



**Australia and New Zealand Banking Group Limited**  
(Australian Business Number: 11 005 357 522)

**Markets Issuance Programme**

This offering circular ("**Offering Circular**") is the offering circular for the Markets Issuance Programme (the "**Programme**") which allows for the issue of notes ("**Notes**") by Australia and New Zealand Banking Group Limited (the "**Issuer**" or "**ANZBGL**").

The Issuer may issue Notes acting through its head office with registered address at ANZ Centre Melbourne, Level 9, 833 Collins Street, Docklands, Victoria 3008, Australia and/or its Hong Kong branch with registered address at 22nd floor, Three Exchange Square, 8 Connaught Place, Central, Hong Kong, as will be specified in the pricing supplement relevant to an issue of Notes (the "**Pricing Supplement**") in respect of each series of Notes.

The Notes may be issued on a continuing basis to Australia and New Zealand Banking Group Limited (as the "**Initial Dealer**" under the Programme) and/or any additional dealer appointed under the Programme (and whose appointment has not been terminated) from time to time by the Issuer (each a "**Dealer**" and together, the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes. The Notes may also be issued other than to a Dealer on terms as may be separately agreed in writing from time to time by the Issuer and such other person. In such circumstances, the applicable Pricing Supplement will indicate that there will not be a Dealer in respect of the relevant Series of Notes. References in this Offering Circular to the "**Arranger**" shall be to Australia and New Zealand Banking Group Limited in its capacity as arranger of the Programme.

**Prospective investors should review the factors described under the section headed "Risk Factors" on pages 16 to 75 of this Offering Circular. This Offering Circular does not describe all of the risks of an investment in the Notes.**

**Prospective investors should ensure that they understand the nature of the relevant Notes and the extent of their exposure to risks and that they consider the suitability of the relevant Notes as an investment in the light of their own circumstances and financial condition. Certain issues of Notes involve a high degree of risk and potential investors should be prepared to sustain a loss of all or part of their investment. It is the responsibility of prospective investors to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other evaluation of the merits and risks of investing in the Notes and are not relying on the advice of the Issuer or the relevant Dealer(s) in that regard.**

The Issuer may issue Notes under the Programme acting through its head office or Hong Kong branch for certain legal, administrative and regulatory reasons, including (without limitation) to facilitate timely access to funding markets. Interest payments thereunder are subject to applicable tax laws and regulations of Australia, Hong Kong and other relevant jurisdictions – see section entitled "**Taxation**" on pages 203 to 210. Investors should be aware that a branch is not a subsidiary and does not comprise a separate legal entity. The obligations under the Notes issued by the Issuer acting through its Hong Kong branch are of the Issuer only, and investors' claims under such Notes are only against the Issuer – see section entitled "**Legal Status**" on page 159.

The Issuer may issue Notes in a form not contemplated by the terms and conditions of the Notes herein, in which event the applicable Pricing Supplement will describe the effect of the agreement reached in relation to such Notes.

This Offering Circular supersedes and replaces in its entirety all previous Offering Circulars relating to the Programme. Prospective investors should take note that this Offering Circular does not constitute a "prospectus" for the purposes of Regulation (EU) 2017/1129, as amended (the "**EU Prospectus Regulation**") and Regulation (EU) 2017/1129 as it forms part of "retained law", as defined in the European Union (Withdrawal) Act 2018 (the "**EUWA**") (the "**UK Prospectus Regulation**"), and has been prepared on the basis that no prospectus shall be required under the EU Prospectus Regulation or the UK Prospectus Regulation for any Notes to be offered and sold under it. This Offering Circular has not been approved or reviewed by any regulator which is a competent authority under the EU Prospectus Regulation in the European Economic Area (the "**EEA**") or in any other jurisdiction or by the Financial Conduct Authority (the "**FCA**") under the UK Prospectus Regulation in the United Kingdom (the "**UK**") or in any other jurisdiction. The contents of this Offering Circular have not been reviewed by any regulatory authority in Australia or Hong Kong. You are advised to exercise caution when you review the contents of this Offering Circular. If you are in any doubt about any of the contents of this Offering Circular, you should obtain independent professional advice.

**Arranger and Initial Dealer**  
**Australia and New Zealand Banking Group Limited**

The date of this Offering Circular is 17 May 2021

## IMPORTANT NOTICES

### Responsibility for the information contained in this Offering Circular

The Issuer accepts responsibility for the information contained in this Offering Circular and, in relation to each issue of Notes, the applicable Pricing Supplement for such issue. To the best of the knowledge of the Issuer, such information is in accordance with the facts and this Offering Circular and does not omit anything likely to affect the import of such information.

The applicable Pricing Supplement will (if applicable) specify the nature of the responsibility taken by the Issuer for the information relating to any reference interest rate, currency, price, index or any other one or more underlying reference assets or bases (each a **"Reference Item"**) to which the relevant Notes relate and which is contained in such Pricing Supplement. However, unless otherwise expressly stated in a Pricing Supplement, any information contained therein relating to a Reference Item will only consist of extracts from, or summaries of, information contained in financial and other information released publicly by the issuer, manager, owner, arranger or sponsor, as the case may be, of such Reference Item. The Issuer will, unless otherwise expressly stated in the applicable Pricing Supplement, accept responsibility for accurately reproducing such extracts or summaries (insofar as it is applicable) but the Issuer will not accept any further or other responsibility in respect of such information.

### Use of defined terms in this Offering Circular

Certain terms or phrases in this Offering Circular are defined in double quotation marks and subsequent references to that term or phrase are designated with initial capital letters.

In this Offering Circular, all references to the **"Issuer"** are to ANZBGL acting through its head office or its Hong Kong branch (as specified in the applicable Pricing Supplement), as the issuer of the Notes to be issued under the Programme. All references herein to the **"Group"** or to **"ANZ"**, except in the section titled *"Risks relating to the Issuer's businesses"*, are to ANZBGL and its subsidiaries. All references herein to the **"ANZ New Zealand Group"** are to ANZ Bank New Zealand Limited (**"ANZ New Zealand"**) and its subsidiaries. References in the section titled *"Risks relating to the Issuer's businesses"* to the **"Group"** or to **"ANZ"** are to ANZBGL and its subsidiaries or ANZ New Zealand and its subsidiaries as the context requires. See the section entitled *"Description of Australia and New Zealand Banking Group Limited and its subsidiaries"* for more details.

In this Offering Circular, unless otherwise specified, references to a **"Member State"** are references to a Member State of the EEA, references to **"A\$"**, **"\$"**, **"dollars"** or **"Australian dollars"** are (unless indicated otherwise) to the lawful currency of Australia, references to **"euro"** or **"€"** are to the currency introduced at the start of the third stage of the 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 **"NZ\$"** are to the lawful currency of New Zealand, references to **"Renminbi"** are to the lawful currency of the People's Republic of China, references to **"Sterling"** are to the lawful currency of the United Kingdom, references to **"US\$"** or **"US dollars"** are to the lawful currency of the United States, and references to **"Yen"** are to the lawful currency of Japan.

In this Offering Circular, unless otherwise specified, references to **"Common Equity Tier 1 Capital"**, **"Additional Tier 1 Capital"**, **"Tier 1 Capital"** or **"Tier 2 Capital"** have the meaning given to them by the Australian Prudential Regulation Authority (**"APRA"**). The meanings given by APRA can be found under its Prudential Standard APS 111 (Capital Adequacy: Measurement of Capital).

Broadly:

- Tier 1 Capital is made up of Common Equity Tier 1 Capital and Additional Tier 1 Capital;
- Common Equity Tier 1 Capital is the highest quality, most loss absorbent form of capital for a bank and consists of paid up ordinary shares, certain reserves and retained earnings less certain deductions;
- Additional Tier 1 Capital is high quality capital for a bank and consists of certain securities not classified as Common Equity Tier 1 Capital but with loss absorbing characteristics; and
- Tier 2 Capital consists of subordinated instruments and, while it is a lesser form of capital for a bank than Tier 1 Capital, it still has some capacity to absorb losses and strengthens banks' overall capital positions.

In this Offering Circular, references to "**ANZBGL 2020 Audited Financial Statements**" and to "**ANZBGL 2019 Audited Financial Statements**" are to the audited annual consolidated financial statements of the Group in respect of the years ended 30 September 2020 and 2019 respectively.

#### **The Notes are not protected by the Financial Services Compensation Scheme**

The Notes to be issued under the Programme are not protected by the Financial Services Compensation Scheme (the "**FSCS**"). As a result, neither the FSCS nor anyone else will pay compensation to you upon the failure of the Issuer or the Group as a whole. If the Issuer goes out of business or becomes insolvent, you may lose all or part of your investment in any Notes.

#### **The Notes do not benefit from deposit protection**

The Notes issued by the Issuer will not be deposit liabilities or protected accounts (as defined in the Banking Act 1959 of Australia (the "**Banking Act**")). A "protected account" is broadly an account kept by an account holder with an authorised deposit-taking institution ("**ADI**"); (i) 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 otherwise prescribed by regulation. Protected accounts include current accounts, savings accounts and term deposit accounts. Protected accounts must be recorded in Australian currency and must not be kept at a foreign branch of an ADI. The Notes are not guaranteed or insured by any government, government agency or compensation scheme of Australia or any jurisdiction.

Any Notes issued by the Issuer acting through its Hong Kong branch are not protected deposits and are not protected by the Deposit Protection Scheme established under the Deposit Protection Scheme Ordinance (Cap. 581) of Hong Kong.

#### **Information incorporated by reference in this Offering Circular**

This Offering Circular must be read together with all information which is deemed to be incorporated in this Offering Circular by reference (see section entitled "*Information Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are so incorporated and form part of this Offering Circular.

#### **Third Party Information**

Information contained in this Offering Circular which is sourced from a third party has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has also identified the source(s) of such information.

#### **Credit Rating Agency Regulation notice**

The long-term, unsubordinated, unsecured debt obligations of the Issuer under the Programme have been rated AA- (Outlook Stable) by S&P Global Australia Pty Ltd ("**S&P Global**"), Aa3 (Outlook

Stable) by Moody's Investors Service Pty Limited ("**Moody's**") and A+ (Outlook Stable) by Fitch Australia Pty Ltd ("**Fitch**").

None of S&P Global, Moody's and Fitch is established in the European Union and none has applied for registration under Regulation (EC) No. 1060/2009 (as amended, the "**EU CRA Regulation**"). S&P Global Ratings Europe Limited currently endorses the global scale credit ratings issued by S&P, Fitch Ratings Ireland Limited currently endorses the international credit ratings published by Fitch and Moody's Deutschland GmbH currently endorses global scale credit ratings issued by Moody's, for regulatory purposes in the European Union in accordance with the EU CRA Regulation. Each of S&P Global Ratings Europe Limited, Fitch Ratings Ireland Limited and Moody's Deutschland GmbH have been registered under the EU CRA Regulation and as such are included in the list of registered credit rating agencies published by the European Securities and Markets Authority ("**ESMA**"). There can be no assurance that S&P Global Ratings Europe Limited, Fitch Ratings Ireland Limited and Moody's Deutschland GmbH will continue to endorse credit ratings issued by S&P, Fitch and Moody's respectively.

None of S&P Global, Moody's and Fitch is established in the United Kingdom and none has applied for registration under Regulation (EC) No. 1060/2009 (as amended) as it forms part of "retained law", as defined in the EUWA (the "**UK CRA Regulation**"). S&P Global Ratings UK Limited currently endorses the global scale credit ratings issued by S&P, Fitch Ratings Ltd currently endorses the international credit ratings published by Fitch and Moody's Investors Service Limited currently endorses global scale credit ratings issued by Moody's, for regulatory purposes in the UK in accordance with the UK CRA Regulation. Each of S&P Global Ratings UK Limited, Fitch Ratings Ltd and Moody's Investors Service Limited have been registered under the UK CRA Regulation and, as such are included in the list of credit rating agencies published by the FCA on its website, in accordance with the UK CRA Regulation. There can be no assurance that S&P Global Ratings UK Limited, Fitch Ratings Ltd and Moody's Investors Service Limited will continue to endorse credit ratings issued by S&P, Fitch and Moody's respectively.

Credit ratings and outlooks may be adjusted over time and so there is no assurance that these credit ratings and outlooks will be effective after this date.

Notes issued under the Programme may be rated or unrated and any applicable rating(s) of the Notes will be specified in the relevant Pricing Supplement. A credit rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency.

Credit ratings in respect of the Notes or the Issuer are for distribution only to a person in Australia who is not a "retail client" within the meaning of section 761G of the Corporations Act 2001 of Australia (the "**Corporations Act**") and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Part 6D.2 or Chapter 7 of the 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 the Offering Circular and anyone who receives the Offering Circular must not distribute it to any person who is not entitled to receive it.

#### **Notice to potential investors**

The Notes may involve substantial risks and may not be a suitable investment for all investors. Each potential investor in any Notes must determine the suitability of any investment in light of its own circumstances. In particular, each potential investor should consider, either on its own or with the help of its financial, legal and/or other professional advisers, whether it:

- (a) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in or incorporated into this Offering Circular (and any applicable supplement to this Offering Circular) and all the information contained in the relevant Pricing Supplement;
- (b) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understands thoroughly the terms of the Notes and is familiar with the behaviour of the financial markets;
- (e) in respect of Notes linked to the performance of one or more, or a combination of, Reference Items, understands thoroughly (if necessary, in consultation with the investor's own financial, legal, tax, accountancy, regulatory, investment and/or other professional advisers) the nature of each such Reference Item Linked Note;
- (f) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- (g) understands that the market value of an issue of Notes will be affected by a number of factors independent of the creditworthiness of the Issuer, including, but not limited to:
  - (i) the value and volatility of the Reference Item(s);
  - (ii) market interest and yield rates;
  - (iii) fluctuations in exchange rates;
  - (iv) liquidity of the Notes or any Reference Item(s) in the secondary market;
  - (v) the time remaining to any redemption date or the maturity date; and/or
  - (vi) economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange(s) on which any Reference Item may be traded or listed.

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

None of the Issuer, Dealer(s), the Agents or any Affiliate (as defined herein) of the Issuer has given, and will not give, to any potential investor in Notes (either directly or indirectly) any assurance, advice, recommendation or guarantee as to the merits, performance or suitability of such Notes, and the investor should be aware that the Issuer is acting as an arm's length contractual counterparty and not as an advisor or fiduciary. In making an investment decision, investors must rely on their own

examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved.

The investment activities of certain investors are subject to legal investment laws and regulations, and/or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules. None of the Issuer, the Dealer(s) or the Agents makes any representation to any investor in the Notes regarding the legality of its investments under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

None of this Offering Circular, any information or any document incorporated by reference herein, or any Pricing Supplement constitute an offer of, or an invitation to subscribe for or purchase, any Notes by the Issuer, the Dealer(s), the Arranger or the Agent or is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Dealer(s), the Agents or any of them that any recipient of this Offering Circular, any information or any document incorporated by reference herein, or any Pricing Supplement should subscribe for or purchase any Notes. Each recipient of this Offering Circular, any information or any document incorporated by reference herein, or any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer. None of the Dealer(s), the Arranger or the Agents undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealer(s), the Arranger or the Agents.

No person has been authorised to give any information or to make any representation other than those contained in this Offering Circular in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealer(s) or the Arranger or the Agents. Neither the delivery of this Offering Circular 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 Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Offering Circular 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 Notes have not been, and will not be, registered under the U.S. 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. Subject to certain exceptions, Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act). Notes in bearer form may be subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person (as defined in the U.S. Internal Revenue Code of 1986, as amended (the "**U.S. Internal Revenue Code**")). For a description of certain restrictions on offers and sales of Notes and on distribution of this Offering Circular or any Pricing Supplement, see the section entitled "*Subscription and Sale*".

This Offering Circular has been prepared on the basis that any offer of Notes in any Member State of the EEA (each, a **"Relevant Member State"**) will be made pursuant to an exemption under the EU Prospectus Regulation from the requirement to publish a prospectus for offers of Notes and that any offer of Notes in the UK will be made pursuant to an exemption under the UK Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State or the UK of Notes which are the subject of an offering contemplated in this Offering Circular as completed by any Pricing Supplement in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any of the Dealer(s) or the Arranger to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation or the UK Prospectus Regulation, in each case, in relation to such offer. None of the Issuer, the Dealer(s) nor the Arranger have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer, any Dealer or the Arranger to publish or supplement a prospectus for such offer.

**PROHIBITION OF SALES TO 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 (and, for the avoidance of doubt, this means any retail investor within or outside (i) the EEA or (ii) the UK). 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 Directive 2014/65/EU (as amended, **"MiFID II"**) or a "retail client" as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of "retained EU law", as defined in the EUWA; (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **"Insurance Distribution Directive"**) or within the meaning of the provisions of the Financial Services and Markets Act 2000 (**"FSMA"**) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, in each case, where that customer would not qualify as a professional client as defined in, respectively, point (10) of Article 4(1) of MiFID II and point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of "retained EU law", as defined in the EUWA; or (iii) not a qualified investor as defined in the EU Prospectus Regulation or Article 2 of the UK Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **"PRIIPs Regulation"**) or the PRIIPs Regulation as it forms part of "retained EU law", as defined in the EUWA (the **"UK PRIIPs Regulation"**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been or will be prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation or the UK PRIIPs Regulation.

#### **MiFID II Product Governance/Target Market**

The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **"distributor"**) should take into consideration the 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 target market assessment) and determining appropriate distribution channels.

A determination will be made by the relevant Dealer(s) 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"**), any Dealer subscribing for any Notes is a "manufacturer" in respect of such Notes, but otherwise neither the Arranger nor the Dealer(s) nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

The Issuer is not subject to MiFID II and any implementation thereof by an EU Member State. It is therefore not a "manufacturer" for the purposes of the MiFID Product Governance Rules and has no responsibility or liability for identifying a target market, or any other product governance obligation set out in MiFID II, for financial instruments it issues (including any target market assessment for the relevant Notes).

#### **UK MiFIR Product Governance/Target Market**

The Pricing Supplement in respect of any Notes may include a legend entitled "**UK MiFIR Product Governance**", which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made by the relevant Dealer(s) in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealer(s) nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

The Issuer is not subject to Regulation (EU) No 600/2014 as it forms part of "retained EU law", as defined in the EUWA. It is therefore not a "manufacturer" for the purposes of the UK MiFIR Product Governance Rules and has no responsibility or liability for identifying a target market, or any other product governance obligation set out in UK MiFIR, for financial instruments it issues (including any target market assessment for the relevant Notes).

