traded between the United States and China, which may result in adverse effects on the economy of China, one of Australia's major trading partners and a significant driver of commodity demand and prices in the markets in which the Group and its customers operate. Anything that adversely affects China's economic growth could adversely affect Australian economic activity and, as a result, the Group's business, operations and financial condition.

Australian political conditions have progressively shifted over recent years. Shorter tenures for Prime Ministers appears to have become more entrenched, and the focus on the societal impacts of the financial sector, and other business sectors as well, has sharpened. The banking tax and Royal Commission have been initiated in this environment. The Royal Commission process itself appears to have exacerbated this shift, suggesting a sustained period of focus on the financial sector in Australia.

Political and economic uncertainty has in the past led to declines in market liquidity and activity levels, volatile market conditions, a contraction of available credit, lower or negative interest rates, weaker economic growth and reduced business confidence, each of which could adversely affect the Group's business, operations and financial condition. These conditions may also adversely affect the Group's ability to raise medium or long-term funding in the international capital markets.

Geopolitical instability, such as threats of, potential for, or actual conflict, occurring around the world, such as the ongoing unrest and conflicts in Ukraine, North Korea, Syria, Egypt, Afghanistan, Iraq, Nicaragua and elsewhere, as well as the current high threat of terrorist activities, may also adversely affect global financial markets, general business and economic conditions and the Group's ability to continue operating or trading in an affected country or region, which in turn may adversely affect the Group's business, operations, and financial condition.

Should difficult economic conditions in the Group's markets eventuate, asset values in the housing, commercial or rural property markets could decline, unemployment could rise and corporate and personal incomes could suffer. Deterioration in global markets, including equity, property, currency and other asset markets, could impact the Group's customers and the security the Group holds against loans and other credit exposures, which may impact the Group's ability to recover loans and other credit exposures.

The Group's financial performance could also be adversely affected if the Group were unable to adapt cost structures, products, pricing or activities in response to a drop in demand or lower than expected revenues. Similarly, higher than expected costs (including credit and funding costs) could be incurred because of adverse changes in the economy, general business conditions or the operating environment in the countries or regions in which the Group operates.

Other current economic conditions impacting the Group and its customers include:

- changes in the commercial and residential real estate markets in Australia and New Zealand (see risk factor "*Weakening of the real estate markets in Australia, New Zealand or other markets where the Group does business may adversely affect the Group's business, operations and financial condition*"); and
- the demand for natural resources given that sector is a significant contributor to Australia's economy and that sector's significant exposure to Asia, particularly China and China's economic growth (see risk factor "*Credit risk may adversely affect the Group's business, operations and financial condition*").

Natural and biological disasters such as, but not restricted to, cyclones (for example, Cyclone Debbie in March 2017 and Cyclone Marcus in March 2018), floods, droughts, earthquakes and pandemics, and the economic and financial market implications of such disasters domestically and globally, may negatively affect general business and economic conditions in the countries or regions in which the Group operates and in turn adversely affect the Group's business, operations and financial condition (see risk factor "*Impact of future climate change, geological events, plant, animal and human diseases, and other extrinsic events may adversely affect the Group's business, operations and financial condition*").

All or any of the negative political, business, environmental or economic conditions described above could cause a reduction in demand for the Group's products and services and/or an increase in loan and other credit defaults and bad debts, which could adversely affect the Group's business, operations, and financial condition.

Competition in the markets in which the Group operates may adversely affect the Group's business, operations and financial condition

The markets in which the Group operates are highly competitive and could become even more so. Factors that contribute to competition risk include mergers and acquisitions, changes in customers' needs, preferences and behaviours, entry of new participants, development of new distribution and service methods and technologies, increased diversification of products by competitors and changes in regulation such as the rules governing the operations of banks and non-bank competitors. For example:

- changes in the financial services sector in Australia and New Zealand have made it possible for non-banks to offer products and services traditionally provided by banks, such as payments, home loans, and credit cards. Digital technologies and business models are changing customer behaviour and the competitive environment. Emerging competitors are increasingly utilising new technologies and seeking to disrupt existing business models in the financial services sector. Existing companies from outside of the traditional financial services sector may seek to directly compete with the Group by offering products and services traditionally provided by banks, including by obtaining banking licenses and/or by partnering with existing providers;
- banks organised in jurisdictions outside Australia and New Zealand are subject to different levels of regulation and some of these banks may have lower cost structures that may make them more competitive in the markets where the Group operates;

- consumers and businesses may choose to transact using, or to invest in, new forms of currency (such as cryptocurrencies) in relation to which the Group may choose not to provide financial services; and
- Open Banking (as defined below) may lead to increased competition (see risk factor “Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group’s business, operations, financial condition and reputation”).

Increasing competition for customers could also potentially lead to a compression in the Group’s net interest margins or increased advertising and related expenses to attract and retain customers. The Group relies on deposits to fund a significant portion of its balance sheet. The Group competes with banks and other financial services firms for such deposits. Increased competition for deposits could increase the Group’s cost of funding. To the extent that the Group is not able to successfully compete for deposits, the Group would be forced to rely more heavily on other, less stable or more expensive forms of funding, or to reduce lending. This may adversely affect the Group’s business, operations, or financial condition.

The impact on the Group of an increase in competitive market conditions or a technological change that puts the Group’s business platforms at a competitive disadvantage, especially in the Group’s main markets and products, would potentially lead to a material reduction in the Group’s market share, customers and margins, which would adversely affect the Group’s business, operations and financial condition.

Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group’s business, operations, financial condition and reputation

The Group’s businesses and operations are highly regulated. The Group is therefore subject to a substantial number of laws, regulations and policies in the numerous jurisdictions in which it carries on business and obtains funding and is supervised by a number of different regulatory and supervisory authorities. These jurisdictions include, without limitation, Australia, New Zealand, the United States, Europe and countries in the Asia Pacific region.

In Australia, these regulatory and supervisory authorities include, among others, the Australian Prudential Regulation Authority (“APRA”), the Reserve Bank of Australia (“RBA”), the Australian Securities and Investments Commission (“ASIC”), the Australian Securities Exchange (“ASX”), the Australian Competition and Consumer Commission (“ACCC”), the Australian Transaction Reports and Analysis Centre (“AUSTRAC”) the Australian Taxation Office (“ATO”) and the Office of the Australian Information Commissioner. In New Zealand, the Reserve Bank of New Zealand (“RBNZ”) and the Financial Markets Authority (“FMA”) have supervisory oversight of the Group’s New Zealand businesses. Prudential regulatory and supervisory authorities such as APRA and RBNZ have extensive administrative, practical and investigative powers over the Group’s businesses. The Group is also subject to regulation and supervision by a number of bodies outside of Australia and New Zealand.

The regulation and supervision of financial services groups such as the Group is increasingly extensive and complex in Australia and the other jurisdictions where the Group conducts business and raises funds. This is particularly the case in the areas of consumer credit and consumer protection (including in the design and distribution of financial products), conduct, funding, liquidity, derivatives, capital adequacy, provisioning, competition, mortgage pricing, remuneration, privacy, data protection, data access, prudential regulation, anti-bribery and corruption, anti-money laundering and counter-terrorism financing, economic and trade sanctions and executive accountability. The resources allocated to the regulation and supervision of financial services groups, such as the Group has also increased in recent years.

Changes to laws, regulations and policies in Australia and the other jurisdictions where the Group conducts business and raises funds may materially and adversely affect the Group’s business, operations, financial condition and reputation. Such changes may impact the corporate structures, businesses, strategies, capital, liquidity, funding and profitability and the cost structures of the Group and the cost and access to credit for customers of the Group, and the wider economy. Examples of recent changes to laws, regulations and policies, or developments that may lead to future changes include, without limitation:

- Prudential Developments: Implementation of APRA’s revisions to the capital and liquidity framework for Australian Authorised Deposit-taking Institutions (“ADI”), resulting from the Basel Committee on

Banking Supervision (“BCBS”) Basel 3 capital and liquidity reforms and the recommendations of the Financial System Inquiry (“FSI”), will continue over the coming years.

Consistent with the FSI’s recommendation that the capital ratios of ADIs should be “unquestionably strong”, effective from July 2016, APRA increased the capital requirements for Australian residential mortgage exposures for ADIs accredited to use the Internal Ratings Based (“IRB”) approach to credit risk (including the Group). Subsequently, on 19 July 2017, APRA released an information paper outlining APRA’s conclusions with respect to the quantum and timing of capital increases that will be required for ADIs to achieve “unquestionably strong” capital ratios. APRA indicated that, in the case of the four major Australian banks (including the Group), it expects that the increased capital requirements will translate into the need for an increase in Common Equity Tier-1 (“CET1”) capital ratios, on average, of around 100 basis points above their December 2016 levels. In broad terms, that equates to a benchmark CET1 capital ratio, under the current capital adequacy framework, of at least 10.5 per cent. APRA also stated that ADIs should, where necessary, initiate strategies to increase their capital strength to be able to meet these capital benchmarks by 1 January 2020 at the latest.

In February 2018, APRA released two discussion papers that commenced APRA’s consultation on:

- revisions to the capital framework that will produce “unquestionably strong” capital ratios. The discussion paper summarises APRA’s proposal regarding risk-based capital approach for credit, market and operational risk following finalisation of these requirements by the BCBS in December 2017. While the final forms of these proposals will only be determined later in 2020, the Group expects the implementation of any revisions to the current requirements will result in further changes to the risk weighting framework for certain asset classes and other risk types (such as market and operational risks). APRA has announced that it does not expect that the changes to the risk weights will necessitate further increases in capital for ADIs, although this could vary by ADI depending on the final requirements; and
- the design and application of a minimum leverage ratio requirement as a complement to the risk-based capital framework proposal above. APRA has proposed a minimum leverage ratio requirement of 4 per cent (Basel minimum is 3 per cent).

Further to the above, APRA released a discussion paper in August 2018 on adjustments to the overall design of the capital framework to improve transparency, international comparability and flexibility of the ADI capital framework. The focus of the proposals is on the presentation of the capital ratios to facilitate comparability whilst recognising the relative capital strength of ADI and measures to enhance supervisory flexibility in times of financial stress. APRA’s consultation for the above is currently taking place with final prudential standards planned to be made available by 2020. APRA has proposed an implementation date of 2021, which is one year earlier than the BCBS’s equivalent, with no phase-in arrangements.

APRA’s prudential standards may also be further supplemented by yet to be released proposals to implement other key FSI recommendations. In relation to total loss absorbing capacity, on 8 November 2018, APRA released a discussion paper titled “Increasing the loss-absorbing capacity of ADIs to support orderly resolution”. The paper is in response to recommendation three of the FSI. The paper proposes an increase in total capital requirements of between 4% and 5% of risk-weighted assets (“**RWA**”) for domestic systemically important banks (“**D-SIBs**”), such as ANZ. Based on the Group’s RWA of A\$391 billion as at 30 September 2018, this represents an incremental increase in the total capital requirement of approximately A\$16 billion to A\$20 billion, with an equivalent decrease in other senior funding. APRA anticipates that D-SIBs would satisfy the requirement predominantly with additional Tier 2 capital. D-SIBs will need to satisfy the new requirement by 2023. ANZ intends to consult with APRA and provide a response.

Given the number of items that are currently open for consultation with APRA, the final outcome of the FSI including any further changes to APRA’s prudential standards or other impacts on the Group remains uncertain. Further changes to APRA’s prudential standards and the final outcome of the FSI

could increase the level of regulatory capital that the Group is required to maintain, restrict the Group's flexibility, require it to incur substantial costs and impact the profitability of one or more business lines, which could adversely affect the Group's business, operations, financial condition and reputation.

Implementation of the BCBS Basel 3 capital and liquidity reforms will continue over the coming years. The BCBS has recently finalised its reform on the Basel 3 framework focusing on reducing excessive variability in the calculation of risk weighted assets which is now set for implementation from 2022. These reforms form the basis for APRA's proposals on revisions to capital framework as described above.

- *Banking Executive Accountability Regime (“BEAR”)*: BEAR which became effective on 1 July 2018, is a strengthened responsibility and accountability framework for the most senior and influential directors and executives in ADI groups. Potential risks to the Group from the BEAR legislation include the risk of penalties and the risk to its ability to attract and retain high-quality directors and senior executives.
- *Treasury Laws Amendment (Design and Distribution Obligations and Product Intervention Powers) Bill 2018*: The Australian Government has proposed new legislation intended to enhance the regulation of the design and distribution of financial products in Australia and to provide ASIC with product intervention powers.
- *The Financial Sector Legislation Amendment (Crisis Resolution Powers and Other Measures) Act 2018 (“Crisis Management Act”)* passed into law in March 2018. The Crisis Management Act amended the Banking Act (among other statutes applicable to financial institutions in Australia) to further enhance APRA's powers to facilitate the orderly resolution of the entities it regulates (and their subsidiaries) in times of distress. Additional powers which could impact the Group, include greater oversight, management and directions powers in relation to the Group entities which were previously not regulated by APRA, increased statutory management powers over regulated entities within the Group and changes which are designed to give statutory recognition to the conversion or write-off of regulatory capital instruments.
- *Anti-Money Laundering and Counter Terror Financing Compliance*: Scrutiny of banks has increased following the commencement by the AUSTRAC of civil penalty proceedings in 2017 against another major Australian bank relating to alleged past and ongoing contraventions of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Commonwealth) (see risk factor “Significant fines and sanctions in the event of breaches of law or regulation relating to anti-money laundering, counter-terrorism financing and sanctions may adversely affect the Group's business, operations, financial condition and reputation”).
- *Bank Levies*: The Australian Government imposed a levy on liabilities for certain large banks, including the Group, with effect from 1 July 2017 (“Major Bank Levy”). There is a risk that the Australian Government could increase the Major Bank Levy or Australian State and Territory Governments may introduce similar levies which could adversely affect the Group's business operations and financial condition.
- *Responsible consumer lending*: Regulatory policy development and monitoring of responsible consumer lending has increased significantly in recent years, and continues to drive the review of, and changes to, business practices. If any additional changes in law, regulation or policy are implemented, as a result of the development and monitoring of responsible consumer lending, such reviews and changes could adversely affect the Group's business, reputation and financial condition.
- *Parliamentary Enquiries*: There are several on-going Australian Government inquiries into Australia's four major banks. The inquiries could lead to legislative or regulatory changes or other regulatory or other measures that may adversely affect the Group.
- *Financial System Inquiry Report*: The final report of the FSI (released on 7 December 2014) concluded a comprehensive inquiry into Australia's financial system, which was established by the Australian Government in late 2013. The final report of the FSI included a wide-ranging set of

recommendations. In Australia, APRA is responsible for implementing the final recommendations of the FSI that are aimed at strengthening the resilience of Australia's financial system including (among other things) setting capital standards to ensure that capital ratios of Australian ADIs are “unquestionably strong”.

- *Australian Consumer Law:* The Australian Parliament passed amendments to the Australian Consumer Law on 23 August 2018. Amongst other things, the amendments increased penalties for breaches of consumer law from 1 September 2018. The increased penalties relate to unconscionable conduct, false or misleading representations about goods or services, unfair practices, the safety of consumer goods and product-related services and information standards.
- *Increased ASIC Funding:* On 7 August 2018, the Australian Government announced it would inject a further \$70.1 million into the ASIC to ensure it has the resources and powers needed to combat misconduct in the financial services industry and across all corporations for the protection of Australian consumers.
- *ASIC Enforcement Bill:* On 26 September 2018, the Australian Treasury released the Treasury Laws Amendment (ASIC Enforcement) Bill 2018, which proposes to strengthen penalties for corporate and financial sector misconduct consistent with the ASIC Enforcement Review Taskforce recommendations.
- *ASX Governance Principles and Recommendations:* On 2 May 2018, the ASX published their Corporate Governance Council consultation draft of a proposed fourth edition of the Principles and Recommendations. The proposed amendments are extensive, and if implemented, would have a significant change to corporate governance of listed entities. Submissions to the ASX proposed changes have closed, however the debate on these proposals will likely be ongoing throughout the remainder of 2018. The Council plans to release the final version in early 2019, with the new Principles and Recommendations coming in from 1 July 2019.
- *Treasury Laws Amendment (Consumer Data Right) Bill 2018 (to implement “Open Banking”):* Open Banking is part of a new consumer data right in Australia and a key recommendation of a Productivity Commission Inquiry into data availability and use that provides consumers with access and control over their data on all products recommended by the Open Banking Review. Under Open Banking, all major Australian banks (including the Group) will need to make data available on various products including credit and debit cards, deposit and transaction accounts by 1 July 2019 and mortgages by 1 February 2020. Data on all products recommended by the Open Banking Review will be available by 1 July 2020. On 15 August 2018, Treasury released draft legislation and explanatory materials for consultation. The ACCC will be releasing a framework paper on the rules for Open Banking in the second half of the 2018 calendar year. Open Banking may lead to increased competition, which could adversely affect the Group's business, operations and financial condition.
- *Offshore Developments:* In addition to the BCBS reforms described above, there have been a series of other regulatory releases from authorities in various jurisdictions outside of Australia where the Group operates and raises funds that have proposed significant regulatory changes for financial institutions. These changes include, among other things:
 - proposals for changes to financial regulations in the United States (including potential legislative changes to the Dodd-Frank Act and potential revision to its Volcker Rule);
 - changes to senior executive accountability in Singapore and Hong Kong;
 - introduction of greater data protection regulations in Europe, including the General Data Protection Regulations which came into effect on 25 May 2018;
 - the Markets in Financial Instruments Directive 2 in the European Economic Area;
 - amendments to the United Kingdom's Criminal Finances Bill (which has extraterritorial reach); and

- implementation of phases 4 and 5 of the initial margin requirements for uncleared OTC derivatives in various jurisdictions.

In addition, United Kingdom and European authorities may also propose significant regulatory changes as a result of 'Brexit' that may impact the Group.

The Australian financial services industry is currently under heightened scrutiny and the Australian Government, other regulators and parliamentary bodies are increasingly initiating reviews and inquiries into the industry. For example:

- *Royal Commission:* The Royal Commission into Misconduct in the Banking Superannuation and Financial Services Industry was established on 14 December 2017. The Commission has been asked to submit its final report by 1 February 2019 (an interim report was released on 28 September 2018). The Commission is likely to result in additional costs and may lead to further exposures, including exposures associated with further regulator activity or potential customer exposures such as class actions, individual claims or customer remediation or compensation activities. The outcomes and total costs associated with these possible exposures remain uncertain. For further discussion, see "Supervision and Regulation of ANZ – Australian Regulatory Developments".
- *Productivity Commission:* The Productivity Commission, an independent research and advisory body to the Australian Government, has undertaken an inquiry into competition in Australia's financial system. The Australian Government's response to the final report may lead to regulatory change, which could adversely affect the Group's business, operations and financial condition.
- *Mortgage Price Inquiry:* On 9 May 2017, the Federal Treasurer directed the ACCC to conduct an inquiry into prices charged or proposed to be charged by ADIs affected by the Major Bank Levy in relation to residential mortgage products. An interim report was published on 15 March 2018. On 21 June 2018, the Federal Treasurer announced, an extension to the reporting period for the ACCC's inquiry and requested delivery of the final report by no later than 19 November 2018.
- *Foreign Exchange Inquiry:* On 2 October 2018, the ACCC commenced an inquiry into foreign currency conversion services. The ACCC will examine price competition amongst suppliers of foreign currency conversion services and consider whether there are impediments to effective competition. The ACCC is expected to provide its final report to the Federal Treasurer in May 2019.

Any failure by the Group to comply with laws, regulations and policies in the jurisdictions in which it operates and obtains funds may adversely affect the Group's business, operations, financial condition and reputation. This may include regulatory investigations, legal or regulatory sanctions, financial or reputational loss, litigation, fines, penalties, restrictions on the Group's ability to do business, revocation, suspension or variation of conditions of relevant regulatory licenses or other enforcement or administrative action or agreements (such as enforceable undertakings). Such failures also may result in the Group being exposed to the risk of litigation brought by third parties (including through class action proceedings). The outcome of any litigation (including class action proceedings) may result in the payment of compensation to third parties and/or further remediation activities. For information in relation to the Group's litigation and contingent liabilities, see risk factor "Litigation and contingent liabilities may adversely affect the Group's business, operations, financial condition and reputation" and Note 33 of the audited consolidated financial statements as of and for the financial year ending 30 September 2018 (the "**Group's 2018 Annual Financial Statements**").

Significant fines and sanctions in the event of breaches of law or regulation relating to anti-money laundering, counter-terrorism financing and sanctions may adversely affect the Group's business, operations, financial condition and reputation

Anti-money laundering, counter-terrorist financing and sanctions compliance have been the subject of significant regulatory change and enforcement in recent years. The increasingly complicated environment in which the Group operates has heightened these operational and compliance risks. Furthermore, the upward trend in compliance breaches by global banks and the related fines and settlement sums mean that these risks continue to be an area of focus for the Group. Following the AUSTRAC civil penalty proceedings

in 2017 against a major Australian bank relating to alleged past and ongoing contraventions of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Commonwealth), there may be increased regulatory scrutiny of other Australian banks, including the Group, and significant changes to the anti-money laundering regulatory framework. While the full scope of any changes, if any, is not known, the Group may incur additional costs associated with regulatory compliance that may adversely affect the Group's business operations, financial condition and reputation.

The risk of non-compliance with anti-money laundering, counter-terrorist financing and sanction laws remains high given the scale and complexity of the Group. For example, emerging technologies, such as cryptocurrencies, could limit the Group's ability to track the movement of funds. A failure to operate a robust programme to combat money laundering, bribery and terrorist financing or to ensure compliance with economic sanctions could have serious financial, legal and reputational consequences for the Group and its employees. Consequences can include fines, criminal and civil penalties, civil claims, reputational harm and limitations on doing business in certain jurisdictions. These consequences, individually or collectively may adversely affect the Group's business operations, financial condition and reputation. The Group's foreign operations may place the Group under increased scrutiny by regulatory authorities, and subject the Group to increased compliance costs.

Weakening of the real estate markets in Australia, New Zealand or other markets where the Group does business may adversely affect the Group's business, operations and financial condition

Residential and commercial property lending, together with real estate development and investment property finance, constitute important businesses of the Group. Major sub-segments within the Group's lending portfolio include:

- residential housing loans (owner occupier and investment); and
- commercial real estate loans.

Since 2009, the world's major central banks have embarked upon unprecedented monetary policy stimulus. The resulting weight of funds searching for yield continues to drive underlying property markets in the Group's core property jurisdictions (Australia, New Zealand, Singapore and Hong Kong). Values for completed tenanted properties and residential house prices, particularly in metro east coast Australian and New Zealand markets have steadily risen until 2018 and began to fall in the recent months.

Should the Group's regulators impose supervisory measures impacting the Group's residential or commercial lending, or if Australian home and commercial property price growth subsides or valuations decline, the demand for the Group's home and commercial property lending products may decrease which may adversely affect the Group's business, operations and financial condition.

Declining asset prices could impact customers and counterparties and the value of the security (including residential and commercial property) the Group holds against loans which may impair the Group's ability to recover amounts owing to the Group if customers or counterparties were to default. A significant decrease in Australian and New Zealand housing valuations triggered by, for example, an event or a series of events in the local or global economy or lack of confidence in market values, and in conjunction with higher cost of living, rising interest rates and/or rising unemployment, could adversely impact the Group's home lending activities. In the case of residential loans, customers with high levels of leverage could show a higher propensity to default, and in the event of such defaults the decrease in security values, could cause the Group to incur higher credit losses, which could adversely affect the Group's financial performance. The demand for the Group's home lending products may also decline due to buyer concerns about decreases in values or concerns about rising interest rates, which could make the Group's lending products less attractive to potential homeowners and investors. A material decline in residential housing prices could also cause losses in the Group's residential development portfolio if customers who are pre-committed to purchase these dwellings are unable or unwilling to complete their contracts and the Group is forced to re-sell these dwellings at a loss.

The Group's portfolio of commercial property loans may be particularly susceptible to asset price deflation, tenancy risk and delivery risk, which may result in higher credit losses, refinance risk and deteriorating

security values. A significant decrease in commercial property valuations or a significant slowdown in the commercial real estate markets where the Group does business could result in a decrease in new lending opportunities or lower recovery rates which may in turn materially and adversely impact the Group's business, operations and financial condition.

Credit risk may adversely affect the Group's business, operations and financial condition

As a financial institution, the Group is exposed to the risks associated with extending credit to other parties, including incurring credit-related losses that can occur as a result of a counterparty being unable or unwilling to honour its contractual obligations. Credit losses can and have resulted in financial services organisations realising significant losses and in some cases failing altogether. The Group is also subject to the risk that its rights against third parties may not be enforceable in certain circumstances, which could result in credit losses. Should material credit losses occur to the Group's credit exposures, this may adversely affect the Group's business, operations and financial condition.

Less favourable business or economic conditions, whether generally or in a specific industry sector or geographic region, or natural disasters, could cause customers or counterparties to fail to meet their obligations in accordance with agreed terms.

For example, the Group's customers and counterparties in or with exposure to:

- the Australian natural resources sector which is particularly exposed to any prolonged slowdown in the Chinese economy could be materially and adversely impacted by a decline in natural resource prices;
- former government owned and now privatised assets such as electricity distribution networks, ports, road and rail networks could be materially and adversely impacted if these assets were being valued at historically high levels due to the value of the capital and profitability of these investments being vulnerable to changes in government regulatory policy, interest rate and currency exchange rate movements. Long-term interest rate and currency hedges are provided by banks, including the Group, to manage these risks. These long-term hedge exposures have volatile mark to market characteristics which are unsupported by collateralised security agreements for out of the money positions. Counterparty insolvency has the potential to expose the Group to large uncovered derivative liabilities; and
- the dairy industry in Australia and New Zealand which is particularly exposed to excess milk production from other developed countries being sold into traditional markets, could be materially and adversely impacted by a decline in commodity prices.

Credit risk may also arise from certain derivative, clearing and settlement contracts the Group enters into, and from the Group's dealings with, and holdings of, debt securities issued by other banks, financial institutions, companies, governments and government bodies where the financial conditions of such entities are affected by economic conditions in global financial markets.

The risk of credit-related losses may also be increased by a number of factors, including deterioration in the financial condition of the economies in which the Group operates,, a sustained high level of unemployment in the markets in which the Group operates, more expensive imports into Australia and New Zealand due to the reduced strength of the Australian and New Zealand dollars relative to other currencies, a deterioration of the financial condition of the Group's counterparties, a reduction in the value of assets the Group holds as collateral, and a reduction in the market value of the counterparty instruments and obligations it holds.

In addition, in assessing whether to extend credit or enter into other transactions with customers and/or counterparties, the Group relies on information provided by or on behalf of customers and/or counterparties, including financial statements and other financial information. The Group may also rely on representations of customers and independent consultants as to the accuracy and completeness of that information. The Group's financial performance could be negatively impacted to the extent that it relies on information that is inaccurate or materially misleading.

The Group holds provisions for credit impairment. The amount of these provisions is determined by assessing the extent of impairment inherent within the Group's lending portfolio, based on current information. This process, which is critical to the Group's financial condition and results, requires subjective and complex judgements, including forecasts of how current and future economic conditions might impair the ability of borrowers to repay their loans. However, if the information upon which the assessment is made proves to be inaccurate or if the Group fails to analyse the information correctly, the provisions made for credit impairment may be insufficient, which could adversely affect the Group's business, operations and financial condition.

Challenges in managing the Group's capital base could give rise to greater volatility in capital ratios, which may adversely affect the Group's business operations and financial condition

The Group's capital base is critical to the management of its businesses and access to funding. Prudential regulators of the Group include, but are not limited to, APRA, RBNZ and various regulators in the United States, the United Kingdom and the countries in the Asia Pacific region. The Group is required by its primary regulator, APRA, to maintain adequate regulatory capital.

Under current regulatory requirements, risk-weighted assets and expected loan losses increase as a counterparty's risk grade worsens. These regulatory capital requirements are likely to compound the impact of any reduction in capital resulting from lower profits in times of stress. As a result, greater volatility in capital ratios may arise and may require the Group to raise additional capital. There can be no certainty that any additional capital required would be available or could be raised on reasonable terms.

The Group's capital ratios may be affected by a number of factors, such as (i) lower earnings (including lower dividends from its deconsolidated subsidiaries such as those in the insurance and funds management businesses as well as from its investment in associates), (ii) increased asset growth, (iii) changes in the value of the Australian dollar against other currencies in which the Group operates (particularly the New Zealand dollar and U.S. dollar) that impact risk weighted assets or the foreign currency translation reserve and (iv) changes in business strategy (including acquisitions, divestments and investments or an increase in capital intensive businesses).

APRA has now implemented prudential standards to accommodate Basel 3. Certain other regulators have either implemented or are in the process of implementing regulations, including Basel 3 which seek to strengthen, among other things, the liquidity and capital requirements of banks, funds management entities and insurance entities, though there can be no assurance that these regulations have had or will have their intended effect. Some of these regulations, together with any risks arising from any regulatory changes (including those arising from APRA's response to the remaining FSI recommendations, further changes from APRA's unquestionably strong requirements or the requirements of the BCBS), are described in the risk factor "Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group's business, operations or financial condition and reputation".

The Group's credit ratings could change and adversely affect the Group's ability to raise capital and wholesale funding and constrain the volume of new lending which may adversely affect the Group's business, operations, financial condition and reputation

The Group's credit ratings have a significant impact on both its access to, and cost of, capital and wholesale funding. Credit ratings may be withdrawn, qualified, revised or suspended by credit rating agencies at any time. Rating outlooks may also be revised at any time. The methodologies used by ratings agencies to determine credit ratings and rating outlooks may be revised in response to legal or regulatory changes, market developments or for any other reason.

The Group's credit ratings or rating outlooks could be revised at any time in response to a change in the credit rating of the Commonwealth of Australia or the occurrence of one or more of the other risks identified in this Offering Circular or any other reason. In addition, the ratings of individual securities (including, but not limited to, certain Tier 1 capital and Tier 2 capital securities and covered bonds) issued by the Group

(and other banks globally) could be impacted from time to time by changes in the regulatory requirements for those instruments as well as the ratings methodologies used by rating agencies.

Any future downgrade or potential downgrade to the Group's credit ratings or rating outlooks may reduce access to capital and wholesale debt markets, which could lead to an increase in funding costs, constraining the volume of new lending and affect the willingness of counterparties to transact with the Group, which may adversely affect the Group's business, operations, financial condition and reputation.

Credit ratings are not a recommendation by the relevant rating agency to invest in securities offered by the Group.

Operational risk events may adversely affect the Group's business, operations and financial condition

Operational risk is the risk of loss and/or non-compliance with laws resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, and the risk of reputational loss or damage arising from inadequate or failed internal processes, people, systems, management of data and data integrity, but excludes strategic risk.

Operational risk is typically classified into risk event type categories to measure and compare risks on a consistent basis. Examples of operational risk events according to category are as follows:

- *Internal Fraud*: fraud involving employees, contractors or any internal party to the Group who acts by deception or with dishonesty to obtain property belonging to another or obtain financial advantage for themselves or cause any financial disadvantage to the Group or others. This includes financial planners and/or authorised representatives (and their employees) of dealer groups owned or controlled by ANZ;
- *External Fraud*: fraudulent acts or attempts which originate from outside the Group more commonly associated with digital banking, lending, and cards products. Specific threats include ATM skimming, malware and phishing attacks and fraudulent applications and transactions, where financial advantage is obtained;
- *Employment Practices and Workplace Safety*: employee relations, diversity and discrimination, and health and safety risks to the Group's employees;
- Loss of key staff or inadequate management of human resources including the Chief Executive Officer (CEO) and the management team of the CEO;
- *Clients, Products and Business Practices*: risk of market manipulation or anti-competitive behaviour, failure to comply with disclosure obligations, product defects, incorrect advice, money laundering and misuse or unauthorised disclosure of customer information;
- *Business Disruption (including systems failures)*: risk that the Group's banking operating systems are disrupted or fail;
- *Damage to Physical Assets*: risk that a natural disaster or terrorist or vandalism attack damages the Group's buildings or property; and
- *Execution, Delivery and Process Management*: is associated with losses resulting from, among other things, process errors made by the Group's employees caused by inadequate or poorly designed internal processes, or the poor execution of standard processes, vendor, supplier or outsource provider errors or failed mandatory reporting errors.

Recent examples of operational risk events for the Group include product reviews in the Group's Australia Division, the provision of inappropriate advice and services not provided within the Group's former aligned dealer groups. For further information as to remediation costs for these events, refer to the Group's 2018 Annual Financial Statements.

Loss from operational risk events could adversely affect the Group's business, operations and financial condition. Such losses can include fines, penalties, loss or theft of funds or assets, legal costs, customer

compensation, loss of shareholder value, reputation loss, loss of life or injury to people, and loss of property and/or information.

Reputational risk events as well as operational failures and regulatory compliance failures may give rise to reputational risk which may adversely affect the Group's business, operations and financial condition

Reputational risk may arise as a result of an external event or the Group's own actions, which include operational and regulatory compliance failures, and adversely affect perceptions about the Group held by the public (including the Group's customers), shareholders, investors, regulators or rating agencies. The impact of a risk event on the Group's reputation may exceed any direct cost of the risk event itself and may adversely impact the Group's business, operations and financial condition.

The Group may incur reputational damage where one of its practices fails to meet community expectations. As these expectations may exceed the standard required in order to comply with applicable law, the Group may incur reputational damage even where it has met its legal obligations. A divergence between community expectations and the Group's practices could arise in a number of ways, including in relation to our product and services disclosure practices, pricing policies and use of data. Further, the Group's reputation may also be adversely affected by community perception of the broader financial services industry.

Additionally, certain operational and regulatory compliance failures may give rise to reputational risk. Such operational and regulatory compliance failures include, but are not limited to,

- failures in customer on-boarding where customer identification obligations are not fulfilled;
- new failures related to new product development;
- failures related to ongoing product monitoring activities;
- failures related to suitability requirements when products are sold outside of the target market;
- market manipulation or anti-competitive behaviour;
- failure to comply with disclosure obligations;
- inappropriate crisis management/response to a crisis event;
- inappropriate handling of customer complaints;
- inappropriate third party arrangements;
- privacy breaches; and
- unexpected risks (e.g. credit, market, operational or compliance).

Damage to the Group's reputation may have wide-ranging impacts, including adverse effects on the Group's profitability, capacity and cost of sourcing funding, increased regulatory scrutiny and availability of new business opportunities. The Group's ability to attract and retain customers could also be adversely affected if the Group's reputation is damaged, which could adversely affect the Group's business, operations and financial condition.

Conduct-related risk events or behaviours may adversely affect the Group's business, operations, financial condition and reputation

The Group defines conduct-related risk as the risk of loss or damage arising from the failure of the Group, its employees or agents to appropriately consider the interests of consumers, the integrity of the financial markets, and the expectations of the community in conducting the Group's business activities.

Conduct-related risks can result from:

- the provision of unsuitable or inappropriate advice (for example, advice that is not commensurate with a customer's needs and objectives or appetite for risk);

- the representation of, or disclosure about, a product or service which is inaccurate, or does not provide adequate information about risks and benefits to customers;
- a failure to deliver product features and benefits in accordance with terms, disclosures, recommendations and/or advice;
- a failure to appropriately avoid or manage conflicts of interest;
- sales and/or promotion processes (including incentives and remuneration for staff engaged in promotion, sales and/or the provision of advice);
- the provision of credit, outside of the Group's policies and standards; and
- trading activities in financial markets, outside of the Group's policies and standards.

The Group is regulated under various legislative regimes in the countries in which it operates that provide for customer protection in relation to advisory, marketing and sales practices. These may include, but are not limited to, appropriate management of conflicts of interest, appropriate accreditation standards for staff authorised to provide advice about financial products and services, disclosure standards, standards for ensuring adequate assessment of client/product suitability, quality assurance activities, adequate record keeping, and procedures for the management of complaints and disputes.

There has been an increasing regulatory and community focus on conduct-related risk globally. For example, in Australia the Royal Commission has been established to inquire into misconduct by financial services entities (see risk factor "*Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group's business, operations, financial condition and reputation*" and risk factor "*Litigation and contingent liabilities may adversely affect the Group's business, operations, financial condition and reputation*").

Conduct-related risk events may expose the Group to regulatory actions, restrictions or conditions on banking licences and/or reputational consequences which could adversely affect the Group's business, operations, financial condition and reputation.

Disruption of information technology systems or failure to successfully implement new technology systems could significantly interrupt the Group's business, which may adversely affect the Group's business, operations and financial condition

The Group and its service offerings (including digital banking) are highly dependent on information technology systems. Therefore, there is a risk that these information technology systems, or the services the Group uses or is dependent upon, might fail, due to hardware or software failure, as well as unauthorised access or use.

Most of the Group's daily operations are computer-based, and information technology systems are essential to maintaining effective communications with customers. The Group is also conscious that threats to information technology systems are continuously evolving and that cyber threats and risk of attacks are increasing. The Group may not be able to anticipate or implement effective measures to prevent or minimise disruptions that may be caused by all cyber threats because the techniques used can be highly sophisticated and those perpetuating the attacks may be well-resourced. The exposure to systems risks includes the complete or partial failure of information technology systems or data centre infrastructure, the inadequacy of internal and third-party information technology systems due to, among other things, failure to keep pace with industry developments and the inability of the existing systems to effectively accommodate growth, prevent unauthorised access and integrate existing and future acquisitions and alliances.

To manage these risks, the Group has disaster recovery and information technology governance in place. However, there can be no guarantee that the steps the Group is taking in this regard will be effective, and any failure of these systems could result in business interruption, customer dissatisfaction, legal or regulatory breaches and liability and ultimately loss of customers, financial compensation, damage to reputation and/or a weakening of the Group's competitive position, which could adversely affect the Group's business operations and financial condition.

In addition, the Group has an ongoing need to update and implement new information technology systems, in part to assist the Group in satisfying regulatory demands, ensuring information security, enhancing digital banking services for the Group's customers and integrating the various segments of the Group's business. For example, the Group has recently implemented voice biometrics for customer transactions on mobile devices, implemented the industry New Payments Platform and working towards implementing the new Open Banking regime. The Group may not implement these projects effectively or execute them efficiently, which could lead to increased project costs, delays in the ability to comply with regulatory requirements, failure of the Group's information security controls or a decrease in the Group's ability to service its customers. ANZ Bank New Zealand Limited ("**ANZ New Zealand**") relies on the Group to provide a number of information technology systems, and any failure of the Group's systems could directly affect ANZ New Zealand.

Risks associated with information security, including cyber-attacks, may adversely affect the Group's business, operations, financial condition and reputation

Information security means protecting information and information technology systems from unauthorised access, use, disclosure, disruption, modification, perusal, inspection, recording or destruction. As a bank, the Group handles a considerable amount of personal and confidential information about its customers and its own internal operations, including in Australia, New Zealand, India, the United States, Europe, Singapore and China.

The Group operates in multiple countries and the risks to its systems are inherently higher in certain countries where, for example, political threats or targeted cyber-attacks by terrorist or criminal organisations are greater.

The Group employs a team of information security experts who are responsible for the development and implementation of the Group's Information Security Policy. The Group also uses third parties to process and manage information on its behalf, and any failure by such third parties could adversely affect the Group's business.

The Group is conscious that threats to information technology systems are continuously evolving and that cyber threats, including but not limited to, cyber compromise, advanced persistent threats, distributed denial of service, malware and ransomware attacks, and the risk of such attacks are increasing, and as such the Group may be unable to develop policies and procedures to adequately address or mitigate such risks. Accordingly, information about the Group and/or its clients may be inadvertently accessed, inappropriately distributed or illegally accessed or stolen.

The Group may not be able to anticipate or to implement effective measures to prevent or minimise damage that may be caused by all information security threats because the techniques used can be highly sophisticated and those perpetuating the attacks may be well resourced. Any unauthorised access of the Group's information technology systems or unauthorised use of its confidential information could potentially result in disruption of the Group's operations, breaches of privacy laws, regulatory sanctions, legal action, and claims for compensation or erosion to the Group's competitive market position, which could adversely affect the Group's business, operations, financial conditions and reputation.

Disruption to electricity markets and gas markets may adversely affect the Group's business, operations and financial condition

During 2016 and 2017, there have been various events in Australia that have affected retail, commercial and industrial electricity and gas users. These events include the closure of the Hazelwood coal power station in Victoria, black-outs in South Australia and export demand for Queensland liquefied natural gas.

Some of these events resulted in higher electricity and gas prices, as well as disruption to electricity and gas markets. The cost of sustained high prices may flow through to business and consumers. The potential inability of businesses to pass through this cost increase to customers may lead to credit risk associated with the Group's customers. The impact of higher electricity cost for consumers could lead to reduced consumption and indirectly impact the demand for goods and services, contributing to lower business

profitability. Higher electricity costs may also increase the Consumer Price Index and influence upward adjustments to interest rate settings.

The Australian federal government and the South Australian state government have invested in energy storage schemes to assist in minimising disruption. The Australian federal government has also enacted legislation to preserve gas supply to local markets. Potential disruption to the energy network may have a negative impact on the Group's credit exposure to in the energy supply chain.

These effects may adversely affect the Group's customers or the Group's collateral position in relation to credit facilities extended to such customers, which may adversely affect the Group's business, operations and financial condition.

Impact of future climate change, geological events, plant, animal and human diseases, and other extrinsic events may adversely affect the Group's business, operations and financial condition

The Group and its customers are exposed to climate related events, including climate change. These events include severe storms, drought, fires, cyclones, hurricanes, floods and rising sea levels. The Group and its customers may also be exposed to other events such as geological events (including volcanic seismic activity or tsunamis), plant, animal and human diseases or a pandemic.

Depending on their severity, events such as these may temporarily interrupt or restrict the provision of some local or Group services, and may also adversely affect the Group's financial condition or collateral position in relation to credit facilities extended to customers, which may adversely affect the Group's business, operations and financial condition.

Liquidity and funding risk events may adversely affect the Group's financial performance, liquidity, capital resources, business, operations and financial condition

Liquidity risk is the risk that the Group is unable to meet its payment obligations as they fall due (including repaying depositors or maturing wholesale debt) or that the Group has insufficient capacity to fund increases in assets. Liquidity risk is inherent in all banking operations due to the timing mismatch between cash inflows and cash outflows.

Reduced liquidity could lead to an increase in the cost of the Group's borrowings and constrain the volume of new lending, which could adversely affect the Group's profitability. Deterioration in investor confidence in the Group could materially impact the Group's cost of borrowing, and the Group's ongoing operations and funding.

The Group raises funding from a variety of sources, including customer deposits and wholesale funding in Australia and offshore markets to meet its funding obligations and to maintain or grow its business generally. In times of liquidity stress, if there is damage to market confidence in the Group or if funding inside or outside of Australia is not available or constrained, the Group's ability to access sources of funding and liquidity may be constrained and it will be exposed to liquidity risk. In any such cases, the Group may be forced to seek alternative funding. The availability of such alternative funding, and the terms on which it may be available, will depend on a variety of factors, including prevailing market conditions and the Group's credit ratings (which are strongly influenced by Australia's sovereign credit rating). Even if available, the cost of these funding alternatives may be more expensive or on unfavourable terms, which could adversely affect the Group's financial performance, liquidity, capital resources, business, operations and financial condition.

Since the advent of the global financial crisis in 2007, developments in major markets (including the United States, Europe and China) have adversely affected the liquidity in global capital markets and increased funding costs, for significant periods, compared with the period immediately preceding the global financial crisis.

More recently, the provision of significant amounts of liquidity by major central banks globally has helped mitigate near term liquidity concerns, although no assurance can be given that such liquidity concerns will not return, particularly when this liquidity is incrementally withdrawn by central banks. The manner in which this process unfolds over the coming years will be a major determinant of market conditions and a deterioration in market conditions may limit the Group's ability to replace maturing liabilities and access funding in a timely and cost-effective manner necessary to fund and grow the Group's businesses.

Changes in monetary policies may adversely affect the Group's business, operations and financial condition

Central monetary authorities (including the RBA, the Reserve Bank of New Zealand (“RBNZ”), the United States Federal Reserve, the Bank of England and the monetary authorities in the Asian jurisdictions in which the Group operates) set official interest rates or take other measures to affect the demand for money and credit in their relevant jurisdictions. For instance, the U.S. Federal Reserve increased interest rates in December 2016, March, June and December 2017, and March, June and September 2018, though the Australian Reserve Bank lowered interest rates in May 2016 and August 2016 and has since kept the interest rates on hold. In addition in some jurisdictions, currency policy is also used to influence general business conditions and the demand for money and credit. These measures and policies can significantly affect the Group's cost of funds for lending and investing and the return that the Group will earn on those loans and investments. These factors impact the Group's net interest margin and can affect the value of financial instruments it holds, such as debt securities and hedging instruments. The measures and policies of the central monetary authorities can also affect the Group's borrowers, potentially increasing the risk that they may fail to repay loans. Changes in interest rates and monetary policy are difficult to predict and may adversely affect the Group's business, operations and financial condition.

Acquisitions and/or divestments may adversely affect the Group's business, operations and financial condition

The Group regularly examines a range of corporate opportunities, including acquisitions and divestments, with a view to determining whether those opportunities will enhance the Group's strategic position and financial performance.

Divestments that the Group has announced from 30 September 2017 to the date of this Offering Circular:

- OnePath Pensions and Investments (“P&I”) and aligned dealer group businesses (“ADGs”) in Australia;
- ANZ's interest in Metrobank Card Corporation;
- One Path life insurance business in Australia.
- One Path life insurance business in New Zealand;
- ANZ's 55 per cent interest in Cambodian joint venture ANZ Royal Bank; and
- ANZ's retail, commercial, small-medium sized enterprise banking businesses in Papua New Guinea.

In relation to sale of P&I and ADGs to IOOF Holdings Limited (“IOOF”), on 1 October 2018 ANZ completed the divestment of ADGs to IOOF and entered into a debt note to transfer a partial economic interest in the expected economics of its P&I business to IOOF from 2 October 2018. Legal completion of the P&I business is expected to occur during the 2019 calendar year.

The transactions above remain subject to regulatory approvals and other completion conditions.

During the financial year ended 30 September 2018:

- the Group completed the divestment of its interest in Metrobank Card Corporation;
- the Group completed the divestment of a 20 per cent interest in Shanghai Rural Commercial Bank;
- the Group finalised the sale of its retail and wealth businesses in Indonesia, Taiwan and Vietnam (in addition to China, Singapore and Hong Kong which completed during the preceding financial year); and
- the Group announced in March 2018 it was exploring a range of options for UDC Finance Limited's future, including a possible initial public offering (“IPO”) of ordinary shares. The Group advised on 31 October 2018 that it will not be pursuing an IPO following the completion of a strategic review of the

business. It may still consider a sale in the future, and has decided to put on hold sale discussions and focus on continuing to grow the business.

There can be no assurance that any acquisition (or divestment) would have the anticipated positive results, including results relating to the total cost of integration (or separation), the time required to complete the integration (or separation), the amount of longer-term cost savings, the overall performance of the combined (or remaining) entity, or an improved price for the Group's securities. Additionally, there are risks relating to the completion of any particular transaction occurring, including counterparty and settlement risk, or the non-satisfaction of any completion conditions (for example, relevant regulatory or third party approvals). The Group's operating performance, risk profile and capital structure may be affected by these corporate opportunities and there is a risk that the Group's credit ratings may be placed on credit watch or downgraded if these opportunities are pursued. Integration (or separation) of an acquired (or divested) business can be complex and costly, sometimes including combining (or separating) relevant accounting and data processing systems, and management controls, as well as managing relevant relationships with employees, customers, regulators, counterparties, suppliers and other business partners. Integration (or separation) efforts could create inconsistencies in standards, controls, procedures and policies, as well as diverting management attention and resources. This could adversely affect the Group's ability to conduct its business successfully and impact the Group's operations or results. Additionally, there can be no assurance that employees, customers, counterparties, suppliers and other business partners of newly acquired (or retained) businesses will remain post-acquisition (or post-divestment), and the loss of employees, customers, counterparties, suppliers and other business partners could adversely affect the Group's operations or results. Further, there is a risk that completion of an agreed transaction may not occur, including due to failure of the counterparty to satisfy its completion conditions or because other completion conditions such as obtaining relevant regulatory approvals are not satisfied.

Sovereign risk events may destabilise global financial markets and may adversely affect the Group's liquidity, business, operations and financial condition

Sovereign risk is the risk that foreign governments will default on their debt obligations, be unable to refinance their debts as and when they fall due or nationalise parts of their economy. Sovereign risk remains in many economies, including the United States, the United Kingdom, China, Europe and Australia. Should one sovereign default, there could be a cascading effect to other markets and countries, the consequences of which, while difficult to predict, may be similar to or worse than those experienced during the global financial crisis and subsequent sovereign debt crises. Such events could destabilise global financial markets and adversely affect the Group's liquidity, business, operations and financial condition.

Market risk events may adversely affect the Group's business, operations and financial condition

Market risk is the risk of loss arising from adverse changes in interest rates, currency exchange rates, credit spreads, or from fluctuations in bond, commodity or equity prices. For purposes of financial risk management, the Group differentiates between traded and non-traded market risks. Traded market risks principally arise from the Group's trading operations in interest rates, foreign exchange, commodities and securities. The non-traded market risk is predominantly interest rate risk in the banking book. Other non-traded market risks include transactional and structural foreign exchange risk arising from capital investments in offshore operations and non-traded equity risk.

Changes in exchange rates may adversely affect the Group's business, operations and financial condition

As the Group conducts business in several different currencies, its businesses may be affected by a change in currency exchange rates. Additionally, as the Group's annual and interim reports are prepared and stated in Australian dollars, any appreciation in the Australian dollar against other currencies in which the Group earns revenues (particularly to the New Zealand dollar and U.S. dollar) may adversely affect the Group's reported earnings.

The Group has put in place hedges to partially mitigate the impact of currency changes, but there can be no assurance that the Group's hedges will be sufficient or effective, and any further appreciation could have an adverse impact upon the Group's earnings.

Unexpected changes to the Group's license to operate in any jurisdiction may adversely affect the Group's business, operations and financial condition

The Group is licensed to operate in various countries, states and territories. Unexpected changes in the conditions of the licences to operate by governments, administrations or regulatory agencies which prohibit or restrict the Group from trading in a manner that was previously permitted may adversely impact the Group's business, operations and financial condition.

Insurance risk events may adversely affect the Group's business, operations and financial condition

Insurance risk is the risk of loss due to unexpected changes in current and future insurance claim rates. The Group is exposed to insurance risk events, predominantly in the Group's life insurance business in Australia which is a discontinued operation, the sale of which is expected early in the 2019 financial year. In the Group's life insurance business, insurance risk arises primarily through mortality (death) and morbidity (illness and injury) risks being greater than expected and, in the case of annuity business, should annuitants live longer than expected. If the Group incurs losses due to insurance risk events, such losses may adversely affect the Group's business, operations and financial condition.

Increasing compliance costs, the risk of heightened penalties and ongoing regulatory scrutiny with respect to the significant obligations imposed by global tax reporting regimes (which are still evolving), may adversely affect the Group's business, operations, financial condition and reputation

There have been important and substantial changes to, and increasing regulatory focus on, compliance by all global financial institutions, including the Group, with global tax reporting regimes, including the United States ("U.S.") Foreign Account Tax Compliance Act ("FATCA"), the OECD's Common Reporting Standard ("CRS") and similar anti-tax avoidance regimes. Current regulatory focus also includes enforcement and the due implementation of detailed global tax reporting rules and frameworks to close down the circumvention of global tax reporting regimes and enforcement in the case of non-compliance.

As a global financial institution, the Group operates in a high volume and globally interlinked operating environment. The highly complex and rigid nature of the obligations under the various global tax reporting regimes in this context present heightened operational and compliance risks for the Group. This may be coupled with the current increased regulatory scrutiny of global financial institutions (including the Group) and the increasing trend in compliance breaches by global financial institutions and related fines for non-compliance in general. Accordingly, compliance with global tax reporting regimes will continue to be a key area of focus for the Group.

The scale and complexity of the Group, like other global financial institutions, means that the risk of inadvertent non-compliance with the FATCA, CRS and other tax reporting regimes is high. A failure to successfully operate the implemented processes could lead to legal, financial and reputational consequences for the Group and its employees. Consequences include fines, criminal and civil penalties, civil claims, reputational harm, competitive disadvantage, loss of business and constraints on doing business. These consequences, individually or collectively, could adversely affect the Group's business, operations, financial condition and reputation.

FATCA requires financial institutions globally to undertake ongoing and extensive customer based obligations, including collecting and providing information on account holders who are identified as U.S. citizens or tax residents to the U.S. Internal Revenue Service ("IRS"), either directly or via local tax authorities.

If the ongoing detailed obligations under FATCA are not adequately met, the Group and/or customers could be subject to a 30 percent withholding tax on certain amounts payable to them. Under a related but separate set of obligations under FATCA, the U.S. could also require the Group to provide certain information to upstream U.S. payers and the Group could face adverse consequences where it does not do so in line with the applicable rules and regulations.

The Group is also reliant upon Intergovernmental Agreements ("IGAs") between the U.S. and the applicable jurisdictions in which the Group's related entities and subsidiaries are organised continuing to be in effect.

Otherwise the Group may also be subject to broader compliance issues, significant withholding exposure, competitive disadvantage and other operational impacts.

The CRS provides for the Automatic Exchange of (financial account) Information in tax matters. Over 100 jurisdictions have committed to implement the CRS which now impacts the vast majority of the Group's business globally. Early implementation phases are progressing in many countries in which the Group has operations, for example, Australia, New Zealand, Cayman Islands, Hong Kong, Japan, Singapore and the United Kingdom.

Implementation is also required, but presents unique challenges in, developing countries where the Group has operations, such as in the Pacific region. The local regulators in these countries are generally assisted by a 'partner' country which may introduce standards which can be challenging to implement.

CRS requirements, though similar to FATCA in spirit, have considerable country by country variations and may have more significant and negative customer experience ramifications. For example, CRS requires a higher standard of compliance in many respects, such as collection of self-certification at the point of account opening, with significant penalties for non-collection or failed reporting in respect of prescribed customer information.

As one example of tightening regulatory focus, the OECD and certain countries the Group operates within are now moving to mandate blocking (and eventual closure) of accounts where any aspect of the detailed requirements for collection have not been met (e.g. failure to provide the requisite tax identification number(s)). Along with being a significant negative experience for the relevant customers, this could adversely affect the Group's business, operations, financial condition and reputation (and if not similarly implemented by financial institution counterparts, significant competitive disadvantage).

Ongoing OECD peer review and other regulatory review activities are also already resulting in further extension and expansion of existing obligations together with increased focus on compliance with the CRS pushing each country of adoption to ensure that its penalty regime is sufficiently adequate to deter financial institution, intermediary and customer non-compliance.

In line with other global financial institutions, the Group has made, and is expected to continue to make, significant investments in order to ensure ongoing compliance with the extensive and evolving requirements of FATCA, the CRS, avoidance and loophole model rules and the various other in-country tax reporting initiatives in each country within its global network.

Changes in the valuation of some of the Group's assets and liabilities may have a material adverse effect on the Group's earnings and/or equity

The Group applies accounting standards which require that various financial instruments, including derivative instruments, assets and liabilities classified as held for sale (where fair value is lower than the carrying values) and certain other assets and liabilities (as per Note 17 of the Group's 2018 Annual Financial Statements set out in the 2018 Annual Report of ANZ which is incorporated by reference into, and forms part of, this Prospectus), are recognised at fair value with changes in fair value recognised in earnings or equity.

Generally, in order to establish the fair value of these instruments, the Group relies on quoted market prices or, where the market for a financial instrument is not sufficiently active, fair values are based on present value estimates or other accepted valuation techniques which incorporate the impact of factors that would influence the fair value as determined by a market participant. The fair value of these instruments is impacted by changes in market prices or valuation inputs which could have a material adverse effect on the Group's earnings and/or equity.

In addition, the Group may be exposed to a reduction in the value of non-lending related assets as a result of impairments which are recognised in earnings. The Group is required to assess the recoverability of goodwill balances at least annually and other non-financial assets including premises and equipment, investment in associates, capitalised software and other intangible assets (including acquired portfolio of insurance and investment business and deferred acquisition costs) where there are indicators of impairment.

For the purpose of assessing the recoverability of the goodwill balances, the Group uses either a discounted cash flow or a multiple of earnings calculation. Changes in the assumptions upon which the calculation is based, together with expected changes in future cash flows, could materially impact this assessment, resulting in the potential write-off of a part or all of the goodwill balances.

In respect of other non-financial assets, in the event that an asset is no longer in use, or that the cash flows generated by the asset do not support the carrying value, impairment may be recorded.

Changes to accounting policies may adversely affect the Group's financial position and results of operations

The accounting policies that the Group applies are fundamental to how it records and reports its financial position and results of operations. Management must exercise judgement in selecting and applying many of these accounting policies so that they not only comply with the applicable accounting standards or interpretations but that they also reflect the most appropriate manner in which to record and report on the Group's financial position and results of operations. However, these accounting policies may be applied inaccurately, resulting in a misstatement of the Group's financial position and results of operations. In addition, the application of new or revised accounting standards or interpretations could adversely affect the Group's financial position and results of operations. The impact of new accounting standards effective for the Group's 2019 financial year is outlined in Note 1 of the Group's 2018 Annual Financial Statements.

In some cases, management must select an accounting policy from two or more alternatives, any of which might comply with the relevant accounting standard or interpretation to the Group and be reasonable under the circumstances, yet might result in reporting materially different outcomes than would have been reported under the alternative.

Litigation and contingent liabilities may adversely affect the Group's business, operations, financial condition and reputation

From time to time, the Group may be subject to material litigation, regulatory actions, legal or arbitration proceedings and other contingent liabilities which may adversely affect the Group's business, operations and financial condition.

The Group had contingent liabilities as at 30 September 2018 in respect of the matters outlined in Note 33 of the Group's 2018 Annual Financial Statements set out in the 2018 Annual Report of ANZ which is incorporated by reference into, and forms part of, this Prospectus.

Note 33 includes, among other things, descriptions of:

- bank fees litigation;
- benchmark/rate actions;
- capital raising actions;
- franchisee litigation;
- regulatory and customer exposures;
- the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry; and
- security recovery actions.

In recent years there has been an increase in the number of matters on which the Group engages with its regulators. There have been significant increases in the nature and scale of regulatory investigations and reviews, enforcement actions (whether by court action or otherwise) and the quantum of fines issued by regulators, particularly against financial institutions both in Australia and globally. The Group also instigates engagement with its regulators. The nature of these interactions can be wide ranging and, for example, currently include a range of matters including responsible lending practices, product suitability, wealth advice, pricing and competition, conduct in financial markets and capital market transactions and product

disclosure documentation. The Group has received various notices and requests for information from its regulators as part of both industry-wide and Group-specific reviews and has also made disclosures to its regulators at its own instigation. There may be exposures to customers which are additional to any regulatory exposures. These could include class actions, individual claims or customer remediation or compensation activities. The outcomes and total costs associated with such reviews and possible exposures remain uncertain. There is a risk that contingent liabilities may be larger than anticipated or that additional litigation, regulatory actions, legal or arbitration proceedings or other contingent liabilities may arise.

DOCUMENTS INCORPORATED BY REFERENCE

This section incorporates selected publicly available information that should be read in conjunction with this Prospectus.

This Prospectus should be read and construed in conjunction with the following documents:

- (i) for the purpose of any issues of Securities under this Prospectus which are to be consolidated and form a single Series with an existing Series of Securities, (a) the terms and conditions of the Securities as set out in the sections entitled “Base General Conditions”, “Base Note Conditions”, “Base C&W Conditions” and “Additional Terms and Conditions” on pages 57 to 132 of the Prospectus for the Global Markets Issuance Programme dated 14 November 2013, (b) the terms and conditions of the Securities as set out in the sections entitled “Base General Conditions”, “Base Note Conditions”, “Base C&W Conditions” and “Additional Terms and Conditions” on pages 63 to 138 of the Prospectus for the Global Markets Issuance Programme dated 10 February 2015, (c) the terms and conditions of the Securities as set out in the sections entitled “Base General Conditions”, “Base Note Conditions”, “Base C&W Conditions” and “Additional Terms and Conditions” on pages 62 to 138 of the Prospectus for the Global Markets Issuance Programme dated 12 February 2016, (d) the terms and conditions of the Securities as set out in the sections entitled “Base General Conditions”, “Base Note Conditions”, “Base C&W Conditions” and “Additional Terms and Conditions” on pages 66 to 140 of the Prospectus for the Global Markets Issuance Programme dated 13 February 2017 and (e) the terms and conditions of the Securities as set out in the sections entitled “Base General Conditions”, “Base Note Conditions”, “Base C&W Conditions” and “Additional Terms and Conditions” on pages 70 to 146 of the Prospectus for the Global Markets Issuance Programme dated 13 February 2018;
- (ii) the audited annual consolidated financial statements (including the notes thereto and the independent auditor’s report thereon) in respect of the years ended 30 September 2017 and 2018 (the “**2017 Annual Financial Statements**” and the “**2018 Annual Financial Statements**” respectively, set out on pages 65 to 160 and pages 71 to 171, respectively of the 2017 and 2018 Annual Reports of ANZ) and the non-consolidated audited financial statements of ANZ in respect of the year ended 30 September 2018 (including the independent auditors’ audit report thereon and notes thereto), each of which has been previously published and filed with the Financial Conduct Authority; and
- (iii) ANZ’s Basel III Pillar 3 Disclosure dated 30 September 2018 (APS 330: Public Disclosure).