#### **Singapore SFA Product Classification**

In connection with Section 309B of the SFA (as defined herein) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are capital markets products other than '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).

#### **Benchmarks Regulation**

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") or the Benchmarks Regulation as it forms part of "retained EU law", as defined in the EUWA (the "**UK Benchmarks Regulation**"). If any such reference rate does constitute such a benchmark, the Pricing Supplement will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the EU Benchmarks Regulation or by the FCA pursuant to the UK Benchmarks Regulation. The registration status of any administrator under the EU Benchmarks Regulation or the UK Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Pricing Supplement to reflect any change in the registration status of the administrator.



This Offering Circular is based on English law in effect as of the date of issue of this Offering Circular. Except to the extent required by laws and regulations, the Issuer does not intend to nor assumes any obligation to, update this Offering Circular in light of the impact of any judicial decision or change to English law or administrative practice after the date of this Offering Circular.

#### **No incorporation of websites**

In this Offering Circular, reference to websites or uniform resource locators ("**URLs**") are inactive textual references. The contents of any such website or URL shall not form part of, or be deemed to be incorporated into, this Offering Circular, except as specifically incorporated by reference (see section entitled "*Information Incorporated by Reference*").

#### **Stabilisation**

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) acting as stabilising manager (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily 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 Tranche of Notes 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 Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules and outside Australia and New Zealand (and not on any market in Australia or New Zealand).

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## PROGRAMME OVERVIEW

The following is an overview of the Programme and the key terms of the Notes. It is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Series or Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined elsewhere in this Offering Circular shall have the same meanings in this overview.

Issuer	Australia and New Zealand Banking Group Limited (" <b>ANZBGL</b> " and, together with its subsidiaries, the " <b>Group</b> " or " <b>ANZ</b> "), incorporated with limited liability in Australia, acting through its head office or its Hong Kong branch, as specified in the relevant Pricing Supplement.
Risk Factors	<p>There are certain factors that may affect the ability of the Issuer to fulfil its obligations under the Notes. These are set out under the section entitled "<i>Risk Factors</i>". In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes. These are also set out under the section entitled "<i>Risk Factors</i>".</p> <p>Where the applicable Pricing Supplement specifies one or more Reference Items, the relevant Reference Item Linked Notes will represent an investment linked to the economic performance of such Reference Item(s) and prospective investors should note that the return (if any) on their investment in the Notes will depend upon the performance of the relevant Reference Item(s), either directly or inversely. Investors should note further that Reference Item Linked Notes may be subject to specific disruption, adjustment and termination provisions which, on the occurrence of certain events, permit the Calculation Agent and/or the Issuer to, amongst other things, adjust the terms of the affected Notes (including substituting one or more of the Reference Items for another Reference Item(s)), delay valuation of one or more Reference Items or the timing for payments of any amounts under the Notes and in certain circumstances determine that the Notes should be early redeemed. The amount payable on such an early redemption may be significantly less than the par amount of the relevant Notes and may be zero. Such provisions are discussed in more detail in the "<i>Risk Factors – Risks relating to Notes that are linked to Reference Items</i>" and "<i>Risk Factors – Risks relating to particular types of Notes which may be issued under the Programme</i>" sections below.</p>
Description	Markets Issuance Programme.

Arranger	Australia and New Zealand Banking Group Limited.
Dealer	Australia and New Zealand Banking Group Limited.
Registrar and Transfer Agent	Deutsche Bank Luxembourg S.A.
Fiscal Agent and Paying Agent	Deutsche Bank AG, Hong Kong Branch.
Calculation Agent	ANZBGL or such other calculation agent specified in the applicable Pricing Supplement. The Calculation Agent will be responsible for calculation of certain rates or amounts and making certain other determinations in relation to the Notes.
Redenomination, Renominalisation and/or Consolidation	The relevant Pricing Supplement may provide that certain Notes denominated in a currency that may be replaced by the euro may be subject to redenomination, renominalisation and/or consolidation with other Notes then denominated in euro.
Form of Notes	Notes may be issued in bearer form (" <b>Bearer Notes</b> ") or in registered form (" <b>Registered Notes</b> ") as described in the section entitled " <i>Form of the Notes</i> " of this Offering Circular.
Clearing Systems	Euroclear, Clearstream and, in relation to any Tranche of Notes, such other clearing system as may be agreed between the Issuer and the relevant Dealer, as will be specified in the relevant Pricing Supplement.
Currencies	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in such currencies as the Issuer and the relevant Dealers agree.
Maturities	Subject to compliance with all relevant laws, regulations, directives and/or central bank requirements, the Notes may be issued with such maturities as may be agreed between the Issuer and the relevant Dealers (as set out in the applicable Pricing Supplement).
Denomination	Notes will be issued in such denominations as may be specified by the Issuer, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Issue Price	Notes may be issued on a fully paid basis and at an issue price which is at par or at a discount to, or a premium over, par.
Fixed Rate Notes	Fixed interest will be payable in arrears on the date or dates specified in the relevant Pricing Supplement.

Floating Rate Notes	Floating Rate Notes will bear interest set separately for each Series at a rate calculated as set out in the Conditions (as defined herein) of the Notes, and in the respective Interest Period, as specified in the relevant Pricing Supplement.
Zero Coupon Notes	Zero Coupon Notes may be issued at their Principal Amount (as defined herein) or at a discount to it and will not bear interest.
Dual Currency Notes	Interest and/or principal with respect to Dual Currency Notes may be made in one or more Specified Currencies other than the Specified Currency in which it is denominated.
Interest Rate Linked Notes	Payments of interest and/or principal in respect of Interest Rate Linked Notes will be made by reference to levels of, or movements in, interest rates or other interest rate-dependent variables as may be specified by the Issuer (as indicated in the applicable Pricing Supplement).
(a) Inverse Floating Rate Notes	Inverse Floating Rate Notes will pay interest at an interest rate equal to a fixed rate minus either (i) an interest rate benchmark or (ii) a rate of interest determined in accordance with market standard definitions.
(b) Range Accrual Notes	Range Accrual Notes will pay interest in respect of each interest accrual period equal to the product of: (i) either a specified fixed rate or a floating rate determined by reference to a fluctuating benchmark; and (ii) a relevant fraction, calculated as set out in the Conditions of the Notes.
FX Linked Notes	Payments of interest and/or principal in respect of FX Linked Notes will be made in such currencies, and by reference to such rates of exchange and/or such formulae, as may be specified by the Issuer (as indicated in the applicable Pricing Supplement).
Reference Item Linked Notes	Payments of interest and/or principal in respect of Reference Item Linked Notes will be made by reference to the relevant Reference Items, as may be specified by the Issuer (as indicated in the applicable Pricing Supplement), and include Interest Rate Linked Notes and FX Linked Notes.
Interest Periods and Interest Rates	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series.

	Notes may have a maximum or a minimum Rate of Interest or both.
Redemption by Instalments	The relevant Pricing Supplement may provide that Notes are redeemable in two or more instalments (" <b>Instalment Notes</b> ") and will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Optional Redemption	The relevant Pricing Supplement will state whether the relevant Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and at the option of either or both of the Issuer and the holders, and, if so, the terms applicable to such redemption.
Early Redemption for Tax Reasons	The Issuer shall have the right to redeem the Notes at their Early Redemption Amount if the Issuer has or will become obliged to pay additional amounts as a result of the imposition of withholding tax.
Status of the Notes	The Notes constitute direct, unconditional and unsecured obligations of the Issuer ranking <i>pari passu</i> among themselves and (save for certain debts of the Issuer required to be preferred by applicable law, including (but not limited to) those in respect of protected accounts (as defined in the Banking Act 1959 of Australia) in Australia and various debts due to the APRA and the Reserve Bank of Australia (" <b>RBA</b> ") required to be preferred by Australian law) with all other present and future unsubordinated and unsecured obligations of the Issuer.
Withholding Tax	All payments of principal and interest in respect of the Notes will be made free and clear of all withholding taxes of the jurisdiction of incorporation of the Issuer, unless such withholding is required by law. In that event, the Issuer shall pay additional amounts to the Noteholders as shall result in receipt by those Noteholders of such amounts as would have been received by them had no such withholding been required, except that no such additional amounts shall be payable with respect to any Note in the circumstances described in General Condition 7 ( <i>Taxation</i> ) in the General Terms and Conditions of the Notes.
Governing Law	English law.
Listing and Admission to Trading	<p>Each Series may be admitted to listing and trading on stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series.</p> <p>The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed and/or admitted to</p>

trading and, if so, on which stock exchanges and/or markets.

#### Selling Restrictions

The United States, the European Economic Area, the United Kingdom, Australia, Hong Kong, Japan, New Zealand, Singapore, South Korea and Taiwan. See the section entitled "*Subscription and Sale*" of this Offering Circular.

The Issuer is Category 2 for the purposes of Regulation S under the Securities Act.

## RISK FACTORS

### Introduction

THE PURCHASE OF NOTES MAY INVOLVE SUBSTANTIAL RISKS AND BE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE NOTES. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY, IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, (I) ALL THE INFORMATION SET FORTH IN THIS OFFERING CIRCULAR AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW AND (II) ALL THE INFORMATION SET FORTH IN THE APPLICABLE PRICING SUPPLEMENT. PROSPECTIVE PURCHASERS SHOULD MAKE SUCH INQUIRIES AND SEEK INDEPENDENT PROFESSIONAL ADVICE AS THEY DEEM NECESSARY WITHOUT RELYING ON THE ISSUER, THE ARRANGER OR ANY DEALER.

AN INVESTMENT IN NOTES LINKED TO ONE OR MORE REFERENCE ITEMS MAY ENTAIL SIGNIFICANT RISKS NOT ASSOCIATED WITH INVESTMENTS IN A CONVENTIONAL DEBT SECURITY, INCLUDING, BUT NOT LIMITED TO THE RISKS SET OUT BELOW. THE AMOUNT PAID BY THE ISSUER ON REDEMPTION OF THE NOTES MAY BE SUBSTANTIALLY LESS THAN THE NOMINAL AMOUNT OF THE NOTES, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO. WHERE THE NOTES ARE REDEEMED BY THE ISSUER BY DELIVERY OF REFERENCE ITEM(S), THE VALUE OF THE REFERENCE ITEM(S) MAY BE SUBSTANTIALLY LESS THAN THE NOMINAL AMOUNT OF THE NOTES, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO.

*Any investment in the Notes 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. Prospective investors should carefully consider the following discussion of the risk factors and the other information in this Offering Circular and consult their own financial, legal and/or other professional advisers about the risks associated with the Notes before deciding whether an investment in the Notes 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 Offering Circular before investing in the Notes offered under this Offering Circular.*

*As at the date of this Offering Circular, the Issuer believes that the following risk factors may affect its abilities to fulfil its obligations under or in respect of the Notes and could be material for the purpose of assessing the market risks associated with the Notes.*

*If any of the following factors actually occurs, the trading price of the Notes of the Issuer could decline and an investor could lose all or part of its investment. Prospective investors should read the entire Offering Circular and reach their own views prior to making any investment decision.*

*Words and expressions defined in the "General Terms and Conditions of the Notes" below or elsewhere in this Offering Circular have the same meanings in this section.*



## RISKS RELATING TO THE NOTES

### **Risks relating to the nature of all Notes which may be issued under the Programme**

#### ***The Notes are not protected by the Financial Services Compensation Scheme***

Unlike a bank deposit, the Notes are not protected by the Financial Services Compensation Scheme (the "FSCS"). As a result, neither the FSCS nor anyone else will pay compensation upon the failure of the Issuer or the Group. If the Issuer goes out of business or becomes insolvent, investors may lose all or part of their investment in the Notes.

#### ***Credit rating may not reflect all risks of an investment in the Notes***

If a series of Notes are rated, the credit ratings of such Notes 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, such Notes. In addition, real or anticipated changes in the credit rating of the Issuer or any Notes will generally affect any trading market for, or trading value of, the Notes.

In general, investors regulated in the EU are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the EU 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 ESMA on its website in accordance with the EU 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.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK investors are restricted under the UK CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the UK and registered under the UK CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-UK credit rating agencies, unless the relevant credit ratings are endorsed by a UK-registered credit rating agency or the relevant non-UK rating agency is certified in accordance with the UK CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Note this is subject, in each case, to transitional provisions that apply in certain circumstances. In the case of non-UK ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings provided the relevant conditions are satisfied.

Certain information with respect to the Issuer's ratings and the credit rating agencies which have assigned such ratings is set out under the heading "*Important Notices*" at the beginning of this Offering Circular. Where an issue of Notes is rated, such rating will be specified in the relevant Pricing Supplement and may not necessarily be the same as the rating assigned to the Issuer.

### ***The Notes may be redeemed prior to maturity and risk of early redemption***

Notes may be mandatorily redeemed prior to their scheduled maturity date for a number of reasons, such as taxation events, or following an event of default specified in the relevant Conditions of those Notes. Investors should take particular note of the following circumstances which may result in early redemption:

- (a) The Issuer will be entitled to redeem the Notes in whole but not in part where it determines in good faith that either (i) it has become or will become unlawful, illegal, or otherwise prohibited or restricted 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 obligation 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, exchanges, clearing houses, 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.
- (b) In the event that the Issuer would be obliged to pay additional amounts in respect of any Notes due to any withholding or deduction for, or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Issuer's taxing jurisdiction or any authority therein or thereof having power to tax, the Issuer may redeem all of the relevant Notes in accordance with the Conditions.

Early redemption may result in Noteholders receiving a lower return on investment and in some circumstances may result in a loss of part or all of their investment.

### ***Insolvency and similar proceedings***

In the event that the Issuer becomes insolvent, insolvency proceedings in respect of ANZBGL will be governed by Australian law. Potential investors should be aware that Australian and New Zealand insolvency laws are different from the insolvency laws in other jurisdictions. In particular, in the case of insolvency proceedings against ANZBGL, the voluntary administration procedure under the Corporations Act 2001 of Australia (the "**Corporations Act**"), which provides for the potential reorganisation of an insolvent company, differs significantly from similar provisions under the insolvency laws of other jurisdictions.

Under the Banking Act, APRA may appoint a Banking Act statutory manager to an ADI (of which ANZBGL is one) in certain circumstances, including where APRA considers that the ADI may become unable to meet its obligations or may suspend payment. Under section 15C of the Banking Act, a party to a contract with an ADI may not deny any obligations under that contract, accelerate any debt under that contract, close out any transaction relating to that contract, or enforce any security under that contract, on the grounds that a Banking Act statutory manager is in control of the ADI's business. Accordingly, this may prevent Noteholders from accelerating repayment of their Notes on the grounds that a Banking Act statutory manager has been appointed.

In addition, claims against ANZBGL under Australian law are subject to mandatory priority provisions, including those applying to ADIs (see risk factor "*Notes subject to prior claims*").

In addition, to the extent that the Noteholders are entitled to any recovery with respect to the Notes in any bankruptcy or certain other events in bankruptcy, insolvency, dissolution or reorganisation relating to the Issuer, those Noteholders might be entitled only to a recovery in Australian dollars.

#### ***Modification and waivers and substitution***

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

#### ***Exchange rate risks and exchange controls***

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

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

#### **Risks relating to the structure of particular Notes**

##### ***Introduction***

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common of such features.

##### ***Variable rate Notes, and other Notes, with a multiplier or other leverage factor***

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

##### ***Occurrence of Additional Disruption Events***

Additional Disruption Events may apply to certain Notes and this include force majeure, events which result in the Issuer and/or any of its Affiliates incurring materially increased costs to enter into hedging transactions for performing its obligations under the Notes, and/or the inability of the Issuer and/or its Affiliates to maintain or enter into hedging arrangements in respect of the Notes. Subject to the Conditions of the Notes which determine the types of Additional Disruption Events which are applicable, upon the determination by the Calculation Agent (acting in good faith and in a commercially reasonable manner) that an Additional Disruption Event has occurred, the Issuer has the sole and absolute discretion to make certain determinations to account for such event, including to (i) require the Calculation Agent to make adjustments to the terms of the Notes (without the consent of the Noteholders), (ii) substitute a Reference Item with

a different Reference Item or (iii) otherwise, early redeem the Notes at the Early Redemption Amount, each of may have an adverse effect on the value of the Notes.

***Notes subject to optional early redemption***

An optional early redemption feature in favour of the Issuer of Notes (a "**Call Option**") is likely to limit their market value and could reduce secondary market liquidity of the Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. Noteholders should note that a call option creates uncertainty for investors, as to whether the Notes will remain outstanding until maturity.

If the applicable Pricing Supplement specifies that a Call Option or an optional redemption feature in favour of the Noteholders is applicable, then, upon exercise of such option, the relevant Notes will be redeemed at their Optional Redemption Amount which may be at par (plus any accrued interest) or another amount, as specified in the applicable Pricing Supplement, and if Unwind Costs are specified as applicable in the applicable Pricing Supplement, adjusted to take account of Unwind Costs.

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

***Unwind Costs may apply when the Notes are early redeemed***

Unwind Costs include the losses, expenses and costs (if any) to the Issuer and/or any Affiliate of the Issuer of unwinding, terminating, liquidating, adjusting, obtaining, replacing or re-establishing any underlying or related hedging arrangements in relation to the Notes when the Notes are terminated prior to its scheduled maturity date. If Unwind Costs are specified as applicable in the relevant Pricing Supplement, the relevant Early Redemption Amount or Optional Redemption Amount will be adjusted to take account of Unwind Costs. Such adjustment will adversely affect the amount payable to the Noteholders on the early redemption of the Notes.

***Principal at risk***

There is no guarantee that the return that an investor receives on a Note upon its redemption will be greater than or equal to par. If the redemption amount of the Notes is to be determined by reference to the value or level of the Reference Item, any reduction in the redemption amount of the Reference Item may be expected to result in a reduction in the redemption amount of the Notes. Accordingly, it is possible that the return on Notes linked to such Reference Item may be considerably less than the amount paid by investors for such Notes and may be zero.

Unlike a savings account or similar investment with a low return and little or no capital risk, the Notes may potentially have a greater return but there may be a greater risk of loss of capital. The investor should take advice from an investment professional before purchasing such types of Notes.

***Risks related to payment of Notes in an Alternative Currency***

The Issuer's primary obligation is to make all payments of interest, principal and other amounts with respect to Notes in the relevant Specified Currency. However, if so specified in the Notes, in the event the Calculation Agent (acting in good faith and in a commercially reasonable manner)

makes a determination that, by reason of a Scheduled Payment Currency Disruption Event (the occurrence of which shall be determined by the Calculation Agent acting in good faith and in a commercially reasonable manner), it would, in the opinion of the Calculation Agent, 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 General Condition 6(k) (*Alternative Currency Equivalent Provisions*) and the relevant Pricing Supplement, (iii) postpone the payment and make such payment in the relevant Alternative Currency or (iv) cancel or redeem the Notes.

### **Risks relating to particular types of Notes which may be issued under the Programme**

#### **Risks relating to Interest Rate Linked Notes**

##### ***General***

Interest Rate Linked Notes may be redeemable by the Issuer by payment of either the par value amount or an amount determined by reference to the value of the underlying interest rate(s). Interest payable on Interest Rate Linked Notes may be calculated by reference to the value of one or more underlying interest rate(s). Accordingly, investors in Interest Rate Linked Notes will be exposed to risks associated with one or more interest rates and investors should take independent professional advice accordingly.

##### ***Volatility of Interest Rates***

Notes linked to an interest rate or a number of different interest rates can be volatile investments and investors should be aware of the possibility of significant changes in interest rates over the tenor of the Notes, which may not operate in their favour. In particular, if they are structured to include multipliers or other leverage factors/gearing, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

##### ***Fixed/Floating Rate Notes***

Fixed/floating rate Notes 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 Notes 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 Notes may be less favourable than the prevailing spreads on comparable floating rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the prevailing rates on its Notes.

##### ***Inverse Floating Rate Notes***

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

### ***Range Accrual Notes***

The interest in respect of Range Accrual Notes is calculated by reference to the number of days in an interest accrual period that a specified reference rate or rates and/or the spread between two constant maturity swap rates are either "greater than or equal to" or "greater than" and "less than or equal to" or "less than" certain predetermined levels on certain dates within an interest accrual period. In the event that such conditionality is not satisfied in respect of one or more dates falling within an interest accrual period (or, where Protection Barrier is specified as applicable in the relevant Pricing Supplement and the Protection Barrier Condition is not satisfied), no interest may be payable in respect of such interest accrual period or interest will only be paid in respect of those days in the interest accrual period when such conditionality is satisfied.

### ***Interest rate risks***

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

### ***The market continues to develop in relation to SONIA as a reference rate for Notes***

The market continues to develop in relation to the Sterling Overnight Index Average ("**SONIA**") as a reference rate in the capital markets and its adoption as an alternative to Sterling LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term).

The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Conditions and used in relation to Notes that reference a SONIA rate issued under this Programme. The Issuer may in the future also issue Notes referencing SONIA that differ materially in terms of interest determination when compared with any previous SONIA referenced Notes issued by it under this Programme. The development of Compounded Daily SONIA as interest reference rate for the Eurobond markets, as well as continued development of the SONIA-based rate for such markets and the market infrastructure for adopting such rate, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SONIA-referenced Notes issued under the Programme from time to time.

Furthermore, interest on Notes which reference a SONIA rate are only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for holders of Notes that reference a SONIA rate to reliably estimate the amount of interest that will be payable on such Notes and some investors may be unable or unwilling to trade such Notes without changes to their information technology ("**IT**") systems, both of which could adversely impact the liquidity of such Notes. Further, if the Notes become due and payable or are otherwise redeemed early in accordance with the Conditions, the Rate of Interest payable shall be determined on the date the Notes became due and payable or are scheduled for redemption (as the case may be) and shall not be reset thereafter. Holders of Notes should consider these matters when making their investment decision with respect to any such Notes.

Investors should be aware that the manner of adoption or application of SONIA as a reference rate in the Eurobond markets may differ materially compared with the application and adoption of SONIA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SONIA as a reference rate across these markets may impact any hedging or other arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing SONIA.

Since SONIA is a relatively new market index, Notes linked to SONIA may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities linked to SONIA may evolve over time and trading prices of the Notes may be lower than those of later issued Notes that are linked to SONIA as a result. Further, if SONIA does not prove to be widely used in securities like the Notes, the trading price of such Notes linked to SONIA may be lower than those of Notes linked to indices that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. There can also be no guarantee that SONIA will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Notes referencing SONIA. If the manner in which SONIA is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

In addition, in the event that the SONIA reference rate is not published, the Conditions of the Notes provide for certain fallback arrangements which apply specifically to those Notes referencing SONIA and which are distinct to those applying to other Notes, including that the SONIA reference rate may be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published excluding the highest and lowest spread to the Bank Rate.

Investors should consider these matters when making their investment decision in relation to Notes which reference SONIA.

***SOFR's composition and characteristics are not the same as LIBOR's***

The Secured Overnight Financing Rate ("**SOFR**") is currently published by the Federal Reserve Bank of New York and is intended to be a broad measure of the cost of borrowing cash overnight collateralised by Treasury securities and a current alternative to U.S. Dollar LIBOR. The composition and characteristics of SOFR are not the same as those of U.S. Dollar LIBOR. There can be no assurance that SOFR will perform in the same way as U.S. Dollar LIBOR would have at any time.

***The market continues to develop in relation to SOFR as a reference rate for Notes***

Publication of SOFR data began on 3 April 2018 and it therefore has a relatively limited history. In addition, the future performance of SOFR cannot be predicted based on its historical performance. The level of SOFR over the term of the Notes may bear little or no relation to the historical level of SOFR. Prior observed patterns, if any, in the behaviour of market variables, such as correlations, may change in the future. While some pre-publication hypothetical performance data has been published by the Federal Reserve, such data inherently involves assumptions, estimates and approximations. Furthermore, since the initial publication of SOFR, daily changes in the rate have, on occasion, been more volatile than daily changes in comparable benchmark or market rates. As a result, the return on and value of Notes that reference SOFR may fluctuate more than floating rate debt securities that are linked to less volatile rates. The future performance of SOFR is impossible to predict and therefore no future performance of SOFR or the Notes may be inferred from any of the hypothetical or actual historical performance data. Hypothetical or actual historical performance data are not indicative of, and have no bearing on, the potential performance of SOFR or the Notes.

The market or a significant part thereof may adopt an application of SOFR that differs significantly from that set out in the Conditions and used in relation to Notes that reference a SOFR rate issued under this Programme. The Issuer may in the future also issue Notes referencing SOFR that differ materially in terms of interest determination when compared with any previous SOFR-referenced Notes issued by it under this Programme. The development of Compounded Daily SOFR (as defined in General Condition 4 (*Interest and other Calculations*)) as an interest reference rate for the Eurobond markets, as well as continued development of SOFR-based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SOFR-referenced Notes issued under the Programme from time to time.

Furthermore, interest on Notes which reference a SOFR rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for holders of Notes that reference a SOFR rate to reliably estimate the amount of interest that will be payable on such Notes and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, if the Notes become due and payable or are otherwise redeemed early in accordance with the Conditions, the Rate of Interest payable shall be determined on the date the Notes became due and payable or are scheduled for redemption (as the case may be) and shall not be reset thereafter. Holders of Notes should consider these matters when making their investment decision with respect to any such Notes.

Investors should be aware that the manner of adoption or application of SOFR as a reference rate in the Eurobond markets may differ materially compared with the application and adoption of SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SOFR as a reference rate across these markets may impact any hedging or other arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing SOFR.

Since SOFR is a relatively new market index, Notes linked to SOFR may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities linked to SOFR, such as the margin over SOFR reflected in the interest rate provisions, may evolve over time and trading prices of the Notes may be lower than those of later issued Notes that are linked to SOFR as a result. Further, if SOFR does not prove to be widely used in securities like the Notes, the trading price of such Notes linked to SOFR may be lower than those of Notes linked to indices that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

Furthermore, SOFR-referenced Notes have certain fallback arrangements in the event that the SOFR reference rate is not available on the SOFR Administrator's Website (as defined in General Condition 4 (*Interest and other Calculations*)) in relation to any U.S. Government Securities Business Day (as defined in Condition 4 (*Interest and other Calculations*)), including, where applicable, as described in General Condition 4(o) (*Effect of Benchmark Transition Event*) and below in the risk factor "*The occurrence of a Benchmark Transition Event and its related Benchmark Replacement Date in respect of Notes where the Reference Rate is U.S. Dollar LIBOR or SOFR may adversely affect the return on and the market value of such Notes*".



***SOFR, SONIA, the SOFR Compounded Index and the SONIA Compounded Index may be modified or discontinued by their administrator, which could adversely affect the value of any SOFR Notes and/or SONIA Notes (as applicable)***

Each of SOFR and the SOFR Compounded Index is published by the Federal Reserve Bank of New York based on data received from other sources, over which we have no control. Further the Federal Reserve Bank of New York, the current administrator of SOFR and the SOFR Compounded Index, notes on its publication page for SOFR and the SOFR Compounded Index that it may alter the methods of calculation, publication schedule, rate revision practices or availability of SOFR and/or the SOFR Compounded Index at any time without notice. The Bank of England (or a successor), as administrator of SONIA, may make methodological or other changes that could change the value of SONIA, including changes to the method by which SONIA is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, or timing related to the publication of SONIA. The administrators have no obligations to consider the interests of the Noteholders when calculating, adjusting, converting, revising or discontinuing SOFR, SOFR Compounded Index, SONIA or SONIA Compounded Index.

There can be no guarantee, particularly given SOFR's and the SOFR Compounded Index's relatively recent publication (3 April 2018 and 2 March 2020, respectively) and SONIA and SONIA Compounded Index's relatively recent publication, that SOFR, the SOFR Compounded Index, SONIA and the SONIA Compounded Index will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of Noteholders. If the manner in which SOFR, the SOFR Compounded Index, SONIA and/or the SONIA Compounded Index are calculated is changed, such change may result in a reduction in the amount of interest payable on the Notes and the trading prices of the Notes. In addition, the Federal Reserve Bank of New York as administrator of SOFR and SOFR Compounded Index and the Bank of England, as administrator of SONIA and SONIA Compounded Index may withdraw, modify or amend the published SOFR, SOFR Compounded Index, SONIA and/or SONIA Compounded Index (as applicable) in its sole discretion and without notice.

The Rate of Interest for SOFR Notes and the SONIA Notes (as applicable) for any interest period will not be adjusted for any modifications or amendments to SOFR or the SOFR Compounded Index that the Federal Reserve Bank of New York may publish or to SONIA or the SONIA Compounded Index that the Bank of England may publish after the interest rate for that interest period has been determined.

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

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") and the New Zealand Bank Bill Benchmark Rate ("BKBM")) are the subject of ongoing national, international and other regulatory guidance and proposals for reform. The implementation of such reforms and consequential changes to benchmark indices may cause such indices to perform differently than in the past, which could have a material adverse effect on the yield on or value of any Notes where the interest rate is calculated with reference to such benchmark or may have other consequences that cannot be predicted.

The EU Benchmarks Regulation and the UK Benchmarks Regulation (together, the "Benchmarks Regulations") are a key element of ongoing regulatory reform in the EU and the UK, respectively.

The EU Benchmarks Regulation applies to the contribution of input data to a benchmark, the administration of a benchmark, and the use of a benchmark in the EU. Amongst other things, the EU Benchmark Regulation requires EU benchmark administrators to be authorised or registered as such and to comply with extensive requirements relating to benchmark administration. It also prohibits certain uses by EU supervised entities of (a) benchmarks provided by EU administrators which are not authorised or registered in accordance with the EU Benchmarks Regulation and (b) benchmarks provided by non-EU administrators where (i) the administrator's regulatory regime has not been determined to be "equivalent" to that of the EU, (ii) the administrator has not been recognised in accordance with the EU Benchmarks Regulation, and (iii) the benchmark has not been endorsed in accordance with the EU Benchmarks Regulation.

The UK Benchmarks Regulation contains substantially the same provisions as the EU Benchmarks Regulation, but has a narrower geographical scope. The UK Benchmarks Regulation applies to the contribution of input data to a benchmark, the administration of a benchmark, and the use of a benchmark in the UK. In-scope entities include UK benchmark administrators and UK supervised entities.

ESMA maintains a public register of EU-approved benchmark administrators and non-EU benchmarks pursuant to the EU Benchmarks Regulation (the "**ESMA Register**"). Benchmarks and benchmark administrators which were approved by the FCA prior to 31 December 2020 were removed from the ESMA Register on 1 January 2021.

From 1 January 2021 onwards, the FCA maintains a separate public register of FCA-approved benchmark administrators and non-UK benchmarks pursuant to the UK Benchmarks Regulation (the "**UK Register**"). The UK Register includes benchmark administrators and benchmarks which were approved by the FCA prior to 31 December 2020.

The EU Benchmarks Regulation or the UK Benchmarks Regulation could have a material impact on Notes 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 Notes, the Notes 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 applicable Benchmarks Regulation, 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.

On 5 March 2021, the regulator of LIBOR (the UK FCA) announced that all LIBOR settings will either cease to be provided by any administrator or no longer be representative: (a) immediately after 31 December 2021, in the case of the 1-week and 2-month U.S. dollar settings and all non-U.S. dollar LIBOR settings, and (b) immediately after 30 June 2023, in the case of the remaining U.S. dollar settings. It is impossible to predict whether and to what extent banks will continue to provide LIBOR submissions to the administrator of LIBOR, whether LIBOR rates will cease to be published or supported before these dates or whether any additional reforms to LIBOR may be enacted in the United Kingdom or elsewhere. In addition, the European Money Market Institute announced the discontinuation of Euro Overnight Index Average ("**EONIA**") after 3 January 2022

and that from 2 October 2019 until its total discontinuation it will be replaced by the Euro Short-Term Rate ("**€STR**") plus a spread of 8.5 basis points.

Among other developments, relevant authorities are strongly encouraging the transition away from Interbank Offered Rates ("**IBORs**"), such as LIBOR and EURIBOR, and have identified "risk free rates" to eventually take the place of such IBORs as primary benchmarks. This includes (i) for sterling LIBOR, a reformed SONIA, so that SONIA may be established as the primary sterling interest rate benchmark by the end of 2021, (ii) for EONIA and EURIBOR, €STR as the new euro risk free rate, and (iii) for U.S. Dollar LIBOR, the SOFR, which the Alternative Reference Rates Committee, a committee convened by the Federal Reserve Bank of New York that includes major market participants, proposed eventually be established as the primary U.S. dollar interest rate benchmark. The risk free rates, including SONIA, €STR and SOFR, have a different methodology and other important differences from the IBORs they will eventually replace and have little, if any, historical track record. It is not known whether certain IBORs will continue long term or in their current form.

In Australia, the Treasury Laws Amendment (2017 Measures No. 5) Act 2018 of Australia amended the Corporations Act 2001 of Australia, to, among other things, establish a licensing regime for administrators of significant financial benchmarks (including BBSW) and enable the Australian Securities and Investments Commission ("**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) act efficiently, honestly and fairly in generating and administering that benchmark; and (iii) 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. Although the Compelled Rules and a number of the other Australian reforms have been designed to support the reliability and robustness of BBSW, it is not possible to predict with certainty whether, and to what extent, BBSW will continue to be supported or the extent to which related regulations, rules, practices or methodologies may be amended going forward. This may cause BBSW to perform differently than it has in the past and may have other consequences which cannot be predicted. For example, it is possible that these changes could cause BBSW to cease to exist, to become commercially or practically unworkable, or to become more or less volatile or liquid. Any such changes could have a material adverse effect on the Notes.

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".

Additionally, 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 Notes or result in adverse consequences to holders of securities linked to such benchmark (including but not limited to, Floating Rate Notes, Range Accrual Notes, Inverse Floating Rate Notes and any relevant Reference Item Linked Notes 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 Note, the return on the relevant Note and the trading market for securities based on the same benchmark.

***The occurrence of a Benchmark Disruption Event in respect of Notes may adversely affect the return on and the market value of such Notes***

The Conditions of the Notes may provide for certain specific fallback arrangements in the event that a published Reference Rate, such as LIBOR (not including U.S. Dollar LIBOR and not including SOFR) or BBSW or BKBM has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered or it is determined that a change in generally accepted market practice has occurred (as further described in the definition of "Benchmark Disruption Event" in General Condition 4(n) (*Benchmark Replacement*)), including the possibility that the Reference Rate could be set by reference to a substitute or successor rate that an Independent Adviser (as defined in Condition 4(n) (*Benchmark Replacement*)) or (where the Issuer is unable or not required to appoint an Independent Adviser and if it so elects to make such a determination) the Issuer has determined (acting in good faith and in a commercially reasonable manner) in its sole discretion to be (a) the industry-accepted successor rate to the Reference Rate or (b) if no such industry accepted successor rate exists, the most comparable substitute or successor rate to the relevant Reference Rate and, where the Independent Adviser (or the Issuer, as the case may be) has determined a substitute or successor rate, that the Independent Adviser (or the Issuer as the case may be) may determine (acting in good faith and in a commercially reasonable manner), any relevant methodology for calculating such substitute or successor rate, including any adjustment factor it determines is needed to make such substitute or successor rate comparable to the relevant Reference Rate, in a manner that is consistent with industry-accepted practices for such substitute or successor rate.

For the risks related to the benchmark fallback for U.S. Dollar LIBOR or SOFR Notes where General Condition 4(o) (*Effect of Benchmark Transition Event*) is specified to be applicable in the Pricing Supplement, see "*The occurrence of a Benchmark Transition Event and its related Benchmark Replacement Date in respect of Notes where the Reference Rate is U.S. Dollar LIBOR or SOFR may adversely affect the return on and the market value of such Notes*".

In certain circumstances, the ultimate fallback rate of interest for a particular Interest Period or Interest Accrual Period (as applicable) may result in the rate of interest determined for the previous Interest Period or Interest Accrual Period (as applicable) being used. This may result in the effective application of a fixed rate for a Note linked to such a benchmark (including, but not limited to, Floating Rate Notes, Range Accrual Notes, Inverse Floating Rate Notes and any relevant Reference Item Linked Notes) based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of a substitute or successor rate, the relevant fallback provisions may not operate as intended at the relevant time. No consent of the Noteholders shall be required in connection with effecting any relevant substitute or successor rate or any other related adjustments.

The use of a substitute or successor rate may result in interest payments that are substantially lower than or that do not otherwise correlate over time with the payments that could have been made on the relevant Notes if the relevant Reference Rate remained available in its current form. Any of the above changes or any other consequential changes to LIBOR, EURIBOR or any other benchmark as a result of international, national or other proposals for reform or other initiatives or investigations could result in adjustment to the Conditions of the relevant Note or other consequences, depending on the specific provisions of the relevant Note and could have a material adverse effect on the yield on and value of and return on any such Notes linked to a benchmark.