Any statement contained in this Prospectus or in any document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus. For the purposes of the prospectus rules enacted under section 73A of the FSMA, any documents incorporated by reference into the above documents do not form part of this Prospectus. Any parts of the above documents which are not incorporated by reference into this Prospectus are either not relevant for the investor or are covered elsewhere in this Prospectus.

Copies of documents incorporated by reference in this Prospectus can be obtained from the registered office of the Issuer. Requests for such documents should be directed to the Issuer at its office set out at the end of this Prospectus. In addition, such documents will be available from the specified offices of the Paying Agent for the time being at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom and can also be viewed electronically and free of charge at the Issuer’s website (<http://www.debtingvestors.anz.com/>). Please note that websites and URLs referred to herein do not form part of this Prospectus.

Certain information contained in the documents listed above has not been incorporated by reference in this Prospectus. Such information is either (i) deemed not relevant for an investor or (ii) is covered elsewhere in this Prospectus.

PRESENTATION OF FINANCIAL INFORMATION

This section contains a note regarding the financial information about the Issuer presented or referred to in this Prospectus.

In this Prospectus, references to the “**consolidated financial statements**” or “**financial statements**” are to the consolidated financial statements in the 2018 Annual Report of ANZ, unless indicated otherwise.

The consolidated financial statements of the Issuer incorporated by reference within this Prospectus have been prepared in accordance with Australian Accounting Standards.

BASE GENERAL CONDITIONS

This section sets out the terms and conditions that apply to all Securities.

The following are the base conditions that will apply to all Securities (the “**Base General Conditions**”) in addition to the Base Note Conditions, in the case of the Notes, and in addition to the Base C&W Conditions, in the case of the C&W Securities, as supplemented or varied in accordance with the provisions of any applicable Additional Conditions. Where certain Additional Conditions are specified in the relevant Final Terms for any Securities, these Base General Conditions shall be subject to such Additional Conditions and will not apply to the extent that they are inconsistent with the provisions of such Additional Conditions. All capitalised terms that are not defined in these Base General Conditions will have the meanings given to them in the applicable Base Note Conditions or the Base C&W Conditions (as the case may be), the Additional Conditions or the relevant Final Terms. References in these Base General Conditions or any Additional Conditions to “Securities” are to the Securities of one Series only, not to all Securities or to any other Securities that may be issued under the Programme. Unless otherwise specified in the relevant Final Terms, on the date of issue of the relevant Securities, Securities will be represented by a global security deposited with a common depository on behalf of Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”) and Euroclear Bank S.A./N.V. (“**Euroclear**”). The Issuer may issue Securities which are clearable through clearing systems other than or in addition to Clearstream, Luxembourg and Euroclear as set out in the relevant Final Terms. The relevant Final Terms for the Securities are attached to the Global Note, Global Note Certificate or Global Security (as the case may be).

1 Definitions and Interpretation

(a) Definitions

For the purposes of these Base General Conditions, the following general definitions will apply:

“**Affiliate**” means, in relation to any entity (the “**First Entity**”), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity, where, for these purposes, “**control**” means ownership of a majority of the voting power of an entity.

“**Australian Corporations Act**” means the Corporations Act 2001 of Australia.

“**Australian Tax Act**” has the meaning given on page 215 of this Offering Circular.

“**Clearing System**” means each clearance system specified as such in the relevant Final Terms and such further or alternative clearance system(s) as may be approved by the Issuer from time to time and notified to the Securityholders in accordance with Base General Condition 13 (*Notices*).

“**Clearing System Cut-off Time**” means (i) in the case of Euroclear, 10:00 a.m., Brussels time, (ii) in the case of Clearstream, Luxembourg, 10:00 a.m., Luxembourg time or (iii) such other time as determined by the Calculation Agent.

“**Clearstream, Luxembourg**” means Clearstream Banking, *société anonyme*.

“**Euroclear**” means Euroclear Bank S.A./N.V.

“**Final Terms**” means each C&W Final Terms and each Note Final Terms.

“**Reference Item**” has the meaning given to it in the applicable Additional Conditions.

“**Reference Item Early Redemption/Cancellation Provision**” has the meaning given to it in the applicable Additional Conditions.

“**Reference Item Settlement Provision**” has the meaning given to it in the applicable Additional Conditions.

“**Securities**” means Notes and C&W Securities, or any of them, as the context requires.

“**Specified Currency**” means the currency specified hereon or, if none is specified, the currency in which the Securities are denominated.

(b) Interpretation

In the Conditions, unless otherwise specified or the context otherwise requires:

- (i) references to a term, condition, variable or election being specified “hereon” shall be interpreted as such term, condition, variable or election being specified in the relevant Final Terms; and
- (ii) references to a Security shall, in respect of C&W Securities issued in Units, be interpreted as a Unit.

2 Further Issues

The Issuer shall be at liberty from time to time without the consent of Securityholders to create and issue further Securities which (i) are expressed to be consolidated and form a single Series with the outstanding Securities and (ii) are identical in all respects with such Securities except for their respective issue dates and/or issue prices.

3 Purchases and Cancellation

(a) Purchases

The Issuer or any of its subsidiaries may at any time, but is not obliged to, purchase Securities (provided that, in the case of Bearer Notes, all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.

Any Securities so purchased or otherwise acquired may, at the Issuer’s discretion, be held or resold or surrendered for cancellation.

(b) Cancellation of Securities

All Securities purchased by or on behalf of the Issuer or any of its subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Note Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). C&W Securities may be cancelled through the applicable procedure of the relevant Clearing System.

Any Securities so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such Securities shall be discharged.

4 Payments subject to Fiscal Laws

All payments in respect of the Securities are subject in all cases to any applicable fiscal or other laws, regulations, directives and orders of any court of competent jurisdiction and any agreements between the Issuer and any taxing authority relating to fiscal matters, but without prejudice to the provisions of Base Note Condition 8 (*Taxation*). No commission or expenses shall be charged to Noteholders or Couponholders in respect of such payments. The Issuer reserves the right to require a Securityholder to provide a Paying Agent, the Registrar or a Transfer Agent with such certification or information as may be required to enable the Issuer to comply with the requirements of the United States federal income tax laws or any agreement between the Issuer and any taxing authority. The Issuer will not be liable for any taxes, duties, assessments, fees or governmental charges of whatever nature imposed or levied by such laws,

regulations, directives, orders of any court of competent jurisdiction or agreements, save as provided in Base Note Condition 8 (*Taxation*).

5 Meetings of Securityholders

The Agency Agreement contains provisions for convening meetings of Securityholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of the Conditions or any of the provisions of the Securities (including Receipts or Coupons) or the Agency Agreement, except that certain provisions of the Agency Agreement may only be modified subject to approval by Extraordinary Resolution passed at a meeting of Securityholders to which special quorum provisions shall have applied.

An Extraordinary Resolution duly passed at any meeting of the Securityholders shall be binding on all the Securityholders and, in the case of Notes, all Couponholders, whether or not they are present at the meeting, save, in the case of Warrants, for those Warrants remaining unexercised but for which a C&W Exercise Notice shall have been received as described in Base C&W Condition 6 (*Exercise Procedure*) prior to the date of the meeting. Warrants which have not been exercised but in respect of which a C&W Exercise Notice has been received as described in Base C&W Condition 6 (*Exercise Procedure*) will not confer the right to attend or vote at, or join in convening, or be counted in the quorum for, any meeting of the Warrantholders.

Resolutions can be passed in writing if passed by holders of 66 per cent. by principal or nominal amount (in the case of Notes or C&W Securities, where a Nominal Amount is specified) or by number (in the case of C&W Securities, where no Nominal Amount is specified) of all relevant outstanding Securities.

The Conditions may be amended, modified or varied in relation to any Series of Notes.

6 Modifications

The Issuer may modify the Conditions and/or the Agency Agreement without the consent of the Securityholders in any manner which the Issuer may deem necessary or desirable, provided that either:

- (a) such modification is not materially prejudicial to the interests of the Securityholders in the sole and absolute discretion of the Issuer (without considering the individual circumstances of any holders of Securities or the tax or other consequences of such adjustment in any particular jurisdiction);
- (b) such modification is of a formal, minor or technical nature or to correct a manifest or proven error or to cure, correct or supplement any defective provision contained herein and/or therein or to comply with any mandatory provision of law of the jurisdiction in which the Issuer is incorporated; or
- (c) in respect of Securities which the Issuer determines (whether before or after issue) to list on a stock exchange, market or quotation system, such modification is made to enable such Securities to be listed on such stock exchange, market or quotation system.

Notice of any such modification, which will be binding on the Securityholders, will be given to the Securityholders in accordance with Base General Condition 13 (*Notices*) but failure to give, or non-receipt of, such notice will not affect the validity of any such modification.

7 Calculation Agent

- (a) The Issuer shall perform the role of Calculation Agent for so long as any Security is outstanding.
- (b) In relation to each Series of Securities, the Calculation Agent does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Securityholders.
- (c) The Issuer may delegate any of the obligations and functions of its capacity as Calculation Agent to a third party as it deems appropriate and any determination or calculation by any such delegate shall be deemed to be a determination or calculation by the Calculation Agent.

8 Business Day Convention

If any date that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is:

- (a) the “**Floating Rate Business Day Convention**”, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent such date shall be the last Business Day of the month in which such date would have fallen;
- (b) the “**Following Business Day Convention**”, such date shall be postponed to the next day that is a Business Day;
- (c) the “**Modified Following Business Day Convention**”, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or
- (d) the “**Preceding Business Day Convention**”, such date shall be brought forward to the immediately preceding Business Day.

9 Non-Business Days

If any date for payment in respect of any Security is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Base General Condition 9 and Additional Condition 5 (*Alternative Currency Equivalent Provisions*), “**business day**” means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business in the relevant place of presentation in such jurisdictions as shall be specified as “**Additional Financial Centres**” hereon and:

- (a) in the case of a payment in a currency other than Euro or Renminbi, where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (b) in the case of a payment in Renminbi, on which commercial banks and foreign exchange markets in Hong Kong are open for business and settlement of Renminbi payments; or
- (c) in the case of a payment in Euro, which is a TARGET Business Day.

10 Determinations

Any determination, judgement or adjustment made by the Issuer and/or the Calculation Agent pursuant to the Conditions shall (save in the case of manifest error) be final, conclusive and binding on the Issuer, the relevant Agents and the Securityholders. In particular, all certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of Base Note Condition 4 (*Interest and other Calculations*) (in the case of Notes) or Base C&W Condition 4 (*Interest and other Calculations*) (in the case of C&W Securities) whether by the Fiscal Agent, the Principal Certificate and Warrant Agent, the Calculation Agent or the Issuer shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the relevant Agents and all Securityholders and (in the absence as aforesaid) no liability shall attach to the Issuer or any relevant Agent, as the case may be, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

In making any determination, judgement or adjustment pursuant to the Conditions, the Issuer and/or Calculation Agent shall not have regard to any interests arising from circumstances particular to individual Securityholders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such determination for individual Securityholders (whatever their number)

resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Issuer and/or Calculation Agent shall not be entitled to require, nor shall any Securityholder be entitled to claim, from the Issuer, the Calculation Agent or any other person any indemnification or payment in respect of any tax consequences of any such determination upon individual Securityholders.

Unless stated otherwise, the Issuer or the Calculation Agent is entitled to act in its sole and absolute discretion, but it must act in good faith.

11 Events of Default and Enforcement

The occurrence of any of the following events shall be an event of default (each an “**Event of Default**”) and, following any such Event of Default, the holder of any Security of a Series may give written notice to the Fiscal Agent (in the case of the Notes) or the Principal Certificate and Warrant Agent (in the case of the C&W Securities) at its specified office that the Securities are, and they shall accordingly immediately become, due and repayable at their Early Redemption Amount (in the case of the Notes) or the Early Cancellation Amount (in the case of the C&W Securities), together with accrued interest (if any), unless, prior to the date that such written notice is received by the Fiscal Agent or the Principal Certificate and Warrant Agent (as applicable), the Issuer shall have cured or otherwise made good all Events of Default in respect of the Securities of such Series:

- (a) default is made in the payment of any principal or interest when due, in respect of any Security of such Series, and such default continues for a period of seven days; or
- (b) default is made in the delivery of any Asset Amount when due and such failure to deliver continues for a period of seven days, provided that an Event of Default shall not occur under this Base General Condition 11(b) if any of the conditions to settlement to be satisfied by the Securityholder have not been so satisfied as at the due date for delivery, or the Issuer has elected to pay the Disruption Cash Settlement Price or Failure to Deliver Settlement Price; or
- (c) the Issuer fails to perform or observe any of its obligations under any Security of such Series other than those specified in paragraphs (a) and (b) above and in such case (except where such failure is incapable of remedy) such failure continues for a period of 30 days next following the service by any holder of any Security of such Series on the Issuer and the Fiscal Agent or Principal Certificate and Warrant Agent (as applicable) of written notice requiring the same to be remedied; or
- (d) otherwise than for the purpose of an amalgamation or reconstruction or merger within the meaning of these words under the laws of the Issuer’s country of incorporation or, where the Issuer is acting through its branch, of the jurisdiction, country or territory in which the branch through which the Issuer is acting as specified in the relevant Final Terms is located, a resolution is passed that the Issuer be wound up or dissolved; or
- (e) the Issuer stops payment (within the meaning of Australian or any other applicable bankruptcy law) of its obligations; or
- (f) an encumbrancer takes possession of or a receiver is appointed of the whole or a substantial part of the undertaking and assets of the Issuer and any such event is continuing for 45 days after its occurrence and would materially prejudice the performance by the Issuer of its obligations under the Securities of such Series or a distress or execution is levied or enforced upon or sued out against the whole or a substantial part of the undertaking and assets of the Issuer which would materially prejudice the performance of the Issuer of its obligations under the Securities of such Series and is not discharged within 60 days thereof; or
- (g) proceedings are initiated against the Issuer under any applicable bankruptcy, reorganisation or other similar law and such proceedings are not discharged or stayed within a period of 60 days; or
- (h) the Issuer initiates or consents to proceedings relating to itself under any applicable bankruptcy, insolvency, composition or other similar law (otherwise than for the purpose of amalgamation,

reconstruction or merger (within the meaning of those words under the laws of the Issuer's country of incorporation or, where the Issuer is acting through its branch, of the jurisdiction, country or territory in which the branch through which the Issuer is acting as specified in the relevant Final Terms is located)) and such proceedings would materially prejudice the performance by the Issuer of its obligations under the Securities of such Series.

Notwithstanding any other provision of this Base General Condition 11 no Event of Default in respect of any Securities shall occur solely on account of any failure by ANZ to perform or observe its obligations in relation to, or the taking of any process or proceeding in respect of any share, note or other security or instrument constituting Tier 1 capital or Tier 2 capital (each as defined by the Australian Prudential Regulation Authority from time to time).

12 Expenses and Taxes

- (a) If Expenses are specified as applicable in the relevant Final Terms, a Securityholder must pay or discharge all Expenses relating to such Security as provided in the Conditions and, in relation to any Security, no payment of any Cash Settlement Amount or delivery of any Asset Amount, in respect of such Security, will be made until all Expenses in relation to such Security have been paid or discharged to the satisfaction of the Issuer.

“**Expenses**” means, in relation to a Security or, if Units are specified in the applicable C&W Final Terms, a Unit, as the case may be, all taxes, duties and/or expenses, including any applicable depositary charges, transaction, exercise or redemption charges, trading costs, stamp duty, stamp duty reserve tax, issue, registration, transfer and/or taxes or duties arising in connection with the exercise or redemption, as the case may be, of such Security or Unit, as the case may be, and/or, where applicable, the delivery or transfer of the Asset Amount pursuant to the terms of such Security or Unit, if any, borne by the Issuer or an Affiliate thereof, as determined by the Calculation Agent, provided that Expenses shall not include any taxes or duties described above to the extent that the Early Redemption Amount (in the case of Notes) or the Early Cancellation Amount (in the case of C&W Securities) already takes into account such amounts.

- (b) Except as required by Base Note Condition 8 (*Taxation*), the Issuer shall not be liable for or otherwise obliged to pay any tax, duty or other payment which may arise as a result of the ownership, transfer, exercise, redemption or enforcement of any Security by any person and all payments and/or deliveries made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted (whether by operation of law or agreement of the Issuer or its agents).

13 Notices

- (a) *Notices to Noteholders*

Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in the United Kingdom (which is expected to be the Financial Times). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in the United Kingdom. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which such publication is made.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Base General Condition 13.

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and shall be deemed to have been given on the weekday (being a day other than a Saturday or a Sunday) after the date of mailing, provided that, if at any time by reason of the suspension or curtailment (or expected suspension or curtailment) of postal services within the United Kingdom or elsewhere the Issuer is unable effectively to give notice to holders of Registered

Notes through the post, notices to holders of Registered Notes will be valid if given in the same manner as other notices as set out above.

(b) Notices to Holders of C&W Securities

All notices to C&W Securityholders shall be valid (i) if (A) delivered to Clearstream, Luxembourg and Euroclear for communication by them to the C&W Securityholders, (B) published in a daily newspaper with general circulation in the United Kingdom, expected to be the Financial Times or (C) published on the website of Regulatory News Services (a news service provided by the London Stock Exchange) at <http://www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html> and any such notices shall be conclusively presumed to have been received by the C&W Securityholders and (ii) if and so long as the C&W Securities are listed on a stock exchange, in accordance with the rules and regulations of the relevant stock exchange or other relevant authority. Any such notice shall be deemed to have been given on the date of such delivery or, if earlier, the date of any publication as required by any relevant stock exchange or, if published more than once, on the date of the first such publication.

14 Documents Available for Inspection

Copies of this Prospectus, the Notes Deed of Covenant, the C&W Deed of Covenant, the Agency Agreement (which contains the form of the Note Final Terms and C&W Final Terms) and the applicable Note Final Terms and C&W Final Terms may be obtained during normal office hours from the registered office of the Issuer and from the specified offices of each Fiscal Agent and Transfer Agents (in respect of Notes) and each Certificate and Warrant Agent (in the case of C&W Securities), save that if the Securities are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under Directive 2003/71/EC (as amended), the relevant Final Terms will only be obtainable by a Securityholder and such Securityholder must first produce evidence satisfactory to the Issuer or the relevant Fiscal Agent or Certificate and Warrant Agent, as the case may be, as to its holding of Securities and its identity.

15 Severability

Should any one or more of the provisions contained in the Conditions be or become invalid, the validity of the remaining provisions shall not in any way be affected thereby.

16 Governing Law

The Securities, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

17 Third Party Rights

No person shall have any right to enforce any term or condition of the Securities under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of any person that exists or is available apart from that Act.

BASE NOTE CONDITIONS

This section sets out the terms and conditions that apply to Notes only, but not to any type of Redeemable Certificate, Exercisable Certificate or Warrant. It should be read in addition to the Base General Conditions.

The following are the base conditions that will apply to the Notes (the “**Base Note Conditions**”), together with the Base General Conditions (set out below), in each case as supplemented or varied in accordance with any applicable Additional Conditions specified to be applicable in the relevant Final Terms document (the “**Note Final Terms**”) (all of which taken together, in respect of the Notes, the “**Note Conditions**”). Where any Additional Conditions are specified in the applicable Note Final Terms for any Notes to be applicable to such Notes, these Base Note Conditions shall be subject to the provisions contained in such Additional Conditions and will not apply to the extent they are inconsistent with the provisions of such Additional Conditions. In all cases, these Base Note Conditions and the provisions of such Additional Conditions shall be subject to the applicable Note Final Terms, and will not apply to the extent they are inconsistent with the provisions of such Note Final Terms. All capitalised terms that are not defined in these Base Note Conditions will have the meanings given to them in the applicable Additional Conditions or applicable Note Final Terms unless the context indicates otherwise. References in these Base Note Conditions or any Additional Conditions to Securities are to the Notes of one Series only, not to all Notes or to C&W Securities that may be issued under the Programme.

The Additional Conditions are set out under the heading “Additional Terms and Conditions” as follows:

Terms and Conditions for Equity Linked Securities	Chapter 1
Terms and Conditions for Alternative Currency Equivalent	Chapter 2

The Notes (such Securities being hereunder referred to as the “**Notes**”) are issued by Australia and New Zealand Banking Group Limited (the “**Issuer**”) acting through its head office or such branch as is specified in the applicable Notes Final Terms, pursuant to an Agency Agreement (the “**Agency Agreement**”) in relation to the Notes between the Issuer, Deutsche Bank AG, Hong Kong Branch, as fiscal agent and the other agents named in it and Deutsche Bank Luxembourg S.A. as the registrar. The Issuer shall issue the Notes out of its London branch with registered address at 40 Bank Street, Canary Wharf, London E14 5EJ, Hong Kong branch with registered address at 22nd floor, Three Exchange Square, 8 Connaught Place, Central, Hong Kong and/or Singapore branch with registered address at 10 Collyer Quay, #30-00 Ocean Financial Centre, Singapore 049315, as specified in the applicable Note Final Terms. The Notes have the benefit of a deed of covenant (the “**Notes Deed of Covenant**”). The fiscal agent, the paying agents, the registrar and the transfer agent are referred to below, respectively, as the “**Fiscal Agent**”, the “**Paying Agents**”, the “**Registrar**”, and the “**Transfer Agents**”.

The Noteholders, the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) and the holders of the receipts for the payment of instalments of principal (the “**Receipts**”) relating to Notes in bearer form of which the principal is payable in instalments (the “**Receiptholders**”) are entitled to the benefit of, are bound by and are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

1 Form, Denomination and Title

The Notes are issued in bearer form (“**Bearer Notes**”, which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form (“**Registered Notes**”) or in bearer form exchangeable for Registered Notes (“**Exchangeable Bearer Notes**”), in each case in the Specified Denomination(s) shown hereon.

Each Series of Bearer Notes will be represented on issue by a temporary global note in bearer form (each a “**temporary Global Note**”) or a permanent global note in bearer form (each a “**permanent Global Note**”) and, together with the temporary Global Notes, the “**Global Notes**”) and each Series of Registered Notes

will be represented on issue by a global note certificate in registered form (each a “**Global Note Certificate**”).

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

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Reference Item linked redemption Note (a “**Reference Item Linked Redemption Note**”) or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

The applicable Note Final Terms will indicate whether settlement shall be by way of cash payment (“**Cash Settled Securities**”) and/or physical delivery (“**Physical Delivery Securities**”).

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

Registered Notes are represented by registered certificates (“**Note Certificates**”).

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

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

2 Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes

(a) Exchange of Exchangeable Bearer Notes

Subject as provided in Base Note Condition 2(f) (*Closed Periods*), Exchangeable Bearer Notes may be exchanged for the same aggregate nominal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Base Note Condition 6(b) (*Registered Notes*)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Note Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Note Certificate duly completed and

executed and such other evidence as the Registrar or Transfer Agent may reasonably require to prove the title of the transferor. In the case of a transfer of part only of a holding of Registered Notes represented by one Note Certificate, a new Note Certificate shall be issued to the transferee in respect of the part transferred and a further new Note Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Noteholders. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

(c) *Exercise of Options or Partial Redemption in Respect of Registered Notes*

In the case of an exercise of the Issuer's or a Noteholder's option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Note Certificate, a new Note Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Note Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Note Certificates shall only be issued against surrender of the existing Note Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Note Certificate representing the enlarged holding shall only be issued against surrender of the Note Certificate representing the existing holding.

(d) *Delivery of New Note Certificates*

Each new Note Certificate to be issued pursuant to Base Note Condition 2(a) (*Exchange of Exchangeable Bearer Notes*), 2(b) (*Transfer of Registered Notes*) or 2(c) (*Exercise of Options or Partial Redemption in Respect of Registered Notes*) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Note Exercise Notice (as defined in Base Note Condition 5(f) (*Redemption at the Option of Noteholders*)) or surrender of the Note Certificate for exchange. Delivery of the new Note Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Note Exercise Notice or Note Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Note Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Note Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Fiscal Agent the costs of such other method of delivery and/or such insurance as it may specify. In this Base Note Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(e) *Exchange Free of Charge*

Exchange and transfer of Notes and Note Certificates on registration, transfer, exercise of an option or partial redemption shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may reasonably require).

(f) *Closed Periods*

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Base Note Condition 5(e) (*Redemption at the Option of the*

Issuer), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Note Certificate is simultaneously surrendered not later than the relevant Record Date.

3 Status of the Notes

Subject to such exceptions as may be provided by mandatory provisions of applicable law, the Notes and the Receipts and Coupons relating to them constitute unsecured and unsubordinated obligations of the Issuer (save for certain debts of the Issuer required to be preferred by applicable law, including but not limited to, those referred to in Division 2 and 2AA of Part II of the Banking Act of Australia and section 86 of the Reserve Bank Act 1959 of Australia) and rank *pari passu* among themselves and equally with all other unsecured obligations and unsubordinated obligations of the Issuer.

4 Interest and other Calculations

The Notes may bear no interest (“**Non-Interest Bearing Notes**”) or bear interest by reference to one or more fixed rates (“**Fixed Rate Notes**”), by reference to one or more floating rates (“**Floating Rate Notes**”) or by reference to a Reference Item (“**Reference Item Linked Interest Notes**”).

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate(s) per annum (expressed as a percentage) equal to the Rate(s) of Interest, and such interest shall be payable, subject as provided herein, in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with this Base Note Condition 4.

The expected yield for a Fixed Rate Note will be indicated in the Final Terms. The indicated yield is calculated on the basis of the Issue Price using the following formula:

$$P = \frac{C}{r} \left(1 - (1 + r)^{-n} \right) + A(1 + r)^{-n}$$

Where:

“P” is the Issue Price of the Security; “C” is the annualised Interest Amount; “A” is the principal amount of Securities due on redemption; “n” is time to maturity in years; and “r” is the annualised yield.

Yield is not an indication of future price.

(b) Interest on Floating Rate Notes and Reference Item Linked Interest Notes

(i) Interest Payment Dates

Each Floating Rate Note and Reference Item Linked Interest Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest (unless an Interest Amount is payable in respect of such Note), such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Base Note Condition 4(g) (*Calculations*). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention*

If any date referred to in these Base Note Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes*

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated hereon) the Margin (if any). For the purposes of this Base Note Condition 4(b)(iii), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified hereon;
- (B) the Designated Maturity is a period specified hereon; and
- (C) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this Base Note Condition 4(b)(iii), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated hereon, the Minimum Rate of Interest shall be deemed to be zero.

(iv) *Rate of Interest or Interest Amount for Reference Item Linked Interest Notes*

The Rate of Interest or Interest Amount in respect of Reference Item Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified in the applicable Additional Conditions on the Interest Determination Date, and interest will accrue by reference to the relevant Reference Item or formula as set out in the applicable Additional Conditions.

(c) *Zero Coupon Notes*

Where a Note, the Interest Basis of which is specified to be Zero Coupon, is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the due date for redemption, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Base Note Condition 5(b)(i)(B)).

(d) *Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.

(e) *Accrual of Interest*

Interest (if any) shall cease to accrue on each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption thereof, unless (upon due presentation thereof where presentation is required) payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest shall continue to accrue or, in the case of Zero Coupon Notes, shall accrue (in each case, both before and after judgment) at the Rate of Interest in the manner provided in this Base Note Condition 4 to (but excluding) the Relevant Date (as defined in Base Note Condition 8 (*Taxation*)).

(f) *Margin, Maximum Rate of Interest, Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding*

- (i) If any Margin is specified hereon (either (A) generally or (B) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest in the case of paragraph (A) above, or the Rates of Interest for the specified Interest Accrual Periods in the case of paragraph (B) above, calculated in accordance with Base Note Condition 4(b) (*Interest on Floating Rate Notes and Reference Item Linked Interest Notes*) by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to the next paragraph.
- (ii) If any Maximum Rate of Interest and/or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum and/or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Base Note Conditions (unless otherwise specified), (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (B) all figures shall be rounded to seven significant figures (with halves being rounded up) and (C) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes, “**unit**” means the lowest amount of such currency that is available as legal tender in the country of such currency.

(g) *Calculations*

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest for such Interest Accrual Period, the Calculation Amount specified hereon and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period or on the relevant Interest Payment Date shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply, save that the Day Count Fraction shall be applied to the period for which interest is required to be calculated.

(h) *Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts*

The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period or Interest Payment Date, calculate the Final Redemption Amount(s), Early Redemption

Amount or Optional Redemption Amount or any Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and/or the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount(s), Early Redemption Amount or Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Registrar, the Noteholders and, if the Notes are listed on a stock exchange or admitted to listing by another relevant authority and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Base Note Condition 4(b)(ii) (*Business Day Convention*), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and repayable under Base General Condition 11 (*Events of Default and Enforcement*), the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Base Note Condition 4 (*Interest and other Calculations*) but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding on all parties.

(i) *Definitions*

In these Base Note Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Business Day**” means:

- (i) in the case of a currency other than Euro and Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; or
- (ii) in the case of Euro, a day on which the TARGET System is operating (a “**TARGET Business Day**”); or
- (iii) in the case of Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets in Hong Kong are open for business and settlement of Renminbi payments; and
- (iv) a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in any Business Centre(s) specified hereon.

“**Calculation Amount**” means the amount per Note specified in the applicable Note Final Terms.

“**Cash Settlement Amount**” means, in relation to Notes which are Cash Settled Securities, the final Redemption Amount in relation to each such Note.

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

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

- (ii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

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

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

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

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

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

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

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

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

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

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

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30;

- (vi) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

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

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

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

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless (A) that day is the last day of February or (B) such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (A) that day is the last day of February but not the Maturity Date or (B) such number would be 31, in which case D₂ will be 30; and

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

(A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in such Calculation Period divided by the product of:

- (x) the number of days in such Determination Period; and
- (y) the number of Determination Periods normally ending in any year; or

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

- (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Periods normally ending in any year; and
- (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Periods normally ending in any year;

where:

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

“**Determination Period**” means the period from and including a Determination Date (as specified hereon) in any year to but excluding the next Determination Date.

“**Euro**” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

“**Euro-zone**” means the region comprising Member States of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community, as amended.

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China.

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

successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“Interest Amount” means:

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

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

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or Renminbi or (ii) the day falling two Business Days, in London for the Specified Currency, prior to the first day of such Interest Accrual Period if the Specified Currency is not Sterling, Euro or Renminbi or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro.

“Interest Payment Date” means each date specified as such hereon.

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

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

“ISDA Definitions” means the 2006 ISDA Definitions, as amended and supplemented and published by the International Swaps and Derivatives Association, Inc.

“PRC” means the People’s Republic of China which, for the purpose of these Base Note Conditions, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;

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

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London interbank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone interbank market, in each case selected by the Calculation Agent.

“Renminbi” means the lawful currency of the People’s Republic of China.

“Specified Currency” means the currency specified hereon or, if none is specified, the currency in which the Notes are denominated.

“TARGET System” means the Trans-European Automated Real-time Gross Settlement Express Transfer (known as TARGET2) system or any successor thereto.

(j) Nature of the Return

Any interest paid to the Noteholder shall constitute consideration paid for the use of the principal and for the assumption of the risk that the Noteholder may not recover its original investment or that its return may be variable.

5 Redemption, Purchase and Options*(a) Redemption by Instalments and Final Redemption*

- (i) Unless previously redeemed, purchased and cancelled as provided in this Base Note Condition 5, each Note that provides for Instalment Dates and Instalment Amounts (“**Instalment Notes**”) shall be partially redeemed on each instalment date (the “**Instalment Date**”) in instalments (the amount of each instalment, an “**Instalment Amount**”) at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed, purchased and cancelled as provided below, each Note (unless it is a Reference Item Linked Redemption Note which will be finally redeemed in accordance with Base Note Condition 7 (*Settlement*) and any applicable Reference Item Settlement Provision (as defined in the Base General Conditions) shall be finally redeemed on the date on which the Notes mature (the “**Maturity Date**”) specified hereon at its Final Redemption Amount(s) (which, unless otherwise provided in the Conditions, is its nominal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(b) Early Redemption

- (i) Zero Coupon Notes
 - (A) The Early Redemption Amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to Base Note Condition 5(c) (*Redemption for Taxation Reasons*) or upon it becoming due and repayable as provided in Base General Condition 11 (*Events of Default and Enforcement*) shall be the amortised face amount (the “**Amortised Face Amount**”, and calculated as provided below) of such Note.
 - (B) Subject to the provisions of paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount(s) of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield applied on a compounded or non-compounded basis as specified hereon (which, if none is shown hereon, shall be such rate (compounded annually) as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date).
 - (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Base Note Condition 5(c) (*Redemption for Taxation Reasons*) or upon it becoming due and repayable as provided in Base General Condition 11 (*Events of Default and Enforcement*) is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as calculated in accordance with paragraph (B) above, except that such paragraph shall have effect as though the reference therein to the Maturity Date was replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this paragraph (C) shall continue to be made (both before

and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount(s) of such Note on the Maturity Date together with any interest that may accrue in accordance with Base Note Condition 4(c) (*Zero Coupon Notes*).

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

(ii) Other Notes

The Early Redemption Amount payable in respect of any Note (other than Notes described in paragraph (i) above), upon redemption of such Note pursuant to Base Note Condition 5(c) (*Redemption for Taxation Reasons*), Base Note Condition 5(d) (*Redemption for Illegality or Change in Law*), any applicable Reference Item Early Redemption/Cancellation Provision (as defined in the Base General Conditions), Additional Condition 4.2 (*Occurrence of Additional Disruption Events*), Additional Condition 5.1 (*Payment of Alternative Currency Equivalent*), upon it becoming due and repayable as provided in Base General Condition 11 (*Events of Default and Enforcement*) or otherwise, shall mean an amount in respect of each Note, which amount shall be the fair market value, of a Note on a day selected by the Issuer in its sole and absolute discretion (but which fair market value in the case of an Event of Default, shall be determined immediately prior to the date of early redemption), and, if Unwind Costs are specified as applicable in the relevant Note Final Terms, adjusted to take account fully of Unwind Costs.

(c) *Redemption for Taxation Reasons*

If, as a result of any change in or amendment to the laws or regulations of the jurisdiction of incorporation of the Issuer and/or, where the Issuer is acting through its branch, the jurisdiction, country or territory in which the branch through which the Issuer is acting as specified in the relevant Final Terms is located, or any political sub-division or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations or any ruling, confirmation or advice from any taxing authority, which change or amendment or ruling becomes effective on or after the Issue Date shown on the face of any Note, the Issuer has or will become obliged to pay additional amounts as provided in Base Note Condition 8 (*Taxation*), the Issuer may, at its option, having given not less than 30 nor more than 60 days' notice in accordance with Base General Condition 13 (*Notices*), redeem on such Interest Payment Date (if the Note is an interest-bearing Note other than a Fixed Rate Note) or at any time (if the Note is a Fixed Rate Note or a Non-Interest-Bearing Note) all, but not some only, of the Notes then outstanding at the Early Redemption Amount (as described in Base Note Condition 5(b) (*Early Redemption*)) (together with interest accrued to (but excluding) the date fixed for redemption, if applicable).

(d) *Redemption for Illegality or Change in Law*

If, at any time, the Issuer determines in good faith that either (i) it has become or will become unlawful, illegal or otherwise prohibited in whole or in part or (ii) the Issuer will incur a materially increased cost in (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its Affiliates) in performing its obligations under the Notes or in holding, acquiring or disposing of any arrangement made to hedge its positions under the Notes, whether under any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power (but, if not having the force of law, only if compliance with it is in accordance with the general practice of persons to whom it is intended to apply), or in the interpretation thereof (an "**Illegality**"), then the Issuer may, at its option, having given not less than 30 nor more than 60 days' notice in accordance with Base General Condition 13 (*Notices*), redeem on an Interest Payment Date (if the Note is an interest-bearing Note other than a Fixed Rate Note) or at any time (if the Note is a Fixed Rate Note or a Non-Interest-Bearing Note) all, but not some

only, of the Notes then outstanding at the Early Redemption Amount (as described in Base Note Condition 5(b) (*Early Redemption*)) (together with interest accrued to (but excluding) the date fixed for redemption, if applicable).

(e) *Redemption at the Option of the Issuer*

If Call Option is specified hereon, the Issuer may, on giving not less than Five Business Days irrevocable notice to the Noteholders (or such other notice period as may be specified hereon), redeem all or, if so provided, some only of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption, if applicable. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Base Note Condition 5.

In the case of a partial redemption, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws, stock exchange requirements or the requirements of any other relevant authority.

(f) *Redemption at the Option of Noteholders*

If Put Option is specified hereon, the Issuer shall, at the option of the holder of any Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon), redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption, if applicable.

To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmaturing Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Note Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (a "**Note Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Note Certificate so deposited and option exercised may be withdrawn without the prior consent of the Issuer.

(g) *Partly Paid Notes*

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Base Note Condition 5 and the provisions specified hereon.

(h) *Purchases*

The Issuer is taken to represent, as at the date of issue of this Note, that it does not know, or have any reasonable grounds to suspect, that this Note or any interest in this Note is being or will later be acquired either directly or indirectly by an Offshore Associate of the Issuer (acting other than in the capacity of a dealer, manager or underwriter in relation to the placement of this Note or a clearing house, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Australian Corporations Act).

"**Offshore Associate**" means an associate (as defined in section 128F of the Australian Tax Act) of ANZ that is either a non-resident of the Commonwealth of Australia which does not acquire the Notes in carrying on a business at or through a permanent establishment in Australia or, alternatively, a resident of Australia that acquires the Notes in carrying on business at or through a permanent establishment outside of Australia.

The Issuer and any of its subsidiaries may, to the extent permitted by applicable laws and regulations, at any time, purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise.

Notes purchased by the Issuer or any of its subsidiaries may be surrendered by the purchaser through the Issuer to the Fiscal Agent or any Paying Agent for cancellation or may at the option of the Issuer or the relevant subsidiary be held or resold.

(i) *Unwind Costs*

“**Unwind Costs**” shall mean, in respect of each Note, an amount equal to such Note’s *pro rata* portion of the value (determined in the currency in which the Notes are denominated) of any losses, expenses and costs to the Issuer and any loss of tax relief or other tax consequences of unwinding or adjusting any underlying or related swap agreement or other hedging arrangements (including, but not limited to, any options or selling or otherwise realising any Relevant Asset or other instruments of any type whatsoever which the Issuer may hold as part of such hedging arrangements), all as calculated by the Calculation Agent in its sole discretion.

6 Payments and Talons

(a) *Bearer Notes*

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Base Note Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Base Note Condition 6(f)(ii)), as the case may be:

- (i) in the case of a currency other than Euro or Renminbi, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a bank in the principal financial centre for such currency; and
- (ii) in the case of Euro, at the specified office of any Paying Agent outside the United States by a cheque payable in Euro drawn on, or, at the option of the holder, by transfer to an account denominated in Euro with, a bank in a city in which banks have access to the TARGET System; and
- (iii) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank authorised to receive Renminbi outside the PRC.

(b) *Registered Notes*

- (i) Payments of principal (which for the purposes of this Base Note Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Note Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest (which for the purpose of this Base Note Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the 15th day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made:
 - (A) in the case of a currency other than Renminbi, in the relevant currency by a cheque drawn on a bank in the principal financial centre of such currency, subject as provided

in Base Note Condition 6(a) (*Bearer Notes*), and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided in Base Note Condition 6(a) (*Bearer Notes*), such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank; and

(B) in the case of Renminbi, by transfer to the registered account of the Noteholder.

In this Base Note Condition 6(b)(ii), “**registered account**” means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment.

(c) *Payments in the United States*

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) *Payment Subject to Fiscal Laws*

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Base Note Condition 8 (*Taxation*). No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) *Appointment of Agents*

The Fiscal Agent, the other Paying Agents, the Registrar and the Transfer Agents initially appointed by the Issuer and their respective specified offices are listed below. Subject as provided in the Agency Agreement, the Fiscal Agent, the other Paying Agents, the Registrar and the Transfer Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar and any Transfer Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes which may be the Registrar, (iv) a Paying Agent having a specified office in Europe, which, so long as the Notes are listed on the official list (the “**Official List**”) of the FCA under Part VI of the Financial Services and Markets Act 2000 (the “**UK Listing Authority**”) and are admitted to trading on the Market, shall be in London and (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed.

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

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders by the Issuer in accordance with Base General Condition 13 (*Notices*).

(f) *Unmatured Coupons and Receipts and unexchanged Talons*

(i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than any Fixed Rate Notes where the total value of the unmatured coupons appertaining

thereto exceeds the nominal amount of such Note), such Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount(s), Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years of the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Base Note Condition 9 (*Prescription*)).

- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note or a Fixed Rate Note where the total value of the unmatured coupons exceeds the minimal amount of such Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Note Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Note Certificate representing it, as the case may be.

(g) *Talons*

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and, if necessary, another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Base Note Condition 9 (*Prescription*)).

7 Settlement

(a) *Cash Settlement*

Subject as provided herein, if the Notes are Cash Settled Securities, each Note entitles its holder to receive from the Issuer, on the Maturity Date, the Cash Settlement Amount less, if applicable, each Note's *pro rata* share of any Expenses, such payment to be made in accordance with the rules of Clearstream, Luxembourg or Euroclear, as the case may be.

(b) *Physical Settlement*

(i) Asset Transfer Notices

In relation to Notes which are Physical Delivery Securities, in order to obtain delivery of the Asset Amount(s) in respect of any Note, the relevant Noteholder must deliver, or send by authenticated SWIFT message (or such other method acceptable to the relevant Clearing System), to Clearstream, Luxembourg or Euroclear (as applicable) with a copy to the Fiscal Agent and the Issuer, in each case, not later than the relevant Clearing System Cut-off Time on the date (the “**Cut-off Date**”) falling two Business Days prior to the Maturity Date, a duly completed asset transfer notice (an “**Asset Transfer Notice**”) in the form set out in the Agency Agreement (copies of which form may be obtained from Clearstream, Luxembourg, Euroclear and the Fiscal Agent during normal office hours) in accordance with the provisions set out in this Base Note Condition 7.

“**Asset Amount**” means, in relation to Notes which are Physical Delivery Securities, the quantity of the Relevant Asset(s) which a Noteholder is entitled to receive on the Maturity Date in respect of such Note, following payment of any other sums payable, rounded, as provided in this Base Note Condition 7(b), as determined by the Calculation Agent, including any documents evidencing such Asset Amount.

The Asset Transfer Notice shall:

- (A) specify the Series number of the Notes and the aggregate Nominal Amount of the Notes the subject of the Asset Transfer Notice;
- (B) specify the number of the Noteholder’s account at Clearstream, Luxembourg or Euroclear, as the case may be, to be debited with such Notes;
- (C) irrevocably instruct Clearstream, Luxembourg or Euroclear, as the case may be, to debit on or before the Maturity Date the relevant Noteholder’s account with the relevant aggregate Nominal Amount of Notes;
- (D) include an undertaking to pay all Expenses or other taxes or duties arising from the redemption of such Notes and an authority to Clearstream, Luxembourg or Euroclear, as the case may be, to debit a specified account of the Noteholder at Clearstream, Luxembourg or Euroclear, as the case may be, in respect thereof and to pay such Expenses or other taxes or duties;
- (E) include such details as are required for delivery of the Asset Amount which may include account details and/or the name and address of any person(s) into whose name evidence of the Asset Amount is to be registered and/or any bank, broker or agent to whom documents evidencing the Asset Amount are to be delivered and specify the name and number of the Noteholder’s account with Euroclear or Clearstream, Luxembourg, as the case may be, to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Asset Amount or any dividends relating to the Asset Amount, or as a result of the occurrence of a Settlement Disruption Event and the Issuer electing to pay the Disruption Cash Settlement Price, or as a result of the occurrence of a Failure to Deliver and the Issuer electing to pay the Failure to Deliver Settlement Price;
- (F) certify, *inter alia*, that the beneficial owner of each Note is not a U.S. person (as defined in the Asset Transfer Notice) or a person who purchased such Note for resale to U.S. persons, that the Note is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof; and

(G) authorise the production of such certification in any applicable administrative or legal proceedings, all as provided in the Agency Agreement.

(ii) Verification of the Noteholder

Upon receipt of an Asset Transfer Notice, Clearstream, Luxembourg or Euroclear, as the case may be, shall verify that the person delivering the Asset Transfer Notice is the holder of the Notes described therein according to the books of Clearstream, Luxembourg or Euroclear, as the case may be. Subject thereto, Clearstream, Luxembourg or Euroclear, as the case may be, will confirm to the Fiscal Agent the Series number and aggregate Nominal Amount of Notes the subject of such notice and the details for the delivery of the Asset Amount in respect of each Note. Upon receipt of such confirmation, the Fiscal Agent will inform the Issuer thereof. Clearstream, Luxembourg or Euroclear, as the case may be, will on or before the Delivery Date debit the account of the relevant Noteholder with the relevant aggregate Nominal Amount of Notes.

(iii) Determinations

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made by Clearstream, Luxembourg or Euroclear, as the case may be, in each case, in consultation with the Fiscal Agent and the Issuer, and shall be conclusive and binding on the Issuer, the Paying Agents and the relevant Noteholder. Subject as set out below, any Asset Transfer Notice so determined to be incomplete or not in proper form, or which is not copied to the Fiscal Agent and the Issuer immediately after being delivered or sent to Clearstream, Luxembourg or Euroclear, as the case may be, as provided in paragraph (i) above, shall be null and void.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of Clearstream, Luxembourg or Euroclear, as the case may be, in consultation with the Fiscal Agent and the Issuer, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered to Clearstream, Luxembourg or Euroclear, as the case may be, and copied to the Fiscal Agent and the Issuer.

The Issuer shall use reasonable endeavours promptly to notify the Noteholder submitting an Asset Transfer Notice if it has been determined, as provided above, that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Paying Agents, Clearstream, Luxembourg and Euroclear shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Noteholder.

(iv) Delivery of an Asset Transfer Notice

After delivery of an Asset Transfer Notice, the relevant Noteholder may not transfer the Notes which are the subject of such notice.

(v) Delivery of the Asset Amount

Subject as provided herein, the Issuer shall deliver, or procure the delivery of, the Asset Amount for each duly redeemed Note herein on the Maturity Date (such date, subject to adjustment in accordance with this Base Note Condition 7, the “**Delivery Date**”) pursuant to the details specified in the applicable Asset Transfer Notice, provided that the Asset Transfer Notice is duly delivered to Clearstream, Luxembourg or Euroclear, as the case may be, with a copy to the Fiscal Agent and the Issuer, as provided above on or prior to the Cut-off Date. Subject as provided in Base Note Condition 7(b)(vi) (*Settlement Disruption*) and Base Note Condition 7(b)(vii) (*Failure to Deliver due to Illiquidity*), the Asset Amount shall be delivered and evidenced in such manner as set out in the applicable Note Final Terms.

If a Noteholder fails to give an Asset Transfer Notice as provided herein with a copy to the Fiscal Agent and the Issuer on or prior to the Cut-off Date, then the Asset Amount will be

delivered as soon as practicable after the Maturity Date (in which case such date of delivery shall be the Delivery Date for the relevant Notes) at the risk of such Noteholder in the manner provided herein. For the avoidance of doubt, in such circumstances such Noteholder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Delivery Date falling after the Maturity Date and no liability in respect thereof shall attach to the Issuer, **PROVIDED THAT, if a Noteholder does not so deliver an Asset Transfer Notice in accordance with Base Note Condition 7(b)(i)(E) at or prior to the relevant Clearing System Cut-off Time, on the date falling 180 days after the Cut-off Date the Issuer's obligations in respect of such Notes shall be discharged and no further liability in respect thereof shall attach to the Issuer.**

All Expenses arising from the delivery of the Asset Amount in respect of such Notes shall be for the account of the relevant Noteholder and no delivery of the Asset Amount shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Noteholder.

Notes held by the same Noteholder will be aggregated for the purpose of determining the aggregate Asset Amounts in respect of such Notes, provided that the aggregate Asset Amounts in respect of the same Noteholder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Issuer shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and in lieu thereof the relevant Noteholder will receive an amount in the Specified Currency equal to the value of any such fractions after such aggregation as calculated by the Calculation Agent from such source(s) as it may select (and converted, if necessary, into the Specified Currency by reference to such exchange rate as the Calculation Agent deems appropriate). Payment of any such amount will be made to the account specified by the Noteholder in the relevant Asset Transfer Notice as referred to in Base Note Condition 7(b)(i)(E) or in such manner as shall be notified to the Noteholders in accordance with Base General Condition 13 (*Notices*).

For the purposes of any Note which is a Physical Delivery Security (A) the Issuer shall be under no obligation to register or procure the registration of any Noteholder or any other person as the registered shareholder in the register of members of any Relevant Assets comprising the Asset Amount, and (B) the Issuer shall not be obliged to account to any Noteholder or any person for any entitlement received or that is receivable in respect of any Relevant Assets comprising the Asset Amount in respect of any Note if the date on which the Relevant Assets are first traded on the relevant Exchange ex such entitlement is on or prior to the Delivery Date.

Following the Delivery Date of an Equity Linked Note which is a Physical Delivery Security, all dividends on the Relevant Assets to be delivered will be payable to the party that would receive such dividend according to market practice for a sale of the Relevant Assets executed on the relevant Delivery Date and to be delivered in the same manner as such Relevant Assets. Any such dividends to be paid to a Noteholder will be paid to the account specified by the Noteholder in the relevant Asset Transfer Notice as referred to in Base Note Condition 7(b)(i)(E).

After delivery of the Asset Amount and for the Intervening Period, none of the Issuer, the Calculation Agent and any other person shall at any time (x) be under any obligation to deliver or procure delivery to any Noteholder any letter, certificate, notice or circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of the Asset Amount, (y) be under any obligation to exercise or procure exercise of any or all rights attaching to the Asset Amount or (z) be under any liability to a Noteholder in respect of any loss or damage which such Noteholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of the Asset Amount.

“Intervening Period” means such period of time as any person other than the relevant Noteholder shall continue to be regarded as the legal owner of any securities or other obligations comprising the Asset Amount.

“Relevant Asset” means, in respect of each Note that is a Physical Delivery Security, an asset comprising the Asset Amount, as specified in the applicable Note Final Terms. If the Relevant Asset is an equity share, that share must be listed and admitted to trading on a regulated market within the European Union or an equivalent market elsewhere.

(vi) Settlement Disruption

If, in the opinion of the Calculation Agent, delivery of the Asset Amount using the method of delivery specified in the applicable Note Final Terms is not practicable by reason of a Settlement Disruption Event (as defined below) subsisting on any Delivery Date, then such Delivery Date for such Notes shall be postponed to the first following Settlement Business Day in respect of which no Settlement Disruption Event is subsisting, provided that the Issuer may elect in its sole and absolute discretion to satisfy its obligations in respect of the relevant Note by delivering the Asset Amount using such other manner as it may select in its sole and absolute discretion and, in such event, the Delivery Date shall be such day as the Issuer deems appropriate in its sole and absolute discretion in connection with delivery of the Asset Amount in such other manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Asset Amount, the Delivery Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Delivery Date.

For so long as delivery of any Relevant Assets comprising the Asset Amount is not practicable by reason of a Settlement Disruption Event, then, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole and absolute discretion to satisfy its obligations in respect of the relevant Note by payment to the relevant Noteholder of the Disruption Cash Settlement Price not later than the fifth Business Day following the date that notice of such election is given to the Noteholders in accordance with Base General Condition 13 (*Notices*). Payment of the Disruption Cash Settlement Price will be made to the account specified by the Noteholder in the relevant Asset Transfer Notice as referred to in Base Note Condition 7(b)(i)(E) or in such manner as shall be notified to the Noteholders in accordance with Base General Condition 13 (*Notices*). The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Base General Condition 13 (*Notices*) that a Settlement Disruption Event has occurred.

No Noteholder shall be entitled to any payment in respect of the relevant Note in the event of any delay in the delivery of any Relevant Assets comprising the Asset Amount due to the occurrence of a Settlement Disruption Event and the Issuer shall not be in breach of these Base Note Conditions and no liability in respect thereof shall attach to the Issuer.

For the purposes hereof:

“Disruption Cash Settlement Price” in respect of any relevant Note shall be the fair market value of such Note on a day selected by the Issuer in its sole and absolute discretion, provided that such day is not more than 15 days prior to the date that the Calculation Agent gives notice to the Noteholders that a Settlement Disruption Event has occurred as provided above (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Asset Amount and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), and, if Unwind Costs are specified as applicable in the relevant Note Final Terms, adjusted to account fully of Unwind Costs.

“Settlement Disruption Event” means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer as a result of which delivery of the Relevant Asset(s) by or

on behalf of the Issuer using the method specified in the applicable Note Final Terms is not practicable.

(vii) Failure to Deliver due to Illiquidity

If “Failure to Deliver due to Illiquidity” is specified as applying in the applicable Note Final Terms and, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the “**Affected Relevant Assets**”) comprising the Asset Amount, where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a “**Failure to Deliver**”), then:

(a) subject as provided elsewhere in these Base Note Conditions, any Relevant Assets which are not Affected Relevant Assets will be delivered on the originally designated Maturity Date in accordance with this Base Note Condition 7 (subject as provided herein); and

(b) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect, in its sole and absolute discretion in lieu of delivery of the Affected Relevant Assets, to pay to the relevant Noteholder the Failure to Deliver Settlement Price no later than the fifth Business Day following the date that notice of such election is given to the Noteholders in accordance with Base General Condition 13 (*Notices*). Payment of the Failure to Deliver Settlement Price will be made to the account specified by the Noteholder in the relevant Asset Transfer Notice referred to in Base Note Condition 7(b)(i)(E) or in such manner as shall be notified to the Noteholders in accordance with Base General Condition 13 (*Notices*). The Calculation Agent shall give notice as soon as practicable to the Noteholders in accordance with Base General Condition 13 (*Notices*) that the provisions of this Base Note Condition 7(b)(vii) (*Failure to Deliver due to Illiquidity*) apply. If the Issuer does not so elect, the provisions of Base Note Condition 7(b)(vi) (*Settlement Disruption*) shall apply.

For the purposes hereof:

“**Failure to Deliver Settlement Price**” in respect of any relevant Note shall be the fair market value of the Affected Relevant Assets on a day selected by the Issuer in its sole and absolute discretion prior to the date on which the Calculation Agent gives notice to the Noteholders as provided above and, if Unwind Costs are specified as applicable in the relevant Note Final Terms, adjusted to account fully of Unwind Costs.

(c) Variation of Settlement

If the applicable Note Final Terms specify that the Issuer has an option to vary settlement in respect of the Notes, the Issuer may, at its sole and absolute discretion, in respect of each such Note, elect not to pay the relevant Noteholders the Cash Settlement Amount or not to deliver or procure delivery of the Asset Amount to the relevant Noteholders, as the case may be, but in lieu thereof to deliver or procure delivery of the Asset Amount or make payment of the Cash Settlement Amount on the Maturity Date to the relevant Noteholders, as the case may be. Notification of such election will be given to Noteholders no later than the relevant Clearing System Cut-off Time on the second Business Day prior to the Maturity Date in accordance with Base General Condition 13 (*Notices*).

(d) General

The purchase of Notes does not confer on any Noteholder any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Assets.

All references in these Base Note Conditions to Luxembourg or Brussels time shall, where Notes are cleared through an additional or Alternative Clearing System, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

(e) Redemption Risk

Redemption of the Notes is subject to all applicable laws, regulations and practices in force on the relevant Delivery Date and none of the Issuer and the Paying Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer and the Paying Agents shall under any circumstances be liable for any acts or defaults of any of the Common Depositary, Clearstream, Luxembourg or Euroclear in relation to the performance of its duties in relation to the Notes.

The Issuer will be discharged by payment to, or to the order of, the Common Depositary or Clearstream, Luxembourg or Euroclear, as the case may be, in respect of the amount so paid. Each of the persons shown in the records of Clearstream, Luxembourg or Euroclear, as the case may be, as the holder of a particular amount of the Notes, must look solely to Clearstream, Luxembourg or Euroclear, as the case may be, for his share of each such payment so made to, or to the order of, Clearstream, Luxembourg or Euroclear, as the case may be.

8 Taxation*Withholding Tax*

Subject as provided below, all payments of principal and interest in respect of the Notes, the Receipts and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the jurisdiction of incorporation of the Issuer and/or, where the Issuer is acting through its branch, the jurisdiction, country or territory in which the branch through which the Issuer is acting as specified in the relevant Final Terms is located or by any authority therein or thereof having power to tax (together, "**Taxes**"), unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts to the Noteholders, Couponholders and Receiptholders as shall result in receipt by those Noteholders, Couponholders and Receiptholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) presented for payment by or on behalf of a holder which is liable to such Taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of its having some connection with the jurisdiction of incorporation of the Issuer or, where the Issuer is acting through its branch, the jurisdiction, country or territory in which the branch through which the Issuer is acting as specified in the Final Terms, other than the mere holding of such Note, Receipt or Coupon or the receipt of the relevant payment in respect thereof; or
- (b) presented for payment by or on behalf of a holder who is an Australian resident or a non-resident who is engaged in carrying on business in Australia at or through a permanent establishment of that non-resident in Australia, if that person has not supplied an appropriate tax file number, Australian business number or other exemption details; or
- (c) presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the 30th such day; or
- (d) in respect of which the holder thereof is an Offshore Associate of the Issuer (acting other than in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Australian Corporations Act); or
- (e) in respect of which the Taxes have been imposed or levied as a result of the holder of such Note, Receipt or Coupon being party to or participating in a scheme to avoid such Taxes, being a scheme which ANZ, where ANZ is the Issuer, was neither a party to nor participated in; or

- (f) in respect of Bearer Notes only, if the holder of such Note, Receipt or Coupon or any entity which directly or indirectly has an interest in or right in respect of such Note, Receipt or Coupon is a resident of Australia, or a non-resident who is engaged in carrying on business in Australia at or through a permanent establishment of that non-resident in Australia (the expressions “**resident of Australia**”, “**non-resident**” and “**permanent establishment**” having the meanings given to them by the Australian Tax Act if, and to the extent that, section 126 of the Australian Tax Act (or any equivalent provisions) requires the Issuer to pay income tax in respect of interest payable on such Note, Receipt or Coupon and the income tax would not be payable were the holder or such entity not such a resident of Australia or non-resident.

As used herein:

The “**Relevant Date**” means, in respect of any payment, the date on which such payment first becomes due or (if the full amount of the moneys payable has not been duly received by the Fiscal Agent on or prior to such date) the date on which notice is given to the Noteholders that such moneys have been so received.

References in these Base Note Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts, the Failure to Deliver Settlement Price, the Disruption Cash Settlement Price, any Cash Settlement Amount and all other amounts in the nature of principal payable pursuant to Base Note Condition 5 (*Redemption, Purchase and Options*) or any amendment or supplement to it, (ii) “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Base Note Condition 4 (*Interest and other Calculations*) or any amendment or supplement to them and (iii) “**principal**” and/or “**interest**” (other than such interest as is referred to in Base General Condition 11 (*Events of Default and Enforcement*)) shall be deemed to include any additional amounts that may be payable under this Base Note Condition 8.

9 Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Replacement of Notes, Note Certificates, Receipts, Coupons and Talons

- (a) If a Note, Note Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Note Certificates) or such other place of which notice shall be given in accordance with Base General Condition 13 (*Notices*), in each case, on payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Note Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Note Certificate, Receipt, Coupon or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Note Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued. In addition, the Issuer may require the person requesting delivery of a replacement Note, Note Certificate, Receipt, Coupon or Talon to pay, prior to delivery of such replacement Note, Note Certificate, Receipt, Coupon or Talon, any stamp or other tax or governmental charges required to be paid in connection with such replacement. No replacement Note shall be issued having attached thereto any Receipt, Coupon or Talon, claims in respect of which shall have become void pursuant to Base Note Condition 9 (*Prescription*).