***The occurrence of a Benchmark Transition Event and its related Benchmark Replacement Date in respect of Notes where the Reference Rate is U.S. Dollar LIBOR or SOFR may adversely affect the return on and the market value of such Notes***

The Conditions of the Notes may provide for certain specific fallback arrangements in respect of Notes where the Reference Rate specified in the applicable Pricing Supplement is U.S. Dollar LIBOR, SOFR (Index Determination) or SOFR (Non-Index Determination). For example, if the Issuer or its designee determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark (each as defined in the Conditions), then a Benchmark Replacement will replace the then-current Benchmark and the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes in accordance with the provisions of General Condition 4(o) (*Effect of Benchmark Transition Event*). There are no limits or parameters dictating whom the Issuer may appoint as its designee to assist in this determination, and the designee may be an affiliate of the Issuer, an agent of the Issuer or any other party or person. There is no assurance that the designee selected by the Issuer to assist in this determination has the competency to make such a determination or that the designee's determination will be consistent with similar determinations made on similar securities. The selection of a Benchmark Replacement, and any decisions, determinations or elections made by the Issuer or its designee in connection with implementing a Benchmark Replacement with respect to such Notes in accordance with the Conditions, could result in adverse consequences to the relevant Rate of Interest in respect of such Notes.

Where applicable, the Benchmark Replacements specified in the Conditions include Term SOFR, a forward-looking term rate which will be based on SOFR. Term SOFR is currently being developed under the sponsorship of the Federal Reserve of the Bank of New York, and there is no assurance that the development of Term SOFR will be completed by the time that a Benchmark Transition Event and its related Benchmark Replacement Date occur, or at all.

Pursuant to the Conditions, where applicable, if a particular Benchmark Replacement or Benchmark Replacement Adjustment cannot be determined, then the next-available Benchmark Replacement or Benchmark Replacement Adjustment will apply. These replacement rates and adjustments may be selected or formulated by (i) the Relevant Governmental Body (such as the Alternative Reference Rates Committee (the "**ARRC**")), (ii) ISDA or (iii) in certain circumstances, the Issuer or its designee. In addition, the provisions of the Conditions expressly authorise the Issuer or its designee to make Benchmark Replacement Conforming Changes with respect to, among other things, the determination of Interest Periods and the timing and frequency of determining rates and making payments of interest.

No consent of the Noteholders shall be required in connection with determining or effecting any Benchmark Replacement, Benchmark Replacement Adjustment or Benchmark Replacement Conforming Changes. The application of a Benchmark Replacement, Benchmark Replacement

Adjustment and Benchmark Replacement Conforming Changes, any decisions, determinations or elections made by the Issuer or its designee in connection with Benchmark Replacement, Benchmark Replacement Adjustment and Benchmark Replacement Conforming Changes, as well as the implementation of Benchmark Replacement Conforming Changes, could result in adverse consequences to the amount of interest on the Notes, which could adversely affect the return on, value of and market for the Notes. Further, there is no assurance that the characteristics of any Benchmark Replacement will be similar to the then-current U.S. Dollar LIBOR, SOFR (Index Determination) or SOFR (Non-Index Determination) rate that it is replacing, or that any Benchmark Replacement will produce the economic equivalent of the then-current U.S. Dollar LIBOR, SOFR (Index Determination) or SOFR (Non-Index Determination) rate that it is replacing. Further, due to uncertainty concerning the availability of certain fallback Benchmark Replacements, such as Term SOFR and Compounded SOFR, the relevant fallback provision may not operate as intended.

***The interest rate on a series of U.S. Dollar LIBOR Notes may be determined by reference to a Benchmark Replacement even if U.S. Dollar LIBOR continues to be published***

With respect to any series of U.S. Dollar LIBOR Notes to which General Condition 4(o) (*Effect of Benchmark Transition Event*) is specified to be applicable in the Pricing Supplement, if a Benchmark Transition Event and related Benchmark Replacement Date occur with respect to U.S. Dollar LIBOR for the applicable tenor, the interest rate on such series of U.S. Dollar LIBOR Notes will thereafter be determined by reference to the applicable Benchmark Replacement. A Benchmark Transition Event includes, among other things, a public statement or publication of information by the regulatory supervisor for the administrator of U.S. Dollar LIBOR announcing that U.S. Dollar LIBOR of the applicable tenor is no longer representative. The interest rate on the relevant series of U.S. Dollar LIBOR Notes may, therefore, cease to be determined by reference to U.S. Dollar LIBOR for the applicable tenor, and instead be determined by reference to a Benchmark Replacement, even if U.S. Dollar LIBOR for such tenor continues to be published. Such replacement rate may be lower than U.S. Dollar LIBOR for the applicable tenor for so long as U.S. Dollar LIBOR for such tenor continues to be published, and the value of and return on the relevant series of U.S. Dollar LIBOR Notes may be adversely affected.

***Risks related to the potential reform and/or discontinuance of Swap Rates***

Swap Rates (as defined below) are subject to ongoing reform. These reforms may cause one or more Swap Rate(s) to be discontinued, to be modified, or to be subject to other changes. Any such consequence could have a material adverse effect on the value of and return on any Notes the payout of which is dependent on the performance of such Swap Rate (including, but not limited to, CMS Rate Notes, Range Accrual Notes and any relevant Reference Item Linked Notes).

***Swap Rates may be materially amended or discontinued***

EURIBOR, GBP LIBOR, USD LIBOR and other "IBORs" are used as the floating leg in the calculation of the EUR ICE Swap Rate, the GBP ICE Swap Rate, USD ICE Swap Rate and other swap rates (collectively, the "**Swap Rates**", and each a "**Swap Rate**"), respectively.

Consequently, if the calculation methodologies of EURIBOR, GBP LIBOR, USD LIBOR and/or other relevant "IBOR" are reformed, this could have a material effect on the calculation of the relevant Swap Rate(s). Furthermore, if EURIBOR, GBP LIBOR, USD LIBOR and/or other relevant "IBOR" are discontinued (the possibility of which is as described above), it may not be possible to calculate the relevant Swap Rate(s) and applicable fallback provisions would apply.

### *There are ongoing reforms to the ICE Swap Rates*

In December 2019, ICE Benchmark Administration ("**IBA**"), as administrator of the Swap Rates, launched a consultation on possible reform of the Swap Rates. Initial feedback gained in response to a feedback request paper published by IBA in August 2019 suggested that the majority of respondents were in favour of amending the methodology applied by IBA in calculating the Swap Rates. In January 2020, IBA launched a further consultation on the potential introduction of a new suite of ICE Swap Rate tenors, with SONIA as the floating leg. This is based on the expectation that movement away from GBP LIBOR to SONIA will lead to a diminishing volume in the existing GBP ICE Swap Rate as demand for SONIA-based swaps increases. IBA commenced publication of the GBP SONIA ICE Swap Rate, in the same tenors as the extant GBP LIBOR ICE Swap Rate, on 14 December 2020, having published "beta" settings since 2 October 2020. It is expected that IBA will also produce a USD SOFR ICE Swap Rate in due course, although the timing is uncertain. In line with recommendations set out in a paper entitled "Transition in Sterling Non-Linear Derivatives referencing GBP LIBOR ICE Swap Rate (ISR)", published in February 2021 by The Working Group on Sterling Risk-Free Reference Rates, ISDA is in the process of preparing standard fallback provisions for use in derivative and other contracts, pursuant to which (i) the GBP LIBOR ICE Swap Rate will fall back to a fallback rate based on the GBP SONIA ICE Swap Rate upon the cessation or loss of representativeness of GBP LIBOR (and, subsequently, cessation of the GBP LIBOR ICE Swap Rate), and (ii) the USD LIBOR ICE Swap Rate will fall back to a fallback rate based on the USD SOFR ICE Swap Rate (when available) upon the cessation or loss of representativeness of USD LIBOR (and, subsequently, cessation of the USD LIBOR ICE Swap Rate). The outcome of the reforms is still uncertain and it is possible that they could have a negative impact on the value of and return on any Notes linked to Swap Rates (including, but not limited to CMS Rate Notes, Range Accrual Notes and any relevant Reference Item Linked Notes).

### ***Notes issued at a substantial discount or premium***

The market values of securities issued at a substantial discount or premium from their principal amount (Zero Coupon Notes, as an example) tend to fluctuate more in relation to 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. Accordingly, investors in any Notes issued at a discount or premium are exposed to interest rate volatility and may suffer a greater loss on their investment compared to an investor in other interest-bearing debt securities.

### ***Yield***

Potential investors should note that any indication of yield (i.e. income return on the Notes) stated in the Pricing Supplement of the Notes applies only to investments made at the issue price and issue date of the relevant Fixed Rate Notes, and not to investments made above or below the issue price of those Notes or on any other date. This is because the stated yield is calculated as a "current yield", which is determined as at the issue price and issue date of the Notes. If an investor purchases Notes at a price above or below the issue price of those Notes or on a different date, the yield on that investment will be different from any indication of the yield set out in the relevant Pricing Supplement. No indication of yield will be included in the relevant Pricing Supplement in respect of any Floating Rate Notes or Reference Item Linked Notes.

### **Risks relating to FX Linked Notes**

#### ***General***

FX Linked Notes are Reference Item Linked Notes which are payable in one or more currencies which may be different from the currency in which the Notes are denominated or in respect of which one or more of the Reference Items is a currency exchange rate.

FX Linked Notes may be redeemable by the Issuer by payment of the par value amount and/or by physical delivery of a given amount of the Reference Item(s) and/or payment of an amount determined by reference to the value of, or rate of exchange between one or more currencies. Accordingly, an investment in FX Linked Notes may bear similar market risks to a direct currency investment and investors should take independent professional advice accordingly. Interest payable on FX Linked Notes may be calculated by reference to the value of one or more currencies.

### ***Risk associated with Foreign Exchange Rates***

Foreign exchange rate(s) to which FX Linked Notes are linked will affect the nature and value of the investment return on the FX Linked Notes. Currency exchange rates can be volatile and unpredictable. Movements in foreign exchange rates may be subject to significant fluctuations that may or may not correlate with changes in interest rates or other benchmarks and the timing of changes in the exchange rates may affect the actual yield to investors, even if the average level is consistent with their expectations. Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro-economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions which could result in the receipt of reduced payment and/or otherwise make it impossible or impracticable for the Issuer to meet its repayment obligations in the currency in which the Notes are denominated). In recent years, rates of exchange between some currencies have been volatile. This volatility may be expected in the future.

### ***Currencies of emerging markets jurisdictions pose particular risks***

FX Linked Notes linked to emerging market currencies may experience greater volatility and less certainty as to their future levels or as against other currencies. Emerging market currencies are more likely to be the subject of events that disrupt a particular market for a currency.

### ***FX Market Disruption Events***

Prospective investors should note that upon the occurrence and/or continuation of any FX Market Disruption Event (as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner), the Issuer may, in its sole and absolute discretion, either:

- (a) direct the Calculation Agent (i) to make consequential adjustments to any of the terms of the FX Linked Notes (including any payment obligations) as it determines appropriate in order to reflect the economic effect of the relevant FX Market Disruption Event and/or (ii) to substitute any FX Rate affected by such FX Market Disruption Event with a substitute FX Rate selected by the Calculation Agent and, if necessary, to make consequential adjustments to the terms of the FX Linked Notes; or
- (b) redeem all (but not some only) of the FX Linked Notes at the relevant Early Redemption Amount. An FX Market Disruption Event will include (i) any Price Source Disruption and/or (ii) any Trading Suspension or Limitation, (iii) if Currency Disruption Event is specified as applicable in the applicable Pricing Supplement, any Currency Disruption Event (being any Benchmark Obligation Default, Currency Replacement, Dual Exchange Rate, General



Illiquidity, General Inconvertibility, General Non-Transferability, Governmental Authority Event, Material Change in Circumstances, Nationalisation, Price Materiality, Specific Inconvertibility and Specific Non-Transferability) and/or (iv) any other event specified as such in the applicable Pricing Supplement), all as further described in Additional Condition 2 (*Definitions applicable to FX Linked Notes*) of Annex 2 (*Additional Terms and Conditions for FX Linked Notes*).

Where, following the occurrence of an FX Market Disruption Event, any such adjustment, substitution or early redemption occurs, this may have an adverse effect on the value and liquidity of the affected FX Linked Notes and the amount (if any) received by an investor following any such redemption of the FX Linked Notes (whether in whole or in part) may be substantially less than the amount that an investor has invested in the FX Linked Notes or may have expected to receive had such an event not occurred.

**Risks relating to Notes denominated in Renminbi ("CNY Notes")**

***Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the People's Republic of China (the "PRC"), which may adversely affect the liquidity of CNY Notes***

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.

However, there has been significant reduction in control by the PRC Government in recent years, particularly 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.

Subject to the prior receipt of all necessary governmental approvals, the Issuer may remit the net proceeds from the offering of CNY Notes into the PRC. There is no assurance that such approvals will be granted and, if granted, will not be revoked or amended in the future.

Remittance of Renminbi into and out of the PRC for the settlement of capital account items such as capital contributions, debt financing and securities investment is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are being adjusted from time to time to match the policies of the PRC Government.

In the event that the Issuer decides to remit some or all of the proceeds into the PRC in Renminbi, its ability to do so will be subject to obtaining all necessary approvals from and registration with the relevant PRC government authorities. However, there is no assurance that the necessary approvals from and registration with the relevant PRC government authorities will be obtained at all or, if obtained, they will not be revoked or amended in the future.

Although the People's Bank of China ("**PBoC**") has implemented policies improving accessibility to Renminbi to settle cross-border transactions in the past, there is no assurance that the PRC Government will liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation 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 out of the PRC. Despite the Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the

cross-border remittance of Renminbi. 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 CNY Notes.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the CNY Notes and the Issuer's ability to source Renminbi outside the PRC to service the CNY Notes.

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.

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 new PRC regulations will not be promulgated or current regulations (including but not limited to the settlement arrangements between the PBoC and certain financial institutions in respect of limited clearing or Renminbi outside the PRC) will not be terminated or amended in the future, each of which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the CNY Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service CNY Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

***Investment in CNY Notes is subject to exchange rate risks***

The Issuer will make all payments of interest and principal with respect to CNY Notes in Renminbi unless otherwise specified. The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. The PBoC has in recent years 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. 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 CNY Notes in that foreign currency will decline.

***Investment in CNY Notes is subject to currency risk***

If the Issuer is not able, or it is impracticable for it, to satisfy its obligation to pay interest and principal on CNY Notes as a result of Inconvertibility, Non transferability or Illiquidity (each, as defined in the Conditions), or any Renminbi clearing and settlement system for participating banks in Hong Kong is disrupted or suspended, the Issuer shall be entitled, on giving not less than five or more than 30 calendar days' irrevocable notice to the investors prior to the due date for payment, to settle any such payment in U.S. dollars on the due date at the U.S. Dollar Equivalent (as defined in the Conditions) of any such interest or principal, as the case may be.

***Payments with respect to CNY Notes may be made only in the manner designated in CNY Notes***

All payments to investors in respect of CNY Notes will be made solely (i) for so long as CNY Notes are represented by a Temporary Global Note or a Permanent Global Note held with the common depositary for Clearstream and Euroclear or any alternative clearing system by transfer to a Renminbi bank account maintained in Hong Kong or (ii) for so long as any CNY Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong 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).

***Gains on the transfer of the Notes may become subject to income taxes under PRC tax laws***

Under the PRC Enterprise Income Tax Law and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of CNY Notes by non-PRC resident enterprise holders may be subject to PRC enterprise income tax ("**EIT**") if such gain is regarded as income derived from sources within the PRC. The PRC Enterprise Income Tax Law levies EIT at the rate of 20% of the PRC sourced gains derived by such non-PRC resident enterprise holder from the transfer of CNY Notes but its implementation rules have reduced the EIT rate to 10%

However, uncertainty remains as to whether the gain realised from the transfer of CNY Notes by non-PRC resident enterprise holders would be treated as income derived from sources within the PRC and thus become subject to EIT. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law and the relevant implementing rules. According to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, holders who are residents of Hong Kong, including enterprise holders and individual holders, will not be subject to EIT on capital gains derived from a sale or exchange of CNY Notes.

Therefore, if non-PRC resident enterprise holders are required to pay PRC income tax on gains derived from the transfer of CNY Notes, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC resident enterprise holders of CNY Notes reside that reduces or exempts the relevant EIT, the value of their investment in CNY Notes may be materially and adversely affected.

***Partly paid Notes***

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

***Dual Currency Notes***

The Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (a) the market price of such Notes may be volatile;
- (b) they may receive no interest;
- (c) payment of principal or interest may occur at a different time or in a different currency than expected; and
- (d) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero.

***Risks relating to Notes that are linked to Reference Items***

***Risks that may apply to Reference Item Linked Notes***

The Issuer may issue Notes with principal, premium or interest determined by reference to one or more Reference Items or where the principal or interest is payable in one or more currencies which may be different from the currency in which the Notes are denominated. An investment in such Notes entails significant risks that are not associated with similar investments in a conventional fixed rate or floating rate debt security and in some circumstances the value of the Notes may be less than the nominal amount of the Notes and may be zero, in which case an

investor may lose some or all of the amount it invested in the Notes. Potential investors should be aware that:

- (a) the market price of such Notes may be volatile and the market price of the Notes at any time is likely to be affected primarily by changes in the price or level of the Reference Item to which the Notes are linked. It is impossible to predict how the price or level of the Reference Item will vary over time;
- (b) investors may receive no interest or they may receive interest at a rate that is less than that payable on a conventional fixed rate or floating rate debt security issued at the same time;
- (c) payment of principal or interest may occur at a different time or in a different currency than expected;
- (d) they may lose all or a substantial portion of their principal or investment;
- (e) if the principal of and/or premium on such a Note is so indexed, the amount of principal and/or premium payable in respect thereof may be less than the original purchase price of such Note and less than the nominal or face amount of such Note, and the amount of principal and/or premium payable may even be zero;
- (f) investors should be willing to hold these Notes until the maturity date as the secondary market for such Notes may be limited or non-existent and if there is a limited secondary market, then the lack of demand may reduce the market price at which Notes may be sold prior to maturity;
- (g) the market price will be affected by a number of factors independent of the creditworthiness of the Issuer and will depend on the price or level of the applicable Reference Item(s) as well as the volatility of the applicable Reference Item(s), the time remaining to the maturity of such Notes, the amount outstanding of such Notes, market interest rates, yield rates and the market for other types of related and unrelated financial instruments;
- (h) movements in the price or level of a Reference Item may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other securities, funds or indices and may depend on a number of interrelated factors over which the Issuer has no control, including economic, financial and political events in one or more jurisdictions, including factors affecting capital markets generally and the stock exchange on which any Reference Item or obligation of the issuer of the Reference Item may be traded. Additionally, if the formula used to determine the amount of principal, premium and/or interest payable with respect to such Notes contains a multiplier or leverage factor, the effect of any change in the price or level of Reference Item(s) will be increased (or decreased if the multiplier or relevant factor is less than one) and this increase (or decrease) may be significant;
- (i) the timing of changes in the price or level of a Reference Item(s) may affect the actual yield to investors, even if the average price or level is consistent with their expectations. In general, the earlier the change in the price or level of the Reference Item(s), the greater the effect on yield;
- (j) any Note that is linked to more than one type of Reference Item, or on a formula that encompasses the risks associated with more than one type of Reference Item, may carry levels of risk that are greater than those for Notes that are linked to one type of Reference Item only;
- (k) a significant market disruption could mean that any Reference Item ceases to exist; and
- (l) the price at which an investor will be able to sell Notes prior to the Maturity Date may be at a substantial discount to the market value of the Notes at the time they are issued depending on the performance of the Reference Item(s).