Where:

- (i) a Talon (the “**relevant Talon**”) has become prescribed in accordance with Base Note Condition 9 (*Prescription*); and
- (ii) the Note to which the relevant Talon pertains has not become void through prescription; and
- (iii) no Coupon sheet (or part thereof, being Coupon(s) and/or a Talon, hereinafter called a “**part Coupon sheet**”), which Coupon sheet would have been exchangeable for the relevant Talon or for any subsequent Talon bearing the same serial number pertaining to such Note, has been issued; and
- (iv) either no replacement Coupon sheet or part Coupon sheet has been issued in respect of any Coupon sheet or part Coupon sheet referred to in paragraph (iii) above or, in the reasonable opinion of the Issuer, there is no reasonable likelihood that any such replacement has been issued,

then, upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity or security as the Issuer may reasonably require, there may be obtained at the specified office of the Fiscal Agent (or such other place of which notice shall be given in accordance with Base General Condition 13 (*Notices*)) a Coupon sheet or Coupon sheets or part Coupon sheet(s), as the circumstances may require, issued:

- (A) in the case of a Note that has become due for redemption (x) without any Coupon itself prescribed in accordance with Base Note Condition 9 (*Prescription*) or the Relevant Date for payment of which would fall after the Relevant Date for the redemption of the relevant Note and (y) without any Talon or Talons, as the case may be; or
- (B) in any other case, without any Coupon or Talon itself prescribed in accordance with Base Note Condition 9 (*Prescription*) and without any Talon pertaining to a Coupon sheet, the Relevant Date of the final Coupon of which falls on or prior to the date when the Coupon sheet(s) or part Coupon sheet(s) is (are) delivered to or to the order of the claimant, but in no event shall any Coupon sheet be issued the original due date for exchange of which falls after the date of delivery of such Coupon sheet(s) as aforesaid.

For the avoidance of doubt, the provisions of this Base Note Condition 10 shall not give, or revive, any rights in respect of any Talon that has become prescribed in accordance with Base Note Condition 9 (*Prescription*).

BASE C&W CONDITIONS

This section sets out the terms and conditions that apply to Exercisable Certificates, Redeemable Certificates and Warrants only, but not to any type of Note. It should be read in addition to the Base General Conditions.

The following are the base conditions that will apply to the C&W Securities (the “**Base C&W Conditions**”), together with the Base General Conditions (set out below), in each case as supplemented or varied in accordance with the provisions of any Additional Conditions specified to be applicable in the relevant Final Terms document (the “**C&W Final Terms**”) (all of which taken together, in respect of the C&W Securities, the “**C&W Conditions**”). Where certain Additional Conditions are specified in the applicable C&W Final Terms for any C&W Securities, these Base C&W Conditions shall be subject to the provisions contained in such Additional Conditions and will not apply to the extent they are inconsistent with the provisions of such Additional Conditions. In all cases, these Base C&W Conditions and the provisions of such Additional Conditions shall be subject to the applicable C&W Final Terms, and will not apply to the extent they are inconsistent with the provisions of such C&W Final Terms. All capitalised terms that are not defined in the Base C&W Conditions will have the meanings given to them in the applicable Additional Conditions or applicable C&W Final Terms unless the context indicates otherwise. References in these Base C&W Conditions or any Additional Conditions to Securities are to the C&W Securities of one Series only, not to all C&W Securities or to Notes that may be issued under the Programme. The applicable C&W Final Terms for the C&W Securities are attached to the Global Security.

The Additional Conditions are set out under the heading “Additional Terms and Conditions” as follows:

Terms and Conditions for Equity Linked Securities	Chapter 1
Terms and Conditions for Alternative Currency Equivalent	Chapter 2

The C&W Securities (such Securities being hereinafter referred to as the “**C&W Securities**”) are issued by Australia and New Zealand Banking Group Limited (the “**Issuer**”) acting through its head office or such branch as is specified in the applicable C&W Final Terms pursuant to an Agency Agreement (the “**Agency Agreement**”) in relation to the C&W Securities, between the Issuer, Deutsche Bank AG, Hong Kong Branch, as principal certificate and warrant agent (the “**Principal Certificate and Warrant Agent**”, which expression shall include any successor principal certificate and warrant agent) and the other agents named in it. The Issuer shall issue the C&W Securities out of its London branch with registered address at 40 Bank Street, Canary Wharf, London E14 5EJ, Hong Kong branch with registered address at 22nd floor, Three Exchange Square, 8 Connaught Place, Central, Hong Kong and/or Singapore branch with registered address at 10 Collyer Quay, #30-00 Ocean Financial Centre, Singapore 049315, as specified in the applicable C&W Final Terms. The C&W Securities have the benefit of a deed of covenant (the “**C&W Deed of Covenant**”) and of the Agency Agreement as amended and/or supplemented by the applicable C&W Final Terms and shall become valid obligations of the Issuer when the applicable C&W Final Terms are attached to the relevant global Security (the “**Global Security**”). Each Series of C&W Securities will be represented by a Global Security. Pursuant to the C&W Deed of Covenant, the Issuer has covenanted in favour of each C&W Securityholder that each C&W Securityholder is entitled to exercise or enforce, in respect of each C&W Security held by him, the rights and obligations attaching to the relevant C&W Security as set out in, and subject to, the Agency Agreement, the C&W Deed of Covenant, these Base C&W Conditions and the applicable C&W Final Terms.

As used herein, “**Series**” means the C&W Securities of each original issue of such C&W Securities together with the C&W Securities of any further issue(s) expressed to be consolidated and forming a single series with the C&W Securities of an original issue and which are identical in all respects (including as to listing) except for their respective issue dates and/or issue prices.

References herein to the “**applicable C&W Final Terms**” are to Part A of the C&W Final Terms relating to a particular Series of C&W Securities and (where applicable) attached to the Global Security.

The C&W Securityholders (as defined in Base C&W Condition 1(b) (*Title to C&W Securities*)) are entitled to the benefit of and are deemed to have notice of and are bound by all the provisions of the Agency Agreement (insofar as they relate to the C&W Securities) and the C&W Final Terms, which are binding on them.

Definitive C&W Securities will not be issued. Each Global Security will be deposited with a common depository (a “**Common Depository**”) on behalf of Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”) and Euroclear Bank S.A./N.V. (“**Euroclear**”).

1 Type, Title and Transfer

(a) Type

The C&W Securities are Redeemable Certificates, Exercisable Certificates or Warrants as is specified in the applicable C&W Final Terms. As used herein, the term “**Warrants**” shall include exercisable Certificates (“**Exercisable Certificates**”).

The C&W Securities may not be linked to any reference underlying but may be, without limitation, interest-bearing securities (“**General C&W Securities**”) or may be linked to a specified Reference Item (“**Reference Item Linked C&W Securities**”). Certain terms which will apply to Reference Item Linked C&W Securities are set out in the applicable Additional Conditions.

In the case of Warrants, the applicable C&W Final Terms will indicate whether the C&W Securities are American style Warrants (“**American Style Warrants**”) or European style Warrants (“**European Style Warrants**”) or such other type as may be specified in the applicable C&W Final Terms, whether automatic exercise (“**Automatic Exercise**”) applies to the Warrants, whether settlement shall be by way of cash payment (“**Cash Settled C&W Securities**”) and/or physical delivery (“**Physical Delivery C&W Securities**”), whether the Warrants are call Warrants (“**Call Warrants**”) or put Warrants (“**Put Warrants**”), or such other type as may be specified in the applicable C&W Final Terms, whether the Warrants may only be exercised in Units and whether averaging (“**Averaging**”) will apply. If Units are specified in the applicable C&W Final Terms, Warrants must be exercised in Units and any C&W Exercise Notice which purports to exercise Warrants in breach of this provision shall be void and of no effect.

In the case of redeemable Certificates (“**Redeemable Certificates**”), the applicable C&W Final Terms will indicate whether settlement shall be by way of cash payment (“**Cash Settled C&W Securities**”) and/or physical delivery (“**Physical Delivery C&W Securities**”) and whether Averaging will apply.

If Averaging is specified as applying in the applicable C&W Final Terms, the applicable C&W Final Terms will state the relevant Averaging Dates.

References in these Base C&W Conditions, unless the context otherwise requires, to Cash Settled C&W Securities shall be deemed to include references to Physical Delivery C&W Securities which include an option (as set out in the applicable C&W Final Terms) at the Issuer’s election to make cash settlement of such C&W Securities pursuant to Base C&W Condition 5(e) (*Variation of Settlement*) or Base C&W Condition 8(e) (*Variation of Settlement*), as the case may be, and where settlement is to be by way of cash payment. References in these Base C&W Conditions, unless the context otherwise requires, to Physical Delivery C&W Securities shall be deemed to include references to Cash Settled C&W Securities which include an option (as set out in the applicable C&W Final Terms) at the Issuer’s election to make physical delivery of the relevant asset in settlement of such C&W Securities pursuant to Base C&W Condition 5(e) (*Variation of Settlement*) or Base C&W Condition 8(e) (*Variation of Settlement*), as the case may be, and where settlement is to be by way of physical delivery.

(b) Title to C&W Securities

Each person who is for the time being shown in the records of Clearstream, Luxembourg or Euroclear as the holder of a particular amount of C&W Securities (in which regard any certificate or other document issued by Clearstream, Luxembourg or Euroclear as to the amount of C&W Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall (except as otherwise required by law) be treated by the Issuer, the Certificate and Warrant Agents, Clearstream, Luxembourg or Euroclear and all other persons dealing with said person as the holder of such amount of C&W Securities for all purposes (and the expressions “**C&W Securityholders**”, “**C&W Securityholder**”, “**Warrantholder**”, “**Redeemable Certificateholder**” and “**C&W Securityholder**” and related expressions shall be construed accordingly). C&W Securityholders may also be referred to in these Conditions as “**Securityholders**”.

(c) *Transfers of C&W Securities*

Transfers of Warrants may not be effected after the exercise of such Warrants pursuant to Base C&W Condition 6 (*Exercise Procedure*). After delivery of an Asset Transfer Notice pursuant to Base C&W Condition 8 (*Redemption and Redemption Procedure for Redeemable Certificates*), the relevant Redeemable Certificates may not be transferred.

All transactions (including transfers of C&W Securities) in the open market or otherwise must be effected through an account at Clearstream, Luxembourg or Euroclear, subject to and in accordance with the rules and procedures for the time being of Clearstream, Luxembourg or Euroclear, as the case may be. Title will pass upon registration of the transfer in the books of Clearstream, Luxembourg or Euroclear, as the case may be.

Transfers of C&W Securities may not be made (directly or indirectly) to a person located in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the Securities Act).

2 Status of the C&W Securities

The C&W Securities constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves and (save to the extent that laws affecting creditors' rights generally in a bankruptcy or winding-up may give preference to any of such other obligations) equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

3 Definitions and Interpretation

For the purposes of these Base C&W Conditions, the following general definitions will apply:

"Actual Exercise Date" means the Exercise Date (in the case of European Style Warrants) or, subject to Base C&W Condition 7(a) (*American Style Warrants*), the date during the Exercise Period on which the Warrant is actually or is deemed exercised (in the case of American Style Warrants) (as more fully set out in Base C&W Condition 7(a) (*American Style Warrants*)).

"Affiliate" means, in relation to any entity (the **"First Entity"**), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes, **"control"** means ownership of a majority of the voting power of an entity.

"Asset Amount" means, in relation to a Physical Delivery C&W Security or, if Units are specified in the applicable C&W Final Terms, each Unit, as the case may be, the quantity of the Relevant Asset(s) which a C&W Securityholder is entitled to receive on the Settlement Date or Redemption Date, as the case may be, in respect of each such C&W Security or Unit, as the case may be, following payment of, in the case of Warrants, the Exercise Price by the Warranholder and, in any other case, any other sums payable, rounded, as provided in Base C&W Condition 5 (*Exercise Rights*) or Base C&W Condition 8 (*Redemption and Redemption Procedure for Redeemable Certificates*) as the case may be, as determined by the Calculation Agent, including any documents evidencing such Asset Amount.

"Cash Settlement Amount" means, in relation to Cash Settled C&W Securities, the amount to which the C&W Securityholder is entitled in the Specified Currency in relation to each such C&W Security or, if Units are specified in the applicable C&W Final Terms, each Unit, as the case may be, as determined by the Calculation Agent pursuant to the terms of the relevant C&W Securities.

"Clearing System" means each clearance system specified as such in the applicable C&W Final Terms and such further or alternative clearance system(s) as may be approved by the Issuer from time to time and notified to the C&W Securityholders in accordance with Base General Condition 13 (*Notices*).

"Clearing System Cut-off Time" means (a) in the case of Euroclear, 10:00 a.m., Brussels time, (b) in the case of Clearstream, Luxembourg, 10:00 a.m., Luxembourg time or (c) such other time as determined by the Calculation Agent.

“Early Cancellation Amount” means, per C&W Security, where the C&W Securities are cancelled pursuant to Base C&W Condition 9(a) (*Illegality*), Base C&W Condition 9(b) (*Taxation*), any applicable Reference Item Early Redemption/Cancellation Provision (as defined in the Base General Conditions), Additional Condition 4.2 (*Occurrence of Additional Disruption Events*) or Additional Condition 5.1 (*Payment of Alternative Currency Equivalent*), upon it becoming due and repayable as provided in General Condition 11 (*Events of Default and Enforcement*) or otherwise, an amount, in respect of each C&W Security or, if Units are specified in the applicable C&W Final Terms, each Unit, as the case may be, which amount shall be the fair market value of a C&W Security or Unit, as the case may be, on a day selected by the Issuer in its sole and absolute discretion (but which fair market value, in the case of an Event of Default, shall be determined immediately prior to the date of early cancellation or redemption), and, if Unwind Costs are specified as applicable in the relevant C&W Final Terms, adjusted to take account fully of Unwind Costs.

“Exercise Price” means the exercise price specified in the relevant C&W Final Terms.

“In-The-Money” means:

- (a) in the case of a Cash Settled C&W Security which is a Warrant, the Cash Settlement Amount in respect of such Warrant is greater than zero; and
- (b) in the case of a Physical Delivery C&W Security which is a Warrant, the value of the Asset Amount on the Actual Exercise Date for such Warrant is greater than the Exercise Price as determined by the Calculation Agent.

“Redemption Date” means, in respect of an issue of Redeemable Certificates, the date specified as such in the applicable C&W Final Terms.

“Relevant Asset” means, in respect of Physical Delivery C&W Securities, an underlying asset comprising the Asset Amount, as specified in the applicable C&W Final Terms. If the Relevant Asset is an equity share, that share must be listed and admitted to trading on a regulated market within the European Union or an equivalent market elsewhere.

“Settlement Date” means:

- (a) in relation to Cash Settled C&W Securities which are Warrants, the date specified as such in the applicable C&W Final Terms, subject to adjustment in accordance with the applicable Additional Conditions; and
- (b) in relation to Physical Delivery C&W Securities which are Warrants, the date specified as such in the applicable C&W Final Terms.

“Unwind Costs” shall mean, in respect of each C&W Security, an amount equal to such C&W Security's *pro rata* portion of the value (determined in the currency in which the C&W Securities are denominated) of any losses, expenses and costs to the Issuer and any loss of tax relief or other tax consequences of unwinding or adjusting any underlying or related swap agreement or other hedging arrangements (including but not limited to, any options or selling or otherwise realising any Relevant Asset or other instruments of any type whatsoever which the Issuer may hold as part of such hedging arrangements) and also taking into account, in the case of Warrants, if already paid by or on behalf of the C&W Securityholder, the Exercise Price, all as calculated by the Calculation Agent in its sole discretion.

The inclusion of specific provisions shall not limit, unless otherwise expressly specified, the applicability or scope of any other provision of the terms and conditions of any C&W Securities.

4 Interest and other Calculations

The C&W Securities may bear interest by reference to one or more fixed rates (**“Fixed Rate C&W Securities”**) or by reference to one or more floating rates (**“Floating Rate C&W Securities”**).

(a) Interest on Fixed Rate C&W Securities

Each Fixed Rate C&W Security bears interest from (and including) the Interest Commencement Date to (but excluding) the Redemption Date (in the case of Redeemable Certificates) or the earlier of (i) the

Expiration Date and (ii) the Actual Exercise Date (in the case of Warrants), as the case may be, at the rate(s) per annum (expressed as a percentage) equal to the Rate(s) of Interest and such interest shall be payable, subject as provided herein, in arrear on each Interest Payment Date up to (and including) the Redemption Date, Expiration Date or Actual Exercise Date, as the case may be. The amount of interest payable shall be determined in accordance with this Base C&W Condition 4.

The expected yield for a Fixed Rate C&W Security will be indicated in the applicable C&W Final Terms. The indicated yield is calculated on the basis of the Issue Price using the following formula:

$$P = \frac{C}{r} \left(1 - (1 + r)^{-n} \right) + A(1 + r)^{-n}$$

Where:

“P” is the Issue Price of the Security; “C” is the annualised Interest Amount; “A” is the principal amount of Securities due on redemption; “n” is time to maturity in years; and “r” is the annualised yield.

Yield is not an indication of future price.

(b) Interest on Floating Rate C&W Securities

(i) Interest Payment Dates

Each Floating Rate C&W Security bears interest from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest (unless an Interest Amount is payable in respect of such C&W Security), such interest being payable in arrear on each Interest Payment Date.

The amount of interest payable shall be determined in accordance with Base C&W Condition 4(d) (*Calculations*). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) Rate of Interest for Floating Rate C&W Securities

The Rate of Interest in respect of Floating Rate C&W Securities for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated hereon) the Margin (if any). For the purposes of this Base C&W Condition 4(b)(ii), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (A) the Floating Rate Option is as specified hereon;
- (B) the Designated Maturity is a period specified hereon; and
- (C) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this Base C&W Condition 4(b)(ii), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated hereon, the Minimum Rate of Interest shall be deemed to be zero.

(c) Margin, Maximum Rate of Interest, Minimum Rate of Interest and Rounding

- (i) If any Margin is specified hereon (either (A) generally or (B) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of paragraph (A), or the Rates of Interest for the specified Interest Accrual Periods, in the case of paragraph (B), calculated in accordance with Base C&W Condition 4(b) (*Interest on Floating Rate C&W Securities*) by adding

(if a positive number) or subtracting (if a negative number) the absolute value of such Margin subject always to the next paragraph.

- (ii) If any Maximum Rate of Interest and/or Minimum Rate of Interest is specified hereon, then any Rate of Interest shall be subject to such maximum and/or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Base C&W Conditions (unless otherwise specified), (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (B) all figures shall be rounded to seven significant figures (with halves being rounded up) and (C) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes, “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.

(d) *Calculations*

The amount of interest payable in respect of any C&W Security for any Interest Accrual Period shall be equal to the product of the Rate of Interest for such Interest Accrual Period, the Calculation Amount or the Nominal Amount specified hereon and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount or Nominal Amount in respect of such C&W Security for such Interest Accrual Period or on the relevant Interest Payment Date shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount or Nominal Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply, save that the Day Count Fraction shall be applied to the period for which interest is required to be calculated.

(e) *Determination and Publication of Rates of Interest and Interest Amounts*

The Calculation Agent shall, as soon as practicable on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period or Interest Payment Date, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and/or the relevant Interest Payment Date to be notified to the Issuer, any other Calculation Agent appointed in respect of the C&W Securities that is to make a further calculation upon receipt of such information and, if the C&W Securities are listed on a stock exchange or admitted to listing by another relevant authority and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Base C&W Condition 4(b)(ii) (*Rate of Interest for Floating Rate C&W Securities*), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the C&W Securityholders by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding on all parties.

If the C&W Securities become due and payable under Base General Condition 11 (*Events of Default and Enforcement*), the accrued interest and the Rate of Interest payable in respect of the C&W Securities shall nevertheless continue to be calculated as previously in accordance with this Base C&W Condition 4, but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination

of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding on all parties.

(f) *Accrual of Interest*

Each C&W Security will cease to bear interest (if any) from the Redemption Date, in the case of Redeemable Certificates, or the earlier of (i) the Expiration Date and (ii) the Actual Exercise Date, in the case of Warrants, unless payment in respect of settlement and/or delivery of all assets deliverable is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such C&W Security have been paid and/or all assets deliverable in respect of such C&W Security have been delivered; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such C&W Security has been received by the Principal Certificate and Warrant Agent and/or all assets in respect of such C&W Security have been received by any agent appointed by the Issuer to deliver such assets to C&W Securityholders and notice to that effect has been given to the C&W Securityholders in accordance with Base General Condition 13 (*Notices*).

(g) *Nature of the Return*

Any interest paid to the C&W Securityholder shall constitute consideration paid for the use of the proceeds from acquiring the C&W Securities and for the assumption of the risk that the C&W Securityholder may not recover its original investment or that its return may be variable.

(h) *Definitions*

In these Base C&W Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Business Day” means:

- (i) in the case of a currency other than Euro or Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency;
- (ii) in the case of Euro, a day on which the TARGET System is operating (a **“TARGET Business Day”**);
- (iii) in the case of Renminbi, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets in Hong Kong are open for business and settlement of Renminbi payments; or
- (iv) a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in any Business Centre(s) specified hereon.

“Calculation Amount” means the amount per C&W Security specified in the applicable C&W Final Terms.

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

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

- (iii) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

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

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

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

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

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

- (v) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

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

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

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

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

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case **D₂** will be 30;

- (vi) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

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

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

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

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Actual Exercise Date or Redemption Date, as the case may be, or (ii) such number would be 31, in which case D₂ will be 30; and

- (vii) if “**Actual/Actual ICMA**” is specified hereon:
- (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in such Calculation Period divided by the product of:
 - (x) the number of days in such Determination Period; and
 - (y) the number of Determination Periods normally ending in any year; or
 - (B) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Periods normally ending in any year,

where:

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

“**Determination Period**” means the period from and including a Determination Date (as specified hereon) in any year to but excluding the next Determination Date.

“**Euro**” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

“**Euro-zone**” means the region comprising Member States of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community, as amended.

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

“**Interest Amount**” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period, or in the case of C&W Securities which are represented by a Global Security, the aggregate outstanding Nominal Amount of the C&W Securities represented by such Global Security; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

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

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or Renminbi, (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is not Sterling, Euro or Renminbi or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro.

“Interest Payment Date” means each date specified as such hereon.

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

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

“ISDA Definitions” means the 2006 ISDA Definitions, as amended and supplemented and published by the International Swaps and Derivatives Association, Inc.

“Nominal Amount” means the amount so specified in the applicable C&W Final Terms (if any).

“Rate of Interest” means the rate of interest payable from time to time in respect of this C&W Security and that is either specified or calculated in accordance with the provisions hereon.

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London interbank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone interbank market, in each case selected by the Calculation Agent.

“Renminbi” means the lawful currency of the People’s Republic of China.

“Specified Currency” means the currency specified hereon or, if none is specified, the currency in which the C&W Securities are denominated.

“TARGET System” means the Trans-European Automated Real-time Gross Settlement Express Transfer (known as TARGET2) system or any successor thereto.

5 Exercise Rights: THIS CONDITION IS APPLICABLE FOR ISSUES OF WARRANTS ONLY

(a) Exercise Period and Exercise Date

(i) American Style Warrants

American Style Warrants are exercisable on any Business Day during the Exercise Period specified in the applicable C&W Final Terms (the **“Exercise Period”**) subject to Base C&W Condition 7 (*Minimum and Maximum Number of Warrants Exercisable*).

If Automatic Exercise is not specified as applying in the applicable C&W Final Terms, any American Style Warrant, with respect to which no C&W Exercise Notice (as defined below) has been delivered in the manner set out in Base C&W Condition 6 (*Exercise Procedure*) or in the applicable C&W Final Terms, at or prior to the relevant Clearing System Cut-off Time on the last Business Day of the Exercise Period (the **“Expiration Date”**), shall become void, provided that no American Style Warrant that is a Physical Delivery C&W Security shall become void but shall, if no C&W Exercise Notice (as defined below) has been delivered at or prior to the relevant Clearing System Cut-off Time on the Expiration Date in the manner set out in Base C&W Condition 6 (*Exercise Procedure*).

or in the applicable C&W Final Terms, be deemed to be a Cash Settled C&W Security to which “*Automatic Exercise: No delivery of C&W Exercise Notice*” is applicable.

If Automatic Exercise is specified as applying in the applicable C&W Final Terms, any such American Style Warrant, with respect to which no C&W Exercise Notice has been delivered in the manner set out in Base C&W Condition 6 (*Exercise Procedure*) or in the applicable C&W Final Terms, at or prior to the relevant Clearing System Cut-off Time on the Expiration Date, and the relevant Warrants are, in the determination of the Calculation Agent, In-The-Money, shall be automatically exercised on the Expiration Date by the Principal Certificate and Warrant Agent on behalf of each Warrantholder and the provisions of Base C&W Condition 6(e) (*Automatic Exercise*) shall apply.

In relation to American Style Warrants cleared through Clearstream, Luxembourg or Euroclear, the Business Day during the Exercise Period on which a C&W Exercise Notice is delivered prior to the relevant Clearing System Cut-off Time and the copy thereof so received by the Principal Certificate and Warrant Agent, or, if Automatic Exercise is specified as applying in the applicable C&W Final Terms and no C&W Exercise Notice has been delivered at or prior to the relevant Clearing System Cut-off Time on the Expiration Date and the relevant Warrants are, in the determination of the Calculation Agent, In-The-Money, the Expiration Date is referred to herein as the “**Actual Exercise Date**”. If any such C&W Exercise Notice is received by Clearstream, Luxembourg or Euroclear or if the copy thereof is received by the Principal Certificate and Warrant Agent, in the case of Clearstream, Luxembourg or Euroclear, after the relevant Clearing System Cut-off Time, on any Business Day during the Exercise Period, such C&W Exercise Notice will be deemed to have been delivered on the next Business Day, which Business Day shall be deemed to be the Actual Exercise Date, provided that any such C&W Security in respect of which no C&W Exercise Notice has been delivered in the manner set out in Base C&W Condition 6 (*Exercise Procedure*) at or prior to the relevant Clearing System Cut-off Time on the Expiration Date shall (A), if Automatic Exercise is not specified as applying in the applicable C&W Final Terms, become void or (B), if Automatic Exercise is specified as applying in the applicable C&W Final Terms and such Warrant is In-The-Money, be automatically exercised by the Principal Certificate and Warrant Agent on behalf of each Warrantholder on the Expiration Date as provided above and in the provisions of Base C&W Condition 6(e) (*Automatic Exercise*).

(ii) European Style Warrants

European Style Warrants are only exercisable on the Exercise Date specified in the applicable C&W Final Terms (the “**Exercise Date**”) subject to Base C&W Condition 7 (*Minimum and Maximum Number of Warrants Exercisable*).

If Automatic Exercise is not specified as applying in the applicable C&W Final Terms, any European Style Warrant, with respect to which no C&W Exercise Notice has been delivered in the manner set out in Base C&W Condition 6 (*Exercise Procedure*) or in the applicable C&W Final Terms, at or prior to the relevant Clearing System Cut-off Time on the Actual Exercise Date, shall become void, provided that no European Style Warrant that is a Physical Delivery C&W Security shall become void but shall, if no C&W Exercise Notice has been delivered at or prior to the relevant Clearing System Cut-off Time on the Actual Exercise Date in the manner set out in Base C&W Condition 6 (*Exercise Procedure*) or in the applicable C&W Final Terms, be deemed to be a Cash Settled C&W Security to which “*Automatic Exercise: No delivery of C&W Exercise Notice*” is applicable.

If Automatic Exercise is specified as applying in the applicable C&W Final Terms, any such European Style Warrant, with respect to which no C&W Exercise Notice has been delivered in the manner set out in Base C&W Condition 6 (*Exercise Procedure*) or in the applicable C&W Final Terms, at or prior to the relevant Clearing System Cut-off Time on the Actual Exercise Date and which is in the determination of the Calculation Agent In-The-Money, shall be automatically exercised on the Actual Exercise Date by the Principal Certificate and Warrant Agent on behalf of

each Warrantholder and the provisions of Base C&W Condition 6(e) (*Automatic Exercise*) shall apply.

(b) *Cash Settlement for Warrants*

If the Warrants are Cash Settled C&W Securities, each such Warrant or, if Units are specified in the applicable C&W Final Terms, each Unit entitles its holder, upon due exercise and, except in relation to Warrants where "*Automatic Exercise: No delivery of C&W Exercise Notice*" is specified as applying in the applicable C&W Final Terms, subject to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date a Cash Settlement Amount calculated by the Calculation Agent (which shall not be less than zero) equal to:

- (i) where Averaging is not specified in the applicable C&W Final Terms and the Cash Settled C&W Securities are linked to a single Reference Item:

- (a) if such Warrants are Call Warrants,

$$SP - EP; \text{ and}$$

- (b) if such Warrants are Put Warrants,

$$EP - SP; \text{ or}$$

- (ii) where Averaging is specified in the applicable C&W Final Terms and the Cash Settled C&W Securities are linked to a single Reference Item:

- (a) if such Warrants are Call Warrants,

$$\frac{1}{n} \left(\sum_{i=1}^n SP_{(i)} \right) - EP; \text{ and}$$

- (b) if such Warrants are Put Warrants,

$$EP - \frac{1}{n} \left(\sum_{i=1}^n SP_{(i)} \right)$$

where:

EP	=	the Exercise Price
SP	=	the Settlement Price
SP _(i)	=	the Settlement Price on an Averaging Date _(i)
n	=	the total number of Averaging Dates

Any amount determined pursuant to the above, if not an amount in the Specified Currency, will be converted into the Specified Currency at the Exchange Rate specified in the applicable C&W Final Terms for the purposes of determining the Cash Settlement Amount. The Cash Settlement Amount will be rounded to the nearest two decimal places (or, in the case of Yen, the nearest whole unit) in the relevant Specified Currency, 0.005 (or, in the case of Yen, half a unit) being rounded in accordance with applicable market convention, with Warrants exercised at the same time by the same Warrantholder being aggregated for the purpose of determining the aggregate Cash Settlement Amounts payable in respect of such Warrants or, if Units are specified in the applicable C&W Final Terms, such Units, as the case may be.

Subject as provided herein, except where "*Automatic Exercise*" and "*Automatic Exercise: No delivery of C&W Exercise Notice*" are each specified as applying in the applicable C&W Final Terms, the Issuer shall on the Settlement Date pay or cause to be paid the Cash Settlement Amount (if any) for each duly exercised Warrant or, if Units are specified in the applicable C&W Final Terms, each duly exercised Unit, as the case

may be, to the Warrantholder's account specified in the relevant C&W Exercise Notice for value on the Settlement Date less any *pro rata* share of Expenses not already paid, such payment to be made in accordance with the rules of Clearstream, Luxembourg or Euroclear, as the case may be.

Subject as provided herein, where "*Automatic Exercise*" and "*Automatic Exercise: No delivery of C&W Exercise Notice*" are each specified as applying in the applicable C&W Final Terms, the Issuer shall on the Settlement Date pay or cause to be paid the Cash Amount Settlement Amount (if any) for each automatically exercised Warrant or, if Units are specified in the applicable C&W Final Terms, each automatically exercised Unit, as the case may be, to, or to the order of, the Common Depositary for the account of the relevant Warrantholders for value on the Settlement Date less any *pro rata* share of Expenses not already paid, such payment to be made in accordance with the rules of Clearstream, Luxembourg or Euroclear, as the case may be.

(c) *Physical Settlement for Warrants*

(i) Exercise Rights in relation to Warrants which are Physical Delivery C&W Securities

If the Warrants are Physical Delivery C&W Securities, each such Warrant or, if Units are specified in the applicable C&W Final Terms, each Unit, as the case may be, entitles its holder, upon due exercise and subject to certification as to non-U.S. beneficial ownership, to receive from the Issuer on the Settlement Date the Asset Amount subject to payment by the Warrantholder of the relevant Exercise Price (if any) specified in the applicable C&W Final Terms and any other sums payable. The method of delivery of the Asset Amount and how it will be evidenced are set out in the applicable C&W Final Terms.

Warrants or, if Units are specified in the applicable C&W Final Terms, Units, as the case may be, exercised at the same time by the same Warrantholder will be aggregated for the purpose of determining the aggregate Asset Amounts in respect of such Warrants or Units, as the case may be, provided that the aggregate Asset Amounts in respect of the same Warrantholder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be and as specified in the applicable C&W Final Terms, in such manner as the Issuer shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered, and in lieu thereof the relevant Warrantholder will receive an amount in the Specified Currency equal to the value of any such fractions after such aggregation as calculated by the Calculation Agent from such source(s) as it may select (and converted, if necessary, into the Specified Currency by reference to such exchange rate as the Calculation Agent deems appropriate). Payment of any such amount will be made to the account specified by the Warrantholder in the relevant C&W Exercise Notice as referred to in Base C&W Condition 6(a) (*C&W Exercise Notice for Warrants*) or in such manner as shall be notified to the Warrantholders in accordance with Base General Condition 13 (*Notices*).

For the purposes of any Warrant which is a Physical Delivery C&W Security (A) the Issuer shall be under no obligation to register or procure the registration of any Warrantholder or any other person as the registered shareholder in the register of members of any Relevant Asset and (B) the Issuer shall not be obliged to account to any Warrantholder or any person for any entitlement received or that is receivable in respect of any Relevant Assets comprising the Asset Amount in respect of any Warrant or Unit if the date on which the Relevant Assets are first traded on the relevant Exchange ex such entitlement is on or prior to the Actual Exercise Date.

Subject as provided herein and subject to payment of the aggregate Exercise Prices and payment of any Expenses with regard to the relevant Warrants or, if Units are specified in the applicable C&W Final Terms, relevant Units, as the case may be, the Issuer shall on the Settlement Date deliver, or procure the delivery of, the Asset Amount for each duly exercised Warrant or Unit, as the case may be, pursuant to the details specified in the applicable C&W Exercise Notice. Subject as provided in this Base C&W Condition 5(c) and Base C&W Condition 5(d) (*Failure to Deliver due to Illiquidity*), the Asset Amount shall be delivered and evidenced in such manner as set out in the applicable C&W Final Terms.

After delivery of the Asset Amount and for the Intervening Period, none of the Issuer, the Calculation Agent and any other person shall at any time (x) be under any obligation to deliver or procure delivery to any Warrantholder of any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of the Asset Amount, (y) be under any obligation to exercise or procure exercise of any or all rights attaching to the Asset Amount or (z) be under any liability to a Warrantholder in respect of any loss or damage which such Warrantholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of the Asset Amount.

"Intervening Period" means such period of time as any person other than the relevant Warrantholder shall continue to be registered as the legal owner of any securities or other obligations comprising the Asset Amount.

(ii) Settlement Disruption

If, following the exercise of Physical Delivery C&W Securities, in the opinion of the Calculation Agent, delivery of the Asset Amount using the method of delivery specified in the applicable C&W Final Terms is not practicable by reason of a Settlement Disruption Event (as defined below) subsisting on any Settlement Date, then such Settlement Date for such Warrants shall be postponed to the first following Settlement Business Day in respect of which no Settlement Disruption Event is subsisting, provided that the Issuer may elect in its sole and absolute discretion to satisfy its obligations in respect of the relevant Warrant or, if Units are specified in the applicable C&W Final Terms, the relevant Unit, as the case may be, by delivering the Asset Amount using such other manner as it may select in its sole and absolute discretion and, in such event, the Settlement Date shall be such day as the Issuer deems appropriate in its sole and absolute discretion in connection with delivery of the Asset Amount in such other manner. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Asset Amount, the Settlement Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Settlement Date. If a Settlement Disruption Event will result in the delivery on a Settlement Date of some but not all of the Relevant Assets comprising the Asset Amount, the Calculation Agent shall determine the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Warrantholder in respect of that partial settlement.

For so long as delivery of any Relevant Assets comprising the Asset Amount is not practicable by reason of a Settlement Disruption Event, then, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole and absolute discretion to satisfy its obligations in respect of the relevant Warrant or, if Units are specified in the applicable C&W Final Terms, the relevant Unit, as the case may be, by payment to the relevant Warrantholder of the Disruption Cash Settlement Price not later than the fifth Business Day following the date that notice of such election is given to the Warrantholders in accordance with Base General Condition 13 (*Notices*). Payment of the Disruption Cash Settlement Price will be made to the account specified by the Warrantholder in the relevant C&W Exercise Notice as referred to in Condition 6(a) (*C&W Exercise Notice for Warrants*) or in such manner as shall be notified to the Warrantholders in accordance with Base General Condition 13 (*Notices*). The Calculation Agent shall give notice as soon as practicable to the Warrantholders in accordance with Base General Condition 13 (*Notices*) that a Settlement Disruption Event has occurred.

No Warrantholder shall be entitled to any payment in respect of the relevant Warrant or, if Units are specified in the applicable C&W Final Terms, the relevant Unit, as the case may be, in the event of any delay in the delivery of any Relevant Assets comprising the Asset Amount due to the occurrence of a Settlement Disruption Event and the Issuer shall not be in breach of these Base C&W Conditions and no liability in respect thereof shall attach to the Issuer.

For the purposes hereof:

"Disruption Cash Settlement Price", in respect of any relevant Warrant or, if Units are specified in the applicable C&W Final Terms, any relevant Unit, as the case may be, shall be the fair market

value of such Warrant or Unit, as the case may be, on a day selected by the Issuer in its sole and absolute discretion, provided that such day is not more than 15 days prior to the date that the Calculation Agent gives notice to the Warrantheolders that a Settlement Disruption Event has occurred as provided above (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Asset Amount and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets and, taking into account in all cases, such amount of the Exercise Price as has been paid), and if Unwind Costs are specified as applicable in the relevant C&W Final Terms, adjusted to account fully of Unwind Costs.

“Settlement Disruption Event” means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer as a result of which delivery of the Relevant Asset(s) by or on behalf of the Issuer using the method specified in the applicable C&W Final Terms is not practicable.

(d) *Failure to Deliver due to Illiquidity*

If “Failure to Deliver due to Illiquidity” is specified as applying in the applicable C&W Final Terms and, following the exercise of such Warrants, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the **“Affected Relevant Assets”**) comprising the Asset Amount, where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a **“Failure to Deliver”**), then:

- (i) subject as provided elsewhere in these Base C&W Conditions, any Relevant Assets which are not Affected Relevant Assets will be delivered on the originally designated Settlement Date in accordance with Base C&W Condition 5(c)(i) (*Exercise Rights in relation to Warrants which are Physical Delivery C&W Securities*) and the Calculation Agent shall determine the appropriate *pro rata* portion of the Exercise Price to be paid by the relevant Warrantheolder in respect of that partial settlement; and
- (ii) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole and absolute discretion in lieu of delivery of the Affected Relevant Assets to pay to the relevant Warrantheolder the Failure to Deliver Settlement Price no later than the fifth Business Day following the date that notice of such election is given to the Warrantheolders in accordance with Base General Condition 13 (*Notices*). Payment of the Failure to Deliver Settlement Price will be made to the account specified by the Warrantheolder in the relevant C&W Exercise Notice referred to in Base C&W Condition 6(a) (*C&W Exercise Notice for Warrants*) or in such manner as shall be notified to the Warrantheolders in accordance with Base General Condition 13 (*Notices*). The Calculation Agent shall give notice as soon as practicable to the Warrantheolders in accordance with Base General Condition 13 (*Notices*) that the provisions of this Base C&W Condition 5(d) apply. If the Issuer does not so elect, the provisions of Base C&W Condition 5(c)(ii) (*Settlement Disruption*) shall apply.

For the purposes hereof:

“Failure to Deliver Settlement Price”, in respect of any relevant Warrant or, if Units are specified in the applicable C&W Final Terms, any relevant Unit, as the case may be, shall be the fair market value of the Affected Relevant Assets on a day selected by the Issuer in its sole and absolute discretion prior to the date on which the Calculation Agent gives notice to the Warrantheolders as provided above (taking into account the *pro rata* portion of the Exercise Price paid or payable in relation to the Affected Relevant Assets) and, if Unwind Costs are specified as applicable in the relevant C&W Final Terms, adjusted to account fully of Unwind Costs.

(e) *Variation of Settlement*

If the applicable C&W Final Terms specify that the Issuer has an option to vary settlement in respect of the Warrants, following a valid exercise of Warrants in accordance with these Base C&W Conditions, the Issuer may, in its sole and absolute discretion in respect of each such Warrant or, if Units are specified in the applicable C&W Final Terms, each Unit, elect not to pay the relevant Warrantheolders the Cash Settlement

Amount or not to deliver or procure delivery of the Asset Amount to the relevant Warrantholders, as the case may be, but, in lieu thereof, to deliver or procure delivery of the Asset Amount or make payment of the Cash Settlement Amount on the Settlement Date to the relevant Warrantholders, as the case may be. Notification of any such election will be given to Warrantholders no later than the relevant Clearing System Cut-off Time on the second Business Day prior to the Actual Exercise Date in accordance with Base General Condition 13 (*Notices*).

(f) *General*

In relation to any Warrants where Automatic Exercise is specified as applying in the applicable C&W Final Terms, the expressions “**exercise**”, “**due exercise**” and related expressions shall be construed to apply to any such Warrants which are automatically exercised in accordance with the above provisions.

The purchase of Warrants does not confer on any Warrantholder any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Asset.

All references in this Base C&W Condition to “**Luxembourg or Brussels time**” shall, where Warrants are cleared through an additional or Alternative Clearing System, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

6 Exercise Procedure: THIS CONDITION IS APPLICABLE FOR ISSUES OF WARRANTS ONLY

(a) *C&W Exercise Notice for Warrants*

To exercise Warrants, instructions in the form and with the content prescribed by the relevant Clearing System through which the relevant Warrantholder exercises its Warrants (a “**C&W Exercise Notice**”) must be given to that Clearing System or in accordance with the provisions set out in Base C&W Condition 5 (*Exercise Rights*) and this Base C&W Condition 6. In addition, the Warrantholder must undertake to pay all Expenses or other taxes or duties in relation to the Warrants or, if Units are specified in the applicable C&W Final Terms, the Units being exercised and authorise the relevant Clearing System to deduct an amount in respect thereof from any Cash Settlement Amount due to such Warrantholder and to pay it to the order of the Issuer and, in the case of Warrants which are Physical Delivery C&W Securities, the C&W Exercise Notice shall:

- (i) include such details as are required for delivery of the Asset Amount which may include account details and/or the name and address of any person(s) into whose name evidence of the Asset Amount is to be registered and/or any bank, broker or agent to whom documents evidencing the Asset Amount are to be delivered;
- (ii) certify, *inter alia*, that the beneficial owner of each Warrant or, if Units are specified in the applicable C&W Final Terms, each Unit, as the case may be, being exercised is not a U.S. person (as defined in the C&W Exercise Notice) or a person who has purchased such Warrant for resale to U.S. persons, that the Warrant or Unit, as the case may be, is not being exercised within the United States or on behalf of a U.S. person and that no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with the exercise thereof; and
- (iii) authorise the production of such certification in any applicable administrative or legal proceedings.

(b) *Verification of the Warrantholder for Warrants*

Upon receipt of a C&W Exercise Notice, Clearstream, Luxembourg or Euroclear, as the case may be, shall verify that the person exercising the Warrants is the Warrantholder thereof according to the books of Clearstream, Luxembourg or Euroclear, as the case may be. Subject thereto, Clearstream, Luxembourg or Euroclear, as the case may be, will confirm to the Principal Certificate and Warrant Agent the Series number and the number of Warrants being exercised and the account details, if applicable, for the payment of the Cash Settlement Amount or, as the case may be, the details for the delivery of the Asset Amount in

respect of each Warrant or, if Units are specified in the applicable C&W Final Terms, each Unit, as the case may be, being exercised. Upon receipt of such confirmation, the Principal Certificate and Warrant Agent will inform the Issuer thereof. Clearstream, Luxembourg or Euroclear, as the case may be, will on or before the Settlement Date debit the account of the relevant Warrantheader with the Warrants being exercised. If the Warrants are American Style Warrants, upon exercise of less than all the Warrants constituted by the Global Security, the Common Depository will, on the instructions of, and on behalf of, the Principal Certificate and Warrant Agent, note such exercise on the Schedule to such Global Security and the number of Warrants so constituted shall be reduced by the cancellation *pro tanto* of the Warrants so exercised.

(c) *Determinations for Warrants*

Any determination as to whether a C&W Exercise Notice is duly completed and in proper form shall be made by Clearstream, Luxembourg or Euroclear, as the case may be, in either case, in consultation with the Principal Certificate and Warrant Agent and the Issuer, and shall be conclusive and binding on the Issuer, the Certificate and Warrant Agents and the relevant Warrantheader. Subject as set out below, any C&W Exercise Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Certificate and Warrant Agent and the Issuer immediately after being delivered or sent to Clearstream, Luxembourg or Euroclear as provided in paragraph (a) above, shall be null and void.

If such C&W Exercise Notice is subsequently corrected to the satisfaction of Clearstream, Luxembourg or Euroclear, as the case may be, in consultation with the Principal Certificate and Warrant Agent and the Issuer, it shall be deemed to be a new C&W Exercise Notice submitted at the time such correction was delivered (and copied, as the case may be).

If Automatic Exercise is not specified as applying in the applicable C&W Final Terms, any Warrant with respect to which the C&W Exercise Notice has not been duly completed and delivered in the manner set out above by the Cut-Off Time specified in Base C&W Condition 5(a)(i) (*American Style Warrants*), in the case of American Style Warrants, or Base C&W Condition 5(a)(ii) (*European Style Warrants*), in the case of European Style Warrants, shall become void, provided that no Warrant that is a Physical Delivery C&W Security shall become void but shall, if the C&W Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Base C&W Condition 5(a)(i) (*American Style Warrants*), in the case of American Style Warrants, or Base C&W Condition 5(a)(ii) (*European Style Warrants*), in the case of European Style Warrants, be deemed to be a Cash Settled C&W Security to which "*Automatic Exercise: No delivery of C&W Exercise Notice*" is applicable.

The Issuer or the Principal Certificate and Warrant Agent shall use reasonable endeavours promptly to notify the Warrantheader submitting a C&W Exercise Notice if it has been determined as provided above that such C&W Exercise Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Certificate and Warrant Agents, Clearstream, Luxembourg and Euroclear shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Warrantheader.

(d) *Delivery of a C&W Exercise Notice*

Delivery of a C&W Exercise Notice shall constitute an irrevocable election by the relevant Warrantheader to exercise the Warrants specified. After the delivery of such C&W Exercise Notice, such exercising Warrantheader may not transfer such Warrants. Notwithstanding this, if any C&W Securityholder does so transfer or attempts so to transfer such C&W Securities, the C&W Securityholder will be liable to the Issuer for any Expenses suffered or incurred by the Issuer, including those suffered or incurred as a consequence of the Issuer having terminated or commenced any related hedging operations in reliance on the relevant C&W Exercise Notice and subsequently (i) entering into replacement hedging operations in respect of such Securities or (ii) paying any amount on the subsequent exercise of such Securities without having entered into any replacement hedging operations.

(e) *Automatic Exercise*

This paragraph (e) only applies if Automatic Exercise is specified as applying in the applicable C&W Final Terms and the Warrants are automatically exercised as provided in Base C&W Condition 5(a)(i) (*American Style Warrants*) or Base C&W Condition 5(a)(ii) (*European Style Warrants*) (to be so automatically exercised, the Warrants must be, in the determination of the Calculation Agent, In-The-Money).

- (i) “*Automatic Exercise: Exercise Notice by Cut-off Date*” may only be specified as applying to Cash Settled C&W Securities in the applicable C&W Final Terms. If it is specified in respect of a Physical Delivery C&W Security, and if the C&W Exercise Notice has not been duly completed and delivered in the manner set out above by the cut-off time specified in Base C&W Condition 5(a)(i) (*American Style Warrants*), in the case of American Style Warrants, or Base C&W Condition 5(a)(ii) (*European Style Warrants*), in the case of European Style Warrants, such Physical Delivery C&W Security shall be deemed to be a Cash Settled C&W Security in respect of which “*Automatic Exercise: No delivery of C&W Exercise Notice*” is specified.

If “*Automatic Exercise: Exercise Notice by Cut-off Date*” is specified as applying to Cash Settled C&W Securities in the applicable C&W Final Terms, then in order to receive the Cash Settlement Amount in respect of a Warrant, or, if Units are specified in the applicable C&W Final Terms, a Unit, as the case may be, the relevant Warrantholder must deliver or send by authenticated SWIFT message (or such other method acceptable to the relevant Clearing System) (confirmed in writing) a duly completed C&W Exercise Notice to Clearstream, Luxembourg or Euroclear, as the case may be, with a copy to the Principal Certificate and Warrant Agent and the Issuer on any Business Day until not later than the relevant Clearing System Cut-off Time, on the day (the “**Cut-off Date**”) falling 180 days after (A) the Expiration Date, in the case of American Style Warrants, or (B) the Actual Exercise Date, in the case of European Style Warrants. The C&W Exercise Notice shall include the applicable information set out in the C&W Exercise Notice referred to in Base C&W Condition 6(a) (*C&W Exercise Notice for Warrants*). The Business Day during the period from the Expiration Date or the Actual Exercise Date, as the case may be, until the Cut-off Date on which a C&W Exercise Notice is delivered to Clearstream, Luxembourg or Euroclear, as the case may be, and a copy thereof delivered to the Principal Certificate and Warrant Agent and the Issuer is referred to in this Base C&W Condition 6(e) as the “**C&W Exercise Notice Delivery Date**”, provided that, if the C&W Exercise Notice is received by Clearstream, Luxembourg or Euroclear, as the case may be, or if the copy thereof is received by the Principal Certificate and Warrant Agent and the Issuer after the relevant Clearing System Cut-off Time, on any Business Day, such C&W Exercise Notice shall be deemed to have been delivered on the next Business Day, which Business Day shall be deemed to be the C&W Exercise Notice Delivery Date.

Subject to the relevant Warrantholder performing its obligations in respect of the relevant Warrant or, if Units are specified in the applicable C&W Final Terms, the relevant Unit, as the case may be, in accordance with these Base C&W Conditions, the Settlement Date for such Warrants or Units, as the case may be, shall, subject as provided herein, be the fifth Business Day following the C&W Exercise Notice Delivery Date.

If a Warrantholder does not so deliver a C&W Exercise Notice in accordance with this Base C&W Condition 6(e) at or prior to the relevant Clearing System Cut-off Time, on the Cut-off Date, the Issuer’s obligations in respect of such Warrants shall be discharged and no further liability in respect thereof shall attach to the Issuer.

- (ii) If “*Automatic Exercise: No delivery of C&W Exercise Notice*” is specified as applying in the applicable C&W Final Terms, or is deemed to apply to a Physical Delivery C&W Security pursuant to Base C&W Condition 5(a) (*Exercise Period and Exercise Date*) or this Base C&W Condition 6, then, in order to receive the Cash Settlement Amount, the relevant

Warrantholder will not be required to deliver or send a C&W Exercise Notice or any other form of notification and any such Warrant will be settled pursuant to and subject as provided herein.

(f) *Exercise Risk*

Exercise of the Warrants is subject to all applicable laws, regulations and practices in force on the relevant Exercise Date and none of the Issuer and the Certificate and Warrant Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer and the Certificate and Warrant Agents shall under any circumstances be liable for any acts or defaults of any of the Common Depositary, Clearstream, Luxembourg or Euroclear in relation to the performance of its duties in relation to the Warrants.

The Issuer will be discharged by payment or delivery to, or to the order of, the Common Depositary or Clearstream, Luxembourg or Euroclear, as the case may be, in respect of the amount so paid or delivered. Each of the persons shown in the records of Clearstream, Luxembourg or Euroclear, as the case may be, as the holder of a particular number of Warrants, must look solely to Clearstream, Luxembourg or Euroclear, as the case may be, for his share of each such payment or delivery so made to, or to the order of, Clearstream, Luxembourg or Euroclear, as the case may be.

7 Minimum and Maximum Number of Warrants Exercisable: THIS CONDITION IS APPLICABLE FOR ISSUES OF WARRANTS ONLY

(a) *American Style Warrants*

This paragraph (a) applies only to American Style Warrants.

- (i) The number of Warrants exercisable by any Warrantholder on any Actual Exercise Date, or, in the case of Automatic Exercise, the number of Warrants held by any Warrantholder on any Actual Exercise Date, in each case as determined by the Issuer, must not be less than the Minimum Exercise Number specified in the applicable C&W Final Terms and, if specified in the applicable C&W Final Terms, if a number greater than the Minimum Exercise Number, must be an integral multiple of the number specified in the applicable C&W Final Terms. Any C&W Exercise Notice which purports to exercise Warrants in breach of this Base C&W Condition 7 shall, unless the Issuer otherwise decides, in its sole and absolute discretion, be void and of no effect.
- (ii) If the Issuer determines that the number of Warrants being exercised on any Actual Exercise Date by any Warrantholder or a group of Warrantholders (whether or not acting in concert) exceeds the Maximum Exercise Number (a number equal to the Maximum Exercise Number being the “**Quota**”), the Issuer may deem the Actual Exercise Date for the first Quota of such Warrants, selected in the sole and absolute discretion of the Issuer, to be such day and the Actual Exercise Date for each additional Quota of such Warrants (and any remaining number thereof) to be each of the succeeding Business Days until all such Warrants have been attributed with an Actual Exercise Date, provided, however, that the deemed Actual Exercise Date for any such Warrants which would thereby fall after the Expiration Date shall fall on the Expiration Date. In any case where more than the Quota of Warrants are exercised on the same day by Warrantholder(s), the order of settlement in respect of such Warrants shall be at the sole and absolute discretion of the Issuer.

(b) *European Style Warrants*

This paragraph (b) applies only to European Style Warrants.

The number of Warrants exercisable by any Warrantholder on the Exercise Date as determined by the Issuer must not be less than the Minimum Exercise Number specified in the applicable C&W Final Terms and, if specified in the applicable C&W Final Terms, if a number greater than the Minimum Exercise

Number, must be an integral multiple of the number specified in the applicable C&W Final Terms. Any C&W Exercise Notice which purports to exercise Warrants in breach of this provision shall, unless the Issuer otherwise decides, in its sole and absolute discretion, be void and of no effect.

8 Redemption and Redemption Procedure for Redeemable Certificates: THIS CONDITION IS APPLICABLE FOR ISSUES OF REDEEMABLE CERTIFICATES ONLY

(a) Redemption

Subject as provided in these Base C&W Conditions and as specified in the applicable C&W Final Terms, each Redeemable Certificate or, if Units are specified as applicable in the relevant Final Terms, each Unit, will be redeemed by the Issuer:

- (i) in the case of a Cash Settled C&W Security, by payment of the Cash Settlement Amount; or
- (ii) in the case of a Physical Delivery C&W Security, subject as provided herein, by delivery of the Asset Amount,

such redemption to occur in either case, subject as provided below, on the Redemption Date. If (A) the date for payment of any amount in respect of the Redeemable Certificates is not a Business Day, the Redeemable Certificateholder shall not be entitled to payment until the next following Business Day and shall not be entitled to any further payment in respect of such delay or (B) the date for delivery of any Asset Amount in respect of the Redeemable Certificates is not a Settlement Business Day, the Redeemable Certificateholder shall not be entitled to delivery of the Asset Amount until the next following Settlement Business Day.

(b) Redemption at the Option of the Issuer

If Call Option is specified as applicable, the Issuer may, on giving not less than five Business Days irrevocable notice to the Redeemable Certificateholders (or such other notice period as may be specified hereon), redeem all or, if so provided, some only of the Redeemable Certificates on any Optional Redemption Date. Any such redemption of Redeemable Certificates or, if Units are specified as applicable in the relevant Final Terms, each Unit shall be at their Optional Redemption Amount, together with interest accrued to the date fixed for redemption, if applicable. Any such redemption or exercise must relate to Redeemable Certificates of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Redeemable Certificates in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Base C&W Condition 8.

In the case of a partial redemption, the notice to Redeemable Certificateholders shall also contain the number of Redeemable Certificates to be redeemed which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws, stock exchange requirements or the requirements of any other relevant authority.

(c) Cash Settlement

Subject as provided herein, if the Redeemable Certificates are Cash Settled C&W Securities, each Redeemable Certificate entitles its holder to receive from the Issuer, on the Redemption Date, the Cash Settlement Amount, which shall be calculated pursuant to Additional Condition 2.2 (*Redemption of Cash Settled Securities that are Equity Linked Redeemable Certificates*) in the case of Equity Linked Redeemable Certificates, and which shall in the case of all other types of Redeemable Certificates be an amount per Calculation Amount specified in the relevant Final Terms. The Issuer shall on the Redemption Date pay or cause to be paid the Cash Settlement Amount for each Redeemable Certificate to, or to the order of, the Common Depository for the account of the relevant Redeemable Certificateholders, for value

on the Redemption Date less any Expenses, such payment to be made in accordance with the rules of Clearstream, Luxembourg or Euroclear, as the case may be.

(d) *Physical Settlement for Redeemable Certificates*

(1) Asset Transfer Notices

In relation to Redeemable Certificates which are Physical Delivery C&W Securities, in order to obtain delivery of the Asset Amount(s) in respect of any Redeemable Certificate, or, if Units are specified as applicable in the relevant Final Terms, each Unit, the relevant Redeemable Certificateholder must deliver, or send by authenticated SWIFT message (or such other method acceptable to the relevant Clearing System), to Clearstream, Luxembourg or Euroclear (as applicable) with a copy to the Principal Certificate and Warrant Agent and the Issuer, in each case, not later than the relevant Clearing System Cut-off Time on the date (the “**Cut-off Date**”) falling two Business Days prior to the Redemption Date, a duly completed asset transfer notice (an “**Asset Transfer Notice**”) in the form set out in the Agency Agreement (copies of which form may be obtained from Clearstream, Luxembourg, Euroclear and the Certificate and Warrant Agents during normal office hours) in accordance with the provisions set out in this Base C&W Condition 8.

The Asset Transfer Notice shall:

- (i) specify the Series number of the Redeemable Certificates and the number of Redeemable Certificates the subject of the Asset Transfer Notice;
- (ii) specify the number of the Redeemable Certificateholder’s account at Clearstream, Luxembourg or Euroclear, as the case may be, to be debited with such Redeemable Certificates;
- (iii) irrevocably instruct Clearstream, Luxembourg or Euroclear, as the case may be, to debit on or before the Redemption Date the relevant Redeemable Certificateholder’s account with the relevant Redeemable Certificates;
- (iv) include an undertaking to pay all Expenses or other taxes or duties arising from the redemption of such Redeemable Certificates and an authority to Clearstream, Luxembourg or Euroclear, as the case may be, to debit a specified account of the Redeemable Certificateholder at Clearstream, Luxembourg or Euroclear, as the case may be, in respect thereof and to pay such Expenses or other taxes or duties;
- (v) include such details as are required by the applicable C&W Final Terms for delivery of the Asset Amount which may include account details and/or the name and address of any person(s) into whose name evidence of the Asset Amount is to be registered and/or any bank, broker or agent to whom documents evidencing the Asset Amount are to be delivered and specify the name and number of the Redeemable Certificateholder’s account with Euroclear or Clearstream, Luxembourg, as the case may be, to be credited with any cash payable by the Issuer, either in respect of any cash amount constituting the Asset Amount or any dividends relating to the Asset Amount, or as a result of the occurrence of a Settlement Disruption Event and the Issuer electing to pay the Disruption Cash Settlement Price, or as a result of the occurrence of a Failure to Deliver and the Issuer electing to pay the Failure to Deliver Settlement Price;
- (vi) certify, *inter alia*, that the beneficial owner of each Redeemable Certificate is not a U.S. person (as defined in the Asset Transfer Notice) or a person who purchased such Redeemable Certificate for resale to U.S. persons, that the Redeemable Certificate is not being redeemed within the United States or on behalf of a U.S. person and no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with any redemption thereof; and

- (vii) authorise the production of such certification in any applicable administrative or legal proceedings, all as provided in the Agency Agreement.

If Base C&W Condition 8(e) (*Variation of Settlement*) applies, the form of Asset Transfer Notice required to be delivered will be different from that set out above.

(2) Verification of the Redeemable Certificateholder

Upon receipt of an Asset Transfer Notice, Clearstream, Luxembourg or Euroclear, as the case may be, shall verify that the person delivering the Asset Transfer Notice is the holder of the Redeemable Certificates described therein according to the books of Clearstream, Luxembourg or Euroclear, as the case may be. Subject thereto, Clearstream, Luxembourg or Euroclear, as the case may be, will confirm to the Principal Certificate and Warrant Agent the Series number and number of Redeemable Certificates the subject of such notice and the details for the delivery of the Asset Amount in respect of each Redeemable Certificate. Upon receipt of such confirmation, the Principal Certificate and Warrant Agent will inform the Issuer thereof. Clearstream, Luxembourg or Euroclear, as the case may be, will on or before the Delivery Date debit the account of the relevant Redeemable Certificateholder with the relevant Redeemable Certificates.

(3) Determinations

Any determination as to whether an Asset Transfer Notice is duly completed and in proper form shall be made by Clearstream, Luxembourg or Euroclear, as the case may be, in each case, in consultation with the Principal Certificate and Warrant Agent and the Issuer, and shall be conclusive and binding on the Issuer, the Certificate and Warrant Agents and the relevant Redeemable Certificateholder. Subject as set out below, any Asset Transfer Notice so determined to be incomplete or not in proper form, or which is not copied to the Principal Certificate and Warrant Agent and the Issuer immediately after being delivered or sent to Clearstream, Luxembourg or Euroclear, as the case may be, as provided in Base C&W Condition 8(d)(1) (*Asset Transfer Notices*), shall be null and void.

If such Asset Transfer Notice is subsequently corrected to the satisfaction of Clearstream, Luxembourg or Euroclear, as the case may be, in consultation with the Principal Certificate and Warrant Agent and the Issuer, it shall be deemed to be a new Asset Transfer Notice submitted at the time such correction was delivered to Clearstream, Luxembourg or Euroclear, as the case may be, and copied to the Principal Certificate and Warrant Agent and the Issuer.

The Issuer shall use reasonable endeavours promptly to notify the Redeemable Certificateholder submitting an Asset Transfer Notice if it has been determined as provided above that such Asset Transfer Notice is incomplete or not in proper form. In the absence of negligence or wilful misconduct on its part, none of the Issuer, the Certificate and Warrant Agents, Clearstream, Luxembourg and Euroclear shall be liable to any person with respect to any action taken or omitted to be taken by it in connection with such determination or the notification of such determination to a Redeemable Certificateholder.

(4) Delivery of an Asset Transfer Notice

After delivery of an Asset Transfer Notice, the relevant Redeemable Certificateholder may not transfer the Redeemable Certificates which are the subject of such notice.

(5) Delivery of the Asset Amount

Subject as provided herein, the Issuer shall deliver, or procure the delivery of, the Asset Amount for each duly redeemed Certificate herein on the Redemption Date (such date, subject to adjustment in accordance with this Base C&W Condition 8, the "**Delivery Date**") pursuant to the details specified in the applicable Asset Transfer Notice, provided that the Asset Transfer Notice is duly delivered to Clearstream, Luxembourg or Euroclear, as the case may be, with a copy to the Principal Certificate and Warrant Agent and the Issuer, as provided above on or prior to the Cut-off Date. Subject as provided in Base C&W Condition 8(d)(6) (*Settlement Disruption*) and Base C&W Condition 8(d)(7)

(*Failure to Deliver due to Illiquidity*), the Asset Amount shall be delivered and evidenced in such manner as set out in the applicable C&W Final Terms.

If a Redeemable Certificateholder fails to give an Asset Transfer Notice as provided herein with a copy to the Principal Certificate and Warrant Agent and the Issuer, on or prior to the Cut-off Date, then the Asset Amount will be delivered as soon as practicable after the Redemption Date (in which case, such date of delivery shall be the Delivery Date for the relevant Redeemable Certificates) at the risk of such Redeemable Certificateholder in the manner provided herein. For the avoidance of doubt, in such circumstances such Redeemable Certificateholder shall not be entitled to any payment, whether of interest or otherwise, as a result of such Delivery Date falling after the Redemption Date, and no liability in respect thereof shall attach to the Issuer, **PROVIDED THAT, if a Redeemable Certificateholder does not so deliver an Asset Transfer Notice in accordance with this Base C&W Condition 8(d) at or prior to the relevant Clearing System Cut-off Time, on the date falling 180 days after the Cut-off Date, the Issuer's obligations in respect of such Redeemable Certificates shall be discharged and no further liability in respect thereof shall attach to the Issuer.**

All Expenses arising from the delivery of the Asset Amount in respect of such Redeemable Certificates shall be for the account of the relevant Redeemable Certificateholder and no delivery of the Asset Amount shall be made until all Expenses have been paid to the satisfaction of the Issuer by the relevant Redeemable Certificateholder.

Redeemable Certificates held by the same Redeemable Certificateholder will be aggregated for the purpose of determining the aggregate Asset Amounts in respect of such Redeemable Certificates or Units, as the case may be, provided that the aggregate Asset Amounts in respect of the same Redeemable Certificateholder will be rounded down to the nearest whole unit of the Relevant Asset or each of the Relevant Assets, as the case may be, in such manner as the Issuer shall determine. Therefore, fractions of the Relevant Asset or of each of the Relevant Assets, as the case may be, will not be delivered and in lieu thereof the relevant Redeemable Certificateholder will receive an amount in the Specified Currency equal to the value of any such fractions after such aggregation as calculated by the Calculation Agent from such source(s) as it may select (and converted, if necessary, into the Specified Currency by reference to such exchange rate as the Calculation Agent deems appropriate). Payment of any such amount will be made to the account specified by the Redeemable Certificateholder in the relevant Asset Transfer Notice as referred to in Base C&W Condition 8(d)(1)(v) or in such manner as shall be notified to the Redeemable Certificateholders in accordance with Base General Condition 13 (*Notices*).

After delivery of the Asset Amount and for the Intervening Period, none of the Issuer, the Calculation Agent and any other person shall at any time (i) be under any obligation to deliver or procure delivery to any Redeemable Certificateholder of any letter, certificate, notice, circular or any other document or, except as provided herein, payment whatsoever received by that person in respect of the Asset Amount, (ii) be under any obligation to exercise or procure exercise of any or all rights attaching to the Asset Amount or (iii) be under any liability to a Redeemable Certificateholder in respect of any loss or damage which such Redeemable Certificateholder may sustain or suffer as a result, whether directly or indirectly, of that person being registered during such Intervening Period as legal owner of the Asset Amount.

"Intervening Period" means such period of time as any person other than the relevant Redeemable Certificateholder shall continue to be regarded as the legal owner of any securities or other obligations comprising the Asset Amount.

(6) Settlement Disruption

If, in the opinion of the Calculation Agent, delivery of the Asset Amount using the method of delivery specified in the applicable C&W Final Terms is not practicable by reason of a Settlement Disruption Event (as defined below) subsisting on any Delivery Date, then such Delivery Date for such Redeemable Certificates shall be postponed to the first following Settlement Business Day in

respect of which no Settlement Disruption Event is subsisting, provided that the Issuer may elect in its sole and absolute discretion to satisfy its obligations in respect of the relevant Redeemable Certificate or Unit, as the case may be, by delivering the Asset Amount using such other commercially reasonable manner as it may select and, in such event, the Delivery Date shall be such day as the Issuer deems appropriate in connection with delivery of the Asset Amount in its sole and absolute discretion. For the avoidance of doubt, where a Settlement Disruption Event affects some but not all of the Relevant Assets comprising the Asset Amount, the Delivery Date for the Relevant Assets not affected by the Settlement Disruption Event will be the originally designated Delivery Date.

For so long as delivery of any Relevant Assets comprising the Asset Amount is not practicable by reason of a Settlement Disruption Event, then, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect in its sole and absolute discretion to satisfy its obligations in respect of the relevant Redeemable Certificate by payment to the relevant Redeemable Certificateholder of the Disruption Cash Settlement Price not later than the fifth Business Day following the date that notice of such election is given to the Redeemable Certificateholders in accordance with Base General Condition 13 (*Notices*). Payment of the Disruption Cash Settlement Price will be made to the account specified by the Redeemable Certificateholder in the relevant Asset Transfer Notice as referred to in Base C&W Condition 8(d)(1)(v) or in such manner as shall be notified to the Redeemable Certificateholders in accordance with Base General Condition 13 (*Notices*). The Calculation Agent shall give notice as soon as practicable to the Redeemable Certificateholders in accordance with Base General Condition 13 (*Notices*) that a Settlement Disruption Event has occurred.

No Redeemable Certificateholder shall be entitled to any payment in respect of the relevant Redeemable Certificate or Unit, as the case may be, in the event of any delay in the delivery of any Relevant Assets comprising the Asset Amount due to the occurrence of a Settlement Disruption Event and the Issuer shall not be in breach of these Base C&W Conditions and no liability in respect thereof shall attach to the Issuer.

For the purposes hereof:

“Disruption Cash Settlement Price”, in respect of any relevant Redeemable Certificate or Unit, as the case may be, shall be the fair market value of such Redeemable Certificate on a day selected by the Issuer in its sole and absolute discretion, provided that such day is not more than 15 days prior to the date that the Calculation Agent gives notice to the Redeemable Certificateholders that a Settlement Disruption Event has occurred as provided above (taking into account, where the Settlement Disruption Event affected some but not all of the Relevant Assets comprising the Asset Amount and such non-affected Relevant Assets have been duly delivered as provided above, the value of such Relevant Assets), and if Unwind Costs are specified as applicable in the relevant C&W Final Terms, adjusted to account fully of Unwind Costs.

“Settlement Disruption Event” means, in the opinion of the Calculation Agent, an event beyond the control of the Issuer as a result of which delivery of the Relevant Asset(s) by or on behalf of the Issuer using the method specified in the applicable C&W Final Terms is not practicable.

(7) Failure to Deliver due to Illiquidity

If “Failure to Deliver due to Illiquidity” is specified as applying in the applicable C&W Final Terms and, in the opinion of the Calculation Agent, it is impossible or impracticable to deliver, when due, some or all of the Relevant Assets (the **“Affected Relevant Assets”**) comprising the Asset Amount, where such failure to deliver is due to illiquidity in the market for the Relevant Assets (a **“Failure to Deliver”**), then:

- (i) subject as provided elsewhere in these Base C&W Conditions, any Relevant Assets which are not Affected Relevant Assets will be delivered on the originally designated Redemption Date in accordance with this Base C&W Condition 8 (subject as provided herein); and

- (ii) in respect of any Affected Relevant Assets, in lieu of physical settlement and notwithstanding any other provision hereof, the Issuer may elect, in its sole and absolute discretion in lieu of delivery of the Affected Relevant Assets, to pay to the relevant Redeemable Certificateholder the Failure to Deliver Settlement Price no later than the fifth Business Day following the date that notice of such election is given to the Redeemable Certificateholders in accordance with Base General Condition 13 (*Notices*). Payment of the Failure to Deliver Settlement Price will be made to the account specified by the Redeemable Certificateholder in the relevant Asset Transfer Notice referred to in Base C&W Condition 8(d)(1)(v) or in such manner as shall be notified to the Redeemable Certificateholders in accordance with Base General Condition 13 (*Notices*). The Calculation Agent shall give notice as soon as practicable to the Redeemable Certificateholders in accordance with Base General Condition 13 (*Notices*) that the provisions of this Base C&W Condition 8(d)(7) apply. If the Issuer does not so elect, the provisions of Base C&W Condition 8(d)(6) (*Settlement Disruption*) shall apply.

For the purposes hereof:

“Failure to Deliver Settlement Price”, in respect of any relevant Redeemable Certificate or Unit, as the case may be, shall be the fair market value of the Affected Relevant Assets on a day selected by the Issuer in its sole and absolute discretion prior to the date on which the Calculation Agent gives notice to the Redeemable Certificateholders as provided above (taking into account the *pro rata* portion of the Exercise Price paid or payable in relation to the Affected Relevant Assets), and if Unwind Costs are specified as applicable in the relevant C&W Final Terms, adjusted to account fully of Unwind Costs.

(e) *Variation of Settlement*

If the applicable C&W Final Terms specify that the Issuer has an option to vary settlement in respect of the Certificates, the Issuer may, at its sole and absolute discretion in respect of each such Certificate or Unit, as the case may be, elect not to pay the relevant Redeemable Certificateholders the Cash Settlement Amount or not to deliver or procure delivery of the Asset Amount to the relevant Redeemable Certificateholders, as the case may be, but, in lieu thereof, to deliver or procure delivery of the Asset Amount or make payment of the Cash Settlement Amount on the Redemption Date to the relevant Redeemable Certificateholders, as the case may be. Notification of such election will be given to Redeemable Certificateholders no later than the Relevant Clearing System Cut-off Time on the second Business Day prior to the Redemption Date in accordance with Base General Condition 13 (*Notices*).

(f) *General*

The purchase of Redeemable Certificates does not confer on any Redeemable Certificateholder any rights (whether in respect of voting, distributions or otherwise) attaching to any Relevant Assets.

All references in this Base C&W Condition to Luxembourg or Brussels time shall, where Redeemable Certificates are cleared through an additional or Alternative Clearing System, be deemed to refer as appropriate to the time in the city where the relevant clearing system is located.

(g) *Redemption Risk*

Redemption of the Redeemable Certificates is subject to all applicable laws, regulations and practices in force on the relevant Delivery Date and none of the Issuer and the Certificate and Warrant Agents shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. None of the Issuer and the Certificate and Warrant Agents shall under any circumstances be liable for any acts or defaults of any of the Common Depositary, Clearstream, Luxembourg, or Euroclear in relation to the performance of its duties in relation to the Redeemable Certificates.

The Issuer will be discharged by payment or delivery to, or to the order of, the Common Depositary or Clearstream, Luxembourg or Euroclear, as the case may be, in respect of the amount so paid or

delivered. Each of the persons shown in the records of Clearstream, Luxembourg or Euroclear, as the case may be, as the holder of a particular amount of the Redeemable Certificates must look solely to Clearstream, Luxembourg or Euroclear, as the case may be, for his share of each such payment or delivery so made to, or to the order of, Clearstream, Luxembourg or Euroclear, as the case may be.

9 Cancellation or Redemption due to Illegality, Change in Law or Taxation

(a) *Illegality*

If, at any time, the Issuer determines in good faith that either it has become or will become unlawful, illegal or otherwise prohibited in whole or in part or the Issuer will incur a materially increased cost (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer and/or any of its Affiliates) in performing its obligations under the C&W Securities or in holding, acquiring or disposing of any arrangement made to hedge its positions under the C&W Securities, whether under any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power (but, if not having the force of law, only if compliance with it is in accordance with the general practice of persons to whom it is intended to apply), or in the interpretation thereof (an “**Illegality**”), then the Issuer may cancel or redeem the C&W Securities by giving notice to the C&W Securityholders in accordance with Base General Condition 13 (*Notices*).

If the Issuer cancels or redeems the C&W Securities, then the Issuer will, if and to the extent permitted by applicable law, pay the Early Cancellation Amount to each C&W Securityholder in respect of each C&W Security or, if Units are specified in the applicable C&W Final Terms, each Unit, as the case may be, held by such holder. Payment will be made in such manner as shall be notified to the C&W Securityholders in accordance with Base General Condition 13 (*Notices*).

(b) *Taxation*

If the Issuer determines in good faith that either the performance of its obligations under the C&W Securities or that any arrangements made to hedge its position under the C&W Securities (i) has resulted in, or (ii) will result in (following a change in or a change in the application or scope of any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or in the interruption thereof or following a decision of any court or tribunal), the Issuer and/or any of its Affiliates not being entitled to tax relief in respect of any losses, costs or expenses incurred in relation to the C&W Securities or such hedging arrangements or any other adverse tax consequences, the Issuer may, having given not more than 30 nor less than three days’ notice to C&W Securityholders in accordance with Base General Condition 13 (*Notices*), cancel the C&W Securities.

If the Issuer cancels the C&W Securities pursuant to this Base C&W Condition 9(b), then, on a date selected by the Issuer, the Issuer will pay the Early Cancellation Amount to each C&W Securityholder in respect of each C&W Security or, if Units are specified in the applicable C&W Final Terms, each Unit, as the case may be, held by such C&W Securityholder. Payment will be made in such manner as shall be notified to the C&W Securityholders in accordance with Base General Condition 13 (*Notices*).

10 Certificate and Warrant Agents

The specified offices of the Certificate and Warrant Agents are as set out at the first page of these Base C&W Conditions.

The Issuer reserves the right at any time to vary or terminate the appointment of any Certificate and Warrant Agent and to appoint further or additional Certificate and Warrant Agents, provided that no termination of appointment of the Principal Certificate and Warrant Agent shall become effective until a replacement Principal Certificate and Warrant Agent shall have been appointed and provided that, so long as any of the C&W Securities are listed on a stock exchange, there shall be a Certificate and Warrant Agent having a specified office in each location required by the rules and regulations of the relevant listing authority or stock exchange. Notice of any termination of appointment and of any changes in the specified office of any

Certificate and Warrant Agent will promptly be given to the C&W Securityholders in accordance with Base General Condition 13 (*Notices*). In acting under the Agency Agreement, each Certificate and Warrant Agent acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the C&W Securityholders and any determinations and calculations made in respect of the C&W Securities by any Certificate and Warrant Agent shall (save in the case of manifest error) be final, conclusive and binding on the Issuer and the C&W Securityholders.

ADDITIONAL TERMS AND CONDITIONS

This section sets out additional terms and conditions for Equity Linked Securities and Securities in respect of which payments may be made in more than one currency.

The following are the terms and conditions (the “**Additional Conditions**”) that apply to Securities as may be specified in the relevant Final Terms.

The Additional Conditions are set out as follows:

Terms and Conditions for Equity Linked Securities	Chapter 1
Terms and Conditions for Alternative Currency Equivalent	Chapter 2

CHAPTER 1: TERMS AND CONDITIONS FOR EQUITY LINKED SECURITIES

THIS CHAPTER RELATES IN GENERAL TO EQUITY LINKED SECURITIES ONLY; SPECIFIC SUB-SECTIONS OF IT RELATE TO SUB-CATEGORIES OF EQUITY LINKED SECURITIES, AS STATED IN THEIR TITLES

The following are the conditions that will apply to the Securities if the relevant Final Terms indicate that Equity Linked Additional Conditions are “Applicable” (the “**Equity Linked Additional Conditions**”). In the case of any inconsistency between these Equity Linked Additional Conditions, the Base Note Conditions, the Base C&W Conditions and/or the Base General Conditions, these Equity Linked Additional Conditions will prevail.

Words and expressions defined or used in the relevant Final Terms shall have the same meanings where used in these Equity Linked Additional Conditions unless the context otherwise requires or unless otherwise stated. All capitalised terms that are not defined in these Equity Linked Additional Conditions or elsewhere in the Conditions applicable to the Equity Linked Securities will have the meanings given to them in the relevant Final Terms. References in these Equity Linked Additional Conditions to Equity Linked Notes, Equity Linked Redemption Notes or Equity Linked Interest Notes are to the Equity Linked Notes, Equity Linked Redemption Notes or Equity Linked Interest Notes, as the case may be, of one Series only, not to all Equity Linked Notes, Equity Linked Redemption Notes or Equity Linked Interest Notes, as the case may be, that may be issued under the Programme. References in these Equity Linked Additional Conditions to “**Equity Linked Securities**” are to the Equity Linked Notes or Equity Linked C&W Securities, as the case may be, of one Series only, not to all Equity Linked Securities that may be issued under the Programme. Unless otherwise specified, references in these Equity Linked Additional Conditions to an Additional Condition are to a section or clause of these Equity Linked Additional Conditions.

1 Provisions applicable only to Equity Linked Notes

1.1 Interest Payable on Equity Linked Interest Notes

Unless previously redeemed or purchased and/or cancelled, as the case may be, each Equity Linked Interest Note shall accrue interest in the manner specified in this Additional Condition 1.1.

- (a) Interest shall be payable on each Equity Linked Interest Note in accordance with the provisions of this Additional Condition 1 and Base Note Condition 4 (*Interest and other Calculations*).
- (b) If the Settlement Price of the Underlying Share on an Interest Determination Date is greater than or equal to the Initial Price or the Strike Price (as specified in the Final Terms, the “**Share Reference Price**”), the Interest Amount in respect of the corresponding Interest Payment Date shall be the amount per Calculation Amount specified in the Final Terms (the “**Share Interest Amount**”).
- (c) If the Settlement Price of the Underlying Share on an Interest Determination Date is less than the Share Reference Price, the Interest Amount in respect of the corresponding Interest Payment Date shall be zero.
- (d) If Payment Date Extension is specified hereon as being applicable, where the Interest Amount(s) are determined in respect of a Valuation Date or Averaging Date, and such Valuation Date or Averaging Date, as the case may be, is postponed as a result of the occurrence of a Disrupted Day, the Interest Payment Date relating to such postponed Valuation Date or postponed Averaging Date shall be the later of (i) the Interest Payment Date specified hereon (the “**Scheduled Payment Date**”) and (ii) the day falling the number of Extension Business Days after such postponed Valuation Date or postponed Averaging Date, as the case may be.

In respect of any Interest Determination Date, the possible Interest Amount payable in respect of an Equity Linked Interest Note can be expressed by the following formulae:

If $SPD \geq SRP$ then $IA = SIA$

or

If $SPD < SRP$ then $IA = 0$

where:

SPD = the Settlement Price of the Underlying Share on that Interest Determination Date

SRP = the Share Reference Price

IA = the Interest Amount

SIA = the Share Interest Amount

2 Provisions applicable only to Cash Settled Securities that are Equity Linked Redemption Notes or Equity Linked Redeemable Certificates

2.1 Redemption of Cash Settled Securities that are Equity Linked Redemption Notes

Unless previously redeemed or purchased and/or cancelled, as the case may be, the final redemption amount (the “**Final Redemption Amount**”) for each Cash Settled Security that is an Equity Linked Redemption Note will be calculated in the manner specified in this Additional Condition 2.1.

- (a) For the purposes of the Base General Conditions, this Additional Condition 2.1 is the “**Reference Item Settlement Provision**” applicable to Equity Linked Redemption Notes.
- (b) If the Settlement Price of the Underlying Share on the final Valuation Date is greater than or equal to the Strike Price, the Final Redemption Amount shall be the Calculation Amount plus an amount specified in the Final Terms (the “**Uplift Amount**”).
- (c) If the Settlement Price of the Underlying Share on the final Valuation Date is less than the Strike Price, the Final Redemption Amount shall be the Calculation Amount.

The possible Final Redemption Amounts for Equity Linked Redemption Notes can be expressed by the following formulae:

$$\text{If } FSP \geq SP \text{ then } FRA = CA + UA$$

or

$$\text{If } FSP < SP \text{ then } FRA = CA$$

where:

FSP = the Settlement Price of the Underlying Share on the final Valuation Date

SP = the Strike Price

FRA = the Final Redemption Amount

CA = the Calculation Amount

UA = the Uplift Amount

2.2 Redemption of Cash Settled Securities that are Equity Linked Redeemable Certificates

Unless previously redeemed or purchased and/or cancelled, as the case may be, the Cash Settlement Amount for each Cash Settled Security that is an Equity Linked Redeemable Certificate will be calculated in the manner specified in this Additional Condition 2.2.

- (a) For the purposes of the Base General Conditions, this Additional Condition 2.2 is the “**Reference Item Settlement Provision**” applicable to Equity Linked Redeemable Certificates.
- (b) If the Settlement Price of the Underlying Share on the final Valuation Date is greater than or equal to the Strike Price, the Cash Settlement Amount shall be the Calculation Amount plus an amount specified in the Final Terms (the “**Uplift Amount**”).
- (c) If the Settlement Price of the Underlying Share on the final Valuation Date is less than the Strike Price, the Cash Settlement Amount shall be the Calculation Amount.

The possible Cash Settlement Amounts for Equity Linked Redeemable Certificates can be expressed by the following formulae:

If $FSP \geq SP$ then $CSA = CA + UA$

or

If $FSP < SP$ then $CSA = CA$

where:

FSP = the Settlement Price of the Underlying Share on the final Valuation Date

SP = the Strike Price

CSA = the Cash Settlement Amount

CA = the Calculation Amount

UA = the Uplift Amount

3 Extension and adjustment provisions applicable to all Equity Linked Redemption Securities

3.1 Extension provisions

If Maturity Date Extension, Settlement Date Extension or Redemption Date Extension, as the case may be, is specified hereon as being applicable, where the Cash Settlement Amount (in the case of Cash Settled Securities) or the Asset Amount (in the case of Physical Delivery Securities), as the case may be, is determined in respect of a Valuation Date or Averaging Date(s), and where the Valuation Date or the Averaging Date, as the case may be, falling immediately prior to the Maturity Date (in the case of Notes), Settlement Date (in the case of Warrants or Exercisable Certificates) or the Redemption Date (in the case of Redeemable Certificates) (any such date, the “**Final Payment Date**”), as the case may be, is postponed as a result of the occurrence of a Disrupted Day, the relevant Final Payment Date shall be the later of (i) the date specified hereon as the Final Payment Date (the “**Scheduled Final Payment Date**”), as the case may be, and (ii) the day falling the number of Extension Business Days after the postponed Valuation Date or the postponed Averaging Date, as the case may be. If any amount is payable on the exercise or redemption of an Equity Linked Security or, if Units are specified in the relevant Final Terms, each Unit to which Maturity Date Extension, Settlement Date Extension or Redemption Date Extension, as the case may be, applies, and the relevant Final Payment Date is postponed pursuant to a Maturity Date Extension, Settlement Date Extension or Redemption Date Extension, as the case may be, such amount will be due on the relevant date as so postponed without any interest or other sum payable in respect of the postponement of the payment of such amount.

3.2 Potential Adjustment Events, De-listing, Merger Event, Tender Offer, Nationalisation and Insolvency, Adjustments for Equity Linked Securities in respect of Underlying Shares

For the purposes of the Base General Conditions, this Additional Condition 3.2 is the “Reference Item Early Redemption/Cancellation Provision” applicable to Equity Linked Securities.

- (a) If Potential Adjustment Events are specified hereon as being applicable, then, following the declaration by an Equity Issuer of the terms of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a diluting, concentrative or other effect on the theoretical value of an Underlying Share and, if so, will (i) either (A) make the corresponding adjustment (if any) to any one or more Interest Amount(s), the Cash Settlement Amount, and/or the Asset Amount(s) and/or the Exercise Price and/or the Settlement Price and/or any of the other terms hereof as the Calculation Agent determines appropriate to account for that diluting, concentrative or other effect or (B) substitute the relevant Underlying Share with a different underlying share and, following such substitution, the Calculation Agent shall make such adjustment (if any) as it considers appropriate to the Settlement Price and/or any of the other terms hereof (provided that no such adjustment or substitution will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the Underlying Share) and (ii) determine the effective date of that adjustment or substitution. The Calculation Agent may (but need not) determine the

appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by an options exchange to options on the Underlying Shares traded on that options exchange.

In making any determination in respect of any such adjustment or substitution, the Calculation Agent shall not have regard to any interests arising from circumstances particular to individual Securityholders (whatever their number) and, in particular, but without limitation, shall not have regard to the consequences of any such determination for individual Securityholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and no Securityholder shall be entitled to claim from the Bank, the Calculation Agent or any other person any indemnification or payment in respect of any tax consequences of any such determination upon individual Securityholders.

Upon the occurrence (if relevant) of the Potential Adjustment Event, the Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with Base General Condition 13 (*Notices*) stating the occurrence of the Potential Adjustment Event, giving details thereof and the action proposed to be taken in relation thereto.

- (b) If (i) De-listing, Merger Event, Nationalisation and Insolvency is specified hereon as applying and/or (ii) Tender Offer is specified hereon as applying and (in the case of (i)) a De-listing, Merger Event, Nationalisation or Insolvency occurs or (in the case of (ii)) a Tender Offer occurs, in each case, in relation to an Underlying Share, the Bank in its sole and absolute discretion may:
- (1) require the Calculation Agent to determine the appropriate adjustment, if any, to be made to any one or more of the Interest Amount(s) and/or the Cash Settlement Amount and/or the Asset Amount(s) and/or the Settlement Price and/or the Exercise Price and/or any of the other terms hereof to account for the De-listing, Merger Event, Tender Offer, Nationalisation or Insolvency, as the case may be, and determine the effective date of that adjustment;
 - (2) substitute such Underlying Share with a different underlying share and, following such substitution, the Calculation Agent shall make such adjustment (if any) as it considers appropriate to the Settlement Price and/or any of the other terms hereof; or
 - (3) give notice to the Securityholders in accordance with Base General Condition 13 (*Notices*) and redeem or cancel, as the case may be, all, but not some only, of the Equity Linked Securities or, if Units are specified in the relevant Final Terms, the Units, as applicable, on a date selected by the Bank, by payment of the Early Redemption Amount (in the case of the Notes) or Early Cancellation Amount (in the case of C&W Securities) to each Securityholder in respect of each Security or, if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by such Securityholder. Payment will be made in such manner as shall be notified to the Securityholders in accordance with Base General Condition 13 (*Notices*).

If the provisions of this Additional Condition 3.2(b) apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the De-listing, Merger Event, Nationalisation or Insolvency or Tender Offer, as the case may be, made by an options exchange to options on the Underlying Shares traded on that options exchange.

In making any determination in respect of any such adjustment, the Bank and/or Calculation Agent shall not have regard to any interests arising from circumstances particular to individual Securityholders (whatever their number) and, in particular, but without limitation, shall not have regard to the consequences of any such determination for individual Securityholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and no Securityholder shall be entitled to require, nor shall any Securityholder be entitled to claim, from the Bank, the Calculation Agent or any other person any indemnification or payment in respect of any tax consequences of any such determination upon individual Securityholders.

Upon the occurrence (if relevant) of a De-listing, Merger Event, Nationalisation or Insolvency or Tender Offer, the Calculation Agent shall give notice as soon as practicable to the Securityholders

in accordance with Base General Condition 13 (*Notices*) stating the occurrence of the De-listing, Merger Event, Nationalisation or Insolvency or Tender Offer, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

- (c) In respect of Equity Linked Securities relating to Underlying Shares originally quoted, listed and/or dealt as of the Trade Date in a currency of a member state of the European Union that has not adopted the single currency in accordance with the Treaty establishing the European Community, as amended, if such Underlying Shares are at any time after the Trade Date quoted, listed and/or dealt exclusively in Euro on the relevant Exchange, then the Calculation Agent will adjust any one or more of the Interest Amount(s) and/or the Cash Settlement Amount and/or the Asset Amount(s) and/or the Settlement Price and/or the Exercise Price and/or any of the other terms hereof as the Calculation Agent determines to be appropriate to preserve the economic terms of the Equity Linked Securities. The Calculation Agent will make any conversion necessary for the purposes of any such adjustment as of the Valuation Time at an appropriate mid-market spot rate of exchange determined by the Calculation Agent prevailing as of the Valuation Time. No adjustments under this Additional Condition 3.2(c) will affect the currency denomination of any payments in respect of the Equity Linked Securities.

Upon making any such adjustment, the Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with Base General Condition 13 (*Notices*), stating the adjustment to the Cash Settlement Amount and/or the Asset Amount(s) and/or the Settlement Price and/or the Exercise Price and/or any of the other terms hereof.

- (d) If any price published on the Exchange which is utilised by the Calculation Agent for any determination (the “**Original Determination**”) is subsequently corrected and the correction (the “**Corrected Value**”) is published by the relevant Exchange within one relevant Settlement Cycle after the original publication, then the Calculation Agent will notify the Issuer of the Corrected Value as soon as reasonably practicable and shall determine the relevant value (the “**Replacement Determination**”) using the Corrected Value. If the result of the Replacement Determination is different from the result of the Original Determination, to the extent that it determines to be necessary, the Calculation Agent may adjust any relevant terms accordingly, provided, that any Corrected Value announced later than one Settlement Cycle prior to any relevant date scheduled for payment shall be disregarded.

3.3 Definitions relevant to Equity Linked Securities

“**Averaging Cut-Off Date**” means the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, or on account of such date not being a Scheduled Trading Day, would have been the final Averaging Date, or, if earlier, the Scheduled Trading Day falling on or immediately preceding the second Business Day immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on the relevant Averaging Dates, provided that the Averaging Cut-Off Date shall not fall prior to the original date on which the final Averaging Date was scheduled to fall.

“**Averaging Date**” means each date specified as an Averaging Date in the relevant Final Terms or, if any such date is not a Scheduled Trading Day, the immediately following Scheduled Trading Day, or, if earlier, the Averaging Cut-Off Date. If any such day is a Disrupted Day:

- (i) if “**Omission**” is specified hereon as applying, such date will be deemed not to be an Averaging Date for purposes of determining the relevant Interest Amount and/or Cash Settlement Amount or Asset Amount, as the case may be, provided that, if through the operation of this provision there would not be an Averaging Date, then the provisions of the definition of “Valuation Date” will apply for the purposes of determining the Settlement Price on the final Averaging Date as if such Averaging Date was a Valuation Date that was a Disrupted Day; or
- (ii) if “**Postponement**” is specified hereon as applying, the provisions of the definition of “Valuation Date” will apply for purposes of determining the Settlement Price on that Averaging Date as if such Averaging Date was a Valuation Date that was a Disrupted Day irrespective of whether, pursuant to

such determination, that deferred Averaging Date would fall on a day that already is or is deemed to be an Averaging Date; or

- (iii) if “**Modified Postponement**” is specified hereon as applying, the Averaging Date shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred by the Valuation Time on the Averaging Cut-Off Date or if such Averaging Date falls on the Averaging Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day for the Underlying Share, then (i) the Averaging Cut-Off Date shall be deemed to be the Averaging Date (irrespective of whether the Averaging Cut-Off Date is already an Averaging Date), and (ii) the Calculation Agent shall determine the relevant price for that Averaging Date in accordance with subparagraph (i)(B) of the definition of “Valuation Date” below.

“**De-listing**” means, in respect of any Underlying Share, the Exchange announces that, pursuant to the rules of such Exchange, such Underlying Share ceases (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and is not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or, where the Exchange is within the European Union, in any Member State of the European Union) or another exchange or quotation system located in another country which exchange or quotation system and country is deemed acceptable by the Calculation Agent.

“**Disrupted Day**” means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

“**Equity Issuer**” has the meaning as specified hereon.

“**Equity Linked C&W Securities**” means Reference Item Linked C&W Securities in relation to which an Underlying Share is a Reference Item.

“**Equity Linked Interest Note**” means Reference Item Linked Interest Notes in relation to which an Underlying Share is a Reference Item.

“**Equity Linked Note**” means an Equity Linked Interest Note and/or an Equity Linked Redemption Note.

“**Equity Linked Redeemable Certificates**” means Equity Linked C&W Securities that are Redeemable Certificates.

“**Equity Linked Redemption Notes**” means Reference Item Linked Redemption Notes in relation to which an Underlying Share is a Reference Item.

“**Equity Linked Redemption Securities**” means Equity Linked Redemption Notes and Equity Linked C&W Securities.

“**Exchange**” means, in respect of an Underlying Share, each exchange or quotation system specified hereon as such for such Underlying Share, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Underlying Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Underlying Share on such temporary substitute exchange or quotation system as on the original Exchange).

“**Exchange Business Day**” means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

“**Extension Business Days**” means, if Payment Date Extension, Maturity Date Extension, Settlement Date Extension or Redemption Date Extension is specified hereon as applicable, the number of Business Days specified hereon, or, if none, (i) in respect of a Maturity Date Extension, Settlement Date Extension or Redemption Date Extension, the number of Business Days that the relevant Scheduled Final Payment Date falls after the Scheduled Valuation Date or the original date that, but for the occurrence of an event causing a Disrupted Day, would have been the Averaging Date (the “**Affected Averaging Date**”), as the case may be, falling immediately prior to the relevant Scheduled Final Payment Date or Scheduled

Redemption Date, as the case may be, and (ii) in respect of a Payment Date Extension, the number of Business Days that the Scheduled Payment Date falls after the Scheduled Valuation Date or the Affected Averaging Date, as the case may be, falling immediately prior to such Scheduled Payment Date.

“Initial Price” means the price per Underlying Share specified as such in the relevant Final Terms or, if no such price is specified in the relevant Final Terms, the price of such Underlying Share as determined by the Calculation Agent as of the Valuation Time on the relevant Exchange on the Trade Date.

“Insolvency” means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of, or any analogous proceeding affecting, an Equity Issuer (i) all the Underlying Shares of that Equity Issuer are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Underlying Shares of that Equity Issuer become legally prohibited from transferring them.

“Market Disruption Event” means, in respect of an Underlying Share:

- (i) the occurrence or existence at any time during the one hour period that ends at the relevant Valuation Time of:
 - (A) any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise:
 - (x) relating to the Underlying Share on the relevant Exchange; or
 - (y) in futures or options contracts relating to the Underlying Share on any relevant Related Exchange; or
 - (B) any event (other than an event described in (ii) below) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (x) to effect transactions in, or obtain market values for, the Underlying Shares on the Exchange or (y) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Underlying Share on any relevant Related Exchange; or
- (ii) the closure on any Exchange Business Day of any relevant Exchange(s) or Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or such Related Exchange(s), as the case may be, at least one hour prior to (A) the actual closing time for the regular trading session on such Exchange(s) or such Related Exchange(s) on such Exchange Business Day or, if earlier, (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day,

which in any such case the Calculation Agent determines is material.

The Calculation Agent shall give notice as soon as practicable to the Securityholders in accordance with Base General Condition 13 (*Notices*) of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been an Averaging Date or the Valuation Date. Without limiting the obligation of the Calculation Agent to give notice to the Securityholders as set forth in the preceding sentence, failure by the Calculation Agent to notify the Securityholders of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

“Merger Date” means the closing date of a Merger Event or, where a closing date cannot be determined under the local law relevant to such Merger Event, such other date as determined by the Calculation Agent.

“Merger Event” means, in respect of any relevant Underlying Shares, any:

- (i) reclassification or change of such Underlying Shares that results in a transfer of, or an irrevocable commitment to transfer, all such Underlying Shares outstanding to another entity or person; or
- (ii) consolidation, amalgamation, merger or binding share exchange of an Equity Issuer with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such Equity Issuer is the continuing entity and which does not result in any such reclassification or change of all such Underlying Shares outstanding); or

- (iii) takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100 per cent. of the outstanding Underlying Shares of the Equity Issuer that results in a transfer of or an irrevocable commitment to transfer all such Underlying Shares (other than such Underlying Shares owned or controlled by such other entity or person); or
- (iv) consolidation, amalgamation, merger or binding share exchange of the Equity Issuer or its subsidiaries with or into another entity in which the Equity Issuer is the continuing entity and which does not result in a reclassification or change of all such Underlying Shares outstanding but results in the outstanding Underlying Shares (other than Underlying Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50 per cent. of the outstanding Underlying Shares immediately following such event,

in each case where the Merger Date is on or before an Averaging Date, Valuation Date, or Exercise Date or, if the Equity Linked Securities are to be redeemed, exercised or cancelled by delivery of Underlying Shares, where the Merger Date is on or before the Maturity Date, the Settlement Date or Redemption Date, as the case may be.

“Nationalisation” means that all the Underlying Shares or all or substantially all the assets of an Equity Issuer are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“Potential Adjustment Event” means any of the following:

- (i) a subdivision, consolidation or reclassification of relevant Underlying Shares (unless resulting in a Merger Event), or a free distribution or dividend of any such Underlying Shares to existing holders by way of bonus, capitalisation or similar issue;
- (ii) a distribution, issue or dividend to existing holders of the relevant Underlying Shares of (A) such Underlying Shares or (B) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of an Equity Issuer equally or proportionately with such payments to holders of such Underlying Shares or (C) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Equity Issuer as a result of a spin-off or other similar transaction or (D) any other type of securities, rights or warrants or other assets, in any case, for payment (in cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;
- (iii) an extraordinary dividend as determined by the Calculation Agent;
- (iv) a call by an Equity Issuer in respect of relevant Underlying Shares that are not fully paid;
- (v) a repurchase by an Equity Issuer or any of its subsidiaries of relevant Underlying Shares, whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
- (vi) in respect of an Equity Issuer, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of such Equity Issuer, pursuant to a shareholder rights plan or arrangement directed against hostile take-overs that provides, upon the occurrence of certain events, for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or
- (vii) any other event that has or may have, in the opinion of the Calculation Agent, a diluting, concentrative or other effect on the theoretical value of the relevant Underlying Shares.

“Related Exchange” means, in relation to an Underlying Share, each exchange or quotation system specified hereon as such in relation to such Underlying Share, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Underlying Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such

Underlying Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided that where “All Exchanges” is specified hereon as the Related Exchange, Related Exchange shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Underlying Share.

“**Scheduled Closing Time**” means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

“**Scheduled Trading Day**” means any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

“**Scheduled Valuation Date**” means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been the Valuation Date.

“**Settlement Cycle**” means the period of Share Clearance System Business Days following a trade in the Underlying Share on the Exchange in which settlement will customarily occur according to the rules of such Exchange.

“**Settlement Price**” means, in respect of an Underlying Share, an amount equal to the official closing price (or the price at the Valuation Time on (A) if a Valuation Date is specified hereon, the Valuation Date or (B) if Averaging Dates are specified in the relevant Final Terms, an Averaging Date, of the Underlying Share) quoted on the relevant Exchange (or if, in the opinion of the Calculation Agent, no such official closing price (or, as the case may be, the price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the relevant Final Terms) can be determined at such time and, if the Valuation Date or such Averaging Date, as the case may be, is not a Disrupted Day, an amount determined by the Calculation Agent in good faith to be equal to the arithmetic mean of the closing fair market buying price (or the fair market buying price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the relevant Final Terms) and the closing fair market selling price (or the fair market selling price at the Valuation Time on the Valuation Date or such Averaging Date, as the case may be, if so specified in the relevant Final Terms) for the Underlying Share based, at the Calculation Agent’s discretion, either on the arithmetic mean of the foregoing prices or the middle market quotations provided to it by two or more financial institutions (as selected by the Calculation Agent) engaged in the trading of the Underlying Share or on such other factors as the Calculation Agent shall decide). The amount determined pursuant to the foregoing shall be converted, if Exchange Rate is specified in the relevant Final Terms as applying, into the Specified Currency at the Exchange Rate and such converted amount shall be the Settlement Price.

“**Share Clearance System**” means the principal domestic clearance system customarily used for settling trades in the Underlying Share at any relevant time, as determined by the Calculation Agent.

“**Share Clearance System Business Day**” means any day on which the Share Clearance System is (or, but for the occurrence of a Share Clearance System Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

“**Share Clearance System Settlement Disruption Event**” means an event beyond the control of the Issuer as a result of which (i) the Share Clearance System cannot clear the transfer of the Underlying Shares or (ii) the Share Clearance System ceases to clear all or any of such Underlying Shares.

“**Tender Offer**” means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10 per cent. and less than 100 per cent. of the outstanding voting shares of the Equity Issuer, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

“**Underlying Share**” means each underlying equity share as specified in the relevant Final Terms. An Underlying Share is a type of “**Reference Item**” for the purposes of the Base General Conditions. An

Underlying Share must be already listed and admitted to trading on a regulated market within the European Union or an equivalent elsewhere.

“**Valid Date**” means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date does not or is not deemed to occur.

“**Valuation Cut-Off Date**” means the eighth Scheduled Trading Day immediately following the Scheduled Valuation Date or, if earlier, the Scheduled Trading Day falling on or immediately preceding the second Business Day immediately preceding the date on which payment of any amount or delivery of any assets may have to be made pursuant to any calculation or determination made on such Valuation Date, provided that the Valuation Cut-Off Date shall not fall prior to the original date on which such Valuation Date was scheduled to fall.

“**Valuation Date**” means, in relation to an Underlying Share, each Valuation Date specified in the relevant Final Terms or if that is not a Scheduled Trading Day the immediately following Scheduled Trading Day, or, if earlier, the Valuation Cut-Off Date. If such day is a Disrupted Day, then the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days up to, and including, the Valuation Cut-Off Date is a Disrupted Day. In that case, or if such Valuation Date falls on the Valuation Cut-Off Date owing to the original date on which it was scheduled to fall not being a Scheduled Trading Day, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine the relevant price in accordance with its good faith estimate of the relevant price as of the Valuation Time on the Valuation Cut-Off Date;

“**Valuation Time**” means the Valuation Time specified hereon or, if no Valuation Time is specified, the Scheduled Closing Time on the relevant Exchange on the Valuation Date or Averaging Date, as the case may be, in relation to each Underlying Share to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.

4 Additional Disruption Events

Notwithstanding the fact that the relevant Final Terms indicate that Equity Linked Additional Conditions are “Applicable”, this Additional Condition 4 shall only apply to a Security if the relevant Final Terms indicate that Additional Disruption Events are “Applicable”. References in this Additional Condition 4 to “Securities” are to the Notes or C&W Securities, as the case may be, of one Series only, not to all Securities that may be issued under the Programme.

4.1 Definitions

“**Additional Disruption Event**” means any of Change in Law, Hedging Disruption, Increased Cost of Hedging, Increased Cost of Stock Borrow, Insolvency Filing and/or Loss of Stock Borrow, in each case if specified hereon.

“**Change in Law**” means that, on or after the Trade Date (as specified hereon), (i) due to the adoption of or any change in any relevant law or regulation (including, without limitation, any tax law) or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any relevant law or regulation (including any action taken by a taxing authority), the Issuer determines in its sole and absolute discretion that (a) it has become illegal to hold, acquire or dispose of Hedge Positions or (b) the Issuer will incur a materially increased cost in performing its obligations in relation to the Securities (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on the tax position of the Issuer or any of its Affiliates).

“**Hedge Positions**” means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, commodities, options, futures, derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by a party in order to hedge, individually or on a portfolio basis, the Securities.

“**Hedging Disruption**” means that the Issuer is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it

deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Securities or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“Hedging Securities” means, in relation to the Securities, the Reference Items or securities/commodities comprised in an index or inflation index or other security or commodity that the Issuer deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Securities.

“Increased Cost of Hedging” means that the Issuer would incur a materially increased (as compared with circumstances existing on the Trade Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the equity or other price risk of the Issuer issuing and performing its obligations with respect to the Securities or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

“Increased Cost of Stock Borrow” means, in relation to the Securities, that the Issuer would incur a rate to borrow any Reference Item or any security/commodity comprised in an index or inflation index or any other security or commodity that it deems reasonable to hedge the equity or other price risk of the Issuer issuing or performing its obligation with respect to the Securities, that is greater than the Initial Stock Loan Rate.

“Initial Stock Loan Rate” means, in relation to the Securities, in respect of a Reference Item or any security/commodity comprised in an index or inflation index or any other security or commodity that the Issuer deems reasonable to hedge the equity or other price risk of the Issuer issuing or performing its obligation with respect to the Securities, the rate which the Issuer would have incurred to borrow such Reference Item or such other securities or commodities in an amount equal to the Hedging Securities (where applicable), as the case may be, as of the Trade Date, as determined by it.

“Insolvency Filing” means that an Equity Issuer institutes or has instituted against it by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by such Equity Issuer shall not be deemed an Insolvency Filing.

“Loss of Stock Borrow” means that the Issuer is unable, after using commercially reasonable efforts, to borrow (or maintain a borrowing of) any Reference Item or any securities/commodities comprised in an index or inflation index or any other security or commodity that it deems reasonable to hedge the equity or other price risk of the Issuer issuing or performing its obligations with respect to the Securities in an amount equal to the Hedging Securities at a rate equal to or less than the Maximum Stock Loan Rate.

“Maximum Stock Loan Rate” means, in respect of a Reference Item or a security/commodity comprised in an index or inflation index or any other security or commodity that the Issuer deems reasonable to hedge the equity or other price risk of the Issuer issuing or performing its obligations with respect to the Securities, the lowest rate at which the Issuer, after using commercially reasonable efforts, would have incurred to borrow (and maintain a borrowing of) such Reference Item or such other security or commodity, as the case may be, in an amount equal to the Hedging Securities, as of the Trade Date, as determined by the Issuer.

4.2 Occurrence of Additional Disruption Events

If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in paragraph (i), (ii) or (iii) below:

- (i) require the Calculation Agent to make the appropriate adjustment, if any, to one or more of the Rate of Interest and/or Interest Amount(s) and/or Final Redemption Amount and/or Cash Settlement Amount and/or the Asset Amount(s) and/or Settlement Price and/or the Exercise Price and/or any of the other terms hereof to account for the Additional Disruption Event and determine the effective date of that adjustment;
- (ii) substitute the relevant Reference Item with a different reference item and, following such substitution, the Calculation Agent shall make such adjustment (if any) as it considers appropriate to the Settlement Price, the Exercise Price and/or any of the other terms hereof; or
- (iii) give notice to the Securityholders in accordance with Base General Condition 13 (*Notices*) and redeem or cancel all, but not some only, of the Securities or, if Units are specified in the relevant Final Terms, the Units, as the case may be, on a date selected by the Issuer by payment of the Early Redemption Amount (in case of the Notes) or the Early Cancellation Amount (in the case of C&W Securities).

If the provisions of this Additional Condition 4.2 apply, the Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the relevant Additional Disruption Event, made by an options exchange to options on the relevant Reference Item traded on that options exchange.

Upon the occurrence (if relevant) of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Securityholders in accordance with Base General Condition 13 (*Notices*) stating the occurrence of the Additional Disruption Event, giving details thereof and the action proposed to be taken in relation thereto.

CHAPTER 2: TERMS AND CONDITIONS FOR ALTERNATIVE CURRENCY EQUIVALENT

THIS CHAPTER MAY RELATE TO ANY TYPE OF SECURITY IF THE RELEVANT FINAL TERMS INDICATE THAT IT IS “APPLICABLE”

The following are the conditions that will apply to the Securities if the relevant Final Terms indicate that Alternative Currency Equivalent is “Applicable” (the “**Alternative Currency Additional Conditions**”). In the case of any inconsistency between these Alternative Currency Additional Conditions, the Base Note Conditions, the Base C&W Conditions or the Base General Conditions and/or any applicable Additional Conditions, these Alternative Currency Additional Conditions will prevail.

Words and expressions defined or used in the relevant Final Terms shall have the same meanings where used in these Alternative Currency Additional Conditions unless the context otherwise requires or unless otherwise stated. All capitalised terms that are not defined in these Alternative Currency Additional Conditions or elsewhere in the Conditions applicable to the Securities will have the meanings given to them in the relevant Final Terms. References in these Alternative Currency Additional Conditions to “Securities” are to the Notes or C&W Securities, as the case may be, of one Series only, not to all Securities that may be issued under the Programme.

Unless otherwise specified, references in these Alternative Currency Additional Conditions to an Additional Condition are to a section or clause of these Alternative Currency Additional Conditions.

5 Alternative Currency Equivalent Provisions

5.1 Payment of Alternative Currency Equivalent

Where Alternative Currency Equivalent is specified hereon as being applicable to the Securities, if (following a written request from the Issuer that the Alternative Currency Adjudication Agent makes a determination pursuant to this Additional Condition 5), by reason of a Scheduled Payment Currency Disruption Event, it would, in the opinion of the Alternative Currency Adjudication Agent, be commercially impracticable for the Issuer to satisfy any payment obligation in respect of the Securities when due in the Scheduled Payment Currency, then the Issuer may take the action described in paragraph (a), (b), (c) or (d) below:

- (a) determine that the relevant payment or delivery obligation of the Issuer in respect of the Securities be postponed by the number of Business Days (such number, the “**Maximum Days of Postponement**”) specified in the relevant Final Terms, after the date on which the relevant Scheduled Payment Currency Disruption Event ceases to exist, in the determination of the Alternative Currency Adjudication Agent, or, if that would not be commercially reasonable, as soon as commercially reasonable thereafter, in which case the relevant payment or delivery will be due on the date as so postponed, without any interest or other sum payable in respect of the postponement of the payment of such amount;
- (b) determine that the Issuer’s obligation to make any payment in respect of the Securities in the Scheduled Payment Currency be replaced by an obligation to make payment of the Alternative Currency Equivalent of such payment, in which case, it will settle any such obligation by payment of the relevant Alternative Currency Equivalent on the due date for payment;
- (c) determine that the relevant payment or delivery obligation in respect of the Securities be postponed by the Maximum Days of Postponement after the date on which the relevant Scheduled Payment Currency Disruption Event ceases to exist, or, if, in the determination of the Alternative Currency Adjudication Agent, that would not be commercially reasonable, as soon as commercially reasonable thereafter (such postponed payment date, the “**Postponed Payment Date**”), and that the Issuer’s obligation to make payment in respect of the Securities in the Scheduled Payment Currency be replaced by an obligation to make payment of the Alternative Currency Equivalent, in which case, it will settle any such obligation by payment of the relevant Alternative Currency Equivalent on the Postponed

Payment Date, without any interest or other sum payable in respect of the postponement of the payment of such amount; or

- (d) give notice to the Securityholders in accordance with Base General Condition 13 (*Notices*) and redeem or cancel all, but not some only, of the Securities on a date selected by the Issuer, by payment of the Alternative Currency Equivalent of, or, if so specified in such notice, an amount in the Scheduled Payment Currency equal to, the Early Redemption Amount (in the case of the Notes) or the Early Cancellation Amount (in the case of the C&W Securities) to each Securityholder in respect of each Security or, if Units are specified in the relevant Final Terms, each Unit, as the case may be, held by such Securityholder. Payment will be made in such manner as shall be notified to the Securityholders in accordance with Base General Condition 13 (*Notices*).

Any payment made in the Alternative Currency under such circumstances will constitute valid payment, and will not constitute a default in respect of the Securities.

Upon the occurrence of a Scheduled Payment Currency Disruption Event and the Alternative Currency Adjudication Agent making a determination that, by reason of such Scheduled Payment Currency Disruption Event, it would, in the opinion of the Alternative Currency Adjudication Agent, be commercially impracticable for the Issuer to satisfy its payment obligations in respect of the Securities when due in the Scheduled Payment Currency, the Issuer shall give notice as soon as practicable to Securityholders in accordance with Base General Condition 13 (*Notices*) stating the occurrence of the Scheduled Payment Currency Disruption Event, giving details thereof and the action proposed to be taken in relation thereto.

In making any determination in respect of any Scheduled Payment Currency Disruption Event, neither the Issuer nor the Alternative Currency Adjudication Agent shall have regard to any interests arising from circumstances particular to individual Securityholders (whatever their number), and, in particular, but without limitation, shall not have regard to the consequences of any such determination for individual Securityholders (whatever their number), resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof and no Securityholder, shall be entitled to claim, from the Issuer, the Alternative Currency Adjudication Agent or any other person any indemnification or payment in respect of any tax consequences of any such determination upon individual Securityholders.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Alternative Currency Additional Conditions by the Issuer or the Alternative Currency Calculation Agent will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agents and all Securityholders.

As used herein:

“Alternative Currency” means the currency specified as such hereon (or any lawful successor currency to that currency), or, if no Alternative Currency is specified hereon, U.S. dollars;

“Alternative Currency Adjudication Agent” means the Alternative Currency Adjudication Agent specified hereon (or any lawful successor to the Alternative Currency Adjudication Agent);

“Alternative Currency Calculation Agent” means the Alternative Currency Calculation Agent specified hereon (or any lawful successor thereto);

“Alternative Currency Equivalent” means, (i) where the Alternative Currency is U.S. dollars, in respect of an amount denominated in the Scheduled Payment Currency, such amount converted into the Alternative Currency using the Spot Rate for the relevant Rate Calculation Date, all as determined by the Alternative Currency Calculation Agent, and (ii) where the Alternative Currency is a currency other than U.S. dollars, in respect of an amount denominated in the Scheduled Payment Currency, such amount converted into the Alternative Currency by (i) converting such amount into an amount expressed in U.S. dollars using the Spot Rate for the relevant Rate Calculation Date, and multiplying the resultant U.S. dollar amount by the USD Spot Rate for the relevant Rate Calculation Date, all as determined by the Alternative Currency Calculation Agent;

“Governmental Authority” means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the Scheduled Payment Currency Jurisdiction;

“Illiquidity” means (i) in respect of any payment obligation in respect of the Securities of any sum, foreign exchange markets for the Scheduled Payment Currency becoming illiquid (including, without limitation, the existence of any significant price distortion) or unavailable as a result of which it is impossible or, in the opinion of the Alternative Currency Adjudication Agent, commercially impracticable for the Issuer and/or any of its Affiliates to obtain a sufficient amount of the Scheduled Payment Currency in order to satisfy any such obligation or (ii) it becomes impossible or impracticable to obtain a firm quote for exchange of the Scheduled Payment Currency into the Alternative Currency, in each case, as determined by the Alternative Currency Adjudication Agent in its sole and absolute discretion ;

“Inconvertibility” means, in respect of any payment or obligation in respect of the Securities, the occurrence of any event that makes it impossible, illegal or, in the opinion of the Alternative Currency Adjudication Agent, commercially impracticable for the Issuer and/or any of its Affiliates to convert (i) any amount due in respect of the Securities in the foreign exchange markets for the Scheduled Payment Currency or (ii) such other amount as may be determined by the Alternative Currency Adjudication Agent in its sole and absolute discretion to be necessary to fulfil the physical delivery obligations (if any) on any settlement date, (including, without limitation, any event that has the direct or indirect effect of hindering, limiting or restricting convertibility by way of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on repatriation of one currency into another currency) other than where such impossibility or impracticability is due solely to the failure of the Issuer and/or any of its Affiliates to comply with any law, rule or regulation enacted by any relevant Governmental Authority (unless such law, rule or regulation becomes effective on or after the Trade Date and it is impossible or, in the opinion of the Alternative Currency Adjudication Agent, commercially impracticable for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

“Non-transferability” means, in respect of any payment obligation in respect of the Securities, the occurrence of any event that makes it impossible or, in the opinion of the Alternative Currency Adjudication Agent, commercially impracticable for the Issuer and/or any of its Affiliates to deliver the Scheduled Payment Currency in relation to any such payment obligation between accounts inside the Scheduled Payment Currency Jurisdiction or between an account inside the Scheduled Payment Currency Jurisdiction and an account outside the Scheduled Payment Currency Jurisdiction, other than where such impossibility or impracticability is due solely to the failure of the Issuer and/or any of its Affiliates to comply with any law, rule or regulation enacted by any relevant Governmental Authority (unless such law, rule or regulation becomes effective on or after the Trade Date and it is impossible or, in the opinion of the Alternative Currency Adjudication Agent, commercially impracticable for the Issuer and/or any of its Affiliates, due to an event beyond its control, to comply with such law, rule or regulation);

“Rate Calculation Business Day” means, unless otherwise specified hereon, a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in the Rate Calculation Jurisdiction;

“Rate Calculation Date” means the day which is the number of Rate Calculation Business Days specified hereon (which shall be two Rate Calculation Business Days where the Scheduled Payment Currency is Renminbi) before the due date for payment of the relevant amount under the Securities or, unless specified otherwise hereon, if the relevant Spot Rate is not available on such day, the last preceding Rate Calculation Business Day on which the relevant Spot Rate was most recently available, as determined by the Alternative Currency Calculation Agent;

“Rate Calculation Jurisdiction” means the jurisdiction(s) specified hereon, which shall be the Euro-zone where the Scheduled Payment Currency is Euro or Hong Kong where the Scheduled Payment Currency is Renminbi;

“Scheduled Payment Currency” means, the Specified Currency;

“Scheduled Payment Currency Disruption Event” means, in respect of a Scheduled Payment Currency:

- (i) Inconvertibility;
- (ii) Non-transferability;
- (iii) Illiquidity; and/or
- (iv) the Issuer and/or any of its Affiliates is unable, after using commercially reasonable efforts, to (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) the Issuer deems necessary to hedge the currency risk of the Issuer issuing and performing its obligations with respect to the Securities or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

“Scheduled Payment Currency Jurisdiction” means (i) other than in the case of Euro or Renminbi, the primary jurisdiction for which the Scheduled Payment Currency is the lawful currency, (ii) in the case of Euro, the Euro-zone or (iii) in the case of Renminbi, Hong Kong;

“Settlement Rate Option” means, unless otherwise specified hereon, such “Settlement Rate Options” as may be included from time to time in Annex A to the 1998 FX and Currency Option Definitions, published by the International Swaps and Derivatives Association, Inc., the Emerging Markets Traders Association and the Foreign Exchange Committee;

“Specified Time” shall have the meaning given to it in the relevant Final Terms;

“Spot Rate” means, in respect of a Rate Calculation Date, unless otherwise specified hereon, the spot exchange rate for the purchase of U.S. dollars with the Scheduled Payment Currency determined in accordance with the Settlement Rate Option specified in the relevant Final Terms at the Specified Time, provided that if such Spot Rate is not available, then the Alternative Currency Calculation Agent will determine the Spot Rate (or a method for determining the Spot Rate), taking into consideration all available information that it deems relevant;

“USD Settlement Rate Option” means, unless otherwise specified hereon, the settlement rate option for the exchange of U.S. dollars into the Alternative Currency specified in the relevant Final Terms, as derived from such other “Settlement Rate Options” as may be included from time to time in Annex A to the 1998 FX and Currency Option Definitions, published by the International Swaps and Derivatives Association, Inc., the Emerging Markets Traders Association and the Foreign Exchange Committee; and

“USD Spot Rate” means, for a Rate Calculation Date, unless otherwise specified hereon, the spot exchange rate for the purchase of the Alternative Currency with U.S. dollars in accordance with the USD Settlement Rate Option specified in the relevant Final Terms at the Specified Time, provided that if such USD Spot Rate is not available, then the Alternative Currency Calculation Agent will determine the USD Spot Rate (or a method for determining the USD Spot Rate), taking into consideration all available information that it deems relevant.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

This section provides a summary of the provisions relating to Notes while in global form. It is not applicable to C&W Securities.