The historical experience of the relevant currencies, commodities, interest rates, equities, indices, funds or other financial variables should not be taken as an indication of future performance of such currencies, commodities, interest rates, equities, indices, funds or other

financial variables during the term of any Note. Prospective investors should consult their own financial and legal advisers as to the risks entailed by an investment in such Notes and the suitability of such Notes in light of their particular circumstances.

Prospective investors in Reference Item Linked Notes should understand the risks of transactions involving such Reference Item Linked Notes and should reach an investment decision only after careful consideration, with their advisers, of the suitability of Reference Item Linked Notes in light of their particular financial circumstances, the information set forth herein and the information regarding the relevant Reference Item Linked Notes and the particular Reference Item(s) to which the value of, or payments in respect of, the relevant Reference Item Linked Notes may relate, as specified in the applicable Pricing Supplement.

As the amount of interest payable periodically and/or principal payable at maturity may be linked to the performance of the Reference Item(s), an investor in such a Reference Item Linked Note must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the Reference Item(s).

Where the applicable Pricing Supplement specifies one or more Reference Items, the relevant Reference Item Linked Notes will represent an investment linked to the economic performance of such Reference Item(s) and prospective investors should note that the return (if any) on their investment in such Reference Item Linked Notes will depend upon the performance of such Reference Item(s). Potential investors should also note that while the market value of Reference Item Linked Notes is linked to such Reference Item(s) and will be influenced (positively or negatively) by such Reference Item(s), any change may not be comparable and may be disproportionate. It is impossible to predict how the level of the relevant Reference Item(s) will vary over time. In contrast to a direct investment in the relevant Reference Item(s), Reference Item Linked Notes represent the right to receive payment or delivery, as the case may be, of the relevant cash amount and/or asset amount on the relevant Maturity Date as well as periodic payments of interest (if specified in the applicable Pricing Supplement), all or some of which may be determined by reference to the performance of the relevant Reference Item(s). The applicable Pricing Supplement will set out the provisions for the determination of any cash amount and/or asset amount and of any periodic interest payments.

Reference Item Linked Notes may be non-principal protected. Investors in Reference Item Linked Notes that are non-principal protected may risk losing their entire investment if the value of the relevant Reference Item(s) does not move in the anticipated direction. Whether or not a Note is principal protected, all payments on such Note are subject to the Issuer's credit risk and its ability to pay its obligations on the applicable payment dates.

**PROSPECTIVE INVESTORS MUST REVIEW THE APPLICABLE PRICING SUPPLEMENT TO ASCERTAIN WHAT THE RELEVANT REFERENCE ITEM(S) ARE AND TO SEE HOW BOTH ANY CASH AMOUNTS AND/OR ASSET AMOUNTS ARE PAYABLE OR DELIVERABLE AND HOW ANY PERIODIC INTEREST PAYMENTS ARE DETERMINED AND WHEN ANY SUCH AMOUNTS ARE PAYABLE AND/OR DELIVERABLE, AS THE CASE MAY BE, BEFORE MAKING ANY DECISION TO PURCHASE ANY REFERENCE ITEM LINKED NOTES.**

Fluctuations in the value and/or volatility of the relevant Reference Item(s) may affect the value of the relevant Reference Item Linked Notes. Investors in Reference Item Linked Notes may risk

losing their entire investment if the value of the relevant Reference Item(s) does not move in the anticipated direction.

There is no return on Reference Item Linked Notes other than the potential payment or delivery, as the case may be, of the relevant cash amount and/or asset amount on the Maturity Date and payment of any periodic interest payments.

Other factors which may influence the market value of Reference Item Linked Notes include changes to the composition of the relevant Reference Item(s) and market expectations regarding the future performance of the relevant Reference Item(s). Further specific risks relating to particular Reference Items are set out in more detail below.

***Risk of hedging against the market risk associated with investing in a Reference Item***

Potential investors intending to purchase Notes to hedge against the market risk associated with investing in a Reference Item should recognise the complexities of utilising Notes in this manner. For example, the value of the Notes may not exactly match the value of the Reference Item. Due to fluctuating supply and demand for the Notes, there is no assurance that their value will match movements in the value of the Reference Item. For these reasons, amongst others, it may not be possible to purchase or liquidate Notes in a portfolio at the prices used to calculate the value of any Reference Item.

***Regulatory consequences for a Holder of Reference Item Linked Notes***

There may be regulatory and other consequences associated with ownership by certain investors of certain Reference Item Linked Notes. Each purchaser of Notes must conduct its own investigation into its regulatory position with respect to the potential purchase of the Notes and the Issuer does not assume any liability or obligation whatsoever to such purchaser in such regard.

***The Issuer, the Dealer(s) (if any) and the Calculation Agent have no duty to disclose information with respect to any Reference Item, including non-public information***

The Issuer, the Dealer(s) (if any), the Calculation Agent, any of their respective Affiliates or any of their respective directors may have acquired, or during the term of the Notes may acquire, non-public information with respect to the Reference Item that they may not disclose. In particular, but without limitation, the Issuer may be privy to non-public information in relation to the Reference Item(s) underlying Reference Item Linked Notes.

None of the Issuer, the Dealer(s), the Calculation Agent, any of their respective Affiliates or any of their respective directors, employees or agents is under any obligation (i) to assess on the Noteholders' behalf, the likely performance of the Reference Item(s) or conduct any investigation or due diligence in respect of the Reference Item(s) or (ii) other than as may be required by applicable rules and regulations relating to the Notes, to disclose any public or non-public information they may possess in respect of the Reference Item(s).

Prospective investors must therefore make an investment decision based upon their own due diligence and purchase the Reference Item Linked Notes in the knowledge that public and non-public information which the Issuer, the Dealer(s) (if any), the Calculation Agent, any of their respective Affiliates or any of their respective directors may have will not be disclosed to investors.

**Potential conflicts of interest**

***Calculations, determinations and adjustments under the Notes***

Neither the Issuer, the Arranger, the Dealer(s) (if any) nor the Calculation Agent are acting in a fiduciary capacity vis-à-vis the Noteholders nor are they providing any advice to the Noteholders

under this Offering Circular. As such, the general law duties that fiduciaries have to their clients do not govern the relationships between the Issuer, the Arranger, the Dealer(s) (if any) and the Calculation Agent on the one hand and the Noteholders on the other hand.

Where the Arranger, any Dealer or the Issuer itself acts as Calculation Agent, potential conflicts of interest may exist between the Calculation Agent and Noteholders, including with respect to certain determinations, judgements or adjustments that the Calculation Agent may make pursuant to the Conditions of the Notes that may influence the amount receivable under the Notes. Such determinations, judgements or adjustments shall, in the absence of manifest error, be conclusive and binding on Noteholders.

***Hedging and dealing activities in relation to the Notes and Reference Item(s)***

In the ordinary course of its business, including without limitation, in connection with its market-making activities, the Issuer or any of its Affiliates may effect transactions for its own account or for the account of its customers and hold long or short positions in the Reference Item(s) or related derivatives. In addition, in connection with the offering of the Notes, the Issuer or any of its Affiliates may enter into one or more hedging transactions with respect to the Reference Item(s) or related derivatives. The Issuer also may enter into arrangements with Affiliates or agents to hedge market risks associated with its obligations under the Notes. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by the Issuer or any of its Affiliates, the Issuer or any of its Affiliates may enter into transactions in the Reference Item(s) or related derivatives which may affect the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the holders of the relevant Notes. Upon the redemption of Notes (other than on the Maturity Date), the Issuer or its Affiliates may be required to unwind, terminate, liquidate, adjust, obtain, replace or re-establish such hedging or market-making activities, resulting in a gain to, or losses and costs incurred by, the Issuer or any of its Affiliates. A Noteholder may receive an amount from the Issuer in respect of such gain, or, as the case may be, be required to make a payment to the Issuer in respect of such losses or costs. In this event, on redemption of the Notes, any amount that would otherwise be received by the Noteholder in the case of cash settlement of the Notes will be adjusted accordingly.

Where the Notes are offered through a distributor(s), such distributor(s) may act pursuant to a mandate granted by the Issuer or Dealer(s) and may receive fees on the basis of the services performed and the outcome of the placement of the Notes. In this case, potential conflicts of interest could arise.

**Risks related to the development of a market for Notes which may be issued under the Programme**

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

Each Tranche of Notes 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 Notes, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes 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 Notes will develop or be sustained. In addition to the creditworthiness,

many factors affect the trading market for, and trading value of, the Notes. These factors may include, among other things:

- the method of calculating the principal, premium and interest in respect of the Notes;
- the time remaining to the stated maturity of the Notes;
- the outstanding amount of the Notes;
- any redemption features of the Notes;
- 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 no, or only a limited number of, buyers when an investor decides to sell the Notes. The Issuer and/or its Affiliates have no obligation to make a market with respect to the Notes and make no commitment to make a market in or repurchase the Notes. These factors may affect the price an investor receives for such Notes or the ability to sell such Notes at all. In addition, Notes 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. Potential investors must therefore be able to bear the risks of any investment they make in the Notes for an indefinite period of time.

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

Any Notes that are listed on any listing authority, stock exchange or quotation system may be de-listed. If any Notes 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 Notes as a result of listing on the any listing authority, stock exchange or quotation system, de-listing the Notes may have a material adverse effect on a Noteholder's ability to resell the Notes in the secondary market.

***Over-issuance***

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

**Legal and other risks**

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

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary for Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, S.A. ("Clearstream ") and/or a clearing system other than Euroclear or Clearstream (an "Alternative Clearing System"). Apart from the circumstances described in the relevant Global Note, investors will not be entitled to Notes in definitive form. Euroclear, Clearstream and/or any relevant Alternative Clearing System will maintain records of the beneficial interests in the Global Notes. While the Notes are represented



by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear, Clearstream and/or any relevant Alternative Clearing System.

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

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

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

A withholding tax of 30% may be imposed on payments made with respect to the Notes, but such withholding will not apply to payments made with respect to the Notes before the date that is two years after the date on which final regulations defining the term "foreign passthru payment" are enacted, and would only apply with respect to the Notes 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 Noteholder that holds Notes 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 Noteholder itself might not otherwise have been subject to withholding. If a payment on the Notes is subject to this withholding tax, no additional amounts will be paid and a Noteholder 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.

***Notes subject to prior claims***

Claims against ANZBGL under Australian law are subject to mandatory priority provisions, including those applying to ADIs (of which ANZBGL is one). These priority provisions include section 13A of the Banking Act 1959 of Australia (the "**Banking Act**"), which provides that, in the event that ANZBGL becomes unable to meet its obligations or suspends payment, its assets in Australia are to be available to meet specified liabilities in Australia (including "protected accounts" which include most deposit liabilities) in priority to all other liabilities of ANZBGL (including the Notes). These liabilities will be substantial and are not limited by the Conditions. Further, certain assets, such as the assets of ANZBGL in a cover pool for covered bonds issued by ANZBGL, 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.

***Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued***

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case, a Noteholder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a Noteholder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

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

***Change of law***

The Conditions of the Notes are governed by the laws of England which shall be in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to the laws of England or administrative practice after the date of this Offering Circular.

## RISKS RELATING TO THE ISSUER'S BUSINESSES

### **Introduction**

The Group's activities are subject to risks, including risks arising from the coronavirus pandemic (COVID-19), that can adversely impact its business, operations, results of operations, reputation, prospects, liquidity, capital resources, financial performance and financial condition (together, the "**Group's Position**").

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 Position may 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 Notes. References in this section to the "Group" are to ANZBGL and its subsidiaries.

### **Risks related to the Issuer's business activities and industry**

#### ***The COVID-19 pandemic has materially and adversely affected, and future outbreaks of other communicable diseases or pandemics may materially and adversely affect, the Group's Position***

The outbreak of the novel strain of coronavirus in late 2019, specifically identified as SARS-CoV-2, with the disease referred to as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. Governments, including those in Australia and New Zealand, have imposed wide ranging restrictions on, suspensions of, or advice against, regional and international travel, events, and meetings and many other normal activities and undertaken substantial and costly monetary and fiscal interventions designed to stabilise sovereign nations and financial markets. While certain restrictions have been lifted or modified, governments may in the foreseeable future reintroduce prior restrictions or implement and introduce further measures to contain the pandemic. Further, although globally and domestically COVID-19 vaccines have been deployed, there are uncertainties associated with the long-term effectiveness and the success of nation-wide vaccination programmes. Consequently, the full extent of the duration and severity of the impact of the COVID-19 pandemic, as well as the effectiveness of the government and central bank response to the pandemic, remain subject to significant uncertainties.

Major disruptions to community health and economic activity continue to have wide ranging negative effects across most business sectors in Australia, New Zealand and globally, which in turn has impacted demand for the Group's products and services and resulted in a deterioration of the quality of the Group's credit portfolio. Additionally, many of the Group's borrowers have been and continue to be negatively impacted by the COVID-19 pandemic and the Group is exposed to an increased risk of credit loss from borrowers, particularly in the following sectors: transportation (including airlines, shipping, road and rail); ports, tourism and travel (including accommodation, food and beverage); healthcare; agriculture; entertainment; education; retail (including e-commerce due to a reduction in logistics activity); property (particularly shopping malls, office buildings and hotels); construction and contractors. See Notes 1 and 15 of the condensed consolidated financial statements for the half year ended 31 March 2021 as set out in the Group's Half Year 31 March 2021 Consolidated Financial Report, Dividend Announcement and Appendix 4D ("**2021 Interim Financial Statements**").

In response to the COVID-19 pandemic, the Group established a range of accommodations and measures, such as loan payment deferral, designed to assist its personal and business customers, but there can be no assurance that these accommodations and measures will be sufficient to prevent or mitigate further hardship, or ensure the delivery of the Group's products and services, and there is a risk that the Group's Position may be materially and adversely affected. These accommodations and measures, and any future accommodations and measures while supporting the Group's customers, may in turn have a negative impact on the Group's Position, may negatively impact the Group's net interest margin, and may result in the Group assuming a greater level of risk than it would have under ordinary circumstances and the Group's Position may be materially and adversely affected as a result.

Significant requests for assistance from retail and small business customers have been received by the Group's customer service team. These requests may grow if there are further outbreaks and the Group is continuing to address additional resourcing and process changes to enable it to support its customers. It remains uncertain, at this stage, what percentage of its lending portfolio will be impacted. Whilst there have been signs of improvement, in the longer term, asset values may start to deteriorate if a large quantity of retail and business customers liquidate their investments, which may also be exacerbated by the cessation of government assistance, either during, or immediately after, the crisis or due to a decrease in demand for these assets. In both scenarios, loan-to-value ratios are expected to be impacted.

Substantially reduced global economic activity has caused substantial volatility in the financial markets and such volatility may continue. A deterioration of public finances of sovereigns in response to COVID-19 may lead to further increased volatility and widening credit spreads. COVID-19 has also affected, and can be expected to continue to impact, the Group's ability to continue its operations without interruption or delays due to closure of and restricted access to premises, contagion management and travel restrictions. Any related illness or quarantine of the Group's employees or contractors or suspension of the Group's business operations at its branches, stores or offices could affect the Group's Position.

The COVID-19 pandemic has also increased geopolitical risk. Continuing tensions between countries and policy uncertainty could result in further downturns to the domestic and global economies, which in turn could have a material adverse impact on the Group's financial condition or its ability to execute its strategic initiatives.

The ongoing ramifications of COVID-19 remain highly uncertain and, as of the date of this document, it is difficult to predict the further spread or duration of the pandemic, including whether there will be further outbreaks and whether and to what extent vaccines or other medical treatments will be effective in curtailing the effects of COVID-19. All or any of the negative conditions related to the COVID-19 pandemic described above may cause a further reduction in demand for the Group's products and services and/or an increase in loan and other credit defaults, bad debts, and impairments and/or an increase in the cost of the Group's operations. Should these occur, it is likely that they will result in a material adverse effect on the Group's Position.

Actions taken by regulators in response to the COVID-19 pandemic have impacted, and may continue to impact, the Group. As an example, regulators in some overseas jurisdictions have exercised their powers to prevent banks from declaring dividends or undertaking share buy-backs.

To the extent the COVID-19 pandemic continues to adversely affect the Group's Position, it may also have the effect of heightening many of the other risks described in these Principal Risks and Uncertainties.

***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 Position***

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 or its customers or counterparties operate, trade or raise funding, including, without limitation, Australia, New Zealand, the Asia Pacific, the United Kingdom, Europe and the United States (the "Relevant Jurisdictions").

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

The COVID-19 pandemic has had, and is expected to continue to have, a significant impact on the global economy and global markets, as well as on Australia and New Zealand. The imposition of travel restrictions, border controls, social distancing, quarantine protocols and other containment measures contributed, and may continue to contribute, to a continuing slowdown in economic conditions across the world and suppress demand for commodities, interrupt the supply chain for many industries globally, dampen consumer confidence and suppress business earnings and growth prospects, all of which could contribute to ongoing volatility in global financial markets. See risk factor *"The COVID-19 pandemic has materially and adversely affected and future outbreaks of other communicable diseases or pandemics may, materially and adversely affect the Group's Position"*.