1 Initial Issue of Notes

If the Global Notes or the Global Note Certificates are stated in the relevant Final Terms to be issued in new global note (“**NGN**”) form or to be held under the new safekeeping structure (“**NSS**”) (as the case may be), they are intended to be eligible collateral for Eurosystem monetary policy and the Global Notes or the Global Note Certificates will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Global Notes or the Global Note Certificates with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global Notes which are not issued in NGN form (classic global note or “**CGN**”) form) and Global Note Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Tranche to a Common Depository (as defined below).

Global Notes and Global Note Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depository.

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

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

2 Relationship of Account Holders with Clearing Systems

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

3 Exchange

3.1 Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined in paragraph 3.6 (*Exchange Date*) below):

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

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

3.2 Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date, in whole but not, except as provided under paragraph 3.4 (*Partial Exchange of Permanent Global Notes*), in part for Definitive Notes or, in the case of paragraph 3.3 (*Global Note Certificates*) below, Registered Notes:

- (i) by the Issuer giving notice to the Noteholders, the Fiscal Agent of its intention to effect such exchange (unless principal in respect of any Notes has not been paid when due);¹
- (ii) if the relevant Final Terms provide that the permanent Global Note is exchangeable at the request of the holder, by the holder (acting on the instructions of the person(s) with beneficial interest(s) in such permanent Global Note) giving notice to the Fiscal Agent of its election for such exchange;²
- (iii) if the permanent Global Note is an Exchangeable Bearer Note, by the holder (acting on the instructions of the person(s) with beneficial interest(s) in such permanent Global Note) giving notice to the Fiscal Agent of its election to exchange the whole or a part of such permanent Global Note for Registered Notes; and
- (iv) otherwise (a) upon the happening of any of the events set out under Base General Condition 11 (*Events of Default and Enforcement*) or (b) if Euroclear or Clearstream, Luxembourg or an Alternative Clearing System is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearance system satisfactory to the Fiscal Agent is available.

3.3 Global Note Certificates

If the relevant Final Terms state that the Notes are to be represented by a Global Note Certificate on issue, transfers of the holding of Notes represented by any Global Note Certificate pursuant to Base Note Condition 2(b) (*Transfer of Registered Notes*) may only be made in part:

- (i) upon the happening of any of the events set out under Base General Condition 11 (*Events of Default and Enforcement*);
- (ii) if such Notes are held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

¹ Not applicable to Notes with a minimum Specified Denomination plus a higher integral multiple of a smaller amount.

² Not applicable to Notes with a minimum Specified Denomination plus a higher integral multiple of a smaller amount.

(iii) with the consent of the Issuer,

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

3.4 Partial Exchange of Permanent Global Notes

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

A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.5 Delivery of Notes

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

3.6 Exchange Date

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

4 Amendment to Conditions

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

4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes or Registered Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership

in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be prima facie evidence that such payment has been made in respect of the Notes. Base Note Condition 6(e) (*Appointment of Agents*) will apply to Definitive Notes only. If the Global Note is an NGN, or if the Global Note Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and, in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Note Certificate will be reduced accordingly. Payments under an NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Base General Condition 9 (*Non-Business Days*).

All payments in respect of Notes represented by a Global Note Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive, except 25 December and 1 January.

4.2 Prescription

A claim against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 12 years (in the case of principal) and six years (in the case of interest) of the appropriate Relevant Date (as defined in Base Note Condition 8 (*Taxation*)).

4.3 Cancellation

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

4.4 Purchase

Notes represented by a permanent Global Note may only be purchased by the Issuer, or any of its subsidiaries or any holding company of the Issuer or any other subsidiary of any such holding company, if they are purchased together with the right to receive all future payments of interest and Instalment Amounts (if any) thereon.

4.5 Issuer's Option

Any option of the Issuer provided for in the Base Note Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Base Note Conditions, except that the notice shall not be required to contain the certificate numbers of Notes drawn in the case of a partial exercise of an option and, accordingly, no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of account holders in respect of the Notes will be governed by the standard procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other Alternative Clearing System (as the case may be).

4.6 Noteholders' Options

Any option of the Noteholders provided for in the Additional Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the relevant Fiscal Agent (electronically or otherwise) within the time limits relating to the deposit of Notes with a Paying Agent set out in the Additional Conditions substantially in the form of, or

containing substantially similar information as contained in, the notice available from any Paying Agent, except that the notice shall not be required to contain the certificate numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and, at the same time, where the permanent Global Note is a CGN, presenting the permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation. Where the Global Note is an NGN, or where the Global Note Certificate is held under the NSS, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

4.7 NGN Nominal Amount

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

4.8 Events of Default

Each Global Note and each Global Note Certificate provides that the holder may cause Notes represented by such Global Note to become due and repayable in the circumstances described in Base General Condition 11 (*Events of Default and Enforcement*) by stating in the notice to the Fiscal Agent the nominal amount of such Notes that are becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Note Certificate may elect for direct enforcement rights against the Issuer under the terms of a Notes Deed of Covenant executed as a deed by the Issuer on or around the date of this Prospectus to come into effect in relation to the Notes represented by such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as account holders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as relevant Notes. However, no such election may be made in respect of Notes represented by a Global Note Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

4.9 Notices

So long as any Notes are represented by a Global Note or a Global Note Certificate and such Global Note or Global Note Certificate is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to the relative account holders in substitution for publication as required by the Additional Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Note Certificate. Any such notice shall be deemed to have been given to the holders of the Notes on the second business day after such notice is delivered to that clearing system for communication by it to the holders.

4.10 Physical Delivery

In respect of Physical Delivery Securities represented by a Global Note or Global Note Certificate to which Physical Delivery applies, the Asset Amount(s) will be delivered at the risk of the relevant Noteholder, in the manner provided below on the Maturity Date (such date, subject to adjustment in accordance with the Conditions, the "**Delivery Date**").

Delivery of the Asset Amount(s) will (subject as provided below) be made against presentation or surrender, as the case may be, of the relevant Global Note or Global Note Certificate at the specified office of any Paying Agent outside the United States. A record of each delivery made against presentation or surrender of such Global Note or Global Note Certificate will be made on such Global Note or Global Note Certificate on behalf of the Issuer by the Paying Agent to which such Global Note or Global Note Certificate is presented for the purpose of making such delivery, and such record shall be prima facie evidence that the delivery in question has been made.

Subject to paragraph 2 (*Relationship of Account Holders with Clearing Systems*), the holder of a Global Note or Global Note Certificate shall be the only person entitled to receive delivery of the Asset Amount(s) in respect of Notes represented by such Global Note or Global Note Certificate and the Issuer will be discharged by delivery to, or to the order of, the holder of such Global Note or Global Note Certificate in respect of each amount so delivered. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note or Global Note Certificate must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each delivery so made by the Issuer to, or to the order of, the holder of such Global Note or Global Note Certificate. No person other than the holder of such Global Note or Global Note Certificate shall have any claim against the Issuer in respect of any deliveries due on that Global Note or Global Note Certificate.

4.11 Partly Paid Notes

The provisions relating to Partly Paid Notes are not set out in this Prospectus, but will be contained in the relevant Final Terms and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them.

FORM OF FINAL TERMS FOR NOTES WHICH ARE ELIGIBLE FOR RETAIL INVESTORS

This section sets out the form of Final Terms that are applicable to Notes with a denomination of less than €100,000 (or equivalent) only.

MIFID II product governance – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); **EITHER** [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] **OR** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[, / and] portfolio management[, / and] non-advised sales][and pure execution services][, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable]]. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels[, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable].

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the “**Prospectus Directive**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended the “**PRIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.]

[In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “**SFA**”) and the Securities and Futures Act (Capital Market Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes [are] / [are not] prescribed capital markets products (as defined in the CMP Regulations 2018) and [are] [Excluded] / [Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products.)¹

Final Terms dated [●]

Australia and New Zealand Banking Group Limited

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the Markets Issuance Programme

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Base Note Conditions and the Base General Conditions set forth in the Prospectus dated 19 November 2018 [and the supplemental Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus

¹ For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

Directive (Directive 2003/71/EC) as amended or superseded (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The summary relating to this specific issue of Notes is attached as an Annex to these Final Terms. The Prospectus [and the supplemental Prospectus] [is] [are] available on the website of the Regulatory News Service operated by the London Stock Exchange plc at <http://www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html>, and [is] [are] available for viewing at the offices of the Paying Agents and copies may be obtained from Deutsche Bank AG, Hong Kong Branch, Level 52, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

1	Issuer	Australia and New Zealand Banking Group Limited (acting through its [●] branch)
2	[(i) Series Number: [(ii) Tranche Number:	[●]] [●]] [The Notes are to be consolidated and form a single Series with the [[●]] issued on [●]]
3	Specified Currency or Currencies	[●]
4	Aggregate Nominal Amount (i) [Series:] (ii) [Tranche:]	[●] [●] [●]
5	Issue Price	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
6	[(i)] Specified Denominations: [(ii) Calculation Amount:	[●] [●]]
7	(i) Issue Date: [(ii) Trade Date: [(iii) Interest Commencement Date (if different from the Issue Date):	[●] [●]] [●]] [●]]
8	Maturity Date	[●]
9	Additional Conditions Equity Linked Additional Conditions	[Not Applicable/Applicable]
10	Interest Basis	[[●] per cent. Fixed Rate] [[●] +/- [●] per cent. Floating Rate] [Zero Coupon] [Equity Linked Interest] [Non-Interest-Bearing] (Further particulars specified below)
11	Redemption/Payment Basis	[Redemption at par] [Instalment] [Partly Paid] [Equity Linked]
12	Change of Interest or Redemption/Payment Basis	[●] [Not Applicable]
13	Alternative Currency Equivalent [(i) Alternative Currency:	[Not Applicable/Applicable] [●]

	(ii) Alternative Currency Adjudication Agent:	[•]
	(iii) Alternative Currency Calculation Agent:	[•]
	(iv) Rate Calculation Jurisdiction:	[•]
	(v) Rate Calculation Business Days:	[•]
	(vi) Specified Time:	[•]
	(vii) Settlement Rate Option:	[•]
	(viii) USD Settlement Rate Option:	[Applicable/Not Applicable]
	(ix) Maximum Days of Postponement:	[•]
14	Put/Call Options	[Put Option] [Call Option] [Not Applicable]
15	Method of distribution	[Syndicated/Non-syndicated]
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE		
16	Fixed Rate Note Provisions	[Applicable/Not Applicable]
[	(i) [Rate(s)] of Interest:	[•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
	(ii) Interest Payment Date(s):	[•] in each year
	(iii) Fixed Coupon Amount[(s)]:	[•] per Calculation Amount
	(iv) Broken Amount(s):	[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
	(v) Day Count Fraction:	[Actual/Actual or Actual/Actual – ISDA] [Actual/365 (Fixed)] [Actual/360] [30/360 or 360/360 or Bond Basis] [30E/360 or Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual ICMA]
	(vi) Determination Dates:	[•] in each year
	(vii) Business Day Convention:	[Applicable – Modified Following Business Day Convention/Not Applicable]]
17	Floating Rate Note Provisions	[Applicable/Not Applicable]
[	(i) [Interest Period(s)]:	[•]
	(ii) Specified Interest Payment Dates:	[•]
	(iii) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
	(iv) Business Centre(s):	[•]
	(v) Party responsible for calculating the interest due (if not the Calculation Agent):	[•]
	(vi) Floating Rate Option:	[•]

	(vii) Designated Maturity:	[•]
	(viii) Reset Date:	[•]
	(ix) Margin(s):	[+/-][•] per cent. per annum
	(x) Minimum Rate of Interest:	[•] per cent. per annum
	(xi) Maximum Rate of Interest:	[•] per cent. per annum
	(xii) Day Count Fraction:	[Actual/Actual or Actual/Actual – ISDA] [Actual/365 (Fixed)] [Actual/360] [30/360 or 360/360 or Bond Basis] [30E/360 or Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual ICMA]]
18	Zero Coupon Note Provisions	[Applicable/Not Applicable]
[	(i) Amortisation Yield:	[•] per cent. per annum
	(ii) Amortisation Yield compounding basis	[Compounded/Non-compounded] [annually/semi-annually/other]]
19	Equity Linked Interest Provisions	[Applicable/Not Applicable]
[	(i) Underlying Share and Equity Issuer:	[•]
	(ii) ISIN of Underlying Share:	[•]
	(iii) Provisions for determining Coupon where calculated by reference to Underlying Share:	Additional Condition 1.1 (<i>Interest Payable on Equity Linked Interest Notes</i>) applies.
	(iv) Share Reference Price:	[Initial Price][Strike Price]
	(v) Share Interest Amount:	[•] per Calculation Amount
	(vi) Calculation Amount:	[•]
	(vii) Exchange:	[•]
	(viii) Related Exchange(s):	[[•]/All Exchanges]
	(ix) Potential Adjustment Events:	[Applicable/Not Applicable]
	(x) De-listing, Merger Event, Nationalisation and Insolvency:	[Applicable/Not Applicable]
	(xi) Tender Offer:	[Applicable/Not Applicable]
	(xii) Valuation Dates/Averaging Dates:	[•]
	(xiii) Valuation Time:	Additional Condition 3.3 (<i>Definitions relevant to Equity Linked Securities</i>) applies]
	(xiv) Initial Price:	[•]
	(xv) Strike Price:	[•]
	(xvi) Exchange Rate:	[Applicable/Not Applicable]
	(xvii) Trade Date:	[•]
	(xviii) Interest Commencement Date:	[•]
	(xix) Interest Period(s):	[•]
	(xx) Specified Interest Payment Dates:	[•]

(xxi) Interest Determination Dates:	[[●] Business Days prior to each Specified Interest Payment Date/[The/Each] Valuation Date/Averaging Date/The Valuation Date/Averaging Date immediately preceding each Specified Interest Payment Date]
(xxii) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(xxiii) Business Centre(s):	[●]
(xxiv) Minimum Rate of Interest:	[●] per cent. per annum
(xxv) Maximum Rate of Interest:	[●] per cent. per annum
(xxvi) Day Count Fraction:	[●]
(xxvii) Payment Date Extension:	[Applicable/Not Applicable]
(xxviii) [Extension Business Days:	[●]]

PROVISIONS RELATING TO REDEMPTION

20	Call Option	[Applicable/Not Applicable]
[	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii) If redeemable in part:	[●]
	(a) Minimum Redemption Amount:	[●]
	(b) Maximum Redemption Amount:	[●]
	(iv) Notice period:	[●]]
21	Put Option	[Applicable/Not Applicable]
[	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii) Notice period:	[●]]
22	Final Redemption Amount	[[●] per Calculation Amount] [Not Applicable: see item [27]]
23 [	Settlement	Settlement will be by way of [cash payment] [and/or] [physical delivery]]
24	Expenses	[Applicable/Not Applicable]
25	Unwind Costs for Disruption Cash Settlement Price and Failure to Deliver Settlement Price	[Applicable/Not Applicable]
26	Issuer's option to vary settlement	The Issuer [has/does not have] the option to vary settlement in respect of the Notes pursuant to Base Note Condition 7(c) (<i>Variation of Settlement</i>)
27	Equity Linked Redemption Provisions	[Applicable/Not Applicable]

[	(i) Underlying Share and Equity Issuer:	[●]
	(ii) ISIN of Underlying Share:	[●]
	(iii) Whether redemption of the Notes will be by (a) Cash Settlement, (b) Physical Delivery or (c) Cash Settlement and/or Physical Delivery:	[Cash Settlement]/[Physical Delivery]/[Cash Settlement and/or Physical Delivery]
	(iv) Party responsible for making calculations pursuant to Additional Condition 1 (<i>Provisions applicable only to Equity Linked Notes</i>) (if not the Calculation Agent):	[●]
	(v) Exchange:	[●]
	(vi) Related Exchange(s):	[[●]/All Exchanges]
	(vii) Potential Adjustment Events:	[Applicable/Not Applicable]
	(viii) De-listing, Merger Event, Nationalisation and Insolvency:	[Applicable/Not Applicable]
	(ix) Tender Offer:	[Applicable/Not Applicable]
	(x) Final Redemption Amount:	Additional Condition 2.1 (<i>Redemption for Cash Settled Securities that are Equity Linked Redemption Notes</i>) applies.
	(xi) Uplift Amount:	[●]
	(xii) [Valuation Date/Averaging Dates]:	[●]
	(xiii) [Adjustment provisions in the event of a Disrupted Day:	[Omission/Postponement/Modified Postponement]
	(xiv) Settlement Price:	Additional Condition 3.3 (<i>Definitions relevant to Equity Linked Securities</i>) applies and the Settlement Price shall be determined by reference to the price of the relevant Underlying Share at the Valuation Time on the Valuation Date
	(xv) Valuation Time:	[Additional Condition 3.3 (<i>Definitions relevant to Equity Linked Securities</i>) applies]
	(xvi) Strike Price:	[●]
	(xvii) Exchange Rate:	[●] [Not Applicable]
	(xviii) Trade Date:	[●]
	(xix) Relevant Assets:	[●]
	(xx) Asset Amount(s):	[●]
	(xxi) Cut-Off Date:	[●]
	(xxii) Final Date:	[●]
	(xxiii) Delivery provisions for Asset Amount(s) if different from Base Note Conditions/ Additional Conditions:	[●]
	(xxiv) Maturity Date Extension:	[Applicable/Not Applicable]
[	(xxv) Extension Business Days:	[●]]

	(xxvi) Failure to Deliver due to Illiquidity:	[Applicable/Not Applicable]]
28	Additional Disruption Events	[Applicable/Not Applicable] [Change in Law] [Hedging Disruption] [Increased Cost of Hedging] [Increased Cost of Stock Borrow] [Insolvency Filing] [Loss of Stock Borrow]
29	Early Redemption Amount Early Redemption Amount(s) payable on redemption for: (a) an Illegality or Change in Law; (b) taxation reasons or on Event of Default or other early redemption; (c) in the case of Equity Linked Notes, following certain corporate events in accordance with Additional Condition 3.2 (<i>Potential Adjustment Events, De-listing, Merger Event, Tender Offer, Nationalisation and Insolvency, Adjustments for Equity Linked Securities in respect of Underlying Shares</i>); (d) if so specified herein, following an Additional Disruption Event (if applicable) in accordance with Additional Condition 4.2(iii) (<i>Occurrence of Additional Disruption Events</i>); or (e) if so specified herein, following a Scheduled Payment Currency Disruption Event (if applicable) in accordance with Additional Condition 5.1 (<i>Payment of Alternative Currency Equivalent</i>):	As specified in the Conditions
30	Unwind Costs	[Applicable/Not Applicable]
31	Disruption Cash Settlement Price Unwind Costs	[Applicable/Not Applicable]
32	Failure to Deliver Settlement Price Unwind Costs	[Applicable/Not Applicable]
GENERAL PROVISIONS APPLICABLE TO THE NOTES		
33	Form of Notes	Bearer Notes [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on 60 days' notice by the Issuer in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] [Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/at any time/in

		the limited circumstances specified in the Permanent Global Note]
		[Registered Notes – Global Note Certificate[s]] – [Euroclear/Clearstream Luxembourg]
34	New Global Note	[Yes] [No]
35	Additional Financial Centre(s) or other special provisions relating to payment dates	[Not Applicable] [●]
36	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature)	[No] [Yes, [●]]
37	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]	[Not Applicable]/[●]
38	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made	[Not Applicable]/[●]
39	Redenomination, renominatisation and reconventioning provisions	[Not Applicable/The provisions annexed to these Final Terms apply]
40	Consolidation provisions	[Not Applicable/The provisions in [Base General Condition 2 (<i>Further Issues</i>)] [annexed to these Final Terms] apply]

DISTRIBUTION

41	Name(s) and address(es) of Managers/Intermediary	[●]
42	Date(s) of underwriting commitments:	[Not Applicable] [●]
43	Date of [Subscription] Agreement:	[Not Applicable] [●]
44	U.S. Selling Restrictions	[Reg S Category 2; TEFRA C/TEFRA D/TEFRA Not Applicable]
45	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable]
46	Offer Period	An offer of the Notes may be made by the Managers [and [●]] during the period from [●] until [●].

[THIRD PARTY INFORMATION

[Information on assets] has been extracted from [source]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]]

Signed on behalf of the Issuer:

By:

.....

Duly authorised

PART B — OTHER INFORMATION

- 1 **Listing and admission to trading**
- [Application has been made for the Notes to be admitted to the Official List of the UK Listing Authority and to trading on the Regulated Market of the London Stock Exchange plc. with effect from [●].]
 [Application is expected to be made for the Notes to be admitted to the Official List of the UK Listing Authority and to trading on the Regulated Market of the London Stock Exchange plc. with effect from [●].]
 [Not Applicable (unlisted)]
- 2 [**Ratings**
- Ratings: [The Notes to be issued have not been rated]
 [The Notes to be issued have been rated:
 [Standard & Poor's: [●]]
 [Moody's: [●]]
 [[Fitch]: [●]]]
- 3 **Interests of Natural and Legal Persons involved in the [Issue/Offer]**
- [Save for [●], so][So] far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.
- 4 **Reasons for the Offer, Estimated Net Proceeds and Total Expenses**
- (i) [Reasons for the offer and use of proceeds: [●]]
- (ii) [Estimated net proceeds: [●]]
- (iii) [Estimated total expenses: [●]]
- 5 **[Fixed Rate Notes – YIELD]**
- Indication of yield [●]
- 6 **[Floating Rate Notes — HISTORIC INTEREST RATES]**
- Details of historic [LIBOR][EURIBOR][●] rates can be obtained from [Reuters][●].]
- 7 **[Equity Linked Notes– HISTORIC UNDERLYING SHARE PRICE]**
- Details of historic and further Underlying Share prices and volatility can be obtained from [Reuters][●].]
- 8 **Operational Information**
- ISIN Code: [●]/[Not Applicable]
- Common Code: [●]
- Legal Entity Identifier (LEI): JHE42UYNWWTJB8YTTU19

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, <i>société anonyme</i> and the relevant identification number(s):	[Not Applicable]/[•]
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[•]/[Not Applicable]

9 **Terms and Conditions of the Offer**

Offer Period:	[[•] to [•]]
Offer Price:	[•]
Base Note Conditions to which the offer is subject:	[Not Applicable]/[•]
Description of the application process:	[Not Applicable]/[•]
[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable]/[•]]
Details of the minimum and/or maximum amount of application:	[Not Applicable]/[•]
Details of the method and time limits for paying up and delivering the Notes:	[Not Applicable]/[•]
Manner and date in which results of the offer are to be made public:	[Not Applicable]/[•]
[Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable]/[•]]
Whether tranche(s) have been reserved for certain countries:	[Not Applicable]/[•]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable]/[•]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable]/[•]
Name(s) and address(es), to the extent known to the Issuer, of the places in the various countries where the offer takes place:	[None]/[•]

10

[Statement on Benchmarks

Amounts payable under the Notes may be calculated by reference to [specify benchmark], which is provided by [administrator legal name]][repeat as necessary]. As at the date of these Final Terms, [[administrator legal name] [appears][does not appear]][repeat as necessary] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“**ESMA**”) pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the “**BMR**”).]

**FORM OF FINAL TERMS OF THE NOTES
WHICH ARE NOT ELIGIBLE FOR RETAIL INVESTORS**

This section sets out the form of Final Terms that are applicable to Notes with a denomination of at least €100,000 (or equivalent) only.

MIFID II product governance – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); **EITHER** [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] **OR** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[, / and] portfolio management[, / and] [non-advised sales] [and pure execution services][, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable]]. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels[, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable].

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the “**Prospectus Directive**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended the “**PRIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.]

[In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “**SFA**”) and the Securities and Futures Act (Capital Market Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes [are] / [are not] prescribed capital markets products (as defined in the CMP Regulations 2018) and [are] [Excluded] / [Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products.)¹

Final Terms dated [●]

Australia and New Zealand Banking Group Limited

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the Markets Issuance Programme

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Base Note Conditions and the Base General Conditions set forth in the Prospectus dated 19 November 2018 [and the supplemental

¹ For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

Prospectus dated [●] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) as amended or superseded (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The summary relating to this specific issue of Notes is attached as an Annex to these Final Terms. The Prospectus [and the supplemental Prospectus] [is] [are] available on the website of the Regulatory News Service operated by the London Stock Exchange plc at <http://www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html> and [is] [are] available for viewing at the offices of the Paying Agents, and copies may be obtained from Deutsche Bank AG, Hong Kong Branch, Level 52, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

1	Issuer	Australia and New Zealand Banking Group Limited (acting through its [●] branch)
2	[(i) Series Number:	[●]]
	[(ii) Tranche Number:	[●]]
		[The Notes are to be consolidated and form a single Series with the [[●]] issued on [●]]
3	Specified Currency or Currencies	[●]
4	Aggregate Nominal Amount	[●]
	(i) [Series:]	[●]
	(ii) [Tranche:]	[●]
5	[Issue Price	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]]
6	(i) Specified Denominations:	[●]
	[(ii) Calculation Amount:	[●]]
7	[(i) Issue Date:	[●]]
	[(ii) Trade Date:	[The Trade Date for the purposes of Additional Condition 4 (<i>Additional Disruption Events</i>) is [●]/[Not Applicable].]
	[(iii) Interest Commencement Date (if different from the Issue Date):	[●]]
8	Maturity Date	[●]
9	Additional Conditions	
	Equity Linked Additional Conditions	[Not Applicable/Applicable]
10	Interest Basis	[[●] per cent. Fixed Rate] [[[●]] +/- [●] per cent. Floating Rate] [Zero Coupon] [Equity Linked Interest] [Non-Interest-Bearing]
11	Redemption/Payment Basis	[Redemption at par] [Instalment] [Partly Paid] [Equity Linked]

12	Change of Interest or Redemption/Payment Basis	[•][Not Applicable]
13	Alternative Currency Equivalent	[Not Applicable/Applicable]
[	(i) Alternative Currency:	[•]
	(ii) Alternative Currency Adjudication Agent:	[•]
	(iii) Alternative Currency Calculation Agent:	[•]
	(iv) Rate Calculation Jurisdiction:	[•]
	(v) Rate Calculation Business Days:	[•]
	(vi) Specified Time:	[•]
	(vii) Settlement Rate Option:	[•]
	(viii) USD Settlement Rate Option:	[Applicable/Not Applicable]
	(ix) Maximum Days of Postponement:	[•]]
14	Put/Call Options	[Put Option] [Call Option] [Not Applicable] [(further particulars specified below)]
15 [	Method of distribution	[Syndicated/Non-syndicated]]
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE		
16	Fixed Rate Note Provisions	[Applicable/Not Applicable]
[	(i) Rate[(s)] of Interest:	[•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
	(ii) Interest Payment Date(s):	[•] in each year
	(iii) Fixed Coupon Amount[(s)]:	[•] per Calculation Amount
	(iv) Broken Amount(s):	[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
	(v) Day Count Fraction:	[•] (Day Count Fraction should be Actual/Actual ICMA for all fixed rate issues other than those denominated in U.S. dollars or Renminbi, unless otherwise agreed)
	(vi) Determination Dates:	[•] in each year
	(vii) [Business Day Convention:	[Applicable – Modified Following Business Day Convention/Not Applicable]]
17	Floating Rate Note Provisions	[Applicable/Not Applicable]
[	(i) Interest Period(s):	[•]
	(ii) Specified Interest Payment Dates:	[•]

	(iii) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
	(iv) Business Centre(s):	[•]
	(v) Party responsible for calculating the interest due (if not the Calculation Agent):	[•]
	(vi) Floating Rate Option:	[•]
	(vii) Designated Maturity:	[•]
	(viii) Reset Date:	[•]
	(ix) Margin(s):	[+/-] [•] per cent. per annum
	(x) Minimum Rate of Interest:	[•] per cent. per annum
	(xi) Maximum Rate of Interest:	[•] per cent. per annum
	(xii) Day Count Fraction:	[•]
18	Zero Coupon Note Provisions	[Applicable/Not Applicable]
[	(i) Amortisation Yield:	[•] per cent. per annum
	(ii) Amortisation Yield compounding basis:	[Compounded/Non-compounded] [annually/semi-annually/[•]]
19	Equity Linked Interest Provisions	[Applicable/Not Applicable]
[	(i) Underlying Share and Equity Issuer:	[•]
	(ii) ISIN of Underlying Share:	[•]
	(iii) Party responsible for calculating the interest due (if not the Calculation Agent):	[•]
	(iv) Provisions for determining Coupon where calculated by reference to Underlying Share:	Additional Condition 1.1 (<i>Interest Payable on Equity Linked Interest Notes</i>) applies.
	(v) Share Reference Price:	[Initial Price][Strike Price]
	(vi) Share Interest Amount:	[•] per Calculation Amount
	(vii) [Calculation Amount:]	[•]
	(viii) [Nominal Amount:]	[•]
	(ix) Exchange:	[•]
	(x) Related Exchange(s):	[[•]/All Exchanges]
	(xi) Potential Adjustment Events:	[Applicable/Not Applicable]
	(xii) De-listing, Merger Event, Nationalisation and Insolvency:	[Applicable/Not Applicable]
	(xiii) Tender Offer:	[Applicable/Not Applicable]
	(xiv) Valuation Dates/Averaging Dates:	

(xv) Valuation Time:	Additional Condition 3.3 (<i>Definitions relevant to Equity Linked Securities</i>)
(xvi) Initial Price:	[•]
(xvii) Strike Price:	[•]
(xviii) Exchange Rate:	[Applicable/Not Applicable]
(xix) Trade Date:	[•]
(xx) Interest Commencement Date:	[•]
(xxi) Interest Period(s):	[•]
(xxii) Specified Interest Payment Dates:	[•]
(xxiii) Interest Determination Dates:	[[•] Business Days prior to each Specified Interest Payment Date/[The/Each] Valuation Date/Averaging Date/The Valuation Date/Averaging Date immediately preceding each Specified Interest Payment Date]
(xxiv) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(xxv) Business Centre(s):	[•]
(xxvi) Minimum Rate of Interest:	[•] per cent. per annum
(xxvii) Maximum Rate of Interest:	[•] per cent. per annum
(xxviii) Day Count Fraction:	[•]
(xxix) Payment Date Extension:	[Applicable/Not Applicable]
(xxx) [Extension Business Days:	[•]]

PROVISIONS RELATING TO REDEMPTION

20	Call Option	[Applicable/Not Applicable]
[	(i) Optional Redemption Date(s):	[•]
	(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[•] per Calculation Amount
	(iii) If redeemable in part:	
	– Minimum Redemption Amount:	[•]
	– Maximum Redemption Amount:	[•]
	(iv) Notice period:	[•]
21	Put Option	[Applicable/Not Applicable]
	(i) [Optional Redemption Date(s):	[•]
	(ii) Optional Redemption Amount(s) and method, if any,	[•] per Calculation Amount

	of calculation of such amount(s):	
	(iii) Notice period:	[•]]
22	Final Redemption Amount	[•] per Calculation Amount][Not Applicable: see item [27]]
23	[Settlement	Settlement will be by way of [cash payment] [and/or] [physical delivery]]
24	Expenses	[Applicable/Not Applicable]
	(i) Expenses Amount	[•]
25	Unwind Costs for Disruption Cash Settlement Price and Failure to Deliver Settlement Price	[Applicable/Not Applicable]
26	Issuer's option to vary settlement	The Issuer [has/does not have] the option to vary settlement in respect of the Notes pursuant to Base Note Condition 7(c) (<i>Variation of Settlement</i>)
27	Equity Linked Redemption Provisions	[Applicable/Not Applicable]
[	(i) The Underlying Share and Equity Issuer:	[•]
	(ii) ISIN of Underlying Share:	[•]
	(iii) Whether redemption of the Notes will be by (a) Cash Settlement, (b) Physical Delivery or (c) Cash Settlement and/or Physical Delivery:	[Cash Settlement]/[Physical Delivery]/[Cash Settlement and/or Physical Delivery]
	(iv) Party responsible for making calculations pursuant to Additional Condition 1 (<i>Provisions applicable only to Equity Linked Notes</i>) (if not the Calculation Agent):	[•]
	(v) Exchange:	[•]
	(vi) Related Exchange(s):	[[•]/All Exchanges]
	(vii) Potential Adjustment Events:	[Applicable/Not Applicable]
	(viii) De-listing, Merger Event, Nationalisation and Insolvency:	[Applicable/Not Applicable]
	(ix) Tender Offer:	[Applicable/Not Applicable]
	(x) Final Redemption Amount:	Additional Condition 2.1 (<i>Redemption of Cash Settled Securities that are Equity Linked Redemption Notes</i>) applies.
	(xi) Uplift Amount:	[•]
	(xii) [Valuation Date/Averaging Dates:]	[•]
	(xiii) [Adjustment provisions in the event of a Disrupted Day:	[Omission/Postponement/Modified Postponement]

	(xiv) Settlement Price:	Additional Condition 3.3 (<i>Definitions relevant to Equity Linked Securities</i>) applies and the Settlement Price shall be determined by reference to the price of the relevant Underlying Share at the Valuation Time on the Valuation Date
	(xv) Valuation Time:	[Additional Condition 3.3 (<i>Definitions relevant to Equity Linked Securities</i>) applies/[•]]
	(xvi) Strike Price:	[•]
	(xvii) Exchange Rate:	[•][Not Applicable]
	(xviii) Trade Date:	[•]
	(xix) Relevant Assets:	[•]
	(xx) Asset Amount(s):	[•]
	(xxi) Cut-Off Date:	[•]
	(xxii) Final Date:	[•]
	(xxiii) Delivery provisions for Asset Amount(s) (including details of who is to make such delivery) if different from the Base Note Conditions and/or the Additional Conditions:	[•]
	(xxiv) Maturity Date Extension:	[Applicable/Not Applicable]
[	(xxv) Extension Business Days:	[•]]
	(xxvi) Failure to Deliver due to Illiquidity:	[Applicable/Not Applicable]]
28	Additional Disruption Events:	[Applicable/Not Applicable] [Change in Law] [Hedging Disruption] [Increased Cost of Hedging] [Increased Cost of Stock Borrow] [Insolvency Filing] [Loss of Stock Borrow]
29	Early Redemption Amount Early Redemption Amount(s) payable on redemption for: (a) an Illegality or Change in Law; (b) taxation reasons or on Event of Default or other early redemption; (c) in the case of Equity Linked Notes, following certain corporate events in accordance with Additional Condition 3.2 (<i>Potential Adjustment Events, De-listing, Merger Event, Tender Offer, Nationalisation and Insolvency, Adjustments for Equity Linked</i>	As specified in the Conditions

Securities in respect of Underlying Shares); (d) if so specified herein, following an Additional Disruption Event (if applicable) in accordance with Additional Condition 4.2(iii) (*Occurrence of Additional Disruption Events*); or (e) if so specified herein, following a Scheduled Payment Currency Disruption Event (if applicable) in accordance with Additional Condition 5.1 (*Payment of Alternative Currency Equivalent*):

30	Unwind Costs	[Applicable/Not Applicable]
31	Disruption Cash Settlement Price Unwind Costs	[Applicable/Not Applicable]
32	Failure to Deliver Settlement Price Unwind Costs	[Applicable/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

33	Form of Notes	Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on 60 days' notice by the Issuer in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] [Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] [Registered Notes – Global Note Certificate[s]] – [Euroclear/Clearstream Luxembourg]
34	New Global Note	[Yes] [No]
35	Additional Financial Centre(s) or other special provisions relating to payment dates	[Not Applicable] [●]
36	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature)	[No] [Yes, [●]]
37	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer	[Not Applicable]/[●]

	to forfeit the Notes and interest due on late payment]	
38	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made	[Not Applicable]/[●]
39	Redenomination, renominatisation and reconventioning provisions	[Not Applicable/The provisions annexed to these Final Terms apply]
40	Consolidation provisions:	[Not Applicable/The provisions in [Base General Condition 2 (<i>Further Issues</i>)] [annexed to these Final Terms] apply]
41	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable]

[THIRD PARTY INFORMATION

[Information on assets] has been extracted from [Source]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]]

Signed on behalf of the Issuer:

By:

.....
Duly authorised

PART B — OTHER INFORMATION

- 1 **Listing and admission to trading**
- (i) Listing and admission to trading: [Application has been made for the Notes to be admitted to the Official List of the UK Listing Authority and to trading on the Regulated Market of the London Stock Exchange plc. with effect from [●].]
[Application is expected to be made for the Notes to be admitted to the Official List of the UK Listing Authority and to trading on the Regulated Market of the London Stock Exchange plc. with effect from [●].]
- [(ii) Estimate of total expenses related to admission to trading: [●]]
- 2 **[Ratings]**
- Ratings: [The Notes to be issued have not been rated]
[The Notes to be issued have been rated:
[Standard & Poor's: [●]]
[Moody's: [●]]
[[Fitch]: [●]]
- 3 **[Interests of Natural and Legal Persons involved in the [Issue/Offer]**
- [Save for [●], so][So] far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.
- 4 **[Reasons for the Offer, Estimated Net Proceeds and Total Expenses]**
- (i) [Reasons for the offer and use of proceeds: [●]]
- (ii) [Estimated net proceeds: [●]]
- (iii) [Estimated total expenses: [●]]
- 5 **[Fixed Rate Notes – YIELD]**
- Indication of yield: [●]]
- 6 **[Floating Rate Notes — HISTORIC INTEREST RATES]**
- Details of historic [LIBOR][EURIBOR][●] rates can be obtained from [Reuters][●].]
- 7 **[Equity Linked Notes– HISTORIC UNDERLYING SHARE PRICE]**
- Details of historic and further Underlying Share prices and volatility can be obtained from [Reuters] [●].]
- 8 **OPERATIONAL INFORMATION**
- ISIN Code: [●]/[Not Applicable]
- Common Code: [●]
- Legal Entity Identifier (LEI): JHE42UYNWWTJB8YTTU19

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

[Delivery: Delivery [against/free of] payment]
 Names and addresses of additional Paying Agent(s) (if any): [●]/[Not Applicable]

9 **[Statement on Benchmarks]**

Amounts payable under the Notes may be calculated by reference to [specify benchmark], which is provided by [administrator legal name][repeat as necessary]. As at the date of these Final Terms, [[administrator legal name] [appears][does not appear]][repeat as necessary] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“**ESMA**”) pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the “**BMR**”).]

FORM OF FINAL TERMS FOR C&W SECURITIES

This section sets out the form of Final Terms that are applicable to all Exercisable Certificates, Redeemable Certificates and Warrants.

MIFID II product governance – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); **EITHER** [and (ii) all channels for distribution of the Securities are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] **OR** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Securities to retail clients are appropriate - investment advice[, / and] portfolio management[, / and][non-advised sales][and pure execution services][, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable]]. Any person subsequently offering, selling or recommending the Securities (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels[, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable].

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the “**Prospectus Directive**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended the “**PRIPs Regulation**”) for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.]

[In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “**SFA**”) and the Securities and Futures Act (Capital Market Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Securities [are] / [are not] prescribed capital markets products (as defined in the CMP Regulations 2018) and [are] [Excluded] / [Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products.)¹

Final Terms dated [●]

Australia and New Zealand Banking Group Limited

Issue of [Aggregate Number of Securities] [Title of Securities]

under the Markets Issuance Programme

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Base C&W Conditions and the Base General Conditions set forth in the Prospectus dated 19 November 2018 [and the supplemental

¹ For any Securities to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Securities pursuant to Section 309B of the SFA prior to the launch of the offer.

Prospectus dated [●] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) as amended or superseded (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Prospectus. The summary relating to this specific issue of C&W Securities is attached as an Annex to these Final Terms. The Prospectus [and the supplemental Prospectus] [is] [are] available for viewing [on the website of the Regulatory News Service operated by the London Stock Exchange plc at <http://www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html> and [is] [are] available for viewing at the offices of the Paying Agents and copies may be obtained from Deutsche Bank AG, Hong Kong Branch, Level 52, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

References herein to numbered Base C&W Conditions are to the terms and conditions of the Securities and words and expressions defined in such terms and conditions shall bear the same meanings in these Final Terms, save where otherwise expressly provided.

1	<p>[(a) Series Number</p> <p>[(b) Tranche Number</p>	<p>[●]]</p> <p>[●]]</p> <p>[The Securities are to be consolidated and form a single Series with the [[●]] issued on [●]]</p>
2	Type of C&W Security	<p>(a) [Redeemable Certificate/Exercisable Certificate/Warrant] (Exercisable Certificates are referred to herein and in the Base C&W Conditions as Warrants)</p> <p>(b) The Securities are General C&W Securities]</p> <p>(c) [●]</p>
3	<p>[(a) Number of C&W Securities being issued</p> <p>[(b) Total number of C&W Securities in issue</p>	<p>The number of C&W Securities being issued is [●]]</p> <p>The total number of C&W Securities in issue is [●]]</p>
4	[Issue Price	The issue price per [C&W Security/Unit] is [●]]
5	<p>[(a) Issue Date</p> <p>[(b) Trade Date</p>	<p>The issue date of the C&W Securities is [●]]</p> <p>[The Trade Date for the purposes of Additional Condition 4 (<i>Additional Disruption Events</i>) is [●]/[Not Applicable]]</p>
6	Additional Conditions Equity Linked Additional Conditions	[Not Applicable/Applicable]
7	Specified Currency	[●]
8	Expenses	[Applicable/Not Applicable]
9	Unwind Costs for Disruption Cash Settlement Price and Failure to Deliver Settlement Price	[Applicable/Not Applicable]
10	Alternative Currency Equivalent	[Not Applicable/Applicable]
	(i) [Alternative Currency:	[●]
	(ii) Alternative Currency Adjudication Agent:	[●]

- | | | |
|--------|--|-----------------------------|
| (iii) | Alternative Currency
Calculation Agent: | [●] |
| (iv) | Rate Calculation Jurisdiction: | [●] |
| (v) | Rate Calculation Business
Days: | [●] |
| (vi) | Specified Time: | [●] |
| (vii) | Settlement Rate Option: | [●] |
| (viii) | USD Settlement Rate Option: | [Applicable/Not Applicable] |
| (ix) | Maximum Days of
Postponement: | [●] |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|----|--|---|
| 11 | Interest Basis | [[●] per cent. Fixed Rate]
[●] +/- [●] per cent. Floating Rate]
[Zero Coupon]
[Non-Interest-Bearing] |
| 12 | Fixed Rate C&W Security Provisions | [Applicable/Not Applicable] |
| [| (i) [Calculation Amount:] | [●]/[Not Applicable] |
| | (ii) [Nominal Amount:] | [●]/[Not Applicable] |
| | (iii) Rate[(s)] of Interest: | [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/(specify)] in arrear] |
| | (iv) Interest Commencement Date: | [●] |
| | (v) Specified Interest Payment Date(s): | [●] in each year [adjusted in accordance with [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]/not adjusted] |
| | (vi) Business Day Centre(s): | [●] |
| | (vii) Day Count Fraction: | [Actual/Actual or Actual/Actual – ISDA]
[Actual/365 (Fixed)]
[Actual/360]
[30/360 or 360/360 or Bond Basis]
[30E/360 or Eurobond Basis]
[30E/360 (ISDA)]
[Actual/Actual ICMA] |
| | (viii) Determination Date(s): | [●] in each year] |
| 13 | Floating Rate C&W Security Provisions | [Applicable/Not Applicable] |
| [| (i) [Calculation Amount:] | [●]/[Not Applicable] |
| | (ii) [Nominal Amount:] | [●]/[Not Applicable] |
| | (iii) Interest Commencement Date: | [●] |
| | (iv) Specified Period(s)/Specified Interest Payment Dates: | [●] |

- (v) First Interest Payment Date: [●]
- (vi) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Convention/Preceding Business Day Convention]
- (vii) Business Day Centre(s): [●]
- (viii) Party responsible for calculating the Interest Amount(s) (if not the [Calculation Agent]): [●]
- (ix) Floating Rate Option: [●]
- (x) Designated Maturity: [●]
- (xi) Reset Date: [●]
- (xii) Margin(s): [+/-][●] per cent. per annum
- (xiii) Minimum Rate of Interest: [●] per cent. per annum
- (xiv) Maximum Rate of Interest: [●] per cent. per annum
- (xv) Day Count Fraction: [Actual/Actual or Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/360
30/360 or 360/360 or Bond Basis
30E/360 or Eurobond Basis]

PARAGRAPHS 14 TO 23 (INCLUSIVE) APPLY TO WARRANTS (INCLUDING EXERCISABLE CERTIFICATES) ONLY

14	Exercise Style	The Warrants are [European/American] Style C&W Securities
15	Call/Put Warrants	The Warrants are [Call Warrants/Put Warrants]
16	Units	Warrants must be exercised in Units. Each Unit consists of [●] Warrants
17	Exercise Price	The Exercise Price per [Warrant/Unit] (which may be subject to adjustment in accordance with Additional Condition 1 (<i>Provisions applicable only to Equity Linked Notes</i>) in the case of Equity Linked C&W Securities) is [●]
18	Exercise Date	[The Exercise Date of the Warrants is [●], provided that, if such date is not a Business Day, the Exercise Date shall be the immediately [preceding/succeeding] Business Day]/[Not Applicable]
19	Exercise Period	[The Exercise Period in respect of the Warrants is from and including [●] to and including [●], or, if [●] is not a Business Day, the immediately succeeding Business Day]/[Not Applicable]
20	Automatic Exercise [If Automatic Exercise does apply]	Automatic Exercise [applies/does not apply] Automatic Exercise: C&W Exercise Notice by Cut-off Date [applies/does not apply] Automatic Exercise: No delivery of C&W Exercise Notice [applies/does not apply]
21	Settlement Date	[[i)] The settlement date for the Warrants is [●] [[ii)] "Settlement Business Day" for the purposes of Base C&W Condition 5(c)(ii) (<i>Settlement Disruption</i>) and Base C&W Condition 6(e) (<i>Automatic Exercise</i>) means [●]/[Not Applicable]
22	[Minimum Exercise Number]	The minimum number of Warrants that may be exercised (including Automatic Exercise) on any day by any Warrantholder is [●] [and Warrants may only be exercised (including Automatic Exercise) in integral multiples of [●] Warrants in excess thereof]
23	Maximum Exercise Number	The maximum number of Warrants that may be exercised on any day by any Warrantholder or group of Warrantholders (whether or not acting in concert) is [●]

PARAGRAPHS 24 TO 28 (INCLUSIVE) APPLY TO REDEEMABLE CERTIFICATES ONLY

24	Redemption Date	[●] ["Settlement Business Day" means [●]]
25	Valuation Date	[●]
26	Call Option	[Applicable/Not Applicable]
[	(i) Optional Redemption Date(s):	[●]

	(ii)	Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[●]
	(iii)	If redeemable in part:	[●]
	(a)	Minimum Redemption Amount:	[●]
	(b)	Maximum Redemption Amount:	[●]
	(iv)	Notice period:	[●]]
27		Put Option	[Applicable/Not Applicable]
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[●]
	(iii)	Notice period:	[●]]
28		Notional Amount of each Certificate	[Currency] [Amount]
29		Averaging	Averaging [applies/does not apply] to the C&W Securities. [The Averaging Dates are [●]]
30		Scheduled Trading Day	[●]/[Not Applicable]
31		Business Day Centre(s)	The applicable Business Day Centre[s] for the purposes of the definition of "Business Day" in Base C&W Condition 4 (<i>Interest and other Calculations</i>) [is/are] [●]
32		Settlement	Settlement will be by way of [cash payment] [and/or] [physical delivery]]
33		Issuer's option to vary settlement	The Issuer [has/does not have] the option to vary settlement in respect of the C&W Securities pursuant to Base C&W Condition 5(e) (<i>Variation of Settlement</i>) in the case of Warrants or Base C&W Condition 8 (<i>Redemption and Redemption Procedure for Redeemable Certificates</i>) in the case of Redeemable Certificates
34		Cash Settlement Amount	[[●] per Calculation Amount][Not Applicable]]
35		Exchange Rate	[Applicable/Not Applicable]
36		Specified Currency	The Specified Currency for the payment of [the Cash Settlement Amount] (in the case of Cash Settled Securities)/[the Disruption Cash Settlement Amount] (in the case of Physical Delivery Securities) [and any other amounts payable in respect of the Securities] is [●]
37		Failure to Deliver due to Illiquidity	[Failure to Deliver due to Illiquidity [applies/does not apply] to the C&W Securities.]/[Not Applicable]

38	<p>Equity Linked C&W Securities Provisions</p> <p>[</p> <p>(i) Underlying Share: [●]</p> <p>(ii) ISIN of Underlying Share: [●]</p> <p>(iii) Whether redemption or exercise of the C&W Securities will be by (a) Cash Settlement, (b) Physical Delivery or (c) Cash Settlement and/or Physical Delivery: [Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery]</p> <p>(iv) Party responsible for making calculations pursuant to Additional Condition 1 (<i>Provisions applicable only to Equity Linked Notes</i>) (if not the Calculation Agent): [●]</p> <p>(v) Exchange: [●]</p> <p>(vi) Related Exchange(s): [[●]/All Exchanges]</p> <p>(vii) Potential Adjustment Events: [Applicable/Not Applicable]</p> <p>(viii) De-listing, Merger Event, Nationalisation and Insolvency: [Applicable/Not Applicable]</p> <p>(ix) Tender Offer: [Applicable/Not Applicable]</p> <p>(x) [Valuation Date/Averaging Dates:] [●]</p> <p>(xi) [Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement]</p> <p>(xii) Settlement Price: [●][Additional Condition 3.3 (<i>Definitions relevant to Equity Linked Securities</i>) applies and the Settlement Price shall be determined by reference to the price of the relevant Underlying Share at the Valuation Time on the Valuation Date]</p> <p>(xiii) Valuation Time: [Additional Condition 3.3 (<i>Definitions relevant to Equity Linked Securities</i>) applies/other]</p> <p>(xiv) Exchange Rate: [Applicable/Not Applicable]</p> <p>(xv) Trade Date: [●]</p> <p>(xvi) Cash Settlement Amount: [Additional Condition 2.2 (<i>Redemption of Cash Settled Securities that are Equity Linked Redeemable Certificates</i>) applies][Not Applicable]</p> <p>(xvii) Uplift Amount: [●] [Not Applicable]</p> <p>(xviii) Strike Price: [●] [Not Applicable]</p> <p>(xix) Relevant Assets: [●]</p> <p>(xx) Asset Amount(s): [●]/[Not Applicable]</p> <p>(xxi) Cut-Off Date: [●]/[Not Applicable]</p>	<p>[Applicable/Not Applicable]</p>
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	(xxii) Final Date:	[●]
	(xxiii) Delivery provisions for Asset Amount(s) (including details of who is to make such delivery) if different from the Base C&W Conditions and/or the Additional Conditions:	[●]/[Not Applicable]
	(xxiv) [Settlement Date Extension] [Redemption Date Extension:]	[Applicable/Not Applicable]
	(xxv) [Extension Business Days:	[●]/[Not Applicable]]
	(xxvi) Failure to Deliver due to Illiquidity:	[Applicable/Not Applicable]
	(xxvii) Specified Currency:	[●]]
39	Additional Disruption Events	[Applicable/Not Applicable] <i>[Additional Disruption Events are only applicable to certain types of Equity Linked C&W Securities]</i> [Change in Law] [Hedging Disruption] [Increased Cost of Hedging] [Increased Cost of Stock Borrow] [Insolvency Filing] [Loss of Stock Borrow]
40	Early Cancellation Amount Early Cancellation Amount(s) payable on redemption for (a) an Illegality, (b) taxation reasons or on Event of Default or other early redemption; (c) in the case of Equity Linked C&W Securities, following certain corporate events in accordance with Additional Condition 3.2 (<i>Potential Adjustment Events, De-listing, Merger Event, Tender Offer, Nationalisation and Insolvency, Adjustments for Equity Linked C&W Securities in respect of Underlying Shares</i>), (d) if so specified herein, following an Additional Disruption Event (if applicable) in accordance with Additional Condition 4.2(iii) or (e) if so specified herein, following a Scheduled Payment Currency Disruption Event (if applicable) in accordance with Additional Condition 5.1 (<i>Payment of Alternative Currency Equivalent</i>):	As specified in the Conditions
41	Unwind Costs	[Applicable/Not Applicable]

42	Additional Financial Centre(s) or other special provisions relating to payment dates	
43	Name(s) and address(es) of Managers/Intermediary	[●]]
44	Date(s) of underwriting commitments	[Not Applicable] [●]]
45	Date of Subscription Agreement	[●]]
46	Offer period	An offer of the C&W Securities may be made by [●]]during the period from [●] until [●].]
47	Prohibition of Sales to EEA Retail Investors	[Applicable/Not Applicable]
48	Post-issuance Information	[●]/[Not Applicable]]

[THIRD-PARTY INFORMATION

[Information on assets has been extracted from [source]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:.....
Duly authorised

PART B – OTHER INFORMATION**1 LISTING AND ADMISSION TO TRADING**

- (i) Listing and Admission to trading: [Application has been made for the C&W Securities to be admitted to the Official List of the UK Listing Authority and to trading on the Regulated Market of the London Stock Exchange plc. with effect from [●].]
[Application is expected to be made for the C&W Securities to be admitted to the Official List of the UK Listing Authority and to trading on the Regulated Market of the London Stock Exchange plc. with effect from [●].]
[Not Applicable (unlisted)]
- (ii) Estimate of total expenses related to admission to trading: [●][Not Applicable]

2 RATING

- Ratings: [The C&W Securities to be issued have not been rated]
[The C&W Securities to be issued have been rated:
[Standard & Poor's: [●]]
[Moody's: [●]]
[[Fitch]: [●]]]

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for [●], so][So] far as the Issuer is aware, no person involved in the offer of the C&W Securities has an interest material to the offer.

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

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

5 [Fixed Rate C&W Securities — YIELD

Indication of yield: [●]

6 [Equity Linked C&W Securities – HISTORIC UNDERLYING SHARE PRICE

[Details of historic and further Underlying Share prices and volatility can be obtained from [Reuters][●].]

- (i) Names and addresses of any Intermediaries: [●]
- (ii) Offer Period: [●]
- (iii) Offer Price: [[●]/Up to [●]]

- (iv) Base C&W Conditions to which the offer is subject: [Offers of the C&W Securities are conditional on their issue [and on any additional conditions set out in the standard terms of business of the Intermediaries, notified to investors by such relevant Intermediaries.]] [The Issuer reserves the right to cancel the issue of the C&W Securities for whatever reason, including (without limitation) if (a) any circumstance occurs which, in the Issuer's opinion, may have a significant impact on the issue or (b) the number of C&W Securities or currency amount in respect of which offers are received is (or is determined by the Issuer or any Intermediary to be likely to be) less than the number or amount specified in paragraph (vi) below]
- (v) [Description of the application process: [●]]
- (vi) [Details of the minimum and/or maximum amount of application: [●]]
- (vii) [Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [●]]
- (viii) [Details of method and time limits for paying up and delivering the C&W Securities: [The C&W Securities will be issued on the Issue Date against payment to the Issuer of the net subscription moneys. Investors will be notified by the relevant Intermediary of their allocations of C&W Securities and the settlement arrangements in respect thereof]]
- (ix) [Manner and date in which results of the offer are to be made public: [●]]
- (x) [Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [●]]
- (xi) Whether tranche(s) have been reserved for certain countries: [●]
- (xii) [Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made: [No dealings in the C&W Securities on a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on Markets in financial instruments may take place prior to the Issue Date]]
- (xiii) [Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [●]]
- (xiv) Name(s) and address(es), to the extent known to the Issuer, of the places in the various countries where the offer takes place: [None/[●]]

7 **OPERATIONAL INFORMATION**

- | | |
|--|-----------------------------------|
| (i) ISIN Code: | [•] |
| (ii) Common Code: | [•] |
| (iii) Legal Entity Identifier (LEI): | JHE42UYNWWTJB8YTTU19 |
| [(iv) CNS Code:] | [•] |
| [(v)] Any clearing system(s) other than Euroclear
Bank S.A./N.V. and Clearstream Banking,
<i>société anonyme</i> and the relevant
identification number(s): | [Address]
[Not Applicable/[•]] |

8 **[Statement on Benchmarks]**

Amounts payable under the Securities may be calculated by reference to [specify benchmark], which is provided by [administrator legal name]][repeat as necessary]. As at the date of these Final Terms, [[administrator legal name] [appears][does not appear]][repeat as necessary] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“**ESMA**”) pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the “**BMR**”).]

USE OF PROCEEDS

This section sets out what the proceeds from the sale of Securities will be used for.

The net proceeds of each issue of Securities will be used for the general business purposes of ANZ, including the making of profits and the hedging of certain risks. If, in respect of any particular issue of Securities that have a denomination of less than €100,000 (or equivalent) and/or are “derivative securities” for the purposes of the Prospectus Directive, there is a particular identified use of proceeds, this will be stated in the relevant Final Terms.

CLEARING AND SETTLEMENT

This section provides information on the ways in which Securities may be cleared and settled through clearing systems.

Book-Entry Ownership

Bearer Notes

The Issuer may make applications to Clearstream, Luxembourg and/or Euroclear for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. In respect of Bearer Notes, a temporary Global Note and/or a permanent Global Note in bearer form without coupons may be deposited with a common depository or common safekeeper, as the case may be, for Clearstream, Luxembourg and/or Euroclear or an Alternative Clearing System as agreed between the Issuer and any relevant Intermediary. Transfers of interests in such temporary Global Notes or permanent Global Notes will be made in accordance with the normal Euromarket debt securities operating procedures of Clearstream, Luxembourg and Euroclear or, if appropriate, the Alternative Clearing System. Each Global Note deposited with a common depository or common safekeeper, as the case may be, on behalf of Euroclear and Clearstream, Luxembourg will have an ISIN and a Common Code. Global Notes deposited with a common depository or nominee or custodian of an Alternative Clearing System may have additional or alternative identifiers, as set out in the relevant Final Terms.

Registered Notes

The Issuer may make applications to Clearstream, Luxembourg and/or Euroclear and/or an Alternative Clearing System for acceptance in their respective book-entry systems in respect of the Registered Notes to be represented by a Global Note Certificate. Each Global Note Certificate deposited with a nominee for Clearstream, Luxembourg and/or Euroclear will have an ISIN and a Common Code. Global Note Certificates registered in the name of a nominee for an Alternative Clearing System may have additional or alternative identifiers, as set out in the relevant Final Terms.

All Registered Notes will initially be in the form of a Global Note Certificate. Individual Certificates will only be available in amounts specified in the relevant Final Terms.

Transfers of Registered Notes

Transfers of interests in Global Note Certificates within Clearstream, Luxembourg or Euroclear will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Note Certificate to such persons may be limited.

On or after the Issue Date for any Series, transfers of Notes of such Series between account holders in Clearstream, Luxembourg and/or Euroclear will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between account holders in Clearstream, Luxembourg and Euroclear will need to have an agreed settlement date between the parties to such transfer.

Individual Certificates

Registration of title to Registered Notes in a name other than a depository or its nominee for Clearstream, Luxembourg, Euroclear or for an Alternative Clearing System will be permitted only in the circumstances set forth in "Summary of Provisions Relating to the Notes while in Global Form – Exchange – Global Note Certificates". In such circumstances, the Issuer will cause sufficient individual Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Noteholder(s). A person having an interest in a Global Note Certificate must provide the Registrar with a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual Certificates.

INFORMATION ABOUT ANZ

This section provides a description of the business activities of ANZ and its group of companies as well as certain financial information and key risks faced by ANZ and its group of companies.

Overview

Australia and New Zealand Banking Group Limited (“**ANZ**”) and its subsidiaries (together, the “**Group**”), which began its Australian operations in 1835 and its New Zealand operations in 1840, is one of the four major banking groups headquartered in Australia. ANZ is a public company limited by shares incorporated in Australia and was registered in the State of Victoria on 14 July 1977. ANZ’s registered office is located at Level 9, 833 Collins Street, Docklands, Victoria, 3008, Australia, and the telephone number is +61 3 9683 9999. ANZ’s Australian Business Number is ABN 11 005 357 522.

The Group provides a broad range of banking and financial products and services to retail, small business, corporate and institutional customers. Geographically, operations span Australia, New Zealand, a number of countries in the Asia Pacific region, the United Kingdom, France, Germany and the United States.

As at 30 September 2018, ANZ had total assets of A\$942.6 billion and shareholders’ equity excluding non-controlling interests of A\$59.2 billion. In terms of total assets among banking groups, the Group ranked second in Australia³ as of 30 September 2018 and first in New Zealand⁴ as of 30 June 2018.

ANZ’s principal ordinary share listing and quotation is on the Australian Securities Exchange (“**ASX**”). Its ordinary shares are also quoted on the New Zealand Stock Exchange (“**NZX**”). At the close of trading on 28 September 2018, ANZ had a market capitalisation of \$81.0 billion, which ranked among the top five largest companies listed on the ASX.⁵

Legal Status

In order for a branch of a bank incorporated outside the United Kingdom to operate in the United Kingdom, it must register with the Registrar of Companies (England and Wales) pursuant to The Overseas Companies Regulations 2009 (SI 2009/1801) (Regulations). On 1 January 1993, the Issuer registered as a foreign company and in its capacity as a London branch under the name “Australia and New Zealand Banking Group Limited. In legal terms, the London branch is the same entity as the headquarters of the Issuer incorporated in Australia. The same is true of the Issuer’s Hong Kong and Singapore branches. Under the Programme, the Issuer may issue Securities through any of its London, Hong Kong or Singapore branches, and will choose to do so purely for its own internal accounting and booking purposes. From the point of view of a Securityholder, the identity of the issuing branch is not significant, because the Securities will ultimately be obligations of the Australia-incorporated Issuer.

Business Model

The Group’s business model primarily consists of raising funds through customer deposits and the wholesale debt markets and lending those funds to customers. In addition, the Group operates a Markets business which earns revenue from sales, trading and risk management activities. The Group also provides payments and clearing solutions. The Group currently earns revenue from its wealth activities through the provision of insurance, superannuation and funds management services which are largely classified as discontinued operations.

The Group’s primary lending activities are personal lending covering residential home loans, credit cards and overdrafts, and lending to corporate and institutional customers.

The Group’s income is derived from a number of sources, primarily:

³ Source: Commonwealth Bank of Australia results announcement for the financial year ended 30 June 2018; National Australia Bank results announcement for the financial year ended 30 September 2018, Westpac Banking Corporation results announcement for the financial year ended 30 September 2018.

⁴ Source: Reserve Bank of New Zealand Bank Financial Strength Dashboard (<https://bankdashboard.rbnz.govt.nz/summary>) for the quarter ending June 2018.

⁵ Source: IRESS Limited.

- Net interest income – represents the difference between the interest income the Group earns on its lending activities and the interest paid on customer deposits and wholesale funding;
- Net fee and commission income – represents fee income earned on lending and non-lending related financial products and services;
- Net funds management and insurance income – represents income earned from the provision of investment, insurance and superannuation solutions;
- Share of associates' profits – represents the Group's share of the profit of an entity over which the Group has significant influence but not control; and
- Other income – includes revenue generated from sales, trading and risk management activities in the Markets business, net foreign exchange earnings and gains and losses from economic and revenue and expense hedges.

Strategy

The Group's strategy is focused on becoming simpler, better balanced and more service oriented to help people and businesses respond to a changing world.

The Group believes that the execution of its strategy will deliver consistently strong results for its shareholders, achieving a balance between growth and return, short and long-term results and financial and social impact.

The strategic priorities of the Group are:

- **Create a simpler, better balanced bank.** Reduce operating costs and risks by removing product and management complexity, exiting low return and non-core businesses and reducing the Group's reliance on low-returning aspects of institutional banking in particular.
- **Focus the Group's efforts on areas where it can win.** Make buying and owning a home or starting, running and growing a small business in Australia and New Zealand easy. Be the best bank in the world for customers driven by the movement of goods and capital in the Group's region.
- **Drive a purpose and values led transformation.** Create a stronger sense of core purpose, ethics and fairness, investing in leaders who can help sense and navigate a rapidly changing environment.
- **Build a superior everyday experience for customers and the Group's people to compete in the digital age.** Build more convenient, engaging banking solutions to simplify the lives of customers and the Group's people.

Principal activities of the Group

The Group operates on a divisional structure with six continuing divisions: Australia, Institutional, New Zealand, Wealth Australia, Asia Retail & Pacific, and TSO and Group Centre.

As of 30 September 2018, the principal activities of the six divisions were:

Australia

The Australia division comprises the Retail and Business & Private Banking ("**B&PB**") business units.

- Retail provides products and services to consumer customers in Australia via the branch network, mortgage specialists, contact centres and a variety of self-service channels (internet banking, phone banking, ATMs, website and digital banking) and third-party brokers.
- B&PB provides a full range of banking products and financial services, including asset financing, across the following customer segments: medium to large commercial customers and agribusiness customers across regional Australia, small business owners and high net worth individuals and family groups.

Institutional

The Institutional division services global institutional and corporate customers across three product sets: Transaction Banking, Loans & Specialised Finance and Markets.

- Transaction Banking provides working capital and liquidity solutions including documentary trade, supply chain financing, commodity financing as well as cash management solutions, deposits, payments and clearing.
- Loans & Specialised Finance provides loan products, loan syndication, specialised loan structuring and execution, project and export finance, debt structuring and acquisition finance and corporate advisory.
- Markets provide risk management services on foreign exchange, interest rates, credit, commodities and debt capital markets in addition to managing the Group's interest rate exposure and liquidity position.

New Zealand

The New Zealand division comprises the Retail and Commercial business units.

- Retail provides a full range of banking and wealth management services to consumer, private banking and small business banking customers. It delivers its services via its internet and app-based digital solutions and network of branches, mortgage specialists, relationship managers and contact centres.
- Commercial provides a full range of banking services including traditional relationship banking and sophisticated financial solutions through dedicated managers focusing on privately owned medium to large enterprises and the agricultural business segment.

Wealth Australia

The Wealth Australia division comprises the Insurance and Funds Management business units, which provide insurance, investment and superannuation solutions intended to make it easier for customers to protect and grow their wealth.

- Discontinued operations of the Wealth Australia division comprise the businesses subject to sales agreements with IOOF and Zurich Financial Services Australia Limited.
- Continuing operations includes lenders mortgage insurance, share investing, financial planning and general insurance distribution.

Asia Retail & Pacific

During the 2018 financial year, the Asia Retail & Pacific division comprised the Asia Retail and Wealth, and the Pacific business units, connecting customers to specialists for their banking needs:

- Asia Retail and Wealth⁶: The Group announced that it had agreed to sell Retail and Wealth businesses in Singapore, Hong Kong, China, Taiwan and Indonesia to DBS Bank Ltd on 31 October 2016, and its Retail business in Vietnam to Shinhan Bank Vietnam on 21 April 2017. The Group successfully completed the sales in China, Singapore and Hong Kong in the September 2017 half, and the sales in Vietnam, Taiwan, and Indonesia in the March 2018 half. Prior to the completion of these sales, the Asia Retail and Wealth business unit provided general banking and wealth management services to affluent and emerging affluent retail customers via relationship managers, branches, contact centers and a variety of self-service digital channels (internet and mobile banking, phone and ATMs). Core products offered included deposits, credit cards, loans, investments and insurance. Post completion of these sales insignificant run-off activities remain within the Asia Retail and Wealth unit.
- Pacific: Pacific provides products and services to retail customers, small to medium-sized enterprises, institutional customers and Governments located in the Pacific Islands. Products and services include

⁶ The Asia Retail and Wealth unit excludes the residual businesses in the Philippines, Japan and Cambodia which were transferred to the Institutional division in the 2018 financial year.

retail products provided to consumers, traditional relationship banking and sophisticated financial solutions provided to business customers through dedicated managers.

Technology, Services & Operations and Group Centre

TSO and Group Centre provide support to the operating divisions, including technology, group operations, shared services, property, risk management, financial management, strategy, marketing, human resources and corporate affairs. The Group Centre includes Group Treasury, Shareholder Functions and minority investments in Asia.

Recent Developments

On 8 November 2018, ANZ noted the release of APRA's discussion paper titled "Increasing the loss-absorbing capacity of ADIs to support orderly resolution". The paper is in response to recommendation three of the Final Report of the FSI⁷. The paper proposes an increase in total capital requirements of between 4% and 5% of RWA for D-SIBs, such as ANZ. Based on the Group's RWA of A\$391 billion as at 30 September 2018, this represents an incremental increase in the total capital requirement of approximately A\$16 billion to A\$20 billion, with an equivalent decrease in other senior funding. APRA anticipates that D-SIBs would satisfy the requirement predominantly with additional Tier 2 capital. D-SIBs will need to satisfy the new requirement by 2023⁸. ANZ intends to consult with APRA and provide a response.

Organisational Structure

ANZ is not directly or indirectly owned and controlled by any other corporation or corporations or by any foreign government.

ANZ's material controlled entities as at 30 September 2018 are set out in Note 25 to the Group's 2018 Annual Financial Statements which are incorporated by reference into, and forms part of, this Prospectus (see "*Documents Incorporated by Reference*").

Credit Rating

At the date of this Prospectus, ANZ has the following debt ratings for long-term unsubordinated unsecured obligations:

- Standard and Poor's: AA- (Outlook Negative);
- Moody's: Aa3 (Outlook Stable); and
- Fitch: AA- (Outlook Stable).

As defined by Standard & Poor's, a "AA-" rating means that ANZ's capacity to meet its financial commitments is very strong. As defined by Moody's, a "Aa3" rating means that ANZ's relevant obligations are judged to be of high quality and are subject to very low credit risk. As defined by Fitch, a "AA-" rating denotes expectations of very low default risk for ANZ's relevant obligations, and indicates very strong capacity for payment of financial commitments, such capacity being not significantly vulnerable to foreseeable events.

The rating definitions set out above constitute third-party information and were obtained from (i) the publication entitled "S&P Global Ratings Definitions" published in August 2016 by Standard & Poor's (available at www.standardandpoors.com), (ii) the publication entitled "Rating Symbols and Definitions" published in December 2016 by Moody's (available at www.moody's.com) and (iii) the website www.fitchratings.com/site/definitions/internationalratings published by Fitch. The information found at the websites referred to in the previous sentence does not form part of and is not incorporated by reference into this Prospectus. The rating definitions set out above have been accurately reproduced from the sources identified above and, so far as the Issuer is aware and is able to ascertain from information published by the third parties referred to above, no facts have been omitted which would render the ratings definitions set out above inaccurate or misleading.

⁷ Pages 67-75 of the Final Report of the FSI which recommended that the Australian Government "implement a framework for minimum loss absorbing and recapitalisation capacity in line with emerging international practice, sufficient to facilitate the orderly resolution of Australian authorised deposit-taking institutions and minimise taxpayer support".

⁸ D-SIBs have an implementation period of four years from the release of the final total capital requirements (expected in 2019).

Directors

As at the date of this Prospectus, there are nine members on the Board of Directors of ANZ. Their names, positions within ANZ and principal outside activities are described below. The business address of the Board of Directors of ANZ is ANZ Centre Melbourne, Level 9, 833 Collins Street, Docklands, Victoria 3008, Australia.

Name of Director	Position	Principal Outside Activities
Mr David Michael Gonski AC	Chairman Independent Non-Executive Director	Chairman, The University of New South Wales Foundation Limited. President, Art Gallery of NSW Trust. Director, Australian Philanthropic Services Limited, Lowy Institute for International Policy and Sydney Airport Corporation Limited. Member, ASIC External Advisory Panel and Advisory Committee for Optus Limited. Chancellor, University of New South Wales Council.
Mr Shayne Cary Elliott. ...	Chief Executive Officer Executive Director	Chairman, Australian Banking Association. Director, ANZ Bank New Zealand Limited and the Financial Markets Foundation for Children. Member, Business Council of Australia.
Ms Ilana Rachel Atlas	Independent Non-Executive Director	Chairman, Coca-Cola Amatil Limited and Jawun. Director, Paul Ramsay Foundation and OneMarket Limited. Member, Panel of Adara Partners. Fellow, Senate of the University of Sydney.
Ms Paula Jane Dwyer	Independent Non-Executive Director	Chairman, Tabcorp Holdings Limited, Kin Group Advisory Board and Healthscope Limited. Director, Lion Pty Ltd. Member, Kirin International Advisory Board and Australian Government Takeovers Panel.
Ms Sarah Jane Halton AO PSM	Independent Non-Executive Director	Chairman, Vault Systems, Coalition for Epidemic Preparedness Innovations (Norway) and Council on the Ageing Australia. Director, Clayton Utz and Crown Resorts Limited. Member, Executive Board of the Institute of Health Metrics and Evaluation at the University of Washington. Adjunct Professor, University of Sydney and University of Canberra. Council Member, Australian Strategic Policy Institute.
Sir John Key GNZM AC	Independent Non-Executive Director	Chairman, ANZ Bank New Zealand Limited, Director, Air New Zealand Limited
Mr Lee Hsien Yang	Independent Non-Executive Director	Chairman, The Islamic Bank of Asia Limited. Director, Rolls-Royce Holdings PLC, Caldecott Inc. and Cluny Lodge Pte Ltd. Special Advisor, General Atlantic. President, INSEAD South East Asia Council.
Mr Graeme Richard Liebelt	Independent Non-Executive Director	Chairman, Amcor Limited and DuluxGroup Limited. Director, Australian Foundation Investment Company Limited, Carey Baptist Grammar School.

Name of Director	Position	Principal Outside Activities
Mr John Thomas Macfarlane.....	Independent Non-Executive Director	Director, Craig's Investment Partners Limited, Colmac Group Pty Ltd, AGInvest Holdings Ltd (MyFarm Ltd), Balmoral Pastoral Investments and L1 Long Short Fund Ltd.

As at the date of this Prospectus, no material conflicts of interest and, other than in respect of any dealings between ANZ and any of the companies listed above under "Principal Outside Activities" which may arise in the future and be referred to the Board of Directors of ANZ, no potential material conflicts of interest exist between any duties owed to ANZ by members of its Board of Directors listed above and their private interests and/or other duties. In respect of potential conflicts of interest that may arise in the future, ANZ has processes for the management of such conflicts.

SUPERVISION AND REGULATION OF ANZ

As a major banking group, the Group is subject to extensive regulation by regulatory agencies and security exchanges in each of the major markets where it operates. This section provides an overview of the regulatory landscape applicable to the Group, focusing on Australia, New Zealand and the United States.

Australia

Overview of APRA's Prudential and Regulatory Supervision

Since 1 July 1998, APRA has been responsible for the prudential and regulatory supervision of Australian authorised deposit-taking institutions ("**ADIs**"), which include banks (including ANZ), credit unions, building societies, insurance companies and superannuation funds. Prior to this, the Australian banking industry was regulated by the Reserve Bank of Australia (the "**RBA**"). The RBA has retained overall responsibility for monetary policy, financial system stability and payments system regulation. APRA draws authority from the Australian Prudential Regulation Authority Act 1998 of Australia.

APRA requires ADIs to meet certain prudential requirements that are covered in a range of APRA Prudential Standards ("**APS**").

APRA discharges its responsibilities in part by requiring ADIs subject to its supervision to regularly provide it with reports that set forth a broad range of information, including financial and statistical data relating to their financial position and information in respect of prudential and other matters. APRA gives special attention to capital adequacy, liquidity, earnings, credit quality and associated loan loss experience, concentration of risks, maturity profile of assets and liabilities, operational risks, market risks, interest rate risk in the banking book ("**IRRBB**"), exposures to related entities, outsourcing, funds management, governance, business continuity management, audit and related matters, securitization activities and international banking operations. APRA may also exercise certain investigative powers if an ADI fails to provide information about its financial condition. Where APRA considers that an ADI may become unable to meet its obligations or suspends payment (among other circumstances), APRA can take control of the ADI's business (including by appointment of a Banking Act statutory manager). APRA also has power to direct the ADI not to make payments in respect of its indebtedness. In addition, APRA has powers under the Financial Sector (Transfer and Restructure) Act 1999 to require the compulsory transfer of some or all of an ADI's assets and liabilities or its shares to another body specified by APRA (which need not in all cases be an ADI). Broadly, APRA may require such a transfer in circumstances including where the Minister requires the transfer, or APRA is satisfied that there has been a contravention of the Banking Act or regulations or instruments made under it or the ADI has informed APRA that it is likely to become unable to meet its obligations or is about to suspend payment, and certain other criteria are met, including that APRA is satisfied that the transfer is appropriate having regard to the interests of the financial sector as a whole. A counterparty to a contract with an ADI cannot rely solely on the fact that a Banking Act statutory manager is in control of the ADI's business or on the making of a direction or compulsory transfer order as a basis for denying any obligations to the ADI or for accelerating any debt under that contract or closing out any transaction relating to that contract.

In carrying out its supervisory role, APRA supplements its analysis of statistical data collected from each ADI with selective "on site" visits and formal meetings with the ADI's senior management and the external auditor. APRA has also formalised a consultative relationship with each ADI's external auditor, with the agreement of the ADIs. The external auditor provides additional assurance to APRA that the information sourced from an ADI's accounting records and included in the ADI's APRA reporting is, in all material respects, reliable and in accordance with the relevant APRA Prudential and Reporting Standards. The external auditor also undertakes targeted reviews of specific risk management areas as selected by APRA. In addition, an ADI's Chief Executive Officer attests to, and its directors endorse, the adequacy and operating effectiveness of the ADI's risk management systems to control exposures and limit risks to prudent levels.

Capital Management and Adequacy and Liquidity within APRA's Regulations

For further details of the Group's capital management and adequacy, liquidity and APRA's regulatory environment, refer to the sections entitled "Financial Risk Management" and "Capital Management" set out on pages 111 to 123 and pages 137 to 138 respectively of the Group's 2018 Annual Financial Statements.

Capital

The common framework for determining the appropriate level of bank regulatory capital is set by the Basel Committee on Banking Supervision ("**BCBS**") under a framework that is commonly known as "Basel III".

For calculation of minimum capital requirements under Pillar 1 ("**Capital Requirements**") of the Basel Accord, the Group has been accredited by APRA to use the Advanced Internal Ratings Based ("**AIRB**") methodology for credit risk weighted assets and Advanced Measurement Approach ("**AMA**") for the operational risk weighted asset equivalent.

Effective 1 January 2013, APRA has adopted the majority of Basel 3 capital reforms in Australia. APRA views the Basel 3 reforms as a minimum requirement and hence has not incorporated some of the concessions proposed in the Basel 3 rules and has also set higher requirements in other areas. As a result, Australian banks' Basel 3 reported capital ratios are not directly comparable with international peers. The Basel 3 reforms include: increased capital deductions from CET1 capital, an increase in capitalisation rates (including prescribed minimum capital buffers, fully effective from 1 January 2016), tighter requirements around new Additional Tier 1 and Tier 2 securities and transitional arrangements for existing Additional Tier 1 and Tier 2 securities that do not conform to the new regulations. Other changes include capital requirements for counterparty credit risk and an increase in the asset value correlation with respect to exposures to large and unregulated financial institutions as well as changes that have resulted from the Financial System Inquiry (the "**FSI**") as described below.

Liquidity

ANZ's liquidity and funding risks are governed by a detailed policy framework that is approved by ANZ's Board Risk Committee. The management of the liquidity and funding positions and risks is overseen by the Group Asset and Liability Committee ("**GALCO**"). ANZ's liquidity risk appetite is defined by the ability to meet a range of regulatory requirements and internal liquidity metrics mandated by ANZ's Board Risk Committee. The metrics cover a range of scenarios of varying duration and level of severity. This framework helps:

- Provide protection against shorter-term but more extreme market dislocations and stresses;
- Maintain structural strength in the balance sheet by ensuring that an appropriate amount of longer-term assets are funded with longer-term funding; and
- Ensure no undue timing concentrations exist in the Group's funding profile.

A key component of this framework is the Liquidity Coverage Ratio ("**LCR**") that was implemented in Australia on 1 January 2015. The LCR is a severe short term liquidity stress scenario, introduced as part of the Basel 3 international framework for liquidity risk measurement, standards and monitoring. As part of meeting the LCR requirements, the Group has a Committed Liquidity Facility ("**CLF**") with the RBA. The CLF has been established as a solution to a High Quality Liquid Asset ("**HQLA**") shortfall in the Australian marketplace and provides an alternative form of RBA-qualifying liquid assets. The total amount of the CLF available to a qualifying ADI is set annually by APRA. From 1 January 2018, ANZ's CLF is \$46.9 billion (2017 calendar year end: \$43.8 billion).

Additionally, the Group has implemented APRA's Net Stable Funding Ratio ("**NSFR**") requirement from 1 January 2018 following the release of the NSFR final standards in December 2016. The Group has been monitoring the NSFR in its internal reporting as part of managing future liquidity requirements and believes its current NSFR is well positioned relative to the minimum 100 per cent requirement. The Group's level 2 NSFR was 115 per cent as of 30 September 2018.

ANZ seeks to observe strictly its prudential obligations in relation to liquidity and funding risk as required by APRA Prudential Standard APS 210, as well as the prudential requirements of overseas regulators on ANZ's offshore operations.

Other Australian Regulators

In addition to APRA and its prudential and regulatory supervision, ANZ and its Australian subsidiaries are supervised and regulated in some respects by other regulators including the Australian Securities and Investments Commission (“**ASIC**”), the Australian Competition and Consumer Commission (“**ACCC**”), the Australian Transaction Reports and Analysis Centre (“**AUSTRAC**”) and various securities exchanges.

ASIC is Australia's corporate, markets, financial services and consumer credit regulator. It regulates Australian companies, financial markets, financial services organizations and professionals who deal in and advise on investments, superannuation, insurance, deposit-taking and credit. As the consumer credit regulator, ASIC licenses and regulates people and businesses engaging in consumer credit activities (including banks, credit unions, finance companies, and mortgage and finance brokers). ASIC ensures that licensees meet the standards, including those related to responsibilities to consumers – that are set out in the National Consumer Credit Protection Act 2009 of Australia. As the markets regulator, ASIC assesses how effectively authorised financial markets are complying with their legal obligations to operate fair, orderly and transparent markets. Since 1 August 2010, ASIC has had responsibility for the supervision of trading on Australia's domestic licensed equity, derivatives and futures markets. As the financial services regulator, ASIC licenses and monitors financial services businesses to ensure that they operate efficiently, honestly and fairly. These businesses typically deal in superannuation, managed funds, shares and company securities, derivatives and insurance. ANZ provides products and participates in markets regulated by ASIC.

The ACCC is an independent Commonwealth statutory authority that promotes competition and fair trading in the Australian marketplace to benefit consumers, businesses and the community. It also regulates national infrastructure services. Its primary responsibility is to ensure that individuals and businesses, including the Group, comply with the Australian competition, fair trading and consumer protection laws.

The Group is also required to comply with certain anti-money laundering and counterterrorism financing legislation and regulations under Australian law, including the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) (“**AML/CTF Act**”). The AML/CTF Act is administered by AUSTRAC.

Australian Regulatory Developments

Royal Commission

The Royal Commission into Misconduct in the Banking Superannuation and Financial Services Industry (the “**Royal Commission**”) was established on 14 December 2017. The Royal Commission has been asked to submit its final report by 1 February 2019 (an interim report was released on 28 September 2018).

The Royal Commission's terms of reference require and authorise the Royal Commission to, among other things, inquire into misconduct and conduct falling below community standards and expectations by financial services entities (including the Group). The Royal Commission has sought and received public submissions and conducted six rounds of public hearings. A seventh round of hearings will take place in November 2018. The Group has provided the Royal Commission with submissions, documents and witness statements including in relation to each of the rounds of the Royal Commission to date.

The Royal Commission submitted an interim report on 28 September 2018 which set out issues and questions arising out of the first four rounds of the Royal Commission's hearings which, together with issues and questions arising out of the fifth and sixth rounds, will be considered during the November hearings. The Royal Commission has been asked to submit its final report by 1 February 2019. The Royal Commission's recommendations may result in changes to legislation and regulation.

Recommendations made by the Royal Commission may lead to regulators commencing investigations into various financial services entities, including the Group, which could subsequently result in administrative or enforcement action being taken. It could also lead to the Group's regulators altering their existing policies and practices.

The Royal Commission has resulted in additional costs and may lead to further exposures, including exposures associated with further regulator activity or potential customer exposures such as class actions, individual claims or customer remediation or compensation activities. External legal costs associated with responding to the Royal

Commission total A\$55 million (pre-tax) for the year ended 30 September 2018. The outcomes and total costs associated with these possible exposures remain uncertain.

Self-assessment into frameworks and practices

On 1 May 2018, APRA indicated that all regulated financial institutions would benefit from conducting a self-assessment into their frameworks and practices in relation to governance, culture and accountability and that, for large financial institutions such as ANZ, APRA will be seeking written assessments that have been reviewed and endorsed by their boards. APRA made these indications in light of the issues that were identified in the final report relating to the prudential inquiry into another major ADI, which was established to examine the frameworks and practices in relation to the governance, culture and accountability within that ADI group.

Banking Executive Accountability Regime (“BEAR”)

On 20 February 2018 the Treasury Laws Amendment (Banking Executive Accountability and Related Measures) Act 2018 came into effect, establishing a new “Banking Executive Accountability Regime”. ANZ's obligations under the BEAR commenced on 1 July 2018.

The BEAR aims to strengthen the responsibility and accountability framework for the most senior and influential directors and executives in ADI groups. Under the BEAR:

- ANZ is required to register individuals with APRA before appointing them as senior executives or directors and maintain and provide APRA with a map of the roles and responsibilities of such persons across the ADI group, and to provide APRA with accountability statements for each senior executive or director, detailing that individual's roles and responsibilities;
- where ANZ and its senior executives and directors do not meet accountability obligations, APRA is empowered to disqualify individuals as senior executives or directors without a court order (but subject to a right of administrative review in accordance with Part VI of the Banking Act);
- ANZ is obliged to set remuneration policies for directors and senior executives consistent with BEAR's requirements, including for the deferral of certain components of that remuneration; and
- ANZ may be liable for substantial penalties for failing to comply with its BEAR obligations.

Crisis Management

On 5 March 2018, the Financial Sector Legislation Amendment (Crisis Resolution Powers and Other Measures) Act 2018 (the “**Crisis Management Act**”) came into effect. The Crisis Management Act amends the Banking Act (among other statutes applicable to financial institutions in Australia) and is intended to enhance APRA's powers. Specifically, the Crisis Management Act enhances APRA's powers to facilitate the orderly resolution of the entities it regulates (and their subsidiaries) in times of distress. Additional powers which could impact the Group include greater oversight, management and directions powers in relation to ANZ and other Group entities which were previously not regulated by APRA, increased statutory management powers over regulated entities within the Group and changes which are designed to give statutory recognition to the conversion or write-off of regulatory capital instruments (the “**Statutory Conversion and Write-Off Provisions**”).

The Statutory Conversion and Write-Off Provisions apply in relation to regulatory capital instruments issued by certain financial sector entities (including ADIs, of which ANZ is one) that contain provisions for conversion or write-off for the purposes of APRA's prudential standards. Where the Statutory Conversion and Write-Off Provisions apply to an instrument, that instrument may be converted in accordance with its terms. This is so despite any law (other than specified laws, currently those relating to the ability of a person to acquire interests in an Australian corporation or financial sector entity), the constitution of the issuer, any contract to which the issuer is a party, and any listing rules, operating rules or clearing and settlement rules applicable to the instrument. In addition, the Banking Act includes a moratorium on the taking of certain actions on grounds relating to the operation of the Statutory Conversion and Write-Off Provisions.

Financial System Inquiry (“FSI”)

The Australian Government completed a comprehensive inquiry into Australia's financial system in 2014 which included a number of key recommendations that may have an impact on regulatory capital levels that the Group is required to maintain. Recent initiatives by APRA in support of the FSI include:

- In July 2017, APRA released an information paper outlining its assessment on the additional capital required for the Australian banking sector to be considered “unquestionably strong” as originally outlined in the FSI final report in December 2014. APRA indicated that in the case of the four major Australian banks (including the Group), this equated to a benchmark CET1 capital ratio, under the current capital adequacy framework, of at least 10.5 per cent. APRA also stated that ADIs should meet this benchmark by 1 January 2020 at the latest.
- In February 2018, APRA released two discussion papers that commenced APRA's consultation on:
 - (i) Revisions to the capital framework that will produce “unquestionably strong” capital ratios. The discussion paper summarises APRA's proposal regarding risk-based capital approach for credit, market and operational risk following finalisation of these requirements by the BCBS in December 2017. While the final forms of these proposals will only be determined later in 2020, the Group expects the implementation of any revisions to the current requirements will result in further changes to the risk weighting framework for certain asset classes and other risk types (such as market and operational risks). APRA has announced that it does not expect that the changes to the risk weights will necessitate further increases in capital for ADIs, although this could vary by ADI depending on the final requirements. The Group's current capital position is in excess of APRA's unquestionably strong CET1 benchmark of 10.5 per cent and therefore the Group believes it will likely be in a strong position to meet future changes that will arise as a result of final revisions to the capital framework.
 - (ii) The design and application of a minimum leverage ratio requirement as a complement to the risk-based capital framework proposal. APRA has proposed, among other things, a minimum leverage ratio requirement of 4 per cent (compared to the Basel minimum of 3 per cent). The Group believes it is well placed to meet the proposed changes in its current form based on its leverage ratio position at 30 September 2018.

Further to the above, APRA released a discussion paper in August 2018 on adjustments to the overall design of the capital framework to improve transparency, international comparability and flexibility of the ADI capital framework. The focus of the proposals is on the presentation of the capital ratios to facilitate comparability whilst recognizing the relative capital strength of ADI and measures to enhance supervisory flexibility in times of financial stress.

APRA's consultation for the above is currently taking place with final prudential standards planned to be made available by 2020. APRA has proposed an implementation date of 2021, which is one year earlier than the Basel equivalent, with no phase-in arrangements.

APRA's prudential standards may also be further supplemented by yet to be released proposals to implement other key FSI recommendations. In relation to total loss absorbing capacity, on 8 November 2018, APRA released a discussion paper titled "Increasing the loss-absorbing capacity of ADIs to support orderly resolution". The paper is in response to recommendation three of the FSI. The paper proposes an increase in total capital requirements of between 4% and 5% of RWA for D-SIBs, such as ANZ. Based on the Group's RWA of A\$391 billion as at 30 September 2018, this represents an incremental increase in the total capital requirement of approximately A\$16 billion to A\$20 billion, with an equivalent decrease in other senior funding. APRA anticipates that D-SIBs would satisfy the requirement predominantly with additional Tier 2 capital. D-SIBs will need to satisfy the new requirement by 2023. ANZ intends to consult with APRA and provide a response.

Given the number of items that are currently open for consultation with APRA, the final outcome of the FSI including any further changes to APRA's prudential standards or other impacts on the Group remains uncertain.

Level 3 Conglomerates (“Level 3”) framework

APRA is extending its prudential supervision framework to conglomerate groups via the Level 3 framework which will regulate a bancassurance group such as the Group as a single economic entity with minimum capital requirements and additional monitoring of risk exposure levels.

In August 2016, APRA confirmed the deferral of capital requirements for conglomerate groups until 2019 at the earliest, to allow for the final capital requirements arising from FSI recommendations as well as from international initiatives that are in progress.

The non-capital components of the Level 3 framework relating to group governance, risk exposures, intragroup transactions and other risk management and compliance requirements came into effect on 1 July 2017. These requirements have had no material impact on the Group's capital position. See "Restrictions on ANZ's ability to provide financial support to its New Zealand Operations" for further discussion on the impact of the Level 3 framework on ANZ's ability to support ANZ Bank New Zealand Limited ("**ANZ New Zealand**").

Restrictions on ANZ's ability to provide financial support to its New Zealand Operations

Effect of APRA's Prudential Standards

ANZ is subject to extensive prudential regulation by APRA.

Under APRA's Prudential Standards, specifically APS 222 "Associations with Related Parties", ANZ's ability to provide financial support to ANZ New Zealand is subject to certain requirements:

- (a) ANZ should not undertake any third party dealings with the primary purpose of supporting ANZ New Zealand's business;
- (b) ANZ should not hold unlimited exposures (i.e., should be limited to a specified time and amount) to ANZ New Zealand (e.g., not provide a general guarantee covering any of ANZ New Zealand's obligations);
- (c) ANZ should not enter into cross-default clauses whereby a default by ANZ New Zealand on an obligation (whether financial or otherwise) is deemed to trigger a default of ANZ on its obligations; and
- (d) the level of exposure of ANZ's Level 1 total capital base to ANZ New Zealand should not exceed:
 - (i) 50 per cent on an individual exposure basis; or
 - (ii) 150 per cent in aggregate (being exposures to all similar regulated entities related to ANZ).

In July 2018, APRA released a consultation paper and draft prudential standards on proposed revisions to its existing related entities framework, which also incorporated changes to its large exposures framework finalised and published in December 2017. APRA's proposals include revisions to:

- the definition of related entities;
- the measurement of exposures to related entities by aligning with requirements in the revised large exposures framework;
- the prudential limits on exposures to related entities. APRA is proposing to align the capital base used in limit calculations to Level 1 Tier 1 Capital (capital base used in the revised large exposures framework) and to reduce the individual and aggregate limits of exposures to individual related ADIs; and
- the extended licensed entity (ELE) framework by amending the criteria for a subsidiary to be consolidated in an ADI's ELE.

APRA is currently consulting on the proposed changes, taking into account submissions already received from the Group and the industry. The impact on the Group and our subsidiaries arising from the above consultation will not be known until APRA finalises its review. APRA intends to have the revised related entities framework implemented by 1 January 2020.

In addition to the standard APS 222 rules, APRA has confirmed that, by 1 January 2021, no more than 5 per cent of ANZ's Level 1 Tier 1 capital base can comprise non-equity exposures to its New Zealand operations during ordinary times. This limit does not include holdings of capital instruments or eligible secured contingent funding support provided to ANZ New Zealand during times of financial stress.

APRA has also confirmed that contingent funding support by ANZ to ANZ New Zealand during times of financial stress must be provided on terms that are acceptable to APRA and ANZ's exposures to its New Zealand operations

must not exceed 50 per cent of ANZ's Level 1 Tier 1 capital base. At present, only covered bonds meet APRA's criteria for contingent funding.

Effect of the Level 3 framework

In addition, certain requirements of APRA's Level 3 framework relating to, among other things, group governance and risk exposures became effective on 1 July 2017 (see "Level 3 conglomerates ("Level 3") framework" above). One of those requirements is that the Group must limit its financial and operational exposures to subsidiaries (including ANZ New Zealand).

In determining the acceptable level of exposure to a subsidiary, the Board of ANZ should have regard to:

- (a) the exposures that would be approved for third parties of broadly equivalent credit status;
- (b) the impact on ANZ's capital and liquidity position; and
- (c) ANZ's ability to continue operating in the event of a failure by the subsidiary.

These requirements are not expected to place additional restrictions on ANZ's ability to provide financial or operational support to ANZ New Zealand.

Residential Mortgage Lending Practices

In recent years APRA has closely monitored residential mortgage lending practices and taken a number of steps aimed at strengthening residential mortgage lending standards across the banking industry. For example:

- on 9 December 2014, APRA outlined additional steps it may take to reinforce sound residential mortgage lending practices of ADIs, indicating that it will pay particular attention to certain areas of concern, including higher risk mortgage lending, growth in lending to property investors (particularly if the growth is materially above an annual benchmark of 10 per cent) and loan affordability tests for new borrowers; and
- on 31 March 2017, APRA outlined that ADIs will be expected, among other things, to
 - limit the flow of new interest-only lending to 30 per cent of total new residential mortgage lending. Within this limit, ADIs are also expected to place strict internal limits on the volume of interest-only lending at loan-to-valuation ratios ("LVRs") above 80 per cent and ensure there is strong scrutiny and justification of any instances of interest-only lending at LVRs above 90 per cent; and
 - manage lending to investors in such a manner so as to comfortably remain below the previously advised benchmark of 10 per cent annual growth in lending to property investors.

The Group has applied a number of levers to meet the above expectations and manage portfolio risk, including adjustment of lending criteria and implementation of differentiated pricing between owner occupier and investor lending. Within these categories, differentiated pricing applies between customers making interest-only repayments and principal and interest repayments.

On 26 April 2018, APRA outlined that the 10 per cent benchmark will no longer apply to an ADI from 1 July 2018 where the ADI's Board has provided APRA with certain confirmations (including that the ADI has been operating below the 10 per cent benchmark for at least the past 6 months) and certain assurances in relation to the ADI's lending policies and practices. APRA has stated that despite the removal of the benchmark for individual ADIs, a return to more rapid rates of investor loan growth at an aggregate level would nevertheless raise systemic concerns and that such an environment could lead APRA to consider, for example, the need to apply the counter-cyclical capital buffer or some other industry-wide measure.

Other

For further information on regulatory developments, including the risks they pose to the Group, refer to risk factor "Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group's business, operations, financial condition and reputation".

Sections 102.6 and 102.7 of the Australian Criminal Code

Under Sections 102.6 and 102.7 of the Australian Criminal Code (contained in the Criminal Code Act 1995 of Australia), a person commits a criminal offence if the person intentionally receives funds from, makes funds available to, collects funds for or on behalf of, or provides support or resources to a terrorist organisation in circumstances where the person knows, or is reckless as to whether, the organisation is a terrorist organisation. Certain organisations are prescribed as terrorist organisations in regulations under the Criminal Code Act 1995 of Australia.

Under the Autonomous Sanctions Act 2011 of Australia and the Autonomous Sanctions Regulations 2011 of Australia, sanctions are imposed against certain specifically identified persons, entities and vessels associated with particular countries, and certain transactions involving the named persons or entities may only be conducted with specific approval from the Minister of Foreign Affairs. Contravention of these sanctions constitutes a criminal offence.

New Zealand

The supervisory role of the RBNZ

The Reserve Bank of New Zealand Act 1989 (the “**Reserve Bank Act**”) requires the Reserve Bank of New Zealand (the “**RBNZ**”) to exercise its powers of registration of banks and prudential supervision of registered banks for the purposes of:

- promoting the maintenance of a sound and efficient financial system; or
- avoiding significant damage to the financial system that could result from the failure of a registered bank.

The RBNZ's policy around the registration of banks aims to ensure that only financial institutions of appropriate standing and repute are able to become registered banks. Subject to this requirement, the RBNZ has stated that it intends to keep to a minimum any impediments to the entry of new registered banks, in order to encourage competition in the banking system.

The RBNZ's supervisory functions are aimed at encouraging the soundness and efficiency of the financial system as a whole, and are not aimed at preventing individual bank failures or at protecting creditors. The RBNZ seeks to achieve this by drawing on and enhancing disciplines that are naturally present in the market.

The RBNZ places considerable emphasis on a requirement that banks regularly disclose information on financial performance and risk positions, and on a requirement that directors regularly attest to certain key matters. These measures are intended to strengthen market disciplines and to ensure that responsibility for the prudent management of banks lies with those who the RBNZ considers are best placed to exercise that responsibility - the directors and management.

The main elements of the RBNZ's supervisory role include:

- requiring all banks to comply with certain minimum prudential requirements, which are applied through conditions of registration. These include constraints on connected exposures, minimum capital adequacy requirements and minimum standards for liquidity risk management, and are set out in more detail below;
- monitoring each registered bank's financial condition and compliance with conditions of registration, principally on the basis of published half-yearly disclosure statements and monthly reporting submitted privately to the RBNZ. This monitoring is intended to ensure that the RBNZ maintains familiarity with the financial condition of each bank and the banking system as a whole, and maintains a state of preparedness to invoke crisis management powers should this be necessary;
- consulting with the senior management of registered banks;
- using crisis management powers available to it under the Reserve Bank Act to intervene where a bank distress or failure situation threatens the soundness of the financial system;
- assessing whether a bank is carrying on business prudently;
- issuing guidelines on overseeing banks' compliance with anti-money laundering and countering financing of terrorism requirements;

- monitoring banks' outsourcing arrangements to determine whether a registered bank's management of risks associated with outsourcing are appropriately managed;
- issuing guidelines on banks' internal capital adequacy process and liquidity policy;
- issuing guidelines on corporate governance; and
- maintaining close working relationships with parent bank supervisors (such as APRA in Australia) on bank-specific issues, policy issues and general matters relating to the condition of the financial system in New Zealand and in the countries where parent banks are domiciled.

New Zealand registered banks are required to issue half-yearly disclosure statements that contain comprehensive details, together with full financial statements at the full-year, and unaudited interim financial statements at the half-year. The financial statements are subject to full external audit at the end of each financial year and a limited scope review at the end of each financial half-year. Each bank director is required to sign his or her bank's disclosure statements and to make certain attestations. A bank and its directors may incur criminal and civil penalties if the bank's disclosure statement contains information that is held to be false or misleading.

On 29 May 2018, the RBNZ began publishing a quarterly "dashboard" of key information on banks incorporated in New Zealand on the RBNZ's website. The quarterly dashboard replaced the requirement for banks registered in New Zealand to issue disclosure statements for 'off-quarters' of the financial year, with effect from the quarter ending 31 March 2018. The information is sourced from private reporting that such banks provide to the RBNZ. Information relating to ANZ New Zealand published in the RBNZ's quarterly dashboard on the RBNZ's website is not incorporated by reference herein and does not form part of this Prospectus. In some cases, information relating to ANZ New Zealand published in the RBNZ's quarterly dashboard on the RBNZ's website has not been prepared on a consistent basis with the information presented in the ANZ New Zealand financial statements.

New Zealand registered banks are required to comply with the Basel 3 capital adequacy requirements, as modified to reflect New Zealand conditions. From 1 January 2014, the RBNZ has also required most banks incorporated in New Zealand, including ANZ New Zealand, to maintain a conservation buffer of 2.5 per cent above the minimum ratios or face restrictions on distributions. The RBNZ also has the discretion (effective from 1 January 2014) to apply a countercyclical buffer of common equity with an indicative range of between 0 and 2.5 per cent, although there is no formal upper limit. Counterparty credit risk requirements and additional disclosure requirements to incorporate Basel 3 changes have been in effect since 31 March 2013.

New Zealand incorporated banks (including ANZ New Zealand) are required to comply with the RBNZ's Liquidity Policy ("BS13"). BS13 requires registered banks to meet a minimum core funding ratio of 75 per cent ensuring that at least a minimum proportion of bank funding is met through customer deposits, term wholesale funding and Tier 1 capital. Basel 3 proposes a liquidity policy which the RBNZ considers very similar to the intent of BS13. However, the RBNZ considers that certain aspects of the new liquidity standards are not suitable for adoption in New Zealand. The RBNZ has previously stated that it will be reviewing its liquidity policy in light of the BCBS's new liquidity requirements.

The RBNZ currently also requires all registered banks to obtain and maintain a credit rating from an approved organisation and publish that rating in the disclosure statements.

In addition, the RBNZ has wide reaching powers to obtain further information, data and forecasts in connection with its supervisory functions, and to require that information, data, and forecasts be audited.

It also possesses a number of crisis management powers. Those powers include recommending that a bank's registration be cancelled, investigating the affairs of a registered bank, requiring that a registered bank consults with the RBNZ, giving directions to a registered bank, removing, replacing or appointing a director of a registered bank or recommending that a registered bank be subject to statutory management.

If a registered bank is declared to be subject to statutory management, no person may, among other things:

- commence or continue any action or other proceedings including proceedings by way of counterclaim against that bank;

- issue any execution, attach any debt, or otherwise enforce or seek to enforce any judgment or order obtained in respect of that bank;
- take any steps to put that bank into liquidation; or
- exercise any right of set off against that bank.

As part of the RBNZ's supervisory powers, a person must obtain the written consent of the RBNZ before giving effect to a transaction resulting in that person acquiring or increasing a "significant influence" over a registered bank. "Significant influence" means the ability to appoint 25 per cent or more of the Board of Directors of a registered bank or a qualifying interest (e.g., legal or beneficial ownership) in 10 per cent or more of its voting securities.

In assessing applications for consent to acquire a significant influence over a registered bank, the RBNZ has stated that it will have regard to the same matters as are relevant in assessing an application for registration as a registered bank. In giving its consent, the RBNZ may impose such terms and conditions as it thinks fit.

New Zealand Regulatory Developments

RBNZ prudential credit controls

The RBNZ imposes restrictions on high LVR residential mortgage lending. Revised conditions of registration came into force on 1 January 2018, requiring New Zealand banks to restrict new non property-investment residential mortgage lending (i.e. a standard residential mortgage loan secured over only owner-occupied residential property) over 80 per cent LVR to no more than 15 per cent of the dollar value of a bank's new non property-investment residential mortgage lending. New Zealand banks must also restrict property investment residential mortgage lending (i.e. a standard residential mortgage loan that is not a non-property investment residential mortgage loan) over 65 per cent LVR to no more than 5 per cent of the dollar value of a bank's new property investment residential mortgage lending.

RBNZ review of capital requirements

In May 2017 the RBNZ published an issues paper that outlined its comprehensive review of the capital adequacy framework applying to New Zealand locally incorporated registered banks. The aim of the review is to identify the most appropriate framework for setting capital requirements for New Zealand banks, taking into account how the current framework has operated and international developments in bank capital requirements. The review focuses on the three key components of the current framework:

- the definition of eligible capital instruments;
- the measurement of risk; and
- the minimum capital ratios and buffers.

In July 2017, the RBNZ released a consultation paper on what types of financial instruments should qualify as eligible regulatory capital. In December 2017, the RBNZ published its response to submissions on this paper, including its in-principle decisions to:

- remove contingent debt and contingent preference shares from the definition of eligible regulatory capital;
- accept non-redeemable, non-contingent, perpetual preference shares as Additional Tier 1 capital;
- accept redeemable, non-contingent preference shares and long term subordinated debt as Tier 2 capital; and
- retain the option of including in the regime a Tier 1 instrument able to be issued by mutual societies.

The RBNZ advised that further in-principle decisions on the definition of eligible regulatory capital will be announced in due course. A work program aimed at giving effect to these decisions will be released for public consultation.

The RBNZ also released a consultation paper on the calculation of RWA for credit risk, operational risk and market risk. Submissions on this paper closed in March 2018. On 6 July 2018, the RBNZ published its response to submissions on this paper including its in-principle decisions. These are:

- continuing to allow permitted qualifying banks (including ANZ New Zealand) to use internal models to estimate credit-risk related RWA (the 'IRB' approach) (although there will be more restrictions on modelling);
- the IRB approach will not be permitted for credit exposure with an external rating (such as sovereigns, banks and some large corporations);
- there will be a RWA floor imposed on IRB models;
- all banks will be required to calculate RWA arising from operational risk in the same way using the Basel Standardised Measurement Approach; and
- IRB banks will be required to report RWA (and resulting credit ratios) using both internal models and the standardised approach.

In September 2018, the RBNZ conducted a Quantitative Impact Study ("**QIS**") to assess the impact of its in-principle decisions on the framework for calculating RWA. The QIS covered the four New Zealand banks (including ANZ New Zealand) that use internal models to calculate RWA.

A further RBNZ consultation paper is targeted to be released in the final quarter of the 2018 calendar year with a focus on setting the ratios used by banks to calculate minimum capital requirements.

The RBNZ expects to finalise its capital review policy decisions by the end of March 2019, followed by public consultation on exposure drafts of the new policy later in the year.

The RBNZ is also continuing to work on an exercise with New Zealand's four largest banks, including ANZ New Zealand, to investigate differences in risk weights across internal bank models of housing and rural lending portfolios.

RBNZ revised outsourcing policy

In September 2017, the RBNZ released its updated outsourcing policy ("**BS11**"). BS11 applies to all new outsourcing arrangements entered into from 1 October 2017. Existing outsourcing arrangements have until 1 October 2022, to transition to compliance with BS11. The BS11 requirements form part of ANZ New Zealand's conditions of registration.

The key features of BS11 as it applies to ANZ New Zealand are:

- all new outsourcing arrangements to or through a related party, including ANZ (in the case of ANZ New Zealand), require RBNZ non-objection, unless the service or function is on the "pre-approved services and functions list" or on the "white list" (each of which will be maintained by the RBNZ);
- defined risk mitigants must be in place for all outsourcing arrangements. This includes ensuring mandatory contractual terms are included in the outsourcing agreement, maintaining evidence that the provider has appropriate disaster recovery or business continuity arrangements in place and, for related party outsourcing, robust back-up arrangements which are within the legal and practical control of ANZ New Zealand, and which can be deployed within 6 hours of a failure event occurring (or by the start of the next business day for some functions). At its discretion, the RBNZ may provide non-objection where there are "alternative arrangements" in place, instead of a robust back-up capability;
- where outsourcing arrangements relate to 'basic banking services', the back-up arrangements must be capable of operating indefinitely on a fully automated basis. Where this is not the case, the back-up arrangements must be sufficiently robust to close out and manage the wind down of those products on a standalone basis;
- ANZ New Zealand must have a compendium of all outsourcing arrangements by 1 October 2019. The compendium must be embedded in compliance systems and form part of board and senior management oversight and governance reviews. All new outsourcing arrangements must be entered into the compendium within 20 working days of becoming effective;
- ANZ New Zealand must have a separation plan that describes how ANZ New Zealand will operate services or functions that are outsourced to a related party in the event of the appointment of a statutory manager to ANZ New Zealand, or separation from ANZ. The separation plan must assume an abrupt loss of access to services or functions provided by related parties. A final separation plan, fully compliant with BS11, must be in place by 1 October 2022 and will be subject to annual testing; and

- an independent review is required on an annual basis during the five year transition period to assess progress and compliance of transitioned arrangements.

ANZ New Zealand is implementing a formal program to carry out its Path-to-Compliance Plan for BS11.

Non-compliance with the Conditions of Registration in relation to outsourcing may lead to enforcement action by the RBNZ, including imposition of fines or further restrictions on our use of outsourcing.

Review of foreign margin requirements for over-the-counter (“OTC”) derivatives

Since late 2016, the RBNZ and the New Zealand Ministry of Business, Innovation and Employment (“**MBIE**”) have, in co-ordination with the New Zealand Treasury, been engaging with industry and overseas regulators to assess the likely domestic impact of new offshore derivative margin requirements. Although New Zealand has no legislative margin requirements for OTC derivatives, the OTC activities of several registered banks (including ANZ New Zealand) are impacted by margin rules being implemented in foreign jurisdictions. In July 2017, MBIE and the RBNZ released a consultation paper which described potential impediments in New Zealand legislation to compliance with foreign margin requirements (in particular, statutory moratoria on creditors' claims under insolvency or restructuring regimes, and the ranking of creditors in certain circumstances) and suggested several high level options for reform, including a preferred option to enact targeted legislative amendments to address those impediments. The New Zealand Bankers' Association co-ordinated an industry response to the consultation paper which was submitted in August 2017.

The New Zealand Government has announced its intention to amend legislation to address aspects of New Zealand law that impede the ability of certain New Zealand entities (including registered banks) to comply with foreign margin requirements. The amendments will mean that derivative counterparties, which enter into derivatives with these New Zealand entities, will be able to enforce their security interest over margin without undue delay, and ahead of other creditors, in the event of the other party to the derivative defaulting. More specifically, the amendments will:

- allow these derivative counterparties to enforce against the margin notwithstanding the general moratoria on claims that ordinarily apply in statutory management and voluntary administration; and
- ensure that when these derivatives counterparties enforce their security interest over margin, their claim ranks ahead of other potential claims under the Companies Act 1993 and the Personal Property Securities Act 1999.

A bill implementing the amendments is expected to be introduced into New Zealand Parliament in late 2018. The New Zealand legislative impediments described above have resulted in a reduction of the number of counterparties with which ANZ New Zealand is able to enter into uncleared OTC derivative transactions.

New Zealand Financial Markets Authority guidance on the Bank Bill Benchmark (“BKBM”)

In October 2017, the New Zealand Financial Markets Authority (“**FMA**”) released a guidance note clarifying its expectations about the trading conduct and controls for firms participating in the trading that sets BKBM and closing rates in the New Zealand market. Although the note aims to reduce regulatory uncertainty (and does not create any new legal obligations), market participants remain responsible for ensuring that trading conduct of their staff is legal and appropriate. Where the FMA identifies inappropriate trading conduct, its response will take into account the measures participants take to try to ensure good trading conduct.

New Zealand's current regulatory regime for BKBM has been judged as not sufficient to meet the European Union's (“**EU**”) equivalence standard. Without regulatory reform, the use of BKBM will be restricted in the EU from 1 January 2020. A working group, comprising of MBIE, the FMA and the RBNZ, has been established to facilitate changes to New Zealand legislation and/or enter into further negotiations with the EU, to ensure that BKBM remains an approved benchmark.

MBIE review of the Financial Advisers Act 2008

In 2015, MBIE conducted a review of the Financial Advisers Act 2008, which is the primary legislation governing the provision of financial advice in New Zealand. Following that review the New Zealand Government announced in 2016 its intention to amend the existing regime and an exposure draft of the Financial Services Legislation Amendment Bill (the “**FSL Amendment Bill**”) was released for submissions in early 2017. Submissions on the draft

FSL Amendment Bill closed in March 2017 and the FSL Amendment Bill had its first reading in the New Zealand Parliament in December 2017. The Select Committee report was released on 31 July 2018. The key changes proposed to the regime include:

- removing the requirement that only a natural person can give financial advice (enabling robo-advice);
- expanding the minimum standards of competence, knowledge, and skill to all categories of people giving financial advice to retail clients;
- requiring all people who give regulated financial advice to comply with standards of ethical behaviour, conduct, and client care;
- adding a requirement that anyone who gives financial advice must give priority to the interests of the client, ensure the client understands the nature and scope of advice and disclose prescribed information;
- limiting who can give regulated financial advice;
- simplifying the regime and its terminology for example by simplifying financial adviser types and services they can provide; and
- amending the requirements to be registered on the New Zealand Financial Service Providers Register to prevent its misuse.

The Financial Advisers Act 2008 is to be repealed and the provisions for the new financial advice regime will be placed in the Financial Markets Conducts Act 2013 (“**FMCA**”). The Financial Service Providers (Registration and Dispute Resolution) Act 2008 (“**FSP Act**”) will also be amended. It is anticipated that the new regime will come into force by the second quarter of 2020. At that time financial advice providers will be required to hold a transitional licence and a full licence will be required within a two year transitional period.

Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (the “NZ AML/CFT Act”)

In August 2017, the NZ AML/CFT Act was amended to, among other things, to include an obligation to report suspicious activity, enable a reporting entity to rely on customer due diligence carried out by other persons and create some additional simplified customer due diligence categories.

In addition, reporting entities (including ANZ New Zealand) should report all international funds transfers exceeding NZD\$1,000 along with all cash transactions exceeding NZD\$10,000 to the Financial Intelligence Unit of the New Zealand Police within 10 working days (irrespective of any suspicion that may exist in relation to the underlying transaction). These regulations came into force on 1 November 2017, subject to a transitional compliance period that ended on 1 July 2018.

RBNZ consultation on Debt-to-Income (“DTI”) rules

In June 2017, the RBNZ released a consultation paper seeking feedback on serviceability restrictions such as DTI limits being added to its macro prudential toolkit. The RBNZ stated that the purpose of the consultation was to gather feedback from the public on the prospect of including DTI limits in the Memorandum of Understanding (“**MOU**”) on macro-prudential policy between the Minister of Finance and Governor of the RBNZ. The MOU determines the set of macro-prudential tools available to the RBNZ and how those tools should be used. The consultation paper outlines the RBNZ’s view on these issues and states that the RBNZ would not implement a DTI policy in current market conditions, but that the DTI limits could be a useful option in the future. Submissions closed in August 2017, and the feedback will be used by the RBNZ and New Zealand Treasury in discussing potential amendment of the MOU with the Minister of Finance.

On 23 November 2017, the RBNZ published the submissions it received as part of the consultation and a paper outlining its response. Given the RBNZ’s perception of a slowdown in the housing market, it does not consider a serviceability restriction would be appropriate at the present time, but believes that it could still have a role to play in the future. The RBNZ considers that the potential future use of serviceability restrictions could be reconsidered as part of the wider review and reform of the Reserve Bank Act (see “Review of the Reserve Bank Act” below).

Review of the Reserve Bank Act

In November 2017, the New Zealand Government announced it would undertake a review of the Reserve Bank Act and the Terms of Reference for the review of the Reserve Bank Act were released. The goal of the review is to modernize New Zealand's monetary and financial stability policy frameworks and the RBNZ's governance and accountability settings.

The review will be undertaken in two phases:

- Phase one has commenced with the key policy decisions announced on 26 March 2018 to: include supporting maximum sustainable employment alongside inflation targeting as an objective of monetary policy; and to require that monetary policy decisions be made by a Monetary Policy Committee of 5-7 members. The majority of members of the Monetary Policy Committee will be RBNZ staff, and a minority will be outside experts not employed by the RBNZ. Members of the Monetary Policy Committee will be appointed by the Minister of Finance following a nomination by the RBNZ Board. However, the RBNZ will retain its operational independence which enables it to make monetary policy decisions to achieve its monetary policy objectives independent of direction from the New Zealand Government. On 26 July 2018, the Reserve Bank of New Zealand (Monetary Policy) Amendment Bill (the “**Amendment Bill**”), which implements these policy decisions, passed its first reading in Parliament. The Amendment Bill has been referred to the Finance and Expenditure Committee with a report due on 3 December 2018.
- Phase two will primarily involve a comprehensive review of the financial policy provisions of the Reserve Bank Act. These provisions provide the legislative basis for the RBNZ's prudential regulation and supervision functions. Phase two will include three rounds of public consultation. The RBNZ released the first consultation paper on 1 November 2018, which covers the following topics: the RBNZ's overarching objectives; the 'perimeter' for prudential regulation; the case for and against depositor protection; the case for and against separating prudential supervision from the RBNZ; and the RBNZ's institutional governance and decision-making framework. Consultation closes on the first consultation paper on 25 January 2019. The second consultation paper, which will be released in mid-2019, will cover the following topics: the legal basis for bank regulation; the approach to supervision and enforcement of bank regulation macro-prudential policy; crisis management; the RBNZ's resourcing and funding; and seek feedback on the preferred options from the first consultation. A third consultation paper will be released late in 2019 which will seek feedback on the preferred options from the second consultation. It is expected that final policy decisions on phase two will be made by the New Zealand Government in 2020.

RBNZ review of mortgage bond collateral standards

In November 2017, the RBNZ released a consultation paper on its review of mortgage bond collateral standards. The consultation focused on the terms under which the RBNZ would be prepared to accept mortgage bonds (such as residential mortgage-backed securities or covered bonds) as collateral for the RBNZ's lending operations, and proposed a new Residential Mortgage Obligations (“**RMO**”) standard. The RBNZ proposes to gradually phase in RMO to replace internal residential mortgage backed securities over a transition period. The RBNZ has begun consulting on a revised proposal with the aim of finalising the mortgage bond collateral policy review in the second half of the 2018 calendar year.

New Zealand banks' response to the New Zealand regulators' conduct and culture review

In May 2018, the FMA and the RBNZ asked New Zealand banks to provide them with specific information to give assurance that the type of misconduct highlighted in the Australian Royal Commission was not taking place in New Zealand. Each New Zealand bank was asked to provide a summary of work, both completed and ongoing, to identify and address conduct and culture issues. The FMA and the RBNZ also conducted onsite interviews. On 5 November 2018, the FMA and the RBNZ released the findings of their industry review. The industry report concludes that there were a small number of issues related to poor conduct by bank staff across the industry and that issues relating to system or process weaknesses were more commonplace. The industry review found that conduct and culture issues do not appear to be widespread in banks in New Zealand at this point in time. The report further noted that the FMA and the RBNZ were concerned about the identification and remediation of conduct issues and risks in their business, and potential weaknesses in the governance and management of conduct risks. Each of the banks that took part in the review, including ANZ New Zealand, will receive a tailored report in late November 2018/early December 2018 detailing a range of observations and recommendations. Each New Zealand bank will be required to submit plans to the FMA and the RBNZ detailing how they will respond to their specific reports and recommendations.

United States

ANZ has elected to be treated as a Financial Holding Company (a **"FHC"**) by the Board of Governors of the Federal Reserve System (the **"FRB"**). A FHC is allowed to engage, or acquire companies engaged, in the U.S. in activities that are determined by the FRB and the Secretary of the Treasury to be financial in nature or incidental thereto, and activities that are determined by the FRB to be complementary to financial activities.

Under the Bank Holding Company Act of 1956 (the **"BHC Act"**), the activities of a FHC are subject to restrictions if it is determined that the FHC (in the case of ANZ, at the Group level or at the level of its U.S. bank subsidiary in Guam and American Samoa) ceases to be "well managed" or "well capitalised" or is the subject of an enforcement action requiring it to maintain a specific level of capital. The FRB is the "umbrella" supervisor with jurisdiction over FHCs, including ANZ.

ANZ is subject to U.S. federal laws and regulations, including the International Banking Act of 1978 (the **"IBA"**). Under the IBA, all branches and agencies of foreign banks in the United States are subject to reporting and examination requirements similar to those imposed on domestic banks that are owned or controlled by U.S. bank holding companies. As a federally-licensed branch regulated primarily by the Office of the Comptroller of the Currency (the **"OCC"**) ANZ's New York branch (**"New York branch"**) can engage in activities permissible for national banks, with the exception that New York branch may not accept retail deposits. The New York branch does not accept retail deposits (only institutional and corporate deposits) and thus is not subject to the supervision of the Federal Deposit Insurance Corporation (**"FDIC"**). The U.S. bank subsidiary operating in Guam and American Samoa does accept retail deposits and is subject to supervision by the FDIC.

Most U.S. branches and agencies of foreign banks, including the New York branch, are subject to reserve requirements on deposits pursuant to regulations of the FRB. The New York branch must maintain its accounts and records separate from those of the Group generally and must comply with such additional requirements as may be prescribed by the OCC. The IBA and the BHC Act also affect the Group's ability to engage in non-banking activities in the United States.