A deep global recession has occurred and is continuing. Many countries have experienced large declines in GDP as they restrict activities to manage the spread of the virus, with sharp increases in unemployment rates. These declines in GDP could be exacerbated by further outbreaks of the virus. Governments have responded and continue to respond with fiscal stimulus packages/measures as well as traditional and unconventional monetary easing and regulatory forbearance that is designed to offset at least some of the worst effects of the pandemic. While such stimulus measures did not prevent the decrease in economic activity stemming from the widespread restrictions aimed at stalling the spread of the virus, they are seemingly contributing to economic recovery as restrictions are eased. In some jurisdictions, such as Australia and New Zealand, stimulus measures have been reduced more recently, though generally this is occurring where the post-pandemic recovery is well advanced.

The impact of this shock on credit losses and asset values continues to be very uncertain. Many of the policies that have been put in place are designed to 'hibernate' parts of the economy, at different times, so that activity can resume when the pandemic subsides. Even as some economies recover, however, there is considerable uncertainty about the length of these periods of hibernation, the most appropriate economic structure once the crisis has passed and the overall impact on confidence to invest in the future. While the future impact of the economic disruption caused by COVID-19, and the governmental responses to it, remain uncertain, the Group may be materially adversely affected by a protracted downturn in economic conditions globally and, in particular, in Australia and New Zealand.

Even before COVID-19, the impact of the global financial crisis in 2007 and its aftermath continued to affect regional and global economic activity, confidence and capital markets. Prudential authorities implemented 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 advanced economies, including the major countries and regions in which

the Group or its customers or counterparties operate. 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. The escalation in geopolitical risks has also contributed to vulnerability in consumer and business behaviour. Monetary authorities responded to the global financial crisis by introducing close to zero or below zero interest rates across most countries, and the major central banks took unconventional steps to support growth and raise inflation.

Global political conditions that impact the global economy have led to, and may continue to result in, extended periods of increased political and economic uncertainty and volatility in the global financial markets, which could adversely affect the Group's Position. Recent examples of events that have affected (and may continue to affect) global political conditions include the United Kingdom ceasing to be a member of the EU and the EEA on 31 January 2020 (commonly referred to as "**Brexit**"), and global trade developments relating to, among other things, the imposition or threatened imposition of trade tariffs and levies by major countries, including the United States, China and other countries that are Australia's significant trading partners and allies.

The transitional period relating to the United Kingdom's withdrawal ended on 31 December 2020. Since 1 January 2021, aspects of the relationship between the United Kingdom and the EU have been governed by the EU-UK Trade and Cooperation Agreement (the "**TCA**"), but the TCA is in effect only on a provisional basis and it is not certain that it will permanently regulate the relationship between the United Kingdom and the EU. Further, the scope of the TCA is limited; for example, it does not establish arrangements for the provision of financial services between the EU and the United Kingdom. Consequently, uncertainties remain relating to certain aspects of the United Kingdom's future economic, trading and legal relationships with the EU and with other countries. The actual or potential consequences of Brexit, and the associated uncertainty, could adversely affect economic and market conditions in the United Kingdom, in the EU and its member states and elsewhere, and could contribute to instability in global financial markets. In anticipation of Brexit, the Group made changes to the structure of its business operations in Europe. However, in light of the continuing uncertainties arising from Brexit, including as noted here, there can be no assurance that those changes will be sufficient to address the financial, trade and legal implications of Brexit; and the Group is subject to the risk that additional changes may be required to address further issues that arise as Brexit continues to develop.

Trade, and broader geopolitical, relationships between the United States and some of its trading partners, such as China, remain volatile. The implementation of further protectionist policies by Australia's key trading partners and allies may adversely impact the demand for Australian exports and may lead to declines in global economic growth. In particular, China is one of Australia's major trading partners and a significant driver of commodity demand and prices in many of the markets in which the Group and its customers operate. Any heightening of geopolitical tensions and the occurrence of events that adversely affect China's economic growth and Australia's economic relationship with China, including the implementation of additional tariffs and other protectionist trade policy, could adversely affect Australian economic activity, and, as a result, could adversely affect the Group's Position.

Politics in the U.S. has also become more polarised in recent years, and continues to be a potential source of additional instability. Such global political conditions have contributed to economic uncertainty and volatility in the global financial markets and have negatively impacted and could continue to negatively impact consumer and business activity within the markets in which the Group or its customers or counterparties operate, or result in the introduction of new and/or divergent regulatory frameworks that the Group will need to adhere to.

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 may adversely affect the Group's Position. These conditions may also adversely affect the Group's ability to raise medium or long-term funding in the international capital markets.

Geopolitical instability, including potential or actual conflict, occurring around the world, such as the ongoing unrest and conflicts in Ukraine, the Democratic People's Republic of Korea, Hong Kong, Myanmar, Syria, Egypt, Afghanistan, Iraq, Iran, Nicaragua, Belarus 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, consequently, the Group's ability to continue operating or trading in an affected country or region which in turn may adversely affect the Group's Position.

Should difficult economic conditions in markets in which the Group or its customers or counterparties operate develop or persist, 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, may 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 may also be adversely affected if the Group is unable to adapt its 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 or its customers or counterparties operate.

***Competition in the markets in which the Group operates may adversely affect the Group's Position***

The markets in which the Group operates are highly competitive and could become even more so. Competition is expected to increase, including from non-Australian financial service providers who continue to expand in Australia, and from new non-bank entrants or smaller providers.

Examples of factors that may affect competition and negatively impact the Group's Position include:

- entities that the Group competes with, including those outside Australia and New Zealand, could be subject to lower levels of regulation and regulatory activity. This could allow them to offer more competitive products and services, including because those lower levels give them a lower cost base and/or the ability to attract employees that the Group would otherwise seek to employ;
- digital technologies and business models are changing customer behaviour and the competitive environment and emerging competitors are increasingly utilising new technologies and seeking to disrupt existing business models in the financial services sector;
- existing companies from outside 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 licences and/or by partnering with existing providers;

- 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 described 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 Position"*).

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, could lead to a material reduction in the Group's market share, customers and margins and adversely affect the Group's Position.

Increased competition for deposits may increase the Group's cost of funding. If 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 Position.

Economic disruptions could have a significant impact on competition in the financial services sector over the medium-term due to funding cost and provision increases, structurally low interest rates, insufficient liquidity, implementation of business continuity plans, changes to business strategies and temporary regulatory safe harbours. The low-growth environment will likely lead to heightened competitive intensity and margin compression.

In response to the COVID-19 pandemic, the Australian Government and its agencies have sought to lower lending and funding costs for both banks and non-banks. These actions may support providers that compete with the Group. Given the importance of a functioning and competitive banking sector, and the Australian Government's ongoing desire to pursue a pro-growth agenda in response to the economic disruption caused by the COVID-19 pandemic, it is anticipated that over the longer term the level of competition in financial services will remain a focus area for the Australian Government. Policy reform in this area may result in increased competitive pressure in the Group's key markets, which may adversely affect the Group's Position.

***Changes in the real estate markets in Australia, New Zealand or other markets where the Group does business may adversely affect the Group's Position***

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 (investment and development).

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 be a significant driver underlying property markets in the Group's core property jurisdictions (Australia, New Zealand, Singapore and Hong Kong). However, although values for completed tenanted properties and residential house prices, particularly in metro east coast Australian and New Zealand markets, rose steadily until 2018, the fall in Australian house prices in 2018 was the largest since the global financial crisis. In the latter part of 2019 and early 2020, property prices across Australia had started to increase, and although this trend was disrupted by COVID-19 (see risk factor *"The COVID-19 pandemic has materially and adversely affected, and future*



*outbreaks of other communicable diseases or pandemics may, materially and adversely affect the Group's Position*"), property prices in Australia are rising again. Similarly, New Zealand residential property prices have increased in recent months.

As a response to such increases, the NZ Government announced a range of initiatives aimed to prevent a housing bubble. Specifically, the NZ government mandated that the Reserve Bank of New Zealand (the "**RBNZ**") consider the impact on housing when making monetary and financial policy decisions; created a NZ\$3.8 billion fund to accelerate housing supply in the short to medium term; doubled the application of the 'bright-line' test (which is akin to a capital gains tax on investment property sale); removed interest deductibility for future investors and phased out its application on existing residential investments; and pledged to assist Kāinga Ora in borrowing an additional \$2 billion to increase land acquisition and boost housing supply. Measures such as those taken by the NZ Government, as well as other measures to curb and control the social and economic impacts of the COVID-19, could, along with a number of other medium-term factors, such as increased unemployment levels, drive a decline in residential property prices.

Despite initial concerns about the negative impacts of COVID-19 and the threat of a long-term recession, most commercial property markets have been resilient in large part due to government stimulus, record low interest rates and strong liquidity (debt and equity) seeking long-term defensive assets. However, some segments of the market have experienced more direct and ongoing consequences of COVID-19, especially with respect to mobility, international and domestic tourism, including discretionary retail, hotel accommodation, student accommodation and large-scale inner city residential development. In these segments cash flows have been impaired and are more volatile, which impacts serviceability and asset valuations. Further, there may also be longer term consequences for B & C Grade office buildings as new blended working arrangements start to impact occupiers' longer term decisions about space requirements. In this context, the Group could be impacted in a number of ways:

- some commercial assets could be further impacted by weakening tenancy credit profiles and increasingly volatile property cash flows from lease renewals at lower rates, rental abatements, increased incentives and tenancy defaults impacting serviceability and increasing refinance risk;
- declining asset prices in certain segments could impact customers, counterparties and the value of security (including residential and commercial property) the Group holds against these loans, impacting the Group's ability to recover amounts owed if customers or counterparties were to default. A decline in valuations will also contribute to increasing refinance risk. Valuations will be impacted by the combined effect of reduction in rental income and softening in yields (risk adjusted returns and implicit rental growth), notwithstanding the low interest rate environment;
- liquidity concerns arising from an emerging capital gap as existing loans are refinanced or new loans are financed within existing senior lending risk appetite parameters but against lower valuations, creating a need for additional equity contributions from owners or developers or alternative sources of funding. This creates an additional cash flow risk for borrowers and the potential for non-bank financiers to disintermediate;
- declining demand for the Group's residential lending products due to buyer concerns about decreases in values that may make the Group's lending products less attractive to potential homeowners and investors; and

- a material decline in residential housing prices may 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.

Separately, a highly competitive construction sector with declining profit margins could impact contractor and sub-contractor cash flow and liquidity, which presents an indirect risk to the Group's commercial property development financing activities.

Longer term, given a prolonged period of asset price inflation and record low interest rates, the Group's portfolio of commercial property loans may become more susceptible to a sudden and material increase in interest rates, which could cause a decline in coverage ratios and asset values which could increase refinance risk and necessitate equity contributions towards debt reduction.

***Sovereign risk events may destabilise global financial markets and may adversely affect the Group's Position***

Sovereign risk is the risk that 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 defaults may adversely impact the Group directly, through adversely impacting the value of the Group's assets, or indirectly through destabilising global financial markets, thereby adversely impacting the Group's position.

Sovereign risk exists in many economies, including the United States, the United Kingdom, China, Europe, Australia and New Zealand. 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. Significant uncertainties exist relating to the COVID-19 crisis that is currently unfolding globally. These COVID-19 related uncertainties, combined with pre-existing sovereign risk, have been significantly destabilising global financial markets, and may continue to do so, which in turn could adversely affect the Group's Position. For more information on risks relating to the COVID-19 pandemic see risk factor "*The COVID-19 pandemic has materially and adversely affected, and future outbreaks of other communicable diseases or pandemics may, materially and adversely affect, the Group's Position*".

***Market risk events may adversely affect the Group's Position***

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. Losses arising from the occurrence of such market risk events may adversely affect the Group's Position.

As a result of COVID-19, in March 2020 there was a substantial impact to market liquidity across most asset classes as market volatility significantly increased. For more information on risks relating to the COVID-19 pandemic see risk factor "*The COVID-19 pandemic has materially and adversely affected, and future outbreaks of other communicable diseases or pandemics may, materially and adversely affect, the Group's Position*".

### ***Changes in exchange rates may adversely affect the Group's Position***

As the Group conducts business in several different currencies, its businesses may be affected by movements 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 the New Zealand dollar and U.S. dollar) may adversely affect the Group's reported earnings.

While the Group has put in place hedges to partially mitigate the impact of currency changes, there can be no assurance that the Group's hedges will be sufficient or effective, and any appreciation in the Australian dollar against other currencies in which the Group earns its revenue may have an adverse impact upon the Group's Position.

### ***The planned discontinuation of LIBOR and developments affecting other benchmark rates could have adverse consequences on the Group's securities issuances and its capital markets and investment activities***

As a result of long standing global regulatory initiatives, LIBOR (the London Interbank Offered Rate) is being discontinued as a floating rate benchmark. LIBOR has been the principal floating rate benchmark in the financial markets, and its planned discontinuation has affected and will continue to affect the financial markets generally and may also affect our operations, finances and investments specifically, as described below.

On 5 March 2021, ICE Benchmark Administration Limitation (the "IBA"), the administrator of LIBOR, and its regulator, the United Kingdom's FCA, separately announced the dates on which panel bank submissions for all LIBOR settings will either permanently cease to be published or will cease to be representative of the underlying market and economic reality the rates are intended to measure (with such representativeness not being restored). These dates are (a) 31 December 2021, for all sterling, euro, Swiss franc and Japanese yen settings and the 1-week and 2-month U.S. dollar settings; and (b) 30 June 2023, for the remaining U.S. dollar settings. Subsequently, the ARRC, the working group convened by the U.S. Federal Reserve Board and the Federal Reserve Bank of New York to identify risk-free alternatives to U.S. dollar LIBOR, confirmed the FCA's announcements constituted a "Benchmark Transition Event" under ARRC-recommended fallback language with respect to all U.S. dollar LIBOR settings. The International Swaps and Derivatives Association ("ISDA") also confirmed the FCA announcement was an "Index Cessation Event" under the fallbacks added to derivatives transactions by Supplement 70 to the 2006 ISDA Definitions.

While significant effort has been made to introduce and implement replacement alternative benchmark rates, vast amounts of loans, mortgages, securities, derivatives and other financial instruments are linked to the LIBOR benchmark. Any failure to successfully introduce replacement benchmark rates and implement effective transitional arrangements to address the discontinuation of LIBOR could result in disruption in the financial markets, suppress capital markets activities and give rise to litigation claims. In addition, financial markets, particularly the trading market for LIBOR-based obligations, may generally be adversely affected by the planned discontinuation of LIBOR and by the remaining uncertainties regarding LIBOR's discontinuation, the alternative reference rates that will be used when LIBOR is discontinued and other reforms related to LIBOR. There is no assurance that any alternative reference rate will be the economic equivalent of the LIBOR setting it is intended to replace. Any or all of these matters could have a negative impact on the Group's Position and on the value of LIBOR-linked securities or other instruments which are issued, funded or held by the Group.

A large number of loans, securities, derivatives and other financial instruments to which the Group is a party currently use LIBOR as a benchmark rate or are otherwise linked to LIBOR. In some cases, those instruments include terms providing for the relevant interest or payment calculations to be made by reference to an alternative benchmark rate or on some other basis in the event of LIBOR's discontinuation; and such instruments should transition away from LIBOR in accordance with those terms. In cases where an instrument's terms do not include robust fallback provisions or the fallback provisions are considered to be inadequate, the instrument may need to be amended to add or amend such provisions in line with emerging market standards, or other arrangements may have to be made with regard to such instrument when LIBOR is discontinued. In certain cases, it may not be possible to amend the relevant terms and the potential legal, regulatory and other consequences if this occurs are uncertain. In any event, implementation of existing fallback provisions or changes made on any other basis may, for example, alter the amounts payable under the relevant instrument, its value and its liquidity, and may result in a mismatch between such instrument and any related contract (such as a hedging agreement). In addition, the process of taking the necessary action with regard to this large volume of contracts prior to the end of 2021 (for sterling, euro, Swiss franc and Japanese yen settings, or the 1-week or 2-month U.S. dollar settings) and prior to the end of June 2023 (for remaining U.S. dollar settings) involves operational risks for the Group.

Other benchmark rates have been, or may be, reformed (for example, EURIBOR). Any such reforms may cause the relevant benchmarks to perform differently than in the past, or the reforms made to the rate may have other consequences which cannot be fully anticipated.

If a benchmark is discontinued, there may or may not be a suitable, similar alternative reference rate and there may be adverse consequences in transitioning to an alternative rate. Any of these developments, and any future initiatives with regard to the regulation of benchmarks, could result in adverse consequences to the return on, value of and market for loans, mortgages, securities, derivatives and other financial instruments whose returns are linked to any such benchmark, including those issued, funded or held by the Group, and could result in widespread dislocation in the financial markets, engender volatility in the pricing of securities, derivatives and other instruments, and suppress capital markets activities, all of which could have adverse effects on the Group's Position.

#### ***Acquisitions and/or divestments may adversely affect the Group's Position***

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.

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. There is also the risk of counterparties making claims in respect of completed or uncompleted transactions against the Group that could adversely affect the Group's Position. There can also be no assurance that any acquisition (or divestment) would have the anticipated positive results around cost or cost savings, time to integrate and overall performance. All or any of these factors 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). Further, there is a risk that completion of an agreed transaction may not occur, whether in the form originally agreed between the parties or at all, including due to failure of the counterparty to satisfy its completion conditions or because other completion conditions such as obtaining relevant regulatory or other approvals are not satisfied. Should any of these integration or separation risks occur, this could adversely affect the Group's Position.

Transactions that the Group has previously announced but not yet completed include a proposed merchant acquiring joint venture arrangement with Worldline, a European payment systems provider. The transaction, which remains subject to regulatory and other approvals and card scheme arrangements between ANZ and Worldline, is expected to be completed in late 2021.

### **Risks related to the Issuer's financial situation**

#### ***Credit risk may adversely affect the Group's Position***

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 risk of credit-related losses has increased as a result of the impact of COVID-19. The risk of credit-related losses may further increase as a result of a number of factors, including deterioration in the financial condition of the economies in which the Group or its customers or counterparties operate, a sustained high level of unemployment in the markets in which the Group or its customers or counterparties operate, 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 customers or 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.