Under the IBA, a federal branch of a non-U.S. bank is subject to receivership by the OCC to the same extent as a national bank. The Comptroller may take possession of the business and property of a federal branch. The Comptroller has at its disposal a wide range of supervisory and enforcement tools for addressing violations of laws and regulations, and breaches of safety and soundness, which can be imposed upon federal branches. The Comptroller may remove federal branch management and assess civil money penalties. In certain circumstances, the Comptroller may also terminate a federal branch licence at its own initiative or at the recommendation of the FRB.

The Group is subject to certain provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (**"Dodd-Frank"**). Dodd-Frank regulates many aspects of the business of banking in the United States and internationally.

The **"Volcker Rule"** adopted under Dodd-Frank, among other things, prohibits banks and their affiliates from engaging in certain "proprietary trading" (but allows certain activities such as underwriting, market making-related and risk-mitigating hedging activities) and limits the sponsorship of, and investment in, private equity funds and hedge funds, subject to certain important exceptions and exemptions, including those listed above as well as exemptions applicable to certain transactions and investments occurring solely outside of the United States.

Other Dodd-Frank regulations impose minimum margin requirements on uncleared swaps, require the central execution and clearing of standardised over-the-counter (**"OTC"**) derivatives on regulated trading platforms and clearing houses and provide for heightened supervision of OTC derivatives dealers and major market participants. ANZ is a provisionally registered swap dealer under the CFTC regulations, and therefore the Group is subject to these CFTC requirements as well as certain additional business conduct and recordkeeping and reporting rules that apply to the Group's swap transactions with counterparties that are U.S. persons.

The CFTC has issued Cross-Border Guidance in 2013, which, among other things, establishes a framework for the CFTC to permit "substituted compliance" by swap dealers located in non-U.S. jurisdictions with regulatory schemes determined by the CFTC to be comparable to its own. The CFTC has made such a determination with respect to certain aspects of Australian law and regulation and ANZ is able to rely on substituted compliance with respect to

certain aspects of CFTC rules in connection with transactions with non-U.S. counterparties. The CFTC may issue further guidance in the future that could expand or limit the existing substituted compliance regime.

U.S. prudential regulators and the CFTC have implemented rules imposing initial and variation margin requirements on transactions in uncleared swaps and security-based swaps. As ANZ is supervised by the FRB and operates the New York branch that is regulated by the OCC, it needs to comply with the uncleared swap margin rules promulgated by the FRB, Farm Credit Administration, FDIC, Federal Housing Financial Agency and the OCC. Under these rules, the requirement to collect and post variation margin in respect of in-scope trading with in-scope counterparties arose on 1 March 2017.

The compliance date was effectively extended with respect to certain swap entities, and the requirement for swap dealers to collect and post variation margin with all counterparties became effective for ANZ and certain other institutions on 1 September 2017 through guidance issued by the regulators. Swap dealers will also be required to post and collect initial margin with financial counterparties. The compliance date for ANZ's initial margin requirement was 1 September 2017.

Dodd-Frank also requires ANZ to submit an annual U.S. resolution plan to the FRB and the FDIC for approval. ANZ submitted its most recent U.S. resolution plan in December 2016 and is next scheduled to be submitted in December 2018. ANZ also is subject to "enhanced prudential regulations" under Reg. YY, Subpart N, which was adopted pursuant to Dodd-Frank Section 165, and which requires quarterly and annual certification of compliance with the financial and risk oversight requirements thereof.

The U.S. Foreign Account Tax Compliance Act ("FACTA") requires financial institutions to undertake specific customer due diligence and provide information on account holders who are U.S. citizens or tax residents to the United States Federal tax authority, the Internal Revenue Service ("**IRS**"), either directly or via local tax authorities. If the required customer due diligence and provision of account holder information is not undertaken and provided in a manner and form meeting the applicable requirements, the Group and/or persons owning assets in accounts with Group members may be subjected to a 30 percent. withholding tax on certain amounts. While such withholding tax may currently apply only to certain payments derived from sources within the United States (and, beginning on 1 January 2019, certain gross proceeds from the disposition of assets that can give rise to such U.S. source payments), no such withholding tax will be imposed on any payments derived from sources outside the United States that are made prior to 1 January 2019, at the earliest. In the event that any country in which ANZ operates does not finalise and enforce an Intergovernmental Agreement ("**IGA**") with the United States, and that country has local law impediments preventing compliance with FATCA, the Group may also be subject to broader compliance issues, significant withholding exposure and other operational impacts.

In addition to FATCA, the U.S. may require the Group in certain circumstances to provide certain information to U.S. payers (withholding agents, custodians, etc.), and the Group and/or its customers may face withholding tax if the Group does not provide such information in compliance with the applicable rules and regulations.

A major focus of U.S. governmental policies affecting financial institutions has been combating money laundering and terrorist financing. The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**Patriot Act**") substantially broadened the scope of U.S. anti-money laundering laws by imposing significant compliance and due diligence obligations, identifying crimes and stipulating penalties and expanding the extra-territorial jurisdiction of the U.S. The U.S. Treasury Department has issued a number of regulations implementing various requirements of the Patriot Act that apply to U.S. financial institutions, including subsidiaries and branches of foreign banks such as ANZ's U.S. broker-dealer subsidiary, the New York branch and ANZ's bank subsidiary that operates in Guam and American Samoa.

Those regulations require financial institutions operating in the United States to maintain appropriate policies, procedures and controls to detect, prevent and report money laundering and terrorist financing and to verify the identity of their customers. In addition, the U.S. bank regulatory agencies have imposed heightened standards and U.S. law enforcement authorities have been taking a more active role, resulting in intensified enforcement of such matters. Failure of a financial institution to maintain and implement adequate policies and procedures to combat money laundering and terrorist financing could have serious legal and reputational consequences for the financial institution, as well as result in the imposition of civil, monetary and criminal penalties.

Other Regulators

The Group has ordinary shares listed on the ASX and the NZX and has other equity securities and debt securities listed on these and certain other overseas securities exchanges. As a result, the Group must comply with a range of listing and corporate governance requirements in Australia, New Zealand and overseas.

In addition to the prudential capital oversight that APRA conducts over ANZ and its branch operations and the supervision and regulation described above, local banking operations in all of the ANZ offshore branches and banking subsidiaries are subject to host country supervision by their respective regulators, such as the RBNZ, the OCC in the United States, the Federal Reserve Board in the United States (the “**FRB**”), the UK Prudential Regulatory Authority, the Monetary Authority of Singapore, the Hong Kong Monetary Authority, the China Banking and Insurance Regulatory Commission (which replaced the China Banking Regulatory Commission in April 2018) and other financial regulatory bodies in those countries and in other relevant countries. In addition, the Group's presence in the Asia Pacific region has given rise to a requirement to comply with a number of different legal and regulatory regimes across that region. These regulators, among other things, may impose minimum capitalisation requirements on those operations in their respective jurisdictions.

The Group is also required to comply with certain anti-money laundering and counterterrorism financing legislation and regulations under the local laws of all the countries in which it operates.

TAXATION

This section sets out a summary of certain taxation considerations relating to the Securities.

General

Neither the Issuer nor the Initial Dealer makes any comment about the treatment for taxation purposes of payments or receipts in respect of the Securities. Each investor contemplating acquiring Securities under the Programme is advised to consult a professional adviser in connection with the consequences relating to the acquisition, retention and disposition of Securities.

All prospective investors (including non-US investors) should read “Taxation – Foreign Account Tax Compliance Withholding” for a discussion of potential reporting obligations and the material consequences of failing to comply with such obligations.

Australia

The comments below are of a general nature and are based on the provisions currently in force in Australia. They relate only to the position of persons who are the absolute beneficial owners of their Notes issued by ANZ (other than through an offshore branch, in which case such persons should consider the tax implications of the jurisdiction in which the relevant branch is located) and are based on the assumption that the only instrument issued by ANZ under the Programme are debt interests or debentures that are not equity interests for Australian taxation purposes. Noteholders who are in doubt as to their personal tax position should consult their professional advisers. Statutory references are references to a section of the *Income Tax Assessment Act 1936* or the *Income Tax Assessment Act 1997* of Australia (the “**Australian Tax Act**”).

Interest or an amount that is included in the extended definition of interest in section 128A on the Notes issued by ANZ is exempt from Australian withholding tax under section 128F of the Australian Tax Act if the following conditions are met:

- (a) ANZ is either:
 - (i) a resident of Australia when it issues the Notes and when interest (as defined in section 128A(1AB)) is paid on the Notes; or
 - (ii) a non-resident of Australia when it issues the Notes and when interest (as defined in section 128A(1AB)) is paid on the Notes and the Notes are issued and the interest is paid on the Notes by ANZ in carrying on business at or through a permanent establishment in Australia;
- (b) the Notes are debentures for the purposes of section 128F; and
- (c) the Notes are issued by ANZ in a manner which satisfies the public offer test.

The public offer test is satisfied if the Notes are issued by ANZ as a result of being offered for issue:

- (a) to at least 10 persons each of whom:
 - (i) is carrying on business of providing finance, or investing or dealing in securities, in the course of operating in financial markets; and
 - (ii) is not known, or suspected, by ANZ to be an associate (as defined in section 128F) of any of the other persons; or
- (b) to at least 100 persons whom it is reasonable for ANZ to regard as having acquired debentures or debt interests in the past or being likely to be interested in acquiring debentures or debt interests; or
- (c) as a result of being accepted for listing on a stock exchange, where ANZ had previously entered into an agreement with a dealer, manager or underwriter in relation to the placement of the Notes, requiring ANZ to seek such a listing; or

- (d) as a result of negotiations being initiated publicly in electronic form, or in another form, that is used by financial markets for dealing in instruments similar to the Notes; or
- (e) to a dealer, manager or underwriter in relation to the placement of the Notes who, under an agreement with ANZ, offered the Notes for sale within 30 days in a way covered by any of paragraphs (a) to (d) above.

In relation to the issue of a Global Note by ANZ, the “**public offer**” test will be satisfied if the Global Note falls within the definition of “**global bond**” set out in section 128F(10). Broadly speaking, this will be the case if the following requirements are satisfied:

- (a) the Global Note describes itself as a global bond or a global note; and
- (b) it is issued to a clearing house (as defined in section 128F(9)) or to a person as trustee or agent for, or otherwise on behalf of, one or more clearing houses; and
- (c) in connection with the issue of the Global Note, the clearing house or houses confer rights in relation to the Global Note on other persons and will record the existence of the rights; and
- (d) before the issue of the Global Note, the Issuer or any dealer, manager or underwriter in relation to the placement of debentures, on behalf of the Issuer, announces that, as a result of the issue, such rights will be able to be created; and
- (e) the announcement is made in a way or ways covered by any of paragraphs (a) to (e) of section 128F(3) (reading a reference in those paragraphs to “**debenture**” as if it were a reference to the rights referred to in paragraph (d) above and a reference to the “**company**” as if it included a reference to the dealer, manager or underwriter); and
- (f) under the terms of the Global Note, interests in the Global Note are able to be surrendered, whether or not in particular circumstances, in exchange for other debentures issued by ANZ, that are not themselves Global Notes.

The public offer test is not satisfied if at the time of issue, ANZ knows, or had reasonable grounds to suspect, that the Notes, or an interest in the Notes, issued by ANZ was being, or would later be, acquired directly or indirectly by an Offshore Associate (as defined below in “Offering and Sale – Australia”) of ANZ acting other than in the capacity of a dealer, manager or underwriter in relation to the placement of the Notes or a clearing house, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Australian Corporations Act.

The exemption under section 128F does not apply to interest paid by ANZ in respect of a Note if, at the time of payment, ANZ knows, or has reasonable grounds to suspect, that the investor is an Offshore Associate (as defined below in “Offering and Sale – Australia”) of ANZ (acting other than in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Australian Corporations Act).

If ANZ is compelled by law at any time to withhold or deduct an amount in respect of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Australia or any authority therein having the power to tax, it will, subject to certain exceptions set out in Base Note Condition 8 (*Taxation*), pay such additional amounts as will result in the payment to the Noteholders concerned of the sum which would otherwise have been payable on the Notes.

ANZ will not be liable to account to an investor for any deduction or withholding on account of any duties or taxes where those duties or taxes are imposed or levied by or on behalf of Australia or any authority therein having the power to tax by virtue of, among other things (refer to Base Note Condition 8 (*Taxation*) of “The Conditions of the Notes” for further details), the investor being an Offshore Associate (as defined below in “Offering and Sale – Australia”) of ANZ (acting other than in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Australian Corporations Act), or as a result of the investor being a party to or participating in a scheme to avoid such duties or taxes, being a scheme which ANZ neither was a party to nor participated in.

ANZ proposes to issue Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

Interest withholding tax – Exemptions under recent tax treaties

The Australian Government has signed a number of new or amended double tax conventions (“**New Treaties**”) with foreign jurisdictions (each a “**Specified Country**”).

The New Treaties effectively prevent interest withholding tax applying to interest derived by:

- governments of the Specified Countries and certain governmental authorities and agencies in a Specified Country; and
- certain unrelated (1) banks, and (2) other financial institutions which substantially derive their profits by carrying on a business of raising and providing finance and which are resident in the Specified Country (interest paid under a back-to-back loan or economically equivalent arrangement will not qualify for this exemption),

by reducing the interest withholding tax rate to zero.

The New Treaties are in force in a number of jurisdictions including, for example, the United States and the United Kingdom. The Australian Government is progressively amending its double tax conventions to include this form of interest withholding tax exemption.

Withholding tax in respect of Notes in bearer form

Section 126 of the Australian Tax Act imposes a type of withholding tax at the rate of 45 per cent. on the payment of interest on bearer Notes issued by ANZ (other than certain promissory notes) if ANZ fails to disclose the names and addresses of the holders to the Australian Taxation Office. Section 126 does not apply to a payment on Bearer Notes which, although not being interest at general law, is included in the extended definition of interest in section 128A. Section 126 does not apply to the payment of interest on bearer Notes held by non-residents who do not carry on business at or through a permanent establishment in Australia, where the issue of those Notes satisfied the requirements of section 128F of the Australian Tax Act or interest withholding tax is payable. The Australian Taxation Office has clarified that it considers “the holder of debenture”, for the purposes of section 126, to be the person in possession of the debenture. Consequently, where residents of Australia or non-residents carrying on a business at or through a permanent establishment in Australia hold bearer Notes through (for example) the Euroclear or Clearstream systems, the Australian Taxation Office will view the operator of the relevant system as the holder of those bearer Notes.

TFN/ABN withholding tax

Section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia (the “**Tax Administration Act**”) imposes a type of withholding tax at the rate of (currently) 47 per cent. on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number (“**TFN**”), (in certain circumstances) an Australian Business Number (“**ABN**”) or proof of some other exception (as appropriate). Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes issued by ANZ, then the requirements of section 12-140 do not apply to payments to a holder of those Notes in registered form who is not a resident of Australia and not holding those Notes in the course of carrying on business at or through a permanent establishment in Australia. Payments to other classes of holders of Notes issued by ANZ in registered form may be subject to a withholding where the holder of those Notes does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate).

Other tax matters

ANZ has been advised by its Australian counsel that, under current Australian law:

- (a) subject to compliance with the requirements of the Australian Tax Act referred to above, payments of:
 - (i) principal;
 - (ii) interest;

- (iii) amounts included in the extended definition of interest in section 128A (1AB); or
 - (iv) amounts that are deemed to be interest under section 128AA of the Australian Tax Act,
- to a holder of a Note or Coupon issued by ANZ who is a non-resident of Australia and who, during the taxable year, has not engaged in trade or business at or through a permanent establishment within Australia, will not be subject to Australian income tax;
- (b) a holder of a Note or Coupon issued by ANZ who is a non-resident of Australia and who during the taxable year has not carried on business at or through a permanent establishment within Australia will not be subject to Australian income or capital gains tax on gains realised during that year on sale or redemption of such Notes, provided such gains do not have an Australian source. A gain arising on the sale of a Note or Coupon issued by ANZ by a non-Australian resident holder to another non-Australian resident, where the Note or Coupon is sold outside Australia and all negotiations are conducted and all documentation is executed outside Australia, would not be regarded as having an Australian source;
 - (c) subdivision 12-FB of schedule 1 to the Tax Administration Act imposes a withholding obligation in respect of certain payments, to be prescribed by regulation, that are made to non-residents of Australia.
- The Tax Administration Act expressly provides that the regulations will not apply to interest and other payments which are already subject to the current interest withholding tax rules or specifically exempt from those rules. Further, regulations may only be made if the responsible minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. ANZ has been advised by its Australian counsel that they do not expect the regulations to apply to repayments of principal under the Notes, as such amounts are not generally income or gains. The possible application of any regulations to the proceeds of any sale of the Notes will need to be monitored;
- (d) the Notes issued by ANZ will not be subject to death, estate or succession duties imposed by Australia or by any instrumentality thereof or therein, if held outside Australia at the time of death; and
 - (e) no *ad valorem* stamp, issue, registration or similar taxes are payable in Australia on the issue of the Notes by ANZ or the transfer of the Notes issued by ANZ.

Taxation of Financial Arrangements

The Australian Government has enacted a regime for the taxation of financial arrangements (referred to as **TOFA**) which can affect the taxation of financial instruments such as Notes. ANZ has elected for the TOFA regime to apply to certain financial arrangements, such as the Notes. The TOFA regime does not contain any measures that would override the exemption from Australian interest withholding tax available under section 128F of the Australian Tax Act in respect of interest payable on the Notes.

United Kingdom

A. Introduction

The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. It is based on current law and the practice of H.M. Revenue and Customs ("**HMRC**") which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes and related Coupons and Talons (if any). Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Final Terms 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. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation

under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

B. UK Withholding Tax on UK Source Interest

- B.1. Interest on Notes may be paid by the Issuer without withholding or deduction for or on account of United Kingdom income tax except in circumstances where such interest has a United Kingdom source (“**UK Interest**”). Interest on Notes may have a United Kingdom source where, for example, the Notes are issued by an Issuer acting through a branch or permanent establishment in the United Kingdom, the Notes are secured on assets situated in the United Kingdom or the interest is paid out of funds maintained in the United Kingdom. Notes which carry a right to UK Interest are referred to in this United Kingdom Taxation Section as “**UK Notes**”.
- B.2. UK Notes which carry a right to interest will constitute “quoted Eurobonds” within the meaning of section 987 of the Income Tax Act 2007 provided they are and continue to be “listed on a recognised stock exchange” within the meaning of section 1005 of the Income Tax Act 2007. HMRC may designate certain exchanges as recognised stock exchanges. The London Stock Exchange is a recognised stock exchange for these purposes. In the case of UK Notes to be traded on the London Stock Exchange, the UK Notes will be treated as “listed on a recognised stock exchange” if the UK Notes are included in the Official List of the FCA (within the meaning of Part 6 of the FSMA) and admitted to trading on the London Stock Exchange. UK Notes to be traded on a recognised stock exchange outside the United Kingdom will be treated as “listed on a recognised stock exchange” if (and only if) they are admitted to trading on that exchange and they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange. Where the UK Notes are and continue to be quoted Eurobonds, payments of interest on the UK Notes may be made without withholding or deduction for or on account of United Kingdom income tax.
- B.3. In addition to the exemption set out in B.2 above, interest on UK Notes may be paid without withholding or deduction for or on account of United Kingdom income tax if the Issuer is a “bank” for the purposes of section 878 of the Income Tax Act 2007 and so long as such payments are made by the Issuer in the ordinary course of its business. ANZ has confirmed that, when acting through its London branch, it is a bank for these purposes. In accordance with the published practice of HMRC, such payments will be accepted as being made by the Issuer in the ordinary course of its business unless either:
- (i) the borrowing in question relates to the capital structure of the Issuer. A borrowing will be regarded as relating to the capital structure of the Issuer if it conforms to any of the definitions of Tier 1, 2 or 3 capital adopted by the Bank of England whether or not it actually counts towards Tier 1, 2 or 3 capital for regulatory purposes; or
 - (ii) the characteristics of the transaction giving rise to the interest are primarily attributable to an intention to avoid United Kingdom tax.
- B.4. In all cases falling outside the exemptions described in B.2 and B.3 above, interest on UK Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent) subject to such relief as may be available following a direction from HMRC under the provisions of any applicable double taxation treaty or to any other exemption which may apply. However, this withholding will not apply if the relevant interest is paid on UK Notes with a maturity of less than one year from the date of issue and which are not issued under arrangements the effect of which is to render such UK Notes part of a borrowing with a total term of a year or more.

C. Payments under Deed of Covenant

Any payments made by an Issuer under the Notes Deed of Covenant may not qualify for the exemptions from UK withholding tax described in B above.

D. Provision of Information

HMRC have powers to obtain information in relation to interest or payments treated as interest and payments derived from securities which are made by persons in the UK. This may include details of the beneficial owners of the Notes

(or the persons for whom the Notes are held), details of the persons to whom payments derived from the Notes are or may be paid and information in connection with transactions relating to the Notes. Information obtained by HMRC may be provided to tax authorities in other countries.

For the above purposes, “**interest**” should be taken, for practical purposes, as including payments made by a guarantor in respect of interest on Notes.

E. Other Rules Relating to United Kingdom Withholding Tax

1. Notes may be issued at an issue price of less than 100 per cent of their principal amount. Any discount element on any such Notes will not, under current United Kingdom practice, be treated as interest for United Kingdom withholding tax purposes. On that basis, discounts will not be subject to any United Kingdom withholding tax pursuant to the provisions mentioned in B above.
2. Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest with a United Kingdom source are subject to United Kingdom withholding tax as outlined above.
3. Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.
4. The references to “interest” in this United Kingdom taxation section mean “interest” as understood in United Kingdom tax law. The statements do not take any account of any different definitions of “interest” or “principal” which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation (e.g. see Base Note Condition 8 (*Taxation*) of the Notes). Where a payment on a Note does not constitute (or is not treated as) interest for United Kingdom tax purposes and the payment has a United Kingdom source, it may be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment, a manufactured payment, rent or royalties for United Kingdom tax purposes. Where a payment is subject to United Kingdom withholding tax, depending on the nature of the payment (which will be determined by, among other things, the terms and conditions specified by the Final Terms of the Note), the payment may fall to be made under deduction of United Kingdom tax (the rate of withholding generally being 20 per cent), subject to any exemption from withholding which may apply and to such relief as may be available following direction from HMRC under the provisions of any applicable double tax treaty.
5. The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an Issuer and does not consider the tax consequences of any such substitution.

Redeemable Certificates

Withholding Tax

The following analysis applies to Redeemable Certificates which carry a right to the payment of interest, manufactured payments or annual payments and/or are redeemed at a premium, any amount of which is deemed to constitute a payment of interest.

Payments of interest by the Issuer on Redeemable Certificates may generally be made without withholding or deduction for or on account of United Kingdom income tax, provided that one of the exemptions set out in paragraphs (A) to (D) in the section above relating to withholding on payments of interest in respect of Notes applies (replacing references to Notes with references to Redeemable Certificates).

Payments of manufactured payments and annual payments by the Issuer on Redeemable Certificates may be made without withholding or deduction for or on account of United Kingdom tax if the Redeemable Certificates are derivative contracts, the profits and losses arising from which are calculated in accordance with Part 7 of the Corporation Tax Act 2009 or if the exemption set out in paragraph (C) in the section above relating to withholding on payments of interest in respect of Notes applies (replacing references to Notes with references to Redeemable Certificates).

In all other cases, interest, payments which are deemed to be interest, manufactured payments and annual payments may be paid by the Issuer under deduction of income tax at the basic rate (currently 20 per cent.) in the case of interest and annual payments and at a rate depending upon the nature of the payment in the case of manufactured payments, in each case, subject to the availability of other reliefs or exemptions or to any direction to the contrary from HMRC in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

Disclosure and Exchange of Information

Prospective holders of Redeemable Certificates are referred to the discussion under the heading “Disclosure and Exchange of Information” in the section above dealing with Notes (replacing references to Notes with references to Redeemable Certificates).

Warrants

Withholding Tax

No United Kingdom income tax should be required to be deducted or withheld from any payments made on the Warrants, provided that the Warrants do not carry a right to interest or to other payments which constitute manufactured payments or annual payments for United Kingdom tax purposes. Warrants that carry such a right to interest or to other such payments are generally likely to be treated for United Kingdom withholding tax purposes in a similar way to Redeemable Certificates that carry such a right and, on this basis, holders of such Warrants should refer to the withholding tax summary in respect of Redeemable Certificates set out above.

Disclosure and Exchange of Information

Prospective holders of Warrants are referred to the discussion under the heading “Disclosure and Exchange of Information” in the section above dealing with Notes (replacing references to Notes with references to Warrants).

United Kingdom Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)

Depending on the terms and conditions of the relevant Securities (including, but not limited to, whether the Securities are in bearer or registered form or whether they are CREST Securities or CDIs), UK stamp duty or SDRT may be payable on the issue, on the subsequent transfer or settlement of such Securities. Prospective Securityholders should take their own advice from an appropriately qualified professional adviser in this regard. If any such stamp duty or SDRT is expected to arise, then this will generally be disclosed in the Final Terms of such Securities.

The proposed financial transactions tax (“FTT”)

On 14 February 2013, the European Commission published a proposal (the “**Commission's Proposal**”) for a Directive for a common FTT in the participating Member States. The participating Member States are currently Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”).

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of the Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Withholding

A 30 per cent. withholding tax may be imposed on certain payments to certain non-U.S. financial institutions that fail to comply with information reporting requirements or certification requirements in respect of their direct and indirect United States shareholders and/or United States accountholders. United States accountholders subject to such information reporting or certification requirements may include holders of certain Notes such as those that provide exposure to U.S. equities, and the Issuer may be required to withhold on a portion of any payment made under such Notes. In addition, the Issuer may be required to withhold on a portion of any payment under any Note that is made to a non-U.S. financial institution that has not agreed to comply with these information reporting requirements. Holders of Notes other than non-U.S. financial institutions may also be subject to information reporting and withholding in certain circumstances. Such withholding may be imposed at any point in a chain of payments if a non-U.S. payee fails to comply with U.S. information reporting, certification and related requirements. Accordingly, Notes held through a non-compliant institution may be subject to withholding even if the holder of the Note otherwise would not be subject to withholding. Such withholding would generally not apply to payments made before 1 January 2019. Moreover, such withholding will only apply to Notes issued or modified at least six months after the date on which final regulations implementing such rule are published in final form. It is impossible to determine at this time what impact, if any, these rules will have on holders of the Notes.

A Reporting Australian Financial Institution (as defined in the Australian-U.S. intergovernmental agreement) that complies with its obligations under the Australian-U.S. intergovernmental agreement will generally not be subject to FATCA withholding on amounts it receives, and will not generally be required to make FATCA withholding from payments it makes with respect to the Securities, other than in certain prescribed circumstances.

Prospective investors should consult their tax advisors and their banks or brokers regarding the possibility of this withholding.

OFFERING AND SALE

This section sets out a summary of certain restrictions regarding who can purchase the Securities in certain jurisdictions.

From time to time, the Issuer will act in its capacity as Initial Dealer in respect of Securities that it wishes to issue. The Securities may be sold at prevailing market prices, or at prices related thereto, at the time of such sale, as determined by the Initial Dealer. The Securities may be offered to any professional, institutional or retail investors.

Financial Intermediaries

Any offer in relation to Securities made by a party other than the Initial Dealer (an “**Intermediary**”) is to be made by such Intermediary its own name and not as an agent of the Issuer or the Initial Dealer. Neither the Issuer nor the Initial Dealer is responsible for acts or omissions of any Intermediary nor shall the Issuer or the Initial Dealer be held liable on account of any claim in relation to such offer or sale or any third-party dealing in Securities. Any person who enters a transaction involving the offer or purchase of Securities with an intention to distribute or on-sell them in any capacity is deemed to represent and undertake to the Issuer that it shall do so in strict compliance with applicable laws and proceed to do so only in circumstances in which such person has assessed the Securities to be suitable for the relevant offeree, having regard (upon reasonable enquiry and without limitation) to the financial situation, relevant experience and investment objectives of the prospective investor.

Any investment in Securities by a person made with the intention to offer, sell or otherwise transfer (together, “**distribute**” and each a “**distribution**”) such instrument to prospective investors (each an “**Investor Client**”) shall be conditional on the following conditions (the “**Intermediary Conditions**”):

- (a) At the time of the distribution of the Securities, the Intermediary shall be deemed to represent and undertake for the benefit of the Issuer that the Intermediary:
 - (i) has the requisite capacity and authority (including any necessary corporate and regulatory approvals) to conduct the proposed transactions;
 - (ii) has a comprehensive understanding of risks involved with such transaction, is capable of and willing to assume those risks and agrees that none of the Group acts as a fiduciary or an adviser to the Intermediary in respect of the Securities; and
 - (iii) has not relied on any representations by any of the Group and has, to the extent that it has deemed necessary, consulted with its own legal, regulatory, tax, business, investments, financial, and accounting advisers in making its own investment, hedging and trading decisions based upon its own professional judgement and not upon any view expressed by any of the Group.
- (b) By placing a purchase order in respect of any proposed Securities, the Intermediary commits to purchase such quantity of Securities, at such issue price as may be agreed by the Issuer in respect of a Series of Securities, provided that such Securities are in fact issued on the definitive terms constituted by the relevant Final Terms and the Prospectus. The Intermediary acknowledges that the Issuer may at its sole discretion enter into hedging or other arrangements in reliance upon the Intermediary’s purchase order, and, accordingly, should the Intermediary fail to meet its commitment, its liability may include the Issuer’s costs and losses incurred in unwinding such hedging transactions or other arrangements.
- (c) The Intermediary distributes the Securities in its own name as principal or for the account of its own Investor Clients, provided that in no case shall it act as an agent of the Issuer or Initial Dealer. The Intermediary may transact with an Investor Client selected at its own discretion (subject to compliance with all applicable regulations and jurisdiction-specific selling restrictions) and shall be wholly responsible for conducting appropriate customer identification and suitability assessment and making such reasonable enquiries in order to be satisfied that the prospective investors are of an appropriate class of investor and that the Securities are a suitable product for each such Investor Client; no member of the Group will assume responsibility for, nor any liability whatsoever in relation to, any such distribution.

- (d) The Intermediary shall not make representations or give assurances to Investor Clients regarding the Issuer or the Securities, nor use the Issuer's name, brand or intellectual property in a manner which is not expressly authorised. The Intermediary shall not hold out that it acts under authority of the Group in respect of any distribution and acknowledge that no member of the Group assumes any responsibility or liability whatsoever in relation to any representation or warranty made by the Intermediary.
- (e) If the Intermediary distributes any material prepared by the Group in relation to the Securities, it shall only distribute the complete material and not parts thereof. Any material prepared by the Intermediary, or any third party engaged by it, shall be true and accurate in all material respects and not inconsistent in any material respect with the Conditions of the Securities as provided in the relevant Final Terms and the Prospectus, and shall not have any omissions that would make them misleading. The Intermediary shall only prepare and distribute such material in accordance with all applicable laws, regulations, codes of conduct, directives, orders and/or regulatory requirements, rules and guidance in force from time to time ("**Regulations**"). The Intermediary agrees that it shall be solely responsible for such material it has prepared or published and acknowledges that no member of the Group shall have any liability in respect of material prepared or published by the Intermediary.
- (f) The Intermediary shall not, directly or indirectly, distribute or arrange the distribution of the Securities or disseminate or publish (which, for the avoidance of doubt, will include the dissemination of any such materials or information by electronic means) any materials or carry out any type of solicitation in connection with the product in any country or jurisdiction, except under circumstances that will result in compliance with all applicable Regulations and selling restrictions, and will not give rise to any liability for any member of the Group. For the avoidance of doubt, this includes without limitation compliance with the MifID Product Governance Rules, the PRIIPs Regulation and the selling restrictions mentioned herein.
- (g) If the Intermediary receives any fee, rebate or benefit of a discounted purchase price, it shall, where required to do so (whether by any applicable Regulation, contract, fiduciary obligation or otherwise), disclose such fees, rebates or discounts to its Investor Clients. The Intermediary is solely responsible for any such disclosure, provided that, in the event any member of the Group is compelled by request of a regulatory authority or pursuant to Regulation to disclose any amounts and/or basis of fees, rebates or discounts at the request of Investor Clients, the Intermediary gives irrevocable consent for that member of the Group to do so.
- (h) The Intermediary acknowledges that certain acts or omissions in relation to its distribution of the Securities have potential to cause irreparable loss to the Issuer for which monetary compensation may not be an adequate remedy and shall entitle the Issuer to legal and or equitable relief. Each relevant Intermediary irrevocably undertakes to indemnify each member of the Group and its directors and officers from and against any and all losses, actions, claims, damages and liabilities (including, without limitation, any fines or penalties and any legal or other expenses incurred in connection with defending or investigating any action or claim) caused directly or indirectly by the failure of the Intermediary or any of its representatives to observe applicable Regulations and act in accordance with these Intermediary Conditions.

Australia

No prospectus or other disclosure document (as defined in the Australian Corporations Act) in relation to the Programme or any Securities (including this Prospectus) has been or will be lodged with or registered by ASIC or the ASX. Each Intermediary is deemed to represent and agree that it has not (unless the relevant Final Terms or a supplement to this Prospectus otherwise provides):

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

unless:

- (i) the minimum aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternate currency) (disregarding money lent by the offeror or its associates) or the offer otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Australian Corporations Act and does not constitute an offer to a “retail client” as defined for the purposes of section 761G of the Australian Corporations Act; and
- (ii) such action complies with all applicable laws, directives and regulations and does not require any document to be lodged with, or registered by, ASIC.

Each Intermediary shall be deemed to agree that it will not sell any Security issued by ANZ in circumstances where employees of the Intermediary who are aware of, or involved in, the sale know, or have reasonable grounds to suspect, that the Security, or an interest in or right in respect of the Security, was being, or would later be, acquired either directly or indirectly by:

- (a) in respect of Bearer Notes in definitive form, and Temporary Global Notes which are exchangeable for Bearer Notes in definitive form according to the relevant Final Terms only, a resident of Australia, or a non-resident who is engaged in carrying on business in Australia at or through a permanent establishment of that non-resident in Australia (the expressions “**resident of Australia**”, “**non-resident**” and “**permanent establishment**” having the meanings given to them by the Australian Tax Act); or
- (b) in respect of any Security issued by ANZ, an Offshore Associate of ANZ acting other than in the capacity of a dealer, intermediary, manager or underwriter in relation to the placement of the Notes or a clearing house, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Australian Corporations Act.

“**Offshore Associate**” means an associate (as defined in section 128F of the Income Tax Assessment Act 1936 and any successor legislation) of ANZ that is either a non-resident of Australia which does not acquire the Securities in carrying on a business at or through a permanent establishment in Australia or, alternatively, a resident of Australia that acquires the Securities in carrying on business at or through a permanent establishment outside of Australia.

Public Offer Selling Restriction Under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a “**Relevant Member State**”), each Intermediary shall be deemed to represent, warrant and agree that, with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”), it has not made and will not make an offer of Securities which are the subject of the offering contemplated by the Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Securities to the public in that Relevant Member State:

- (a) if the Final Terms or Drawdown Prospectus in relation to the Securities specify that an offer of those Securities may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus which is not a Drawdown 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, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Intermediary or Intermediaries nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities referred to in paragraphs (b) to (d) above shall require the Issuer, the Initial Dealer or any Intermediary to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Securities to the public**” in relation to any Securities 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 Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression “**Prospectus Directive**” means Directive 2003/71/EC (as amended or superseded, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Securities specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Intermediary shall be deemed to represent and agree that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms (or Drawdown Prospectus, as the case may be) in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the “**Prospectus Directive**”); and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities.

Hong Kong

Each Intermediary shall be deemed to represent and agree that:

- (a) it has not offered or sold and will not offer or sell in the Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong**”), by means of any document, any Securities (except for Securities which are a “structured product” as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong (the “**SFO**”)), other than:
 - (i) to “professional investors” as defined in the SFO and any rules made under the SFO; or
 - (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32) of Hong Kong (the “**Companies Ordinance**”) or which do not constitute an offer to the public within the meaning of the Companies Ordinance; 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, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**FIEA**”) and, accordingly, each Intermediary shall be deemed to represent and undertake that it will not offer or sell any Securities, 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 any Japanese Person, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, “**Japanese Person**” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

New Zealand

No action has been or will be taken by the Issuer or the Intermediaries which would permit a public or regulated offering of any of the Securities, or possession or distribution of any offering material in relation to the Securities, in New Zealand.

Each Intermediary shall be deemed to represent and agree that it has not offered, sold or delivered and will not directly or indirectly offer, sell or deliver any Security, and it will not distribute any offering memorandum or advertisement in relation to any offer of Securities, in New Zealand, other than to any or all of the following persons only:

- (a) “wholesale investors” as that term is defined in clauses 3(2)(a), (c) and (d) of Schedule 1 to the Financial Markets Conduct Act 2013 of New Zealand (the “**FMC Act**”), being a person who is:
 - (i) an “investment business”;
 - (ii) “large”; or
 - (iii) a “government agency”,
 in each case as defined in Schedule 1 to the FMC Act; and
- (b) in other circumstances where there is no contravention of the FMC Act.

In addition, each Intermediary shall be deemed to represent and agree that it has not offered or sold and will not offer or sell, any Securities to persons whom it believes to be persons to whom any amounts payable on the Securities are or would be subject to New Zealand resident withholding tax, unless such persons certify that they hold a valid certificate of exemption for New Zealand resident withholding tax purposes and provide a New Zealand tax file number to such Dealer (in which event the Intermediary shall provide details thereof to the Issuer or to a Paying Agent).

People’s Republic of China

Each Intermediary shall be deemed to represent and agree that the Securities are not being offered or sold and may not be offered or sold, directly or indirectly, in the People’s Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the People’s Republic of China.

United Kingdom

Each Intermediary shall be deemed to represent and agree that:

- (a) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (b) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

United States of America

The Securities have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold or delivered within the United States or to or for the account or benefit of U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. Each Intermediary shall be deemed to represent and agree that it has not offered, sold or delivered Securities, and will not offer, sell or deliver Securities (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the completion of the distribution of the Securities comprising the relevant Tranche, as determined and certified to the Fiscal Agent or the Issuer by such Intermediary (or, in the case of a sale of a Tranche of Notes to or through more than one Intermediary, by each of such Intermediaries as to the Securities of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Intermediary when all such Intermediaries have so certified), within the United States or to, or for the account or benefit of, U.S. persons, except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Intermediary shall be deemed to represent and agree that neither it, its Affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts (as defined in Regulation S under the Securities Act) with respect to the Securities, and it and they have complied and will comply with any applicable offering restrictions requirement of Regulation S. Each Intermediary shall be deemed to that at or prior to the confirmation of sale of Securities, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Securities from it or through it during the distribution compliance period (as defined in Regulation S under the Securities Act) a confirmation or notice to substantially the following effect:

“The Securities covered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to or for the account or benefit of U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the completion of the distribution of the Securities comprising the relevant Tranche, as determined and certified by [*Name of Intermediary or Intermediaries, as the case may be*], except in either case in accordance with Rule 903 of Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S under the Securities Act.”

Each Intermediary shall be deemed to agree to notify the Fiscal Agent and the Issuer when it has completed its distribution of the Securities of any Tranche. In addition, until 40 days after the later of the commencement of the offering and the completion of the distribution of the Securities comprising the relevant Tranche, any offer or sale of Securities within the United States by an Intermediary (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

In addition, unless the Final Terms or the subscription agreement relating to one or more Tranches specifies that the applicable Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”) exemption is either “C Rules” or “not applicable”, each Intermediary shall be deemed to represent and agree that:

- (a) except to the extent permitted under U.S. Treasury Regulation §1.163-5(c)(2)(i)(D) (the “**D Rules**”):
 - (i) it has not offered or sold, and during the restricted period will not offer or sell, any Securities to a person who is within the United States or its possessions or to a United States person; and
 - (ii) it has not delivered and will not deliver within the United States or its possessions any Securities in bearer form that are sold during the restricted period;
- (b) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Securities are aware that such Securities may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (c) if it is a United States person, it is acquiring Notes in bearer form for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treasury Regulation §1.163-5(c)(2)(i)(D)(6); and

- (d) with respect to each Affiliate that acquires from it Notes in bearer form for the purpose of offering or selling such Notes during the restricted period, it either (i) repeats and confirms the representations and agreements contained in paragraphs (a), (b) and (c) above on behalf of such Affiliate or (ii) agrees that it will obtain from such Affiliate for the benefit of the Issuer the representations and agreements contained in paragraphs (a), (b) and (c) above.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the D Rules.

In addition, to the extent that the Final Terms or the subscription agreement relating to one or more Tranches of Notes in bearer form specifies that the applicable TEFRA exemption is C Rules under U.S. Treasury Regulation §1.163-5(c)(2)(i)(I) (the “**C Rules**”) (provided that such transaction is in accordance and compliance with applicable laws), Notes in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance. In relation to each such Tranche, each Intermediary shall be deemed to represent and agree that it has not offered, sold or delivered, and shall not offer, sell or deliver, directly or indirectly, Notes in bearer form within the United States or its possessions in connection with their original issuance. Further, in connection with their original issuance of Notes in bearer form, each Intermediary shall be deemed to represent and agree that it has not communicated, and shall not communicate, directly or indirectly, with a prospective purchaser if either such purchaser or it is within the United States or its possessions or otherwise involve its U.S. office in the offer or sale of Notes in bearer form. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder, including the C Rules.

South Korea

The Securities have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (“**FSCMA**”). Each Intermediary shall be deemed to represent and agree that the Securities have not been and will not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as defined in the Foreign Exchange Transactions Law of Korea and its Enforcement Decree), or to any other person for reoffering, resale or re-delivery, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea, except as otherwise permitted by applicable Korean laws and regulations. In addition, each Intermediary will be deemed to represent and agree that, until the expiration of one year after the issuance of the Securities, a holder of Securities will be prohibited from offering, delivering or selling any Securities, directly or indirectly, in Korea or to any Korean resident except: (i) in the case where the Securities are not issued as convertible bonds, bonds with warrants and exchangeable bonds, the Securities may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified institutional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure, provided that (x) the Securities are registered with the Korea Financial Investment Association (“**KOFIA**”) by the Issuer and (y) the qualified institutional investors are registered with the KOFIA in advance and complies with the requirement for monthly reports to the KOFIA of their holding of the Securities, and further provided that all of the following requirements are satisfied: (1) the Securities shall be issued in a currency other than Korean Won and the principal and interest shall be paid in a currency other than Korean Won, (2) at least 80 per cent. of the Securities shall be allocated to non-residents of Korea (which applies only to the Securities acquired from the Issuer or any underwriter at the time of issuance), (3) the Securities shall be those listed on a major overseas securities market specified by the governor of the Financial Supervisory Service of Korea (the “**FSS**”), those registered with or reported to a foreign financial investment supervisory agency of the country in which a major overseas market is established, or those for which any other procedure that may be deemed a public offering is completed, (4) measures shall be taken to state the condition that the Securities shall not be transferred to any Korean resident other than qualified institutional investors at the time of issuance or within one year from the issuance date on the face of such Securities (limited to cases where any physical instrument is issued), the underwriting agreement, subscription agreement or offering document and (5) the Issuer and the relevant Intermediaries shall take measures under foregoing items (1) through (4) and the Issuer and the relevant Intermediaries shall severally or jointly preserve evidential documents in relation thereto; or (ii) as otherwise permitted under applicable Korean laws and regulations.

Taiwan

The Securities may be made available for purchase from outside Taiwan by investors residing in Taiwan either directly or through a duly licensed Taiwan intermediary, but may not be offered or sold in Taiwan. Any subscriptions

of Securities shall only become effective upon acceptance by the Issuer or the relevant Intermediary outside Taiwan and shall be deemed a contract entered into in the jurisdiction of incorporation of the Issuer or relevant Intermediary, as the case may be.

Singapore

Each Intermediary will be required to acknowledge, and once appointed shall be deemed to have acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Intermediary will be required, and once appointed, shall be deemed, to represent and agree that it has not offered or sold any Securities (which are securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time including by any subsidiary legislation as may be applicable at the relevant time (together, the “SFA”))) or caused the Securities (which are securities or securities-based derivatives contracts) to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities (which are securities or securities-based derivatives contracts) or cause the Securities (which are securities or securities-based derivatives contracts) to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities (which are securities or securities-based derivatives contracts), whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

This Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities (which are securities or securities-based derivatives contracts) may not be circulated or distributed, nor may the Securities (which are securities or securities-based derivatives contracts) be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Securities (which are securities or securities-based derivatives contracts) are subscribed or purchased under Section 275 of the SFA by a relevant person who is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) 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 of the trust is an individual who is an accredited investor,

the securities or securities-based derivatives contracts of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor (under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law; or
- (iv) as specified in Section 276(7) of the SFA.

Singapore SFA Product Classification: - In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), unless otherwise specified before an offer of Securities, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Securities are not ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and are Specified Investment

Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).

General

These selling restrictions may be modified by the agreement of the Issuer and the Initial Dealer, including following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Securities to which it relates or in a supplement to this Prospectus. With the exception of the approval by the FCA of this Prospectus as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom, no action has been taken in any country or jurisdiction by the Issuer or the Initial Dealer that would permit a public offering of any of the Securities, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required.

Persons into whose hands the Prospectus or any Final Terms comes are, and each Securityholder is, required by the Issuer and the Initial Dealer to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Securities or have in their possession or distribute such offering material, in all cases at their own expense.

WORKED EXAMPLES RELATING TO EQUITY LINKED SECURITIES

This section sets out worked examples of returns on the different types of Equity Linked Securities.

1 Equity Linked Interest Notes

These examples are provided so that investors may better understand the formulae set out in Equity Linked Additional Condition 1.1 (*Interest Payable on Equity Linked Interest Notes*) on page 133. They do not form part of the Conditions.

An investor invests in 10 Equity Linked Interest Notes with a denomination of USD 1,000 and a term of 2 years. The Equity Linked Interest Notes will potentially pay interest of 2% per annum, dependent on the performance of Underlying Shares in ABC Holdings Limited. This is expressed by the specification in the Final Terms of a “Share Interest Amount” of USD 20 per Calculation Amount (the Calculation Amount is the same as the denomination of Equity Linked Interest Notes, i.e. USD 1,000).

Whether or not the Equity Linked Interest Notes will pay interest in a given year depends on the level of the price of the Underlying Shares (referred to as the Settlement Price) in ABC Holdings Limited on the relevant Interest Determination Date in relation to a level (referred to as the Share Reference Price) that is set at the start of term of the Equity Linked Interest Notes and is specified in the relevant Final Terms. If the Settlement Price of the Underlying Shares is greater than or equal to the Share Reference Price on an Interest Determination Date, interest will be payable in respect of the preceding year. If the Settlement Price of the Underlying Share is lower than the Share Reference Price on an Interest Determination Date, interest will not be payable in respect of the preceding year.

The Equity Linked Interest Notes are issued on 2 September 2018. The Interest Determination Dates fall on 2 September in each subsequent year during the term of the Equity Linked Interest Notes (i.e. the first Interest Determination Date will be 2 September 2019; on that date, it will be determined whether any interest is payable in respect of the preceding year. The second Interest Determination Date will be 2 September 2020; on that date, it will be determined whether any interest is payable in respect of the preceding year). The Share Reference Price specified in the Final Terms is 250p per Underlying Share.

Scenario 1: On 2 September 2019, the Settlement Price for the Underlying Share is 250p. On 2 September 2020, the Settlement Price for the Underlying Share is 275p.

The Interest Amount payable in respect of each of the first two years of the term of the Equity Linked Interest Notes is calculated (according to the formulae in Equity Linked Additional Condition 1.1 (*Interest Payable on Equity Linked Interest Notes*)) as the Share Interest Amount, i.e. USD 20 per Calculation Amount, because on the first Interest Determination Date the Settlement Price is equal to the Share Reference Price; and on the second Interest Determination Date, the Settlement Price is higher than the Share Reference Price. The investor therefore receives interest totalling USD 200 in respect of the first year and another USD 200 in respect of the second year (in each case, 10 Notes x USD 20 = USD 200).

Scenario 2: On 2 September 2019, the Settlement Price for the Underlying Share is 245p. On 2 September 2020, the Settlement Price for the Underlying Share is 230p.

The Interest Amount payable in respect of each of the first two years of the term of the Equity Linked Interest Notes is calculated (according to the formulae in Equity Linked Additional Condition 1.1 (*Interest Payable on Equity Linked Interest Notes*) 1.1) as zero, because on both the first and the second Interest Determination Dates the Settlement Price is less than the Share Reference Price.

It should be noted that the performance of the Underlying Share will not affect the eventual redemption value of the Equity Linked Interest Notes unless they are also Equity Linked Redemption Notes (the redemption basis will be specified in the relevant Final Terms).

2 Equity Linked Redemption Notes

These examples are provided so that investors may better understand the formulae set out in Equity Linked Additional Condition 2.1 (*Redemption of Cash Settled Securities that are Equity Linked Redemption Notes*) on page 134. They do not form part of the Conditions.

An investor invests in Cash Settled Securities that are Equity Linked Redemption Notes with a denomination of USD 1,000. The Equity Linked Redemption Notes are linked to the performance of Underlying Shares in XYZ Holdings Limited. The Equity Linked Redemption Notes pay interest annually at a fixed rate of 3%, specified in the Final Terms, pursuant to Base Note Condition 4(a) (*Interest on Fixed Rate Notes*) on page 86. This interest element is unrelated to the performance of the Underlying Shares.

The minimum amount at which the Equity Linked Redemption Notes will redeem is at their Calculation Amount, i.e. USD 1,000 per Note. However, if on the final Valuation Date (a date falling shortly before the Maturity Date, each of which will be specified in the relevant Final Terms) the Settlement Price of the Underlying Shares is greater than or equal to a pre-set level (referred to as the Strike Price, and specified in the relevant Final Terms), an additional bonus amount (referred to as the Uplift Amount, and specified in the relevant Final Terms) will be payable upon the redemption of the Equity Linked Redemption Notes. For the sake of this example, the Strike Price is 300p and the Uplift Amount is USD 250.

Scenario 1: On the final Valuation Date, the Settlement Price for the Underlying Share is 315p. The Final Redemption Amount per Note is calculated (according to the formulae in Equity Linked Additional Condition 2.1 (*Redemption of Cash Settled Securities that are Equity Linked Redemption Notes*)) as the Calculation Amount plus the Uplift Amount, i.e. USD 1,000 + USD 250 = USD 1,250.

Scenario 2: On the final Valuation Date, the Settlement Price for the Underlying Share is 240p. The Final Redemption Amount per Note is calculated (according to the formulae in Equity Linked Additional Condition 2.1 (*Redemption of Cash Settled Securities that are Equity Linked Redemption Notes*)) as the Calculation Amount alone, i.e. USD 1,000.

3 Equity Linked, Cash Settled Warrants

These examples are provided so that investors may better understand the formulae set out in Base C&W Condition 5(b) (*Cash Settlement for Warrants*) on page 116. They do not form part of the Conditions.

3.1 Call Warrants

An investor invests in Cash Settled C&W Securities that are Call Warrants. They are Equity Linked C&W Securities linked to Underlying Shares issued by ABC Holdings Limited. They are European Style Warrants (meaning that they can be exercised on one Exercise Date specified in the Final Terms only). The Exercise Price is 250p per Underlying Share.

There are two further possible variables in this example: (a) where Averaging is not applicable, and the Settlement Price of the Underlying Share is valued on a single Valuation Date and (b) where Averaging is applicable, and an average of the Settlement Prices of the Underlying Share is taken over a series of Averaging Dates. Taking each in turn:

3.1.1 Averaging is not applicable

The Valuation Date for the Warrants falls two days before the Exercise Date.

Scenario 1: On the Valuation Date, the Settlement Price for the Underlying Share is 200p.

The Cash Settlement Amount is calculated (using the formula set out in Base C&W Condition 5(b)(i)(a)) as the Settlement Price minus the Exercise Price, i.e. 200p minus 250p = -50p. However, this is subject to a minimum of zero, so the Cash Settlement Amount payable to the investor upon the exercise of the Call Warrants is zero.

Scenario 2: On the Valuation Date, the Settlement Price for the Underlying Share is 300p.

The Cash Settlement Amount is calculated (according to the formula set out in Base C&W Condition 5(b)(i)(a)) as the Settlement Price minus the Exercise Price, i.e. 300p minus 250p = 50p. The Cash

Settlement Amount payable to the investor upon the exercise of the Call Warrants is 50p per Call Warrant.

3.1.2 Averaging is applicable

There are four Averaging Dates spanning the calendar month preceding the Exercise Date.

Scenario 1: The Settlement Prices for the Underlying Share on each of the four Averaging Dates are as follows:

	Averaging Date 1	Averaging Date 2	Averaging Date 3	Averaging Date 4
Settlement Price	260p	250p	240p	220p

The Cash Settlement Amount is calculated (according to the formula set out in Base C&W Condition 5(b)(ii)(a)) by determining the aggregate of the Settlement Prices on the Averaging Dates (i.e. 260p plus 250p plus 240p plus 220p = 970p) and dividing it by the number of Averaging Dates (i.e. 970p divided by 4 = 242.5p) to obtain the arithmetic average of the Settlement Prices on the Averaging Dates, and then taking that result and subtracting the Exercise Price, i.e. 242.5p minus 250p = -7.5p. However, this is subject to a minimum of zero, so the Cash Settlement Amount payable to the investor upon the exercise of the Call Warrants is zero.

Scenario 2: The Settlement Prices for the Underlying Share on each of the four Averaging Dates are as follows:

	Averaging Date 1	Averaging Date 2	Averaging Date 3	Averaging Date 4
Settlement Price	260p	250p	270p	290p

The Cash Settlement Amount is calculated (according to the formula set out in Base C&W Condition 5(b)(ii)(a)) by determining the aggregate of the Settlement Prices on the Averaging Dates (i.e. 260p plus 250p plus 270p plus 290p = 1070p) and dividing it by the number of Averaging Dates (i.e. 1070p divided by 4 = 267.5p) to obtain the arithmetic average of the Settlement Prices on the Averaging Dates, and then taking that result and subtracting the Exercise Price, i.e. 267.5p minus 250p = 17.5p. The Cash Settlement Amount payable to the investor upon the exercise of the Call Warrants is 17.5p per Call Warrant.

3.2 Put Warrants

An investor invests in Cash Settled C&W Securities that are Put Warrants. They are Equity Linked C&W Securities linked to Underlying Shares issued by XYZ Holdings Limited. They are European Style Warrants (meaning that they can be exercised on one Exercise Date specified in the Final Terms only). The Exercise Price is 250p per Underlying Share.

There are two further possible variables in this example: (a) where Averaging is not applicable, and the Settlement Price of the Underlying Share is valued on a single Valuation Date and (b) where Averaging is applicable, and an average the Settlement Prices of the Underlying Share is taken over a series of Averaging Dates. Taking each in turn:

3.2.1 Averaging is not applicable

The Valuation Date for the Warrants falls two days before the Exercise Date.

Scenario 1: On the Valuation Date, the Settlement Price for the Underlying Share is 200p.

The Cash Settlement Amount is calculated (using the formula set out in Base C&W Condition 5(b)(i)(b)) as the Exercise Price minus the Settlement Price, i.e. 250p minus 200p = 50p. The Cash Settlement Amount payable to the investor upon the exercise of the Put Warrants is 50p per Put Warrant.

Scenario 2: On the Valuation Date, the Settlement Price for the Underlying Share is 300p.

The Cash Settlement Amount is calculated (according to the formula set out in Base C&W Condition 5(b)(i)(b)) as the Exercise Price minus the Settlement Price, i.e. 250p minus 300p = -50p. However, this is subject to a minimum of zero, so the Cash Settlement Amount payable to the investor upon the exercise of the Put Warrants is zero.

3.2.2 Averaging is applicable

There are four Averaging Dates spanning the calendar month preceding the Exercise Date.

Scenario 1: The Settlement Prices for the Underlying Share on each of the four Averaging Dates are as follows:

	Averaging Date 1	Averaging Date 2	Averaging Date 3	Averaging Date 4
Settlement Price	260p	250p	240p	220p

The Cash Settlement Amount is calculated (according to the formula set out in Base C&W Condition 5(b)(ii)(b)) by determining the aggregate of the Settlement Prices on the Averaging Dates (i.e. 260p plus 250p plus 240p plus 220p = 970p) and dividing it by the number of Averaging Dates (i.e. 970p divided by 4 = 242.5p) to obtain the arithmetic average of the Settlement Prices on the Averaging Dates, and then taking that result and subtracting it from the Exercise Price, i.e. 250p minus 242.5p = 7.5p. The Cash Settlement Amount payable to the investor upon the exercise of the Put Warrants is 7.5p per Put Warrant.

Scenario 2: The Settlement Prices for the Underlying Share on each of the four Averaging Dates are as follows:

	Averaging Date 1	Averaging Date 2	Averaging Date 3	Averaging Date 4
Settlement Price	260p	250p	270p	290p

The Cash Settlement Amount is calculated (according to the formula set out in Base C&W Condition 5(b)(ii)(b)) by determining the aggregate of the Settlement Prices on the Averaging Dates (i.e. 260p plus 250p plus 270p plus 290p = 1070p) and dividing it by the number of Averaging Dates (i.e. 1070p divided by 4 = 267.5p) to obtain the arithmetic average of the Settlement Prices on the Averaging Dates, and then taking that result and subtracting it from the Exercise Price, i.e. 250p minus 267.5p = -17.5p. However, this is subject to a minimum of zero, so the Cash Settlement Amount payable to the investor upon the exercise of the Put Warrants is zero.

4 Equity Linked Redeemable Certificates

These examples are provided so that investors may better understand the formulae set out in Equity Linked Additional Condition 2.2 (*Redemption of Cash Settled Securities that are Equity Linked Redeemable Certificates*) on page 134. They do not form part of the Conditions.

An investor invests in Cash Settled Securities that are Equity Linked Redeemable Certificates with a denomination of USD 1,000. The Equity Linked Redeemable Certificates are linked to the performance of Underlying Shares in XYZ Holdings Limited. The Equity Linked Redeemable Certificates pay interest annually at a fixed rate of 2%, specified in the Final Terms, pursuant to Base C&W Condition 4(a) (*Interest on Fixed Rate C&W Securities*) on page 108. This interest element is unrelated to the performance of the Underlying Shares.

The minimum amount at which the Equity Linked Redeemable Certificates will redeem is at their Calculation Amount, i.e. USD 1,000 per Redeemable Certificate. However, if on the final Valuation Date (a date falling shortly before the Redemption Date, each of which will be specified in the relevant Final Terms) the Settlement Price of the Underlying Shares is greater than or equal to a pre-set level (referred to as the Strike Price, and specified in the relevant Final Terms), an additional bonus amount (referred to as the Uplift Amount, and specified in the relevant Final Terms) will be payable upon the redemption of the Equity Linked Redeemable Certificates. For the sake of this example, the Strike Price is 250p and the Uplift Amount is USD 200.

Scenario 1: On the final Valuation Date, the Settlement Price for the Underlying Share is 270p. The Cash Settlement Amount per Redeemable Certificate is calculated (according to the formulae in Equity Linked Additional Condition 2.2 (*Redemption of Cash Settled Securities that are Equity Linked Redeemable Certificates*)) as the Calculation Amount plus the Uplift Amount, i.e. USD 1,000 + USD 200 = USD 1,200.

Scenario 2: On the final Valuation Date, the Settlement Price for the Underlying Share is 230p. The Cash Settlement Amount per Note is calculated (according to the formulae in Equity Linked Additional Condition 2.2 (*Redemption of Cash Settled Securities that are Equity Linked Redeemable Certificates*)) as the Calculation Amount alone, i.e. USD 1,000.

GENERAL INFORMATION

This section provides certain additional information relating to all Securities.

1. Application has been made to the UK Listing Authority for Securities issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Securities to be admitted to trading on the Market. The admission of the Programme to listing on the Official List of the FCA and to trading on the Regulated Market of the London Stock Exchange is expected to take effect on or around 22 November 2018. Any Tranche of Securities intended to be admitted to trading on the Regulated Market of the London Stock Exchange will be so admitted to trading upon submission to the London Stock Exchange of the relevant Final Terms and any other information required by the London Stock Exchange, subject to the issue of the relevant Securities. Prior to admission to trading, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day in London after the day of the transaction.
2. However, Securities may be issued pursuant to the Programme which will not be admitted to listing, trading and/or quotation by the London Stock Exchange.
3. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Securities issued by it. The establishment of the Programme and the issue of the Securities by it thereunder was authorised by resolutions of the board of directors of the Issuer on 23 April 2013.