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

Some of the Group's customers and counterparties in or with exposures to the below mentioned sectors are increasingly vulnerable:

- industries impacted by the COVID-19 pandemic particularly those referred to in risk factor "*The COVID-19 pandemic has materially and adversely affected, and future outbreaks of other communicable diseases or pandemics may, materially and adversely affect, the Group's Position*";
- industries exposed to the unwind of government stimulus packages and/or timing of the opening of borders (both domestic and international) as well as industries reliant on consumer discretionary spending;
- the Commercial property sector (including construction and contractors) which is exposed to a decline in investor demand for large-scale inner city apartment buildings and a material decline in net migration. In some markets, contractors and sub-contractors may face cash flow/liquidity issues over the next 12-24 months as current

projects run off and their forward books are diminished. Projects are expected to be more competitively bid with tighter profit margins;

- industries at risk of sanctions, geopolitical tensions or trade disputes (e.g. technology, agriculture and communications) and/or declining global growth and disruption to global supply chains;
- customers and industries exposed to disruption from physical climate risk (e.g. bushfires, flood, storm and drought), and transition risk (e.g. industry exposed to carbon reduction requirements and resulting changes in demand for goods and services or liquidity). For more information on climate-related risks, see risk factor "*Impact of future climate events, geological events, plant, animal and human diseases, and other extrinsic events may adversely affect the Group's Position*"; and
- industries exposed to the volatility of the United States Dollar as well as the Australian Dollar and New Zealand Dollar.

The decision by the Group to provide customers impacted by the COVID-19 pandemic the option of suspending or deferring certain mortgage or loan repayments may lead to an increase in the level of credit risk related losses. There can be no guarantee, that at the conclusion of the deferral or suspension period, customers will be able to recommence their loan repayment obligations, leading to a potential increase in credit risk related losses, which could have a material adverse effect on the Group's Position. See Notes 1 and 15 of the 2021 Interim Financial Statements.

The Group is also subject to the risk that its rights against third parties may not be enforceable in certain circumstances, which may result in credit losses. Should material credit losses occur to the Group's credit exposures, this may adversely affect the Group's Position.

Credit risk may also arise from certain derivative, clearing and settlement contracts that 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.

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 incomplete, inaccurate or materially misleading.

The Group holds provisions for credit impairment that are determined based on current information and subjective and complex judgements of the impairment within the Group's lending portfolio. 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 may adversely affect the Group's Position.

***Challenges in managing the Group's capital base could give rise to greater volatility in capital ratios, which may adversely affect the Group's Position***

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, the 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 and the RBNZ for the ANZ New Zealand Group to maintain adequate regulatory capital.

Under current regulatory requirements, risk-weighted assets and expected loan losses increase as 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 business 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, (iv) changes in business strategy (including acquisitions, divestments and investments or an increase in capital intensive businesses), and (v) changes in regulatory requirements.

APRA and the RBNZ have implemented prudential standards to accommodate Basel 3. Certain other regulators have either implemented or are in the process of implementing regulations, including Basel 3, that 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. These regulations, together with risks arising from any regulatory changes (including those arising from APRA's response to the remaining Financial System Inquiry ("FSI") recommendations, further changes from APRA's "unquestionably strong" requirements, the requirements of the Basel Committee on Banking Supervision ("BCBS"), the RBNZ's review of capital requirements and the RBNZ's amendments to ANZ New Zealand's Conditions of Registration in response to the COVID-19 pandemic, to (among other things) not permit ANZ New Zealand to make distributions other than discretionary payments payable to holders of additional tier 1 ("AT1") capital instruments), are described in risk factor *"Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group's Position"*. Any inability of the Group to maintain its regulatory capital may have a material adverse effect on the Group's Position.

***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 Position***

The Group's credit ratings have a significant impact on both its access to, and cost of, capital and wholesale funding. They may also be important to customers or counterparties when evaluating the Group's products and services. Credit ratings and rating outlooks may be withdrawn, qualified, revised or suspended by credit rating agencies 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 negatively affected by a change in the credit ratings or rating outlooks of the Commonwealth of Australia or New Zealand, the occurrence of one or more of the other risks identified in this document, a change in ratings methodologies or by other events. As a result, downgrades in the Group's credit ratings or rating outlooks could occur that do not reflect changes in the general economic conditions or the Group's financial condition. 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.

Fitch and S&P have revised the Group's ratings and/or outlook as described below.

On 12 April 2021 Fitch revised the outlook on ANZBGL and ANZ NZ to stable, from negative and affirmed the Group's and ANZ NZ's 'A+' long-term and 'F1' short-term issuer default rating.

On 9 April 2020, S&P revised the outlook on the long-term issuer credit rating for the Commonwealth of Australia to negative from stable. As a result of the sovereign action, S&P has also revised the credit rating outlook of the Australian major banks and their New Zealand bank subsidiaries, including the Group, to negative from stable. S&P reaffirmed the Group's 'AA-' long-term and 'A-1+' short-term issuer credit ratings. S&P also reaffirmed all the ratings on debt issued by the Group, including senior and subordinated debt and hybrid Tier 1 capital instruments.

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

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

***Liquidity and funding risk events may adversely affect the Group's Position***

Liquidity and funding 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 and funding 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 may adversely affect the Group's Position.

Deterioration and volatility in market conditions, including the adverse changes in market conditions experienced as a result of COVID-19, and/or declines in investor confidence in the Group may materially impact the Group's ability to replace maturing liabilities and access funding (in a timely and cost effective manner), which may adversely impact the Group's Position.

The Group raises funding from a variety of sources, including customer deposits and wholesale funding in domestic and in offshore markets to meet its funding requirements and to maintain or grow its business generally. Developments in major markets can adversely affect liquidity in global capital markets. For example, in times of liquidity stress, if there is damage to market confidence in the Group or if funding inside or outside domestic markets 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 and funding risk.

In response to the economic impacts of COVID-19, major central banks including in Australia and New Zealand have implemented or expanded the use of alternative monetary policy tools, including quantitative easing and certain other facilities that directly provide funding to banks in their relevant jurisdiction, including the Group. If these tools were to be withdrawn or significantly reduced unexpectedly, the Group may be required to seek alternative funding.

The availability of 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 at that



time (which are strongly influenced by Australia's and New Zealand's sovereign credit rating). Even if available, the cost of these funding alternatives may be more expensive or on unfavourable terms that may adversely affect the Group's Position.

***Changes in the valuation of some of the Group's assets and liabilities may adversely affect the Group's earnings and/or equity, and therefore the Group's Position***

The Group applies accounting standards that require that various financial instruments, including derivative instruments, assets and liabilities classified as fair value through other comprehensive income, and certain other assets and liabilities (as per Note 16 of the 2021 Interim Financial Statements) are measured 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 valuation techniques that 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 that may 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 that are recognised in earnings. The Group is required to test the recoverability of goodwill balances and intangible assets with indefinite useful lives or not yet available for use at least annually and other non-lending related assets, including premises and equipment, investment in associates, capitalised software and other intangible assets where there are indicators of impairment.

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

In respect of other non-lending related 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 charges may be recorded. This, in conjunction with the other potential changes above, could impact the Group's Position.

In making these assessments, the Group considers relevant internal and external information available. This includes assessing the ongoing impact of COVID-19, and related responses of governments, regulators and businesses, on the carrying values of the Group's assets. There is a high degree of uncertainty associated with the duration and impact of COVID-19 which may affect the recoverability of Group assets in future periods.

***Changes to accounting policies may adversely affect the Group's Position***

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. In addition, the application of new or revised accounting standards or interpretations may adversely affect the Group's Position.

The impact of new accounting standards effective for the first time in the Group's 2021 fiscal year is outlined in Note 1 of the 2021 Interim Financial Statements.

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

### **Legal and regulatory risk**

#### ***Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group's Position***

The Group's businesses and operations are highly regulated. The pace of regulatory change has accelerated in recent years. The Group is subject to a substantial and increasing number of laws, regulations and policies, including industry self-regulation, in the Relevant Jurisdictions in which it carries on business or obtains funding and is supervised by a number of different authorities in each of these jurisdictions. The volume of changes, and resources allocated to the regulation and supervision of financial services groups, such as the Group, and the enforcement of laws against them, including through litigation, has increased substantially in recent years, including in response to community concern regarding the conduct of financial services groups in Australia and New Zealand. As a result, the regulation and supervision of, and enforcement against, financial services groups, including the Group, has become increasingly extensive, complex and costly across the Relevant Jurisdictions. Such regulation, supervision and enforcement continue to evolve.

COVID-19 has had, and may continue to have, an impact on the regulation and supervision of, and enforcement against, financial services groups such as the Group. Any future ramifications of COVID-19 remain uncertain and, as of the date of this document, difficult to predict. There have been delays and deferrals to the implementation of regulatory reforms in Australia and New Zealand and a re-ranking of priorities, including enforcement priorities.

Such delays and deferrals could impact the Group's ability to manage regulatory change and increase the risk of the Group not complying with new regulations when they come into effect. Governments worldwide have imposed wide ranging restrictions on, suspensions of, or advice against, travel, events and meetings and many other normal activities and have undertaken substantial and costly interventions to stabilise sovereign nations and financial markets. Governments already have and may continue to implement and introduce further measures to contain the pandemic.

The ongoing COVID-19 pandemic also has the potential to complicate the Group's dealings with its regulators in a number of ways. In particular, disruptions to the Group's business, operations, third party contractors and suppliers resulting from the COVID-19 outbreak may increase the risk that the Group will not be able to satisfy its regulatory obligations or processes and/or address outstanding issues, potentially increasing the prospect of a regulator taking adverse action against the Group. Although there is continuing engagement with regulators with respect to banking industry wide loan repayment deferrals and assistance to customers to get back to making their repayments, the Group remains susceptible to regulatory action where it fails to satisfy its regulatory obligations. For more information on risks relating to the COVID-19 pandemic see risk factor "*The COVID-19 pandemic has materially and adversely affected, and future outbreaks of other communicable diseases or pandemics may, materially and adversely affect, the Group's Position*".

#### ***In Australia:***

#### ***Prudential Developments***

Developments in prudential regulation continue to impact the Group in a material way. Given the number of items that are currently open for consultation with APRA and the RBNZ, the potential impacts on the Group remain uncertain. Further changes to APRA's or the RBNZ's prudential standards 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/or impact the profitability of one or more business lines any of which may adversely affect the Group's Position. Particular points include:

- APRA continues to be impacted by the evolving situation arising from COVID-19 although certain engagements have resumed as a result of eased restrictions. Primary areas of interest include the impact on funding and liquidity, markets, operational resilience and payments.
- In October 2019, APRA released a discussion paper on draft revisions to the prudential standard APS 111 "Capital Adequacy: Measurement of Capital" ("**APS 111**") for consultation. The most material change from APRA's proposal is in relation to the treatment of capital investments for each banking and insurance subsidiary at Level 1, with the tangible component of the investment changing from a 400% risk weighting to:
  - 250% risk weighting up to an amount equal to 10% of ANZBGL's net Level 1 Common Equity Tier 1 ("**CET1**") capital; and
  - the remainder of the investment will be treated as a CET1 capital deduction.
- APRA has maintained the above proposals, in an update in May 2021, which also includes APRA responses to submissions made by the industry in relation to the issues raised from the October 2019 discussion paper. ANZBGL continues to review the implications of APRA's proposal for its current investments. The net impact on the Group is unclear and will depend upon a number of factors including the capitalisation of the affected subsidiaries at the time of implementation, the final form of the prudential standard, as well as the effect of management actions being pursued that have the potential to materially offset the impact of these proposals. Based on ANZBGL's current investment as at 31 March 2021 in its affected subsidiaries and in the absence of any offsetting management actions, the above proposals imply a reduction in ANZBGL's Level 1 CET1 capital ratio of up to approximately A\$2 billion (approximately 60 basis points). There would be no impact on the Group's Level 2 CET1 capital ratio arising from these proposed changes. The proposed implementation date has been deferred by APRA to 1 January 2022. In a further update during November 2020, APRA announced, that until the new APS 111 is finalised and implemented, APRA will require any new or additional equity investments in banking and insurance subsidiaries, where the amount of that new or additional investment takes the aggregate value of the investment above 10% of an ADI's CET1 capital, to be fully funded by equity capital at the ADI parent company level. This treatment would apply to the proportion of the new or additional investment that is above 10% of an ADI's CET1 capital.
- In August 2019, APRA announced that it will amend APS 222 "Associations with Related Entities" to reduce the limits for Australian ADIs' individual entity exposure to related ADIs (or overseas equivalents) from 50% of Level 1 total capital to 25% of Level 1 Tier 1 Capital, and aggregate exposures from 150% of Level 1 total capital to 75% of Level 1 Tier 1 Capital. As exposures are measured net of capital deductions, the proposed changes to APRA's capital regulations (contained in APS 111) will affect the measurement of ADI exposures.

The implementation date for these changes has been deferred by APRA from 1 January 2021 to 1 January 2022.

- In July 2019, APRA announced its decision on loss-absorbing capacity pursuant to which it will require Australian domestic systemically important banks ("**D-SIBs**"), including ANZBGL, to increase their total capital by 3% of risk-weighted assets by January 2024. Based on the Group's capital position as at 31 March 2021, this represents an incremental increase in the total capital requirement of approximately A\$4.0 billion, with an equivalent decrease in other senior funding. APRA has stated that it anticipates that D-SIBs would satisfy the requirement predominantly with additional Tier 2 capital. APRA is considering, over the next four years, feasible alternative methods for raising an additional 1% to 2% of risk-weighted assets. As part of APRA's update on the APS 111 consultation in May 2021, APRA has indicated their intention to work with the industry and the RBNZ on how the RBNZ's proposed new definitions of AT1 and Tier 2 capital could contribute towards the overall loss-absorbing capacity of banking groups. APRA has also indicated that, subject to appropriate strengthening of cross-border resolution arrangements, APRA could take into account the RBNZ qualifying AT1 and Tier 2 capital when determining the financial resources needed to support the orderly resolution of major banks.
- Implementation of APRA's revisions to the capital framework for ADIs, resulting from the BCBS Basel 3 capital reforms and the recommendations of the FSI, will continue over the coming years. However, in response to the challenging economic environment resulting from disruption caused by COVID-19, APRA announced a temporary change to its expectations with regards to ADIs maintaining bank capital ratios at the "unquestionably strong" benchmark of 10.5% for CET1. APRA advised all banks that during this period of disruption resulting from the COVID-19 pandemic, APRA would not be concerned if banks are not meeting this benchmark as the current large buffers may be needed to facilitate ongoing lending to the Australian economy, provided that they continue to meet their other minimum capital requirements.
- APRA has deferred its scheduled implementation of changes to ADIs risk-weighting framework and other capital requirements (capital reforms) by one year. The majority of the capital reforms were initially due for implementation on 1 January 2022, but these have now been revised to 1 January 2023. In December 2020, APRA released a consultation paper regarding proposed changes to the capital framework for ADIs aimed at embedding 'unquestionably strong' levels of capital, improving the flexibility of the framework, and improving the transparency of ADI capital strength. These proposals replaced previous consultation packages released by APRA in 2018 and 2019 in relation to proposed revisions to the capital framework for ADIs. The key aspects of APRA's latest proposal, published in December 2020 proposals are:
  - Increased alignment with internationally agreed Basel standards;
  - Implementing more risk-sensitive risk weights for residential mortgage lending;
  - Introduction of the Basel II capital floor that limits the risk-weighted assets (the "**RWA**") outcome for internal ratings-based authorised deposit-taking institutions ("**IRB ADIs**") to no less than 72.5% of the RWA outcome under the standardised approach;
  - Improving the flexibility of the capital framework through the introduction of a default level of the countercyclical capital buffer ("**CCyB**") of 100 basis points of RWA and

- increasing the capital conservation buffer ("**CCB**") for IRB ADIs by 150 basis points (from 250 basis points to 400 basis points);
  - Improving the transparency and comparability of ADIs' capital ratios, including by requiring IRB ADIs to also publish their capital ratios under the standardised approach; and;
  - Implementing a Minimum Leverage Ratio for IRB ADIs at 3.5%.
- APRA has indicated in their proposals a decrease in RWA of approximately 10% for IRB ADIs, but this would be offset by the increased capital allocation to regulatory buffers. APRA has also indicated that, as ADIs are currently meeting the 'unquestionably strong' benchmarks, it is not APRA's intention to require ADIs to raise additional capital. Accordingly, APRA has therefore sought to calibrate the proposed capital requirements for ADIs, measured in dollar terms, to be consistent at an industry level with the existing 'unquestionably strong' capital benchmarks for ADIs under the current capital framework. The impact of these proposed changes on individual ADIs (including ANZBGL), however, will vary depending on the final form of requirements implemented by APRA.
- In response to COVID-19, in April 2020 APRA provided guidance on capital management, which included an expectation that ADIs seriously consider deferring decisions on the appropriate level of dividends. In July 2020, APRA provided an update to their guidance, which included an expectation that ADIs maintain caution on dividends and, for the remainder of the 2020 calendar year, the ADIs seek to retain at least half of their earnings when making decisions on capital distributions. In December 2020, APRA further updated its guidance, whereby from the 2021 calendar year, APRA will no longer hold banks to a minimum level of earnings retention but ADIs will need to maintain vigilance and careful planning in capital management. APRA stated that the onus will be on Boards to carefully consider the sustainable rate for dividends, taking into account the outlook for profitability, capital and economic environment. The Group's interim dividend of 25 cents per share (paid to shareholders on 30 September 2020) and 2020 final dividend of 35 cents per share (paid on 16 December 2020) took into account the July 2020 guidance.
- The RBNZ has completed a comprehensive review of the capital adequacy framework for registered banks in New Zealand, and released its final decisions on key components of the capital review in December 2019. The net impact on the Group is an increase in CET1 capital of approximately A\$2.1 billion over the transition period. The RBNZ has delayed the start date for the increase in bank capital arising from the capital reforms for New Zealand incorporated banks to July 2022. Some other aspects of the capital reforms will proceed from 1 July 2021, including the rules around capital instruments. The conclusion of the transition period is 1 July 2028. The implementation timetable may be revised if deemed necessary by the RBNZ. The net impact will be reduced by approximately A\$0.5 billion if ANZ New Zealand's NZ\$500 million mandatory convertible perpetual subordinated securities ("**Capital Notes**") are converted into new Group ordinary shares in May 2022 (described further below).
- On 31 March 2021, the RBNZ announced that it would ease the dividend restrictions to allow for a maximum of 50% of bank earnings to be paid as dividends to shareholders. The 50% dividend restriction will remain in place until 1 July 2022, at which point the RBNZ intends to remove restrictions entirely. The RBNZ also informed ANZ New Zealand, and other New Zealand-incorporated registered banks, that they should not redeem capital instruments at this time. Accordingly, ANZ New Zealand was not permitted to redeem its Capital Notes in

May 2020, although ANZ New Zealand can continue making interest payments on those Capital Notes (subject to certain conditions). Further, ANZ New Zealand announced that it would not exercise its option to convert the Capital Notes in May 2020. The terms of the Capital Notes provide for their conversion into a variable number of ANZBGL ordinary shares in May 2022 (subject to certain conditions). Conversion would result in an increase in the Group's CET1 capital (approximately 10 basis points) at Level 2.