The update of the Programme does not require further authorisation of the board of directors of the Issuer.

4. Since 30 September 2018, there has been no significant change in the financial or trading position of the Issuer and its subsidiaries taken as a whole. Since 30 September 2018 there has been no material adverse change in the prospects of the Issuer and its subsidiaries taken as a whole.
5. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months before the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of it or the Issuer and its subsidiaries taken as a whole, except as set out in Note 33 to the audited annual consolidated financial statements of the Group for the year ended 30 September 2018, which are incorporated by reference into this Prospectus.
6. There are no material contracts having been entered into outside the ordinary course of the Issuer's business which could result in any Group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to Securityholders in respect of the Securities being issued.
7. Securities have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L- 1855 Luxembourg. The address of any Alternative Clearing System will be specified in the relevant Final Terms.
8. The Issuer is authorised by the PRA to accept deposits through a branch in the United Kingdom.
9. The financial statements of the Group have been audited for the years ended 30 September 2017 and 2018 by KPMG of 147 Collins Street, Melbourne VIC 3008 Australia, independent auditors of the Group, for that period, and unqualified opinions have been reported thereon. KPMG has no material interest in the Issuer.

The liability of KPMG in relation to the performance of their professional services to the Group including, without limitation, KPMG's audits of the Group's financial statements described under

"Independent Auditors", is limited under the Institute of Chartered Accountants in Australia (NSW) Scheme approved by the New South Wales Professional Standards Council pursuant to the Professional Standards Act of 1994 (NSW), including the Treasury Legislation Amendment (Professional Standards) Act (the "**Accountants Scheme**"). The Accountants Scheme limits the civil liability of KPMG to a maximum amount of A\$75 million. The Accountants Scheme does not limit liability for breach of trust, fraud or dishonesty.

KPMG partners are members or Affiliate members of The Institute of Chartered Accountants of Australia.

10. For the life of this Prospectus or whilst any Securities are outstanding, the following documents will ^{A11.14} be available, during usual business hours on any weekday (Saturdays and public holidays excepted), at the office of the Fiscal Agent and the Issuer:
- (i) the constitutive documents of the Issuer;
 - (ii) the Agency Agreement and the form of any Global Security;
 - (iii) the Notes Deed of Covenant;
 - (iv) the C&W Deed of Covenant;
 - (v) any Final Terms relating to Securities of the Issuer which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system (in the case of any Securities which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by the relevant Securityholders);
 - (vi) a copy of this Prospectus, together with any supplement to this Prospectus or further Prospectus; and
 - (vii) copies of the most recent publicly available annual audited consolidated and/or non-consolidated (as applicable) accounts of the Issuer and its subsidiaries incorporated by reference into this Prospectus, beginning with the annual audited consolidated and/or non-consolidated (as applicable) accounts of the Issuer for the financial years ended 30 September 2017 and 2018 (see "Documents Incorporated by Reference" for further details).
11. Unless otherwise stated in the relevant Final Terms, the Issuer does not intend to provide post-issuance information in connection with any issue of Securities.
- This Prospectus and the Final Terms for Securities that are listed on the Official List and admitted to trading on the Market will be published on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com.
12. The Issuer will use its best endeavours to procure that the Bloomberg screen in respect of the Securities shall include the following information: "[●] partly paid securities issued as follows: [●] nominal paid on issue; [●] nominal payable by securityholders on [date] at [●] per cent.
13. The Legal Entity Identifier of the Issuer is JHE42UYNWWTJB8YTTU19.

THE REGISTERED OFFICE OF THE ISSUER

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INFORMATION MEMORANDUM – NON-PD SECURITIES

DATED 19 NOVEMBER 2018

PAGES 240 TO 273 OF THIS OFFERING CIRCULAR COMPRISE AN INFORMATION MEMORANDUM (THE “INFORMATION MEMORANDUM”) IN RESPECT OF SECURITIES WHICH ARE NOT ADMITTED TO THE OFFICIAL LIST OF THE FCA OR TO ANY OTHER EUROPEAN ECONOMIC AREA REGULATED MARKET OR OFFERED TO THE PUBLIC IN THE EUROPEAN ECONOMIC AREA FOR THE PURPOSES OF THE PROSPECTUS DIRECTIVE (“NON-PD SECURITIES”). THE INFORMATION MEMORANDUM HAS NOT BEEN REVIEWED OR APPROVED BY THE UK LISTING AUTHORITY AND DOES NOT CONSTITUTE A PROSPECTUS FOR THE PURPOSES OF THE PROSPECTUS DIRECTIVE.

This Information Memorandum

This Information Memorandum is to be read in conjunction with the following sections of the Prospectus:

- Risk Factors
- Documents Incorporated by Reference
- Presentation of Financial Information
- Base General Conditions
- Base Note Conditions
- Base C&W Conditions
- Additional Terms and Conditions
- Summary of Provisions Relating to the Notes while in Global Form
- Use of Proceeds
- Clearing and Settlement
- Information about ANZ
- Supervision and Regulation of ANZ
- Taxation
- Offering and Sale
- General Information

Each of the above sections of the Prospectus shall be deemed to be incorporated by reference herein.

Non-PD Securities

Under the terms of this Information Memorandum, ANZ may issue the following types of securities (together, “**Non-PD Securities**”):

- notes (“**Non-PD Notes**”)
- redeemable certificates (“**Non-PD Redeemable Certificates**”)
- exercisable certificates (“**Non-PD Exercisable Certificates**”) or warrants which may be exercised on a specific date or dates (such warrants and Non-PD Exercisable Certificates together, “**Non-PD Warrants**”)

Non-PD Redeemable Certificates and Non-PD Warrants are referred to collectively as “**Non-PD C&W Securities**”.

Non-PD Securities issued under this Information Memorandum may pay interest at a fixed rate, or at a floating rate, or no interest (zero coupon Non-PD Securities). Alternatively, Non-PD Securities may be issued that will only pay a fixed rate of interest if the price of a specified reference equity share is above a specified level on the day when the interest payment is calculated.

Non-PD Notes issued under this Information Memorandum may redeem at their nominal amount or another fixed amount or amounts. Alternatively, Non-PD Notes may be issued that will redeem at their nominal amount or another fixed amount or amounts plus a bonus amount if the price of a specified reference equity share is above a specified level on the day when the redemption payment is calculated.

Non-PD Redeemable Certificates issued under this Information Memorandum will entitle the holder on the redemption date to receive either a cash amount or physical delivery of certain specified assets.

Non-PD Warrants issued under this Information Memorandum will entitle the holder on the exercise date to receive either a cash amount or physical delivery of assets against payment of a specified sum.

Non-PD Securities whose interest or redemption amounts are related to the performance of a specified equity share are referred to collectively as “**Non-PD Equity Linked Securities**” or “**Non-PD Reference Item Linked Securities**”.

Terms and Conditions

This Information Memorandum contains, among other things, the legal terms and conditions relating to the Non-PD Securities, which include the following:

- (i) general terms that apply to all Non-PD Securities (referred to as the Base General Conditions);
- (ii) either (a) if the Non-PD Securities are Non-PD Notes, general terms that apply to all Non-PD Notes (referred to as the Base Note Conditions) or (b) if the Non-PD Securities are Non-PD C&W Securities, general terms that apply to all Non-PD C&W Securities (referred to as the Base C&W Conditions); and
- (iii) if the Non-PD Securities are Non-PD Equity Linked Securities, additional terms that apply to Non-PD Equity Linked Securities (referred to as the Equity Linked Additional Conditions).

All the sections of the terms and conditions contained in this Information Memorandum taken together are referred to as the “**Conditions**”.

Specific details of a series of Non-PD Securities, such as amounts, dates, rates and the application (or disapplication) of certain base conditions will be set out in the applicable Pricing Supplement for those Non-PD Securities.

Credit Ratings

Non-PD Securities issued under this Information Memorandum will be rated or unrated. Where an issue of Non-PD Securities is to be rated, such rating will not necessarily be the same as the rating assigned to Non-PD Securities already issued. Whether or not a rating in relation to any Non-PD Securities will be treated as having been issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies will be disclosed in the relevant Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Risks

Prospective investors should review the factors described under the section headed “Risk Factors” in this Information Memorandum. This Information Memorandum describes all of the principal and material risks of an investment in the Non-PD Securities that have been identified by the Issuer.

Prospective purchasers of Non-PD Securities should ensure that they understand the nature of the relevant Non-PD Securities and the extent of their exposure to risks and that they consider the suitability of the relevant Non-PD Securities as an investment in the light of their own circumstances and financial condition. Non-PD Securities may involve a high degree of risk and prospective purchasers should recognise that Non-PD Securities, other than Non-PD Securities having a minimum expiration or redemption value, may expire worthless. Potential purchasers should

be prepared to sustain a total loss of their investment. It is the responsibility of potential purchasers to ensure they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in Non-PD Securities and are not relying on the advice of the Issuer or the Initial Dealer. See “Risk Factors” and “Taxation”.

Non-PD Equity Linked Securities involve a high degree of risk. Non-PD Equity Linked Securities provide opportunities for investment and pose risks to investors as a result of fluctuations in the value of the Underlying Shares which such Non-PD Equity Linked Securities relate.

Taxes

The Issuer will not be liable for, or otherwise obliged to pay, any tax, duty or other payment which may arise as a result of the ownership, transfer, exercise, redemption or enforcement of any Non-PD Security by any person and all payments and/or deliveries made by the Issuer shall be made subject to any such tax, duty, withholding or other payment.

Definitions

Unless otherwise defined, capitalised terms used in this Information Memorandum have the meanings given to them in the Conditions, provided that references in the Conditions to:

- (i) “Securities” shall be deemed to be references to “Non-PD Securities”;
- (ii) “Notes” shall be deemed to be references to “Non-PD Notes”;
- (iii) “Redeemable Certificates” shall be deemed to be references to “Non-PD Redeemable Certificates”;
- (iv) “Exercisable Certificates” shall be deemed to be references to “Non-PD Exercisable Certificates”;
- (v) “Warrants” shall be deemed to be references to “Non-PD Warrants”;
- (vi) “C&W Securities” shall be deemed to be references to “Non-PD C&W Securities”;
- (vii) “Equity Linked Securities” shall be deemed to be references to “Non-PD Equity Linked Securities”;
- (viii) “Reference Item Linked Securities” shall be deemed to be references to “Non-PD Reference Item Linked Securities”;

in respect of which references to the plural include the singular, as appropriate in the context.

Australia and New Zealand Banking Group Limited

Arranger and Initial Dealer

IMPORTANT NOTICES

An investor intending to acquire or acquiring any Non-PD Securities from any person (an “Offeror”) will do so, and offers and sales of the Non-PD Securities to an investor by an Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such investor, including as to price, allocations and settlement arrangements. The Issuer will not be a party to any such arrangements with investors in connection with the offer or sale of the Non-PD Securities and, accordingly, this Information Memorandum and any Pricing Supplement will not contain such information. The investor must look to the Offeror at the time of such offer for the provision of such information.

This Information Memorandum should be read and construed together with any amendments or supplements hereto and with any other information and documents incorporated by reference herein and, in relation to any Series (as defined herein) of Non-PD Securities, should be read and construed together with the relevant Pricing Supplement. This Information Memorandum shall be read and construed on the basis that such information is incorporated in, and forms part of, this Information Memorandum.

The Non-PD Securities may be issued in series (each a “Series”) having identical terms (or identical other than in respect of certain dates) and are intended to be interchangeable with all other Non-PD Securities of that same Series. Each Series of Non-PD Securities may be issued in tranches (each a “Tranche”) bearing identical terms other than the Issue Price and nominal amount of the Tranche, the specific terms of which will be completed in the relevant pricing supplement (the “Pricing Supplement”).

In relation to any Series, the aggregate nominal amount of the Non-PD Securities of such Series, the interest (if any) payable in respect of the Non-PD Securities of such Series and the Issue Price will be set out in the relevant Pricing Supplement.

Warrants create options which are either exercisable by the relevant holder or which will be automatically exercised (by the Principal Certificate and Warrant Agent on behalf of each Warranholder) as provided herein. There is no obligation upon the Issuer to pay any amount or deliver any asset to any holder of a Warrant unless the relevant holder duly exercises such Warrant or such Warrant is automatically exercised and, in each case, unless, in the case of Cash Settled Securities (as defined in the Conditions), Automatic Exercise: No delivery of C&W Exercise Notice is specified as applying in the relevant Pricing Supplement, a C&W Exercise Notice (as defined in the Conditions) is duly delivered. Warrants will be exercised or will be exercisable in the manner set forth herein and in the relevant Pricing Supplement. In order to receive payment of any amount or delivery of any asset due under a Warrant, the Warranholder will, unless, in the case of Cash Settled Securities, Automatic Exercise: No delivery of C&W Exercise Notice is specified as applying in the relevant Pricing Supplement, be required to deliver a C&W Exercise Notice which includes, inter alia, a certification (in accordance with the provisions outlined in “Terms and Conditions of the C&W Securities”) that such Warranholder is not a U.S. person or a person who has purchased such Warrant for resale to U.S. persons, that it is not exercising such Warrant within the United States or on behalf of a U.S. person and that no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with the exercise thereof.

Redeemable Certificates shall be redeemed on the redemption date, and the Non-PD Securities shall mature on the maturity date, by payment of the Cash Settlement Amount (as defined in the Conditions) (in the case of Cash Settled Securities) and/or by delivery of the Asset Amount (in the case of Physical Delivery Securities (as defined in the Conditions)). In order to receive the Asset Amount, the holder of a Redeemable Certificate or a Note will be required to deliver an Asset Transfer Notice which includes, inter alia, a certification (in accordance with the provisions outlined in “Terms and Conditions of the Notes” or “Terms and Conditions of the C&W Securities”, as the case may be) that such holder of a Redeemable Certificate or of a Note is not a U.S. person or a person who has purchased such Redeemable Certificate for resale to U.S. persons, that it is not redeeming such Redeemable Certificate within the United States or on behalf of a U.S. person and that no cash, securities or other property have been or will be delivered within the United States or to, or for the account or benefit of, a U.S. person in connection with the redemption thereof.

The distribution of this Information Memorandum and any Pricing Supplement and the offer, sale and delivery of the Non-PD Securities in certain jurisdictions may be restricted by law. Persons into whose possession this Information

Memorandum or any Pricing Supplement comes are required by the Issuer to inform themselves about and to observe any such restrictions.

MIFID II product governance / target market – The Pricing Supplement in respect of any Non-PD Securities may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Non-PD Securities and which channels for distribution of the Non-PD Securities are appropriate. Any person subsequently offering, selling or recommending the Non-PD Securities (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, “**MiFID II**”) is responsible for undertaking its own target market assessment in respect of the Non-PD Securities (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), the Initial Dealer and any Intermediaries subscribing for any Non-PD Securities is a manufacturer in respect of such Non-PD Securities, but otherwise none of the Arranger, the Initial Dealer and the Intermediaries and any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Non-PD Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the “**Prospectus Directive**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Non-PD Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Non-PD Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

Amounts payable under the Non-PD Securities may be calculated by reference to one or several specific benchmark(s), each of which are provided by an administrator. As at the date of this Information Memorandum, the specific benchmark(s) are not yet determined. The Pricing Supplement will set out under “Other Information – Statement on Benchmarks” the name of the specific benchmark(s) and the relevant administrator. They will further specify if the relevant administrator appears or does not appear to be on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“**ESMA**”) pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the “**BMR**”). Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the applicable Final Terms. The registration status of any administrator under the BMR is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

The Non-PD Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction in the United States, and may include Non-PD Securities in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Non-PD Securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (each as defined in Regulation S under the Securities Act). For a description of certain restrictions on offers and sales of Non-PD Securities and on distribution of this Information Memorandum or any Pricing Supplement, see “Offering and Sale”.

Neither this Information Memorandum nor any information nor any document incorporated by reference herein is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer that any recipient of this Information Memorandum or any information or document incorporated by reference herein should purchase the Non-PD Securities. Each potential purchaser of Non-PD Securities should determine for itself the relevance of the information contained in this Information Memorandum or any other financial statements and its purchase of Non-PD Securities should be based upon any such investigation as it deems necessary.

The Non-PD Securities issued by the Issuer will not be deposit liabilities or protected accounts (as defined in the Banking Act 1959 (Cth) of Australia (the “Banking Act”)) of the Issuer in Australia. A “protected account” is an account or a specified financial product: (i) where the Australian authorised deposit-taking institution (“ADI”) is required to pay the account holder, on demand or at an agreed time, the net credit balance of the account; or (ii) otherwise prescribed by regulation. The Australian Treasurer has published a declaration of products described as protected accounts for the purposes of the Banking Act.

The Non-PD Securities are not guaranteed or insured by any government, government agency or compensation scheme of Australia or any jurisdiction.

There are references in this Information Memorandum to the credit ratings of the Issuer and Non-PD Securities. A credit rating is not a recommendation to buy, sell or hold the Non-PD Securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency.

Credit ratings in respect of the Non-PD Securities or the Issuer are for distribution only to persons who are not a “retail client” within the meaning of section 761G of the Australian Corporations Act 2001 and are also sophisticated investors, professional investors or other investors in respect of whom disclosure is not required under Part 6D.2 of the Australian Corporations Act and, in all cases, in such circumstances as may be permitted by applicable law in any jurisdiction in which an investor may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.

The credit ratings of Australia and New Zealand Banking Group Limited referred to in this Information Memorandum have been issued by Standard & Poor’s (Australia) Pty Limited (“Standard & Poor’s”), Moody’s Investors Service Pty Limited (“Moody’s”) and Fitch Australia Pty Limited (“Fitch”), none of which is established in the European Union and/or has applied for registration under Regulation (EC) No. 1060/2009 as amended by Regulation (EC) No. 513/2011 (the “CRA Regulation”), but their credit ratings are endorsed on an ongoing basis by Standard & Poor’s Credit Market Services Europe Limited, Moody’s Investor Service Limited and Fitch Ratings Ltd, respectively, pursuant to and in accordance with the CRA Regulation. Standard & Poor’s Credit Market Services Europe Limited, Moody’s Investor Service Limited and Fitch Ratings Ltd are established in the European Union and are registered under the CRA Regulation. All other credit ratings attributable to persons described in this Prospectus have been issued by Standard & Poor’s, Moody’s and/or Fitch.

Non-PD Securities to be issued under the Programme may be rated or unrated. Where a Series of Non-PD Securities is rated, the credit rating or expected credit rating will be specified in the relevant Pricing Supplement. Whether or not each credit rating applied for in relation to the relevant Series of Non-PD Securities will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Pricing Supplement.

In general, European regulated investors are restricted from using a credit rating for regulatory purposes unless such credit rating is issued by a credit rating agency established in the European Union and registered under the CRA Regulation (and such registration has not been withdrawn or suspended) or issued by a credit rating agency established in a third country but whose credit ratings are endorsed by EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority (“ESMA”) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Credit ratings are not a recommendation or suggestion, directly or indirectly, to any investor or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. The rating agencies are not advisers and nor do the rating agencies

provide investors or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. In connection with the issue of any Series of Non-PD Securities, the Initial Dealer or Intermediaries (if any) named as the stabilising manager(s) (the “Stabilising Manager(s)”, or persons acting on behalf of any Stabilising Manager(s)) in the process of the sale of the Series may over-allot Non-PD Securities or effect transactions with a view to supporting the market price of the Non-PD Securities at a level higher than that which might otherwise prevail. However, stabilisation may not occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series of Non-PD Securities is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Series of Non-PD Securities and 60 days after the date of the allotment of the relevant Series of Securities. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

Singapore SFA Product Classification: - In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), unless otherwise specified before an offer of Securities, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Securities are not ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and are Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products).

In this Information Memorandum, references to the “UK” are to the United Kingdom of Great Britain and Northern Ireland, references to “PRC” are to the People’s Republic of China which, for the purpose of this Information Memorandum, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan. In this Information Memorandum, unless otherwise specified, references to “A\$”, “\$”, “dollars”, “Australian dollars” or “¢” are to the lawful currency of Australia, references to “NZ\$” are to the lawful currency of New Zealand, references to “euro” or “€” are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended from time to time, references to “Sterling” are to the lawful currency of the United Kingdom, references to “US\$” or “U.S. dollars” are to the lawful currency of the United States of America, references to “Yen” are to the lawful currency of Japan, and references to “Renminbi”, “RMB” and “CNY” are to the lawful currency of the PRC, and references to “Offshore RMB Securities” are to Securities denominated in Renminbi deliverable outside the PRC.

The Non-PD Securities may not be a suitable investment for all investors.

Each potential investor in any Non-PD Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Non-PD Securities, the merits and risks of investing in the Non-PD Securities and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Non-PD Securities and the impact such an investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Non-PD Securities, including Non-PD Securities with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;
- understand thoroughly the terms of the Non-PD Securities and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

For the purposes of the issue of Non PD Securities, the sections of the Prospectus incorporated by reference herein shall be deemed to be amended as follows:

1. All references to the "Prospectus" shall be deemed to be references to the "Information Memorandum".
2. All references to "Securities" shall be deemed to be references to "Non-PD Securities".

TAXATION: NON-PD SECURITIES

This section sets out a summary of certain taxation considerations relating to Non-PD Securities.

Hong Kong

The following is a general description of certain Hong Kong tax considerations relating to the Non-PD Securities. It is based on law and relevant interpretations thereof in effect as at the date of this SIM, all of which are subject to change, and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all Hong Kong tax considerations relating to the Non-PD Securities. Prospective holders of Non-PD Securities who are in any doubt as to their tax position or who may be subject to tax in any jurisdiction are advised to consult their own professional advisers.

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Non-PD Securities or in respect of any capital gains arising from the sale of the Non-PD Securities.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Non-PD Securities may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Non-PD Securities is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- (ii) interest on the Non-PD Securities is derived from Hong Kong and is received by or accrues to a person, other than a corporation (such as a partnership), carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business; or
- (iii) interest on the Non-PD Securities is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the “**IRO**”)) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (iv) interest on the Non-PD Securities is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Pursuant to the Exemption from Profits Tax (Interest Income) Order, interest income accruing to a person other than a financial institution, on deposits (denominated in any currency and whether or not the deposit is evidenced by a certificate of deposit) placed with, inter alia, an authorized institution in Hong Kong (within the meaning of section 2 of the Banking Ordinance (Cap. 155) of Hong Kong) is exempt from the payment of Hong Kong profits tax. This exemption does not apply, however, to deposits that are used to secure or guarantee money borrowed in certain circumstances. Provided no prospectus involving the issue of the Non-PD Securities is registered under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “**Companies Ordinance**”), the issue of the Non-PD Securities by the Issuer may constitute a deposit to which the above exemption from payment will apply.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Non-PD Securities will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong

by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Non-PD Securities will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Non-PD Securities will be subject to Hong Kong profits tax where received by or accrued to a person, other than a corporation, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Non-PD Securities are acquired and disposed of.

If the Non-PD Securities are qualified short or medium term debt instruments (as defined in the IRO), Hong Kong profits tax may be assessable at one-half of the standard profits tax rate.

Stamp Duty

Stamp duty will not be payable on the issue of Non-PD Securities that are Bearer Notes provided that either:

- (i) such Non-PD Securities are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) such Non-PD Securities constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong (the “SDO”)).

If stamp duty is payable, it is payable by the Issuer on the issue of Non-PD Securities that are Bearer Notes at a rate of 3 per cent. of the market value of the Non-PD Securities at the time of issue. No stamp duty will be payable on any subsequent transfer of Non-PD Securities that are Bearer Notes.

No stamp duty is payable on the issue of Non-PD Securities that are Registered Notes. Stamp duty may be payable on any transfer of Non-PD Securities that are Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of Non-PD Securities that are Registered Notes provided that either:

- (i) such Non-PD Securities are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or
- (ii) such Non-PD Securities constitute loan capital (as defined in the SDO).

If stamp duty is payable in respect of the transfer of Non-PD Securities that are Registered Notes it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the consideration or its value, whichever is higher. If, in the case of either the sale or purchase of Non-PD Securities that are Registered Notes, stamp duty is not paid, both the seller and the purchaser may be liable jointly and severally to pay any unpaid stamp duty and also any penalties for late payment. If the Non-PD Securities that are Registered Notes are not stamped on or before the due date (i.e. within two days after the sale or purchase if effected in Hong Kong or within thirty days after the sale or purchase if effected elsewhere) a penalty of up to 10 times the stamp duty payable may be imposed. In addition, stamp duty is payable at the fixed rate of HK\$5 on each instrument of transfer executed in relation to any transfer of Non-PD Securities that are Registered Notes if the relevant transfer is required to be registered in Hong Kong.

Singapore

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the Inland Revenue Authority of Singapore and the Monetary Authority of Singapore (“MAS”) in force as at the date of this SIM and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this SIM are intended or are to be regarded as advice on the tax position of any holder of the Non-PD Securities or of any person acquiring, selling or otherwise dealing with the Non-PD Securities or on

any tax implications arising from the acquisition, sale or other dealings in respect of the Non-PD Securities. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Non-PD Securities and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Non-PD Securities are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Non-PD Securities, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuer, the Arranger, the Dealers and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Non-PD Securities.

Holders who are resident non-individuals

Interest and other payments from the Non-PD Securities derived by a non-individual holder resident or based in Singapore will be taxed at the prevailing corporate tax rate (currently 17.0 per cent.). This may be further reduced by tax incentives (including the qualifying debt securities scheme described below).

Holders who are non-resident non-individuals

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, Chapter 134 of Singapore (“ITA”), the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties.

Withholding Tax Exemption on Qualifying Payments by Specified Entities

Pursuant to the Income Tax (Exemption of Interest and Other Payments for Economic and Technological Development) Notification 2012, a qualifying payment which is made to a person who is neither resident in Singapore nor a permanent establishment in Singapore by a specified entity shall be exempt from tax if the qualifying payment is liable to be made by such specified entity for the purpose of its trade or business including under a debt security which is issued within the period from 1 April 2011 to 31 March 2021 (both dates inclusive).

A specified entity includes a bank licensed under the Banking Act, Chapter 19 of Singapore or approved under the Monetary Authority of Singapore Act, Chapter 186 of Singapore.

For the above purpose, the term “qualifying payment” means:

- (a) any interest, commission, fee or other payment; or
- (b) any income derived from loans,

which is deemed under section 12(6) of the ITA to be derived from Singapore.

Separately, pursuant to Section 45I of the ITA, payments of income which are deemed under Section 12(6) of the ITA to be derived from Singapore and which are made by a specified entity shall be exempt from withholding tax if such payments are liable to be made by such specified entity for the purpose of its trade or business during the period from 17 February 2012 to 31 March 2021 (both dates inclusive), and that the transactions are carried out for bona fide commercial reasons and do not have tax avoidance as one of their main purposes. A specified entity includes a bank licensed under the Banking Act, Chapter 19 of Singapore or a merchant bank approved under the Monetary Authority of Singapore Act, Chapter 186 of Singapore.

Qualifying Debt Securities Scheme

Where the issuer under the Markets Issuance Programme is domiciled outside Singapore but certain tranches of the Notes are arranged or to be arranged by ANZ Singapore Branch, which is, at the relevant time, a Financial Sector Incentive (Standard Tier) Company (as defined in the ITA), the tranche of the Notes which are debt securities issued under the Programme during the period from the date of this Information Memorandum to 31 December 2023 (“**Relevant Notes**”) would constitute “qualifying debt securities” for the purposes of the ITA, to which the following treatments apply:

- (a) subject to certain prescribed conditions having been fulfilled, including:
 - the submission to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require;
 - the inclusion by the Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using funds from that person’s operations through the Singapore permanent establishment); and
 - the Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the Income Tax Act,

interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the “**Qualifying Income**”) from the Relevant Notes, derived by a holder who is not resident in Singapore and who (i) does not have any permanent establishment in Singapore or (ii) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from the operation, are exempt from Singapore tax;
- (b) subject to certain conditions having been fulfilled (including the submission to the MAS of a return on debt securities in respect of the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require), Qualifying Income from the Relevant Notes derived by any company or a body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10 per cent.

(except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates).

The term "**offering documents**" means the prospectuses, offering circulars, information memoranda, pricing supplements or other documents issued to investors in connection with an issue of securities.

However, notwithstanding the foregoing:

- (a) if during the primary launch of any tranche of Relevant Notes, such Relevant Notes are issued to fewer than four persons and 50 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, such Relevant Notes would not qualify as "qualifying debt securities" (unless otherwise approved by the Minister of Finance or such person as he may appoint); and
- (b) even though a particular tranche of Relevant Notes are "qualifying debt securities", if, at any time during the tenor of such tranche of Relevant Notes, 50 per cent. or more of the issue of such Relevant Notes which are outstanding at any time during the life of the issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from such Relevant Notes held by:
 - (i) any related party of the Issuer; or
 - (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "related party", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "prepayment fee", "redemption premium" and "break cost" are defined in the ITA as follows:

"prepayment fee", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;

"redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and

"break cost", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

References to "prepayment fee", "redemption premium" and "break cost" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium and break cost (i.e. the Qualifying Income) is derived from any of the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities under the Income Tax Act (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore

Notwithstanding that the Issuer is permitted to make payments of Qualifying Income in respect of the Relevant Notes without deduction or withholding for tax under Section 45 or Section 45A of the ITA, any person whose interest, discount income, prepayment fee, redemption premium and break cost (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Non-PD Securities will not be taxable in Singapore. However, any gains derived by any person from the sale of the Non-PD Securities which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Non-PD Securities who apply or are required to apply Singapore Financial Reporting Standards 39 ("**FRS 39**") or 109 ("**FRS 109**") for Singapore income tax purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Non-PD Securities, irrespective of disposal, in accordance with FRS 39 or FRS 109 (as modified by the applicable provisions of Singapore income tax law). Please see the section below on "Adoption of FRS 39 and FRS 109 Treatment for Singapore Income Tax Purposes".

Adoption of FRS 39 and FRS 109 Treatment for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement".

FRS 109 is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109, subject to certain exceptions. The IRAS has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments".

Holders of the Non-PD Securities who may be subject to the tax treatment under the Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Non-PD Securities.

FORM OF PRICING SUPPLEMENT FOR NON-PD NOTES

MIFID II product governance – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the “**Prospectus Directive**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

[In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “**SFA**”) and the Securities and Futures Act (Capital Market Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes [are] / [are not] prescribed capital markets products (as defined in the CMP Regulations 2018) and [are] [Excluded] / [Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products.)¹

Pricing Supplement dated [●]

Australia and New Zealand Banking Group Limited

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the Markets Issuance Programme

THIS PRICING SUPPLEMENT HAS NOT BEEN REVIEWED OR APPROVED BY THE UK LISTING AUTHORITY AND DOES NOT CONSTITUTE FINAL TERMS FOR THE PURPOSES OF THE PROSPECTUS DIRECTIVE.

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Base Note Conditions and the Base General Conditions set forth in the Information Memorandum dated 19 November 2018 [and the supplemental Information Memorandum dated [●]]. This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with such Information Memorandum [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Information Memorandum.

1	Issuer	Australia and New Zealand Banking Group Limited (acting through its [●] branch)
2	(i) [Series Number:]	[●]

¹ For any Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

	(i)	[Tranche Number:]	[●] [The Notes are to be consolidated and form a single Series with the [[●]] issued on [●]]
3		Specified Currency or Currencies	[●]
4		Aggregate Nominal Amount	[●]
	(i)	[Series:]	[●]
	(ii)	[Tranche:]	[●]
5		Issue Price	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
6	(i)	Specified Denominations:	[●]
	(ii)	Calculation Amount:	[●]
7	(i)	[Issue Date:]	[●]
	(ii)	[Trade Date:]	[The Trade Date for the purposes of Additional Condition 4 (<i>Additional Disruption Events</i>) is [●]/[Not Applicable].
	(iii)	[Interest Commencement Date:]	[●]
8		Maturity Date	[●]
9		Additional Conditions	
		Equity Linked Additional Conditions	[Not Applicable/Applicable]
10		Interest Basis	[[●] per cent. Fixed Rate] [[[●]] +/- [●] per cent. Floating Rate] [Zero Coupon] [Equity Linked Interest] [Non-Interest-Bearing]
11		Redemption/Payment Basis	[Redemption at par] [Instalment] [Partly Paid] [Equity Linked]
12		Change of Interest or Redemption/Payment Basis	[●][Not Applicable]
13		Alternative Currency Equivalent	[Not Applicable/Applicable]
	(i)	[Alternative Currency:]	[●]
	(ii)	Alternative Currency Adjudication Agent:	[●]
	(iii)	Alternative Currency Calculation Agent:	[●]
	(iv)	Rate Calculation Jurisdiction:	[●]
	(v)	Rate Calculation Business Days:	[●]
	(vi)	Specified Time:	[●]

	(vii)	Scheduled Payment Currency Disruption Events:	As specified in the Conditions [and[●]]
	(viii)	Settlement Rate Option:	[●]
	(ix)	USD Settlement Rate Option:	[Applicable/Not Applicable]
	(x)	Maximum Days of Postponement:	[●]
14		Put/Call Options	[Put Option] [Call Option] [(further particulars specified below)]
15		Method of distribution	[Syndicated/Non-syndicated]
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE			
16		Fixed Rate Note Provisions	[Applicable/Not Applicable]
	(i)	Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
	(ii)	Interest Payment Date(s):	[●] in each year
	(iii)	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
	(iv)	Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
	(v)	Day Count Fraction:	[●] (Day Count Fraction should be Actual/Actual ICMA for all fixed rate issues other than those denominated in U.S. dollars or Renminbi, unless otherwise agreed)
	(vi)	Determination Dates:	[●] in each year
	(vii)	[Business Day Convention:	[Applicable – Modified Following Business Day Convention/Not Applicable]]
17		Floating Rate Note Provisions	[Applicable/Not Applicable]
	(i)	Interest Period(s):	[●]
	(ii)	Specified Interest Payment Dates:	[●]
	(iii)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
	(iv)	Business Centre(s):	[●]
	(v)	Party responsible for calculating the interest due (if not the Calculation Agent):	[●]
	(vi)	Floating Rate Option:	[●]
	(vii)	Designated Maturity:	[●]
	(viii)	Reset Date:	[●]
	(ix)	Margin(s):	[+/-] [●] per cent. per annum

	(x)	Minimum Rate of Interest:	[●] per cent. per annum
	(xi)	Maximum Rate of Interest:	[●] per cent. per annum
	(xii)	Day Count Fraction:	[●]
18		Zero Coupon Note Provisions	[Applicable/Not Applicable]
	(i)	Amortisation Yield:	[●] per cent. per annum
	(ii)	Amortisation Yield compounding basis:	[Compounded/Non-compounded] [annually/semi-annually/[●]]
19		Equity Linked Interest Provisions	[Applicable/Not Applicable]
	(i)	[Underlying Share and Equity Issuer:	[●]
	(ii)	ISIN of Underlying Share:	[●]
	(iii)	Party responsible for calculating the interest due (if not the Calculation Agent):	[●]
	(iv)	Provisions for determining Coupon where calculated by reference to Underlying Share:	Additional Condition 1.1 (<i>Interest Payable on Equity Linked Interest Notes</i>) applies.
	(v)	Share Reference Price:	[Initial Price][Strike Price]
	(vi)	Share Interest Amount:	[●] per Calculation Amount
	(vii)	[Calculation Amount:]	[●]
	(viii)	[Nominal Amount:]	[●]
	(ix)	Exchange:	[●]
	(x)	Related Exchange(s):	[[●]/All Exchanges]
	(xi)	Potential Adjustment Events:	[Applicable/Not Applicable]
	(xii)	De-listing, Merger Event, Nationalisation and Insolvency:	[Applicable/Not Applicable]
	(xiii)	Tender Offer:	[Applicable/Not Applicable]
	(xiv)	Valuation Dates/Averaging Dates:	
	(xv)	Valuation Time:	Additional Condition 3.3 (<i>Definitions relevant to Equity Linked Securities</i>)
	(xvi)	Initial Price:	[●]
	(xvii)	Strike Price:	[●]
	(xviii)	Exchange Rate:	[Applicable/Not Applicable]
	(xix)	Trade Date:	[●]
	(xx)	Interest Commencement Date:	[●]
	(xxi)	Interest Period(s):	[●]
	(xxii)	Specified Interest Payment Dates:	[●]
	(xxiii)	Interest Determination Dates:	[[●] Business Days prior to each Specified Interest Payment Date/[The/Each] Valuation Date/Averaging Date/The Valuation Date/Averaging Date immediately preceding each Specified Interest Payment Date]

(xxiv)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(xxv)	Business Centre(s):	[●]
(xxvi)	Minimum Rate of Interest:	[●] per cent. per annum
(xxvii)	Maximum Rate of Interest:	[●] per cent. per annum
(xxviii)	Day Count Fraction:	[●]
(xxix)	Payment Date Extension:	[Applicable/Not Applicable]
(xxx)	[Extension Business Days:	[●]]

PROVISIONS RELATING TO REDEMPTION

20	Call Option	[Applicable/Not Applicable]
	(i) [Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii) If redeemable in part:	
	– Minimum Redemption Amount:	[●]
	– Maximum Redemption Amount:	[●]
	(iv) Notice period:	[●]]
21	Put Option	[Applicable/Not Applicable]
	(i) [Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii) Notice period:	[●]]
22	Final Redemption Amount	[●] per Calculation Amount][Not Applicable: see item [27]]
23	Settlement	Settlement will be by way of [cash payment] [and/or] [physical delivery]
24	Expenses	[Applicable/Not Applicable]
25	Unwind Costs for Disruption Cash Settlement Price and Failure to Deliver Settlement Price	[Applicable/Not Applicable]
26	Issuer's option to vary settlement	The Issuer [has/does not have] the option to vary settlement in respect of the Notes pursuant to Base Note Condition 7(c) (<i>Variation of Settlement</i>)
27	Equity Linked Redemption Provisions	[Applicable/Not Applicable]
	(i) [The Underlying Share and Equity Issuer:	[●]

- (ii) ISIN of Underlying Share: [●]
- (iii) Whether redemption of the Notes will be by (a) Cash Settlement, (b) Physical Delivery or (c) Cash Settlement and/or Physical Delivery: [Cash Settlement]/[Physical Delivery]/[Cash Settlement and/or Physical Delivery]
- (iv) Party responsible for making calculations pursuant to Additional Condition 1 (*Provisions applicable only to Equity Linked Notes*) (if not the Calculation Agent): [●]
- (v) Exchange: [●]
- (vi) Related Exchange(s): [[●]/All Exchanges]
- (vii) Potential Adjustment Events: [Applicable/Not Applicable]
- (viii) De-listing, Merger Event, Nationalisation and Insolvency: [Applicable/Not Applicable]
- (ix) Tender Offer: [Applicable/Not Applicable]
- (x) Final Redemption Amount: Additional Condition 2.1 (*Redemption of Cash Settled Securities that are Equity Linked Redemption Notes*) applies.
- (xi) Uplift Amount: [●]
- (xii) [Valuation Date/Averaging Dates:] [●]
- (xiii) [Adjustment provisions in the event of a Disrupted Day: [Omission/Postponement/Modified Postponement]
- (xiv) Settlement Price: Additional Condition 3.3 (*Definitions relevant to Equity Linked Securities*) applies and the Settlement Price shall be determined by reference to the price of the relevant Underlying Share at the Valuation Time on the Valuation Date
- (xv) Valuation Time: [Additional Condition 3.3 (*Definitions relevant to Equity Linked Securities*) applies/[●]]
- (xvi) Strike Price: [●]
- (xvii) Exchange Rate: [●][Not Applicable]
- (xviii) Trade Date: [●]
- (xix) Relevant Assets: [●]
- (xx) Asset Amount(s): [●]
- (xxi) Cut-Off Date: [●]
- (xxii) Final Date: [●]
- (xxiii) Delivery provisions for Asset Amount(s) (including details of who is to make such delivery) if different from the Base Note Conditions and/or the Additional Conditions: [●]
- (xxiv) Maturity Date Extension: [Applicable/Not Applicable]

	(xxv) [Extension Business Days:	[●]
	(xxvi) Failure to Deliver due to Illiquidity:	[Applicable/Not Applicable]
28	Additional Disruption Events:	[Applicable/Not Applicable] [Change in Law] [Hedging Disruption] [Increased Cost of Hedging] [Increased Cost of Stock Borrow] [Insolvency Filing] [Loss of Stock Borrow]
29	Early Redemption Amount Early Redemption Amount(s) payable on redemption for: (a) an Illegality or Change in Law; (b) taxation reasons or on Event of Default or other early redemption; (c) in the case of Equity Linked Notes, following certain corporate events in accordance with Additional Condition 3.2 (<i>Potential Adjustment Events, De-listing, Merger Event, Tender Offer, Nationalisation and Insolvency, Adjustments for Equity Linked Securities in respect of Underlying Shares</i>); (d) if so specified herein, following an Additional Disruption Event (if applicable) in accordance with Additional Condition 4.2(iii) (<i>Occurrence of Additional Disruption Events</i>); or (e) if so specified herein, following a Scheduled Payment Currency Disruption Event (if applicable) in accordance with Additional Condition 5.1 (<i>Payment of Alternative Currency Equivalent</i>):	As specified in the Conditions
30	Unwind Costs	[Applicable/Not Applicable]
31	Disruption Cash Settlement Price Unwind Costs	[Applicable/Not Applicable]
32	Failure to Deliver Settlement Price Unwind Costs	[Applicable/Not Applicable]
GENERAL PROVISIONS APPLICABLE TO THE NOTES		
33	Form of Notes	Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice]

		[Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
		[Registered Notes – Global Note Certificate[s]] – [Euroclear/Clearstream Luxembourg]
34	New Global Note	[Yes] [No]
35	Additional Financial Centre(s) or other special provisions relating to payment dates	[Not Applicable] [●]
36	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature)	[No] [Yes, [●]]
37	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]	[Not Applicable]/[●]
38	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made	[Not Applicable]/[●]
39	Redenomination, renominatisation and reconventioning provisions	[Not Applicable/The provisions annexed to this Pricing Supplement apply]
40	Consolidation provisions:	[Not Applicable/The provisions in [Base General Condition 2 (<i>Further Issues</i>)] [annexed to this Pricing Supplement] apply]
DISTRIBUTION		
41	Names of Managers/Intermediary	[Not Applicable]/[●]
42	U.S. Selling Restrictions	[Reg S Category 2; TEFRA C/TEFRA D/TEFRA not applicable]
43	Additional selling restrictions	[Not Applicable]/[●]

[THIRD PARTY INFORMATION

[Information on assets] has been extracted from [Source]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

.....

Duly authorised

PART B — OTHER INFORMATION**1 Ratings**

Ratings: [The Notes to be issued have not been rated]
 [The Notes to be issued have been rated:
 [Standard & Poor's: [●]]
 [Moody's: [●]]
 [[Fitch]: [●]]
 [and endorsed by [●]]

2 [Interests of Natural and Legal Persons involved in the [Issue/Offer]

Save as discussed in ["Offering and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer, including conflicting interests.

3 [Reasons for the Offer, Estimated Net Proceeds and Total Expenses

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

4 [Fixed Rate Notes – YIELD

Indication of yield: [●]

5 [Floating Rate Notes — HISTORIC INTEREST RATES

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

6 [Equity Linked Notes– HISTORIC UNDERLYING SHARE PRICE

Details of historic and further Underlying Share prices and volatility can be obtained from [Reuters] [●].]

7 OPERATIONAL INFORMATION

ISIN Code: [●]/[Not Applicable]
 Common Code: [●]
 Legal Entity Identifier (LEI): JHE42UYNWWTJB8YTTU19
 Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable]/[●]
 Delivery: Delivery [against/free of] payment
 Names and addresses of additional Paying Agent(s) (if any): [●]/[Not Applicable]

8 [STATEMENT ON BENCHMARKS

Amounts payable under the Notes may be calculated by reference to [specify benchmark], which is provided by [administrator legal name]][repeat as necessary]. As at the date of this Pricing Supplement, [[administrator legal name] [appears][does not appear]][repeat as necessary] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("ESMA") pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "BMR").]

FORM OF PRICING SUPPLEMENT FOR NON-PD C&W SECURITIES

MIFID II product governance – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Securities (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the “**Prospectus Directive**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended the “**PRIIPs Regulation**”) for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

[In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “**SFA**”) and the Securities and Futures Act (Capital Market Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Securities [are] / [are not] prescribed capital markets products (as defined in the CMP Regulations 2018) and [are] [Excluded] / [Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendation on Investment Products.)¹

Pricing Supplement dated [●]

Australia and New Zealand Banking Group Limited

Issue of [Aggregate Number of Securities] [Title of C&W Securities]

under the Markets Issuance Programme

THIS PRICING SUPPLEMENT HAS NOT BEEN REVIEWED OR APPROVED BY THE UK LISTING AUTHORITY AND DOES NOT CONSTITUTE FINAL TERMS FOR THE PURPOSES OF THE PROSPECTUS DIRECTIVE.

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Base C&W Conditions and the Base General Conditions set forth in the Information Memorandum dated 19 November 2018 [and the supplemental Information Memorandum dated [●]]. This document constitutes the Pricing Supplement of the Securities described herein and must be read in conjunction with such Information Memorandum [as so supplemented]. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of this Pricing Supplement and the Information Memorandum.

¹ For any Securities to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Securities pursuant to Section 309B of the SFA prior to the launch of the offer.

This document constitutes the Pricing Supplement of the Securities described herein and must be read in conjunction with the Information Memorandum dated [current date] [and the supplemental Information Memorandum dated [•]].

References herein to numbered Base C&W Conditions are to the terms and conditions of the Securities and words and expressions defined in such terms and conditions shall bear the same meanings in this Pricing Supplement, save where otherwise expressly provided.

1	<p>[(a)] Series Number [•]</p> <p>[(b)] Tranche Number [•]</p>	<p>[•]</p> <p>[•]</p> <p>[The Securities are to be consolidated and form a single Series with the [•]] issued on [•]</p>
2	Type of C&W Security	<p>(a) [Redeemable Certificate/Exercisable Certificate/Warrant] (Exercisable Certificates are referred to herein and in the Base C&W Conditions as Warrants)</p> <p>(b) The Securities are General C&W Securities]</p> <p>(c) [•]</p>
3	<p>[(a)] Number of C&W Securities being issued</p> <p>[(b)] Total number of C&W Securities in issue</p>	<p>The number of C&W Securities being issued is [•]</p> <p>The total number of C&W Securities in issue is [•]</p>
4	Issue Price	The issue price per [C&W Security/Unit] is [•]
5	<p>(a) Issue Date</p> <p>(b) Trade Date</p>	<p>The issue date of the C&W Securities is [•]</p> <p>[The Trade Date for the purposes of Additional Condition 4 (<i>Additional Disruption Events</i>) is [•]/[Not Applicable]</p>
6	Additional Conditions	
	Equity Linked Additional Conditions	[Not Applicable/Applicable]
7	Specified Currency	[•]
8	Expenses	[Applicable/Not Applicable]
9	Unwind Costs for Disruption Cash Settlement Price and Failure to Deliver Settlement Price	[Applicable/Not Applicable]
10	Alternative Currency Equivalent	[Not Applicable/Applicable]
	(i) [Alternative Currency:	[•]
	(ii) Alternative Currency Adjudication Agent:	[•]
	(iii) Alternative Currency Calculation Agent:	[•]
	(iv) Rate Calculation Jurisdiction:	[•]
	(v) Rate Calculation Business Days:	[•]
	(vi) Specified Time:	[•]
	(vii) Scheduled Payment Currency Disruption Events:	As specified in the Conditions [and [•]]

- (viii) Settlement Rate Option: [•]
 (ix) USD Settlement Rate Option: [Applicable/Not Applicable]
 (x) Maximum Days of [•]
 Postponement:

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 11 **Interest Basis** [[•] per cent. Fixed Rate]
 [•] +/- [•] per cent. Floating Rate]
 [Zero Coupon]
- 12 **Fixed Rate C&W Security Provisions** [Applicable/Not Applicable]
- (i) [Calculation Amount:] [•]/[Not Applicable]
 (ii) [Nominal Amount:] [•]/[Not Applicable]
 (iii) Rate[(s)] of Interest: [•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/(specify)] in arrear]
 (iv) Interest Commencement Date: [•]
 (v) Specified Interest Payment Date(s): [•] in each year [adjusted in accordance with [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]/not adjusted]
 (vi) Business Day Centre(s): [•]
 (vii) Day Count Fraction: [Actual/Actual or Actual/Actual – ISDA]
 [Actual/365 (Fixed)]
 [Actual/360]
 [30/360 or 360/360 or Bond Basis]
 [30E/360 or Eurobond Basis]
 [30E/360 (ISDA)]
 [Actual/Actual ICMA]
 (viii) Determination Date(s): [•] in each year
- 13 **Floating Rate C&W Security Provisions** [Applicable/Not Applicable]
- (i) [Calculation Amount:] [•]/[Not Applicable]
 (ii) [Nominal Amount:] [•]/[Not Applicable]
 (iii) Interest Commencement Date: [•]
 (iv) Specified Period(s)/Specified Interest Payment Dates: [•]
 (v) First Interest Payment Date: [•]
 (vi) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Convention/Preceding Business Day Convention]
 (vii) Business Day Centre(s): [•]
 (viii) Party responsible for calculating the Interest [•]

	Amount(s) (if not the [Calculation Agent]):	
(ix)	Floating Rate Option:	[●]
(x)	Designated Maturity:	[●]
(xi)	Reset Date:	[●]
(xii)	Margin(s):	[+/-][●] per cent. per annum
(xiii)	Minimum Rate of Interest:	[●] per cent. per annum
(xiv)	Maximum Rate of Interest:	[●] per cent. per annum
(xv)	Day Count Fraction:	[Actual/Actual or Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30/360 or 360/360 or Bond Basis 30E/360 or Eurobond Basis]

PARAGRAPHS 14 TO 23 (INCLUSIVE) APPLY TO WARRANTS (INCLUDING EXERCISABLE CERTIFICATES) ONLY

14	Exercise Style	The Warrants are [European/American] Style C&W Securities
15	Call/Put Warrants	The Warrants are [Call Warrants/Put Warrants]
16	Units	Warrants must be exercised in Units. Each Unit consists of [●] Warrants
17	Exercise Price	The Exercise Price per [Warrant/Unit] (which may be subject to adjustment in accordance with Additional Condition 1 (<i>Provisions applicable only to Equity Linked Notes</i>) in the case of Equity Linked C&W Securities) is [●]
18	Exercise Date	[The Exercise Date of the Warrants is [●], provided that, if such date is not a Business Day, the Exercise Date shall be the immediately [preceding/succeeding] Business Day]/[Not Applicable]
19	Exercise Period	[The Exercise Period in respect of the Warrants is from and including [●] to and including [●], or, if [●] is not a Business Day, the immediately succeeding Business Day]/[Not Applicable]
20	Automatic Exercise [If Automatic Exercise does apply]	Automatic Exercise [applies/does not apply] Automatic Exercise: C&W Exercise Notice by Cut-off Date [applies/does not apply] Automatic Exercise: No delivery of C&W Exercise Notice [applies/does not apply]
21	Settlement Date	[[i)] The settlement date for the Warrants is [●] [[ii)] "Settlement Business Day" for the purposes of Base C&W Condition 5(c)(ii) (<i>Settlement Disruption</i>) and Base C&W Condition 6(e) (<i>Automatic Exercise</i>) means [●]/[Not Applicable]

22	[Minimum Exercise Number	The minimum number of Warrants that may be exercised (including Automatic Exercise) on any day by any Warrantholder is [●] [and Warrants may only be exercised (including Automatic Exercise) in integral multiples of [●] Warrants in excess thereof]
23	Maximum Exercise Number	The maximum number of Warrants that may be exercised on any day by any Warrantholder or group of Warrantholders (whether or not acting in concert) is [●]

PARAGRAPHS 24 TO 28 (INCLUSIVE) APPLY TO REDEEMABLE CERTIFICATES ONLY

24	Redemption Date	[●] [“Settlement Business Day” means [●]]
25	Valuation Date	[●]
26	Call Option	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[●]
	(iii) If redeemable in part:	[●]
	(a) Minimum Redemption Amount:	[●]
	(b) Maximum Redemption Amount:	[●]
	(iv) Notice period:	[●]
27	Put Option	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[●]
	(iii) Notice period:	[●]
28	Notional Amount of each Certificate	[Currency] [Amount]
29	Averaging	Averaging [applies/does not apply] to the C&W Securities. [The Averaging Dates are [●]]
30	Scheduled Trading Day	[●]/[Not Applicable]
31	Business Day Centre(s)	The applicable Business Day Centre[s] for the purposes of the definition of “Business Day” in Base C&W Condition 4 (<i>Interest and other Calculations</i>) [is/are] [●]
32	Settlement	Settlement will be by way of [cash payment] [and/or] [physical delivery]
33	Issuer’s option to vary settlement	The Issuer [has/does not have] the option to vary settlement in respect of the C&W Securities pursuant to Base C&W Condition 5(e) (<i>Variation of Settlement</i>)

		in the case of Warrants or Base C&W Condition 8 (<i>Redemption and Redemption Procedure for Redeemable Certificates</i>) in the case of Redeemable Certificates
34	Cash Settlement Amount	[[●] per Calculation Amount][Not Applicable]
35	Exchange Rate	[Applicable/Not Applicable]
36	Specified Currency	The Specified Currency for the payment of [the Cash Settlement Amount] (in the case of Cash Settled Securities)/[the Disruption Cash Settlement Amount] (in the case of Physical Delivery Securities) [and any other amounts payable in respect of the Securities] is [●]
37	Failure to Deliver due to Illiquidity	[Failure to Deliver due to Illiquidity [applies/does not apply] to the C&W Securities.]/[Not Applicable]
38	Equity Linked C&W Securities Provisions	[Applicable/Not Applicable]
	(i) Underlying Share:	[●]
	(ii) ISIN of Underlying Share:	[●]
	(iii) Whether redemption or exercise of the C&W Securities will be by (a) Cash Settlement, (b) Physical Delivery or (c) Cash Settlement and/or Physical Delivery:	[Cash Settlement/Physical Delivery/Cash Settlement and/or Physical Delivery]
	(iv) Party responsible for making calculations pursuant to Additional Condition 1 (<i>Provisions applicable only to Equity Linked Notes</i>) (if not the Calculation Agent):	[●]
	(v) Exchange:	[●]
	(vi) Related Exchange(s):	[[●]/All Exchanges]
	(vii) Potential Adjustment Events:	[Applicable/Not Applicable]
	(viii) De-listing, Merger Event, Nationalisation and Insolvency:	[Applicable/Not Applicable]
	(ix) Tender Offer:	[Applicable/Not Applicable]
	(x) [Valuation Date/Averaging Dates:]	[●]
	(xi) [Adjustment provisions in the event of a Disrupted Day:	[Omission/Postponement/Modified Postponement]
	(xii) Settlement Price:	[●][Additional Condition 3.3 (<i>Definitions relevant to Equity Linked C&W Securities</i>) applies and the Settlement Price shall be determined by reference to the price of the relevant Underlying Share at the Valuation Time on the Valuation Date]
	(xiii) Valuation Time:	[Additional Condition 3.3 (<i>Definitions relevant to Equity Linked Securities</i>) applies/other]

- (xiv) Exchange Rate: [Applicable/Not Applicable]
- (xv) Trade Date: [•]
- (xvi) Cash Settlement Amount: [Additional Condition 2.2 (*Redemption of Cash Settled Securities that are Equity Linked Redeemable Certificates*) applies][Not Applicable]
- (xvii) Uplift Amount: [•] [Not Applicable]
- (xviii) Strike Price: [•] [Not Applicable]
- (xix) Relevant Assets: [•]
- (xx) Asset Amount(s): [•]/[Not Applicable]
- (xxi) Cut-Off Date: [•]/[Not Applicable]
- (xxii) Final Date: [•]
- (xxiii) Delivery provisions for Asset Amount(s) (including details of who is to make such delivery) if different from the Base C&W Conditions and/or the Additional Conditions: [•]/[Not Applicable]
- (xxiv) [Settlement Date Extension] [Applicable/Not Applicable]
[Redemption Date Extension:]
- (xxv) [Extension Business Days: [•]/[Not Applicable]]
- (xxvi) Failure to Deliver due to Illiquidity: [Applicable/Not Applicable]
- (xxvii) Specified Currency: [•]

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Additional Disruption Events

- [Applicable/Not Applicable]
- [Additional Disruption Events are only applicable to certain types of Equity Linked C&W Securities]
- [Change in Law]
- [Hedging Disruption]
- [Increased Cost of Hedging]
- [Increased Cost of Stock Borrow]
- [Insolvency Filing]
- [Loss of Stock Borrow]

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Early Cancellation Amount

Early Cancellation Amount(s) payable on redemption for (a) an Illegality, (b) taxation reasons or on Event of Default or other early redemption; (c) in the case of Equity Linked C&W Securities, following certain corporate events in accordance with Additional Condition 3.2 (*Potential Adjustment Events, De-listing, Merger Event, Tender Offer, Nationalisation and Insolvency, Adjustments for Equity Linked C&W Securities in respect of Underlying Shares*), (d) if so specified herein,

As specified in the Conditions

following an Additional Disruption Event (if applicable) in accordance with Additional Condition 4.2(iii) or (e) if so specified herein, following a Scheduled Payment Currency Disruption Event (if applicable) in accordance with Additional Condition 5.1 (*Payment of Alternative Currency Equivalent*):

41	Unwind Costs	[Applicable/Not Applicable]
42	Additional Financial Centre(s) or other special provisions relating to payment dates	
43	Name(s) and address(es) of Managers/Intermediary	[•]
44	Date(s) of underwriting commitments	[Not Applicable] [•]
45	Date of Subscription Agreement	[•]
46	Additional selling restrictions	[•]
47	Post-issuance Information	[•]/[Not Applicable]

[THIRD-PARTY INFORMATION]

[Information on assets has been extracted from [source]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By:

Duly authorised

PART B – OTHER INFORMATION

1 RATING

Ratings: [The C&W Securities to be issued have not been rated]
 [The C&W Securities to be issued have been rated:
 [Standard & Poor’s: [●]]
 [Moody’s: [●]]
 [[Fitch]: [●]]
 [and endorsed by [●]]]

2 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in [“Offering and Sale”], so far as the Issuer is aware, no person involved in the offer of the C&W Securities has an interest material to the offer, including conflicting interests.

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

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

4 [Fixed Rate C&W Securities — YIELD

Indication of yield: [●]

5 [Equity Linked C&W Securities – HISTORIC UNDERLYING SHARE PRICE

[Details of historic and further Underlying Share prices and volatility can be obtained from [Reuters][●].]

- (i) Names and addresses of any Intermediaries: [●]
- (ii) Offer Period: [●]
- (iii) Offer Price: [[●]/Up to [●]]
- (iv) Base C&W Conditions to which the offer is subject: [Offers of the C&W Securities are conditional on their issue [and on any additional conditions set out in the standard terms of business of the Intermediaries, notified to investors by such relevant Intermediaries.]] [The Issuer reserves the right to cancel the issue of the C&W Securities for whatever reason, including (without limitation) if (a) any circumstance occurs which, in the Issuer’s opinion, may have a significant impact on the issue or (b) the number of C&W Securities or currency amount in respect of which offers are received is (or is determined by the Issuer or any Intermediary to be likely to be) less than the number or amount specified in paragraph (vi) below]
- (v) [Description of the application process: [●]]

- (vi) [Details of the minimum and/or maximum amount of application: [●]]
- (vii) [Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [●]]
- (viii) [Details of method and time limits for paying up and delivering the C&W Securities: [The C&W Securities will be issued on the Issue Date against payment to the Issuer of the net subscription moneys. Investors will be notified by the relevant Intermediary of their allocations of C&W Securities and the settlement arrangements in respect thereof]]
- (ix) [Manner and date in which results of the offer are to be made public: [●]]
- (x) [Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [●]]
- (xi) Whether tranche(s) have been reserved for certain countries: [●]
- (xii) [Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made: [No dealings in the C&W Securities on a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on Markets in financial instruments may take place prior to the Issue Date]]
- (xiii) [Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [●]]
- (xiv) Name(s) and address(es), to the extent known to the Issuer, of the places in the various countries where the offer takes place: [None/[●]]

6 OPERATIONAL INFORMATION

- (i) ISIN Code: [●]
- (ii) Common Code: [●]
- (iii) Legal Entity Identifier (LEI): JHE42UYNWWTJB8YTTU19
- [(iv) CNS Code:] [●]
- [(v)] Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Address] [Not Applicable/[●]] [and set out any necessary terms and/or amendments to the Base C&W Conditions]

7 [STATEMENT ON BENCHMARKS

Amounts payable under the Securities may be calculated by reference to [specify benchmark], which is provided by [administrator legal name]][repeat as necessary]. As at the date of this Pricing Supplement, [[administrator legal name] [appears][does not appear]][repeat as necessary] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“**ESMA**”) pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the “**BMR**”).]