### ***Recalibration of ASIC's Regulatory Priorities***

ASIC announced on 23 March 2020 that it will focus its regulatory efforts on challenges created by COVID-19. Since then, ASIC has afforded priority to matters where there is the risk of significant consumer harm, serious breaches of the law, risks to market integrity and time-critical matters. This included a focus on loan deferral programs and customers dealing with hardship. ASIC immediately suspended a number of near-term activities which are not time-critical. These included some consultation, regulatory reports and onsite reviews including ASIC's close and continuous monitoring programme. In April 2020, ASIC announced further details of changes to its regulatory work and priorities in light of COVID-19, including that it has stepped up markets supervision work and that enforcement action will continue. However, ASIC stated that there may be changes to the timing and process of investigations it is conducting to take into account the impact of COVID-19. In May 2020, ASIC announced that it would defer the commencement date of the mortgage broker best interest duty and remuneration reforms and the design and distribution obligations by six months to 1 January 2021 and 5 October 2021 respectively. In August 2020, ASIC released its Corporate Plan for 2020 through 2024 which outlines actions ASIC are taking to address the impact of the COVID-19 pandemic as well as longer term threats and harms in the regulatory environment. A key stated consideration of ASIC is to support the long-term recovery of the Australian economy. ASIC's stated strategic priorities responding to the COVID-19 pandemic include: (i) protecting consumers from harm at a time of heightened vulnerability; (ii) maintaining financial system resilience and stability; (iii) supporting Australian businesses to respond to the effects of the COVID-19 pandemic; (iv) continuing to identify, disrupt and take enforcement action against the most harmful conduct; and (v) continuing to build ASIC organisational capacity in challenging times.

### ***Royal Commission***

The Royal Commission made 76 recommendations concerning law reform, self-regulatory standards and the operations of ASIC and APRA, a number of which have already been addressed. The Government has stated that it remained focused on completing the implementation of the remaining recommendations. In addition, the Royal Commission has led or may lead to regulators increasing the scope and frequency of investigations into various financial services entities, including the Group. The recommendations could also 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 recommendations may also lead to adjustments in the competitive environment of the Group. The outcomes and total costs associated with these possible exposures and changes remain uncertain and their impact may adversely affect the Group's Position.

### ***Competition Laws, Regulations and Inquiries***

There is a strong focus on the regulation of competition in the financial services sector. In February 2021, the Australian Competition and Consumer Commission (the "**ACCC**") announced its enforcement priorities for the year and financial services has returned as a key priority. The ACCC noted that it would be following through on the recommendations from the ACCC's Home

Loan Price Inquiry final report which was released in December 2020. The recommendations included a prompt to encourage borrowers to consider if they could benefit from switching loan providers, changes to the mortgage discharge process, and an ongoing role for the ACCC to monitor competition and prices in the home loan market. These changes are likely to result in increased compliance costs being incurred by the Group. The ACCC has noted it will heavily scrutinise any mergers or acquisitions, particularly by any of the big four Australian banks and will also keep a close watch on any issues arising from collections as loan deferral periods come to an end.

### ***Product Laws, Regulations and Inquiries***

There remains a strong focus on the suitability of products offered by financial services providers, including the Group. Regulatory policy development and monitoring of responsible consumer lending has increased significantly, 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 changes may impact the manner in which the Group provides consumer lending services in the future that may in some respects adversely affect the Group's operations in this area and consequently, the Group's Position. ASIC published updated regulatory guidance on responsible lending laws in December 2019. In December 2020, the Government introduced a bill to make changes to Australia's credit framework, including changes to the responsible lending obligations for ADIs, where APRA will continue to regulate ADIs in relation to existing standards, while ASIC will regulate non-ADIs in relation to new standards. Laws for stricter anti-hawking prohibitions in relation to financial products and a deferred sales model for add-on insurance have recently been passed. The design and distribution obligation legislation, which comes into effect in Australia on 5 October 2021, will introduce requirements on product issuers and distributors to, among other things, identify appropriate target markets for financial and credit products and distribute those products so that they likely reach the relevant target market. There are significant penalties for non-compliance and such legislation could impact the Group's ability to issue and market financial products in the future. Increased compliance costs resulting from financial product distribution requirements may adversely impact the Group's Position.

### ***Increasing Regulatory Powers, Corporate Penalties and Funding for Regulators***

There are increased penalties for breaches of laws in Australia, including the Australian consumer law, as well as increased powers to regulators and funding for regulators to enforce breaches. Increasing regulatory powers include ASIC's product intervention power and proposed expansions of ASIC directions powers. The Australian Government announced in March 2019 that ASIC would be provided with more than A\$400 million and APRA with more than A\$150 million in additional funding to support enforcement actions and increase regulation and supervision. The Treasury Laws Amendment (Strengthening Corporate and Financial Sector Penalties) Act 2019 significantly increased the sanctions applicable to the contravention of a range of corporate and financial sector obligations. The imposition of such penalties on the Group may adversely affect the Group's Position.

### ***Senior Executive Accountability Laws and Regulations***

There are increasing penalties and specialised rules applicable to senior executives in the banking sector. The Banking Executive Accountability Regime ("BEAR") was introduced as a new responsibility and accountability framework for the directors and most senior executives in ADI groups. The Australian Government announced in January 2020 that BEAR will be replaced by the Financial Accountability Regime ("FAR"), which proposes to extend the regime to other APRA-regulated entities. FAR would be jointly administered by APRA and ASIC and could

impose larger civil penalties for any breaches, including for individuals. Potential risks to the Group from the BEAR legislation and FAR include the risk of penalties and the risk to the Group's ability to attract and retain high-quality directors and senior executives.

#### *Other Government or regulatory interventions in the financial sector*

There remain ongoing Australian Government and regulator led inquiries and interventions into Australia's banks. These inquiries are wide ranging and could lead to legislative or regulatory changes or measures that may adversely affect the Group's Position, including through taxes and levies. Scrutiny of banks also increased substantially following the commencement by the Australian Transaction Reports and Analysis Centre ("**AUSTRAC**") (which is the Australian government financial intelligence agency set up to monitor financial transactions to identify money laundering, organised crime, tax evasion, welfare fraud and terrorism financing) of civil penalty proceedings in 2017 and 2019 against two major Australian banks relating to alleged past and ongoing contraventions of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Commonwealth). The Australian Parliament's Joint Standing Committee on Trade and Investment Growth has established an inquiry into the prudential regulation of investment in Australia's export industries. The terms of reference focus on prudential standards and practices across banking, insurance and superannuation and how these are impacting businesses and the rural, regional and national economies. The impact of the inquiry on ANZBGL, if any, is not yet clear. See also 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 Position*" below.

#### **Industry self-regulation**

There is continued focus on industry best practice guidance and standards impacting retail and small business banking. Changes to self-regulatory instruments, including industry codes and practice guidelines, has required Group resources to implement and monitor compliance. A new Australian Banking Code came into effect from July 2019, with further changes to certain retail and small business products and processes introduced in March 2020. Industry guidance on working with vulnerable customers is also evolving. Laws in response to the Financial Services Royal Commission to allow certain industry code provisions to be deemed as 'enforceable code provisions', the breach of which would attract civil penalties. A process is expected to be undertaken in late 2021 to determine which provisions of the Banking Code of Practice should be designated as 'enforceable'.

#### **Open Banking Laws**

Open Banking is part of a new consumer data right in Australia that was made law in August 2019. The consumer data right it establishes seeks to improve consumers' ability to compare and switch between products and services. From 1 July 2020, individual customers can request their bank share their data for deposit and transaction accounts and credit and debit cards and this ability has since been extended to a number of additional products. It is expected to reduce the barriers to new entrants into the banking industry in Australia. Open Banking may lead to increased competition that may adversely affect the Group's Position.

On 23 December 2020, the Australian Government released the report of the Inquiry into Future Directions of the Consumer Data Right. The report contains 100 recommendations for the expansion of the consumer data right (CDR) which currently underpins open banking. It includes a recommendation to enable general action initiation (e.g. opening, managing and closing products) and payment initiation by accredited persons through the CDR regime. If the



recommendations are implemented by the Government, this may lead to a further increase in competition. The Government has not yet responded to the report.

### **Cyber Security**

The Australian Government has expressed its commitment to protecting Australian essential services by improving the security and resilience of critical infrastructure. The Security Legislation Amendment (Critical Infrastructure) Bill 2020 was introduced in December 2020. If passed, the bill would create an enhanced regulatory framework for Australia's critical infrastructure that may include banks. The impact on ANZBGL of the bill, if passed, is not yet clear.

### **Outside Australia:**

#### **New Zealand Developments**

The New Zealand Government and regulatory authorities have proposed significant legislative and regulatory changes for New Zealand financial institutions. These changes include, among other things: the RBNZ's reform of capital requirements, the RBNZ's amendments to its outsourcing policy BS11 ("**BS11**"), ANZ New Zealand's revised conditions of registration, the enactment of the Financial Services Legislation Amendment Act 2019 and replacement of the Financial Advisers Act 2008, proposed conduct regulations for financial institutions under the Financial Markets (Conduct of Institutions) Amendment Bill, the review and proposed replacement of the Reserve Bank of New Zealand Act 1989 and the enactment of the Credit Contracts Legislation Amendment Act 2019 ("**CCLA Act**"). Such changes may adversely affect the ANZ New Zealand Group, potentially impacting its corporate structures, businesses, strategies, capital, liquidity, funding and profitability, cost structures, and the cost and access to credit for its customers and the wider economy. This in turn may adversely affect the Group's Position.

In addition to the delay of capital reforms, the RBNZ has also extended the transition period for BS11 to 1 October 2023, and there have been delays to the commencement of some provisions of the CCLA Act.

#### **Other Offshore Developments**

Other offshore regulatory developments include changes to financial regulations in the United States (including legislative changes to the Dodd-Frank Act and revision to its Volcker Rule), changes to senior executive accountability in Singapore, Hong Kong, and the United Kingdom, introduction of greater data protection regulations in Europe, implementation of further phases of the initial margin requirements for uncleared OTC derivatives in a number of the Relevant Jurisdictions and the requirement that banks prepare for the reform of EURIBOR and SIBOR, and the discontinuation of LIBOR and other such interbank offered rates by transitioning to risk-free rates. For further information in relation to LIBOR risks, see also risk factor "*The planned discontinuation of LIBOR and developments affecting other benchmark rates could have adverse consequences on the Group's securities issuances and its capital markets and investment activities*" above.

A failure by the Group to comply with laws, regulations or policies in any of the Relevant Jurisdictions could result in 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 licences or other enforcement or administrative action or agreements (such as enforceable undertakings) that may adversely affect the Group's Position.

The impact of the COVID-19 pandemic on the Group's operations may result in delays to the implementation of regulatory changes or steps required to address commitments made to regulators or publicly. Any delays will be dependent on how regulators choose to adjust the prioritisation, timing and deployment of their supervisory mandate or legislative change.

Such failures may also 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 Position*" and Note 21 of the 2021 Interim Financial Statements.

***Litigation and contingent liabilities may adversely affect the Group's Position***

From time to time, the Group may be subject to material litigation, regulatory actions, legal or arbitration proceedings and other contingent liabilities that may adversely affect the Group's Position.

The Group had contingent liabilities as at 31 March 2021 in respect of the matters outlined in Note 21 of the 2021 Interim Financial Statements.

Note 21 includes, among other things, descriptions of:

- regulatory and customer exposures;
- benchmark/rate actions;
- capital raising actions;
- consumer credit insurance litigation;
- Esanda dealer car loan litigation;
- OnePath superannuation litigation;
- the Royal Commission;
- security recovery actions; and
- warranties and indemnities.

In recent years there has been an increase in the number of matters on which the Group engages with its regulators. There have also been significant increases in the nature and scale of regulatory investigations, surveillance and reviews, civil and criminal enforcement actions (whether by court action or otherwise), formal and informal inquiries, regulatory supervisory activities and the quantum of fines issued by regulators, particularly against financial institutions both in Australia and globally. 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. The nature of these interactions can be wide ranging and, for example, include or have included a range of matters including responsible lending practices, regulated lending requirements, product suitability and distribution, interest and fees and the entitlement to charge them, customer remediation, wealth advice, insurance distribution, pricing, competition, conduct in financial markets and financial transactions, capital market transactions, anti-money laundering and counter-terrorism financing obligations, reporting and disclosure obligations and product disclosure documentation. 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.

***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 Position***

Anti-money laundering ("AML"), counter-terrorism financing ("CTF") 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 increased transparency of the outcomes of compliance breaches by financial institutions both domestically and globally and the related fines and settlement sums mean that these risks continue to be an area of focus for the Group.

In recent years, there has been an increase in action taken by key AML/CTF regulators against "reporting entities" (in Australia, a "reporting entity" constitutes a legal entity that provides at least one "designated service" to a customer, such as opening a bank account or providing a loan). AUSTRAC continues to publicly communicate its view that many reporting entities in Australia have underinvested in systems and controls required to identify, mitigate and manage their AML/CTF risks.

In late 2019, AUSTRAC commenced civil penalty proceedings against a major Australian bank relating to alleged past reporting contraventions of the Australian Anti-Money Laundering and Counter-Terrorism Financing Act 2006. In September 2020, an agreed statement of facts was filed in Federal Court resulting in a civil penalty of A\$1.3 billion being imposed against the bank. This is the largest financial penalty imposed on a financial institution in Australia's history (almost twice the amount of the previous largest AUSTRAC financial penalty) confirming AUSTRAC's continued efforts to penalise significant non-compliance with the AML/CTF regime. Additionally, since 2018 AUSTRAC has had the power to issue infringement notices pursuant to which it can impose significant penalties. It has used this approach twice issuing infringement notices to reporting entities despite the number of breaches in each case being relatively small (less than 100). Further, AUSTRAC and other regulators have exhibited a willingness to promptly exercise their enforcement powers by instituting civil penalty proceedings.

Similarly, the RBNZ has stated that its appetite for taking formal enforcement action for breaches of the New Zealand Anti-Money Laundering and Countering Financing of Terrorism Act 2009 has increased, and the propensity for other regulators (including in Asia and the Pacific) to take action for non-compliance with their local AML/CTF laws has increased.

While the COVID-19 pandemic continues to evolve at different paces in many of the jurisdictions in which the Group operates, close monitoring of the levels and types of financial crimes continues across the Group. To date, the most notable impact has been the changing types of scams with criminals targeting vulnerable customers using COVID-19 as a cover, as well as identity theft and false applications for Government support. There is a continuing risk that the management of alerts for potential money laundering or terrorism financing activities may be slowed due to both resource availability and/or changed working arrangements.

The risk of non-compliance with AML/CTF and sanction laws remains high given the scale and complexity of the Group and the lack of clarity around some mandatory reporting requirements. Emerging technologies, such as virtual currency issuers/exchangers and wallet providers as well as increasingly complex remittance arrangements via fintechs and other disruptors, may limit the Group's ability to track the movement of funds, develop relevant transaction monitoring, and meet reporting obligations. Additionally, the complexity of the Group's technology, and the increasing frequency of changes to systems that play a role in AML/CTF and sanctions compliance puts the Group at risk of inadvertently failing to identify an impact on the systems and controls in place. A failure to operate a robust programme to report the movement of funds, combat money

laundering, terrorism financing, and other serious crimes may 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 Position. The Group's foreign operations may place the Group under increased scrutiny by regulatory authorities and subject the Group to increased compliance costs.

***Changes in monetary policies may adversely affect the Group's Position***

Central monetary authorities (including the RBA, the 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. 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.

Many central monetary authorities have actively reduced official interest rates in jurisdictions in which the Group operates and are currently considering, implementing or expanding the use of unconventional monetary policies. Central banks worldwide, including the RBA, the U.S. Federal Reserve and the RBNZ cut interest rates during 2019 in response to slowing economic growth and again in 2020 in response to emerging risks to growth from COVID-19. On 3 November 2020, the RBA cut the cash rate to the Australian historic low rate of 0.1%, in response to the ongoing effect of the COVID-19 outbreak on the Australian economy. The RBNZ also cut the New Zealand Official Cash Rate to a record low of 0.25% in March 2020. Low or negative interest rates would likely put pressure on the Group's interest margins and adversely affect the Group's Position.

Changes in interest rates and monetary policy are difficult to predict and may adversely affect the Group's Position.

***Increasing compliance costs, the risk of heightened penalties and ongoing regulatory scrutiny with respect to the significant obligations imposed by global customer tax transparency regimes (which are still evolving), may adversely affect the Group's Position***

There have been mandatory and substantial changes to, and increasing regulatory focus on, compliance by all global Financial Institutions ("FIs"), including the Group, with global customer tax transparency regimes, including the Foreign Account Tax Compliance Act ("FATCA"), the OECD's Common Reporting Standard ("CRS") and similar anti-tax avoidance regimes. This includes enforcement and implementation of detailed rules and frameworks to close down circumventions and deter, detect and penalise non-compliance.

As an in-scope FI, the Group operates in a globally interlinked operating environment. In this context, the highly complex and rigid nature of the obligations under the various regimes present heightened operational and compliance risks for the Group. This may be coupled with increased regulatory scrutiny of FIs (including the Group), increasing trends in compliance breaches by FIs and related fines for non-compliance in general. Accordingly, compliance with global customer tax transparency regimes will continue to be a key area of focus for the Group.

Ongoing OECD Government level peer reviews and regulatory FI compliance reviews continue to increase the scrutiny on FIs, resulting in further tightening of existing obligations and focus on CRS compliance. Each country of adoption is being pushed by the OECD to ensure its penalty regime is sufficient to deter and penalise non-compliance.

Under FATCA and other U.S. Treasury Regulations, the Group could be subject to:

- a 30% withholding tax on certain amounts (including amounts payable to customers), and be required to provide certain information to upstream payers, as well as other adverse consequences, if the ongoing detailed obligations are not adequately met; and
- broader compliance issues, significant withholding exposure, competitive disadvantage and other operational impacts if the FATCA Intergovernmental Agreements between the United States and the applicable jurisdictions in which the Group operates cease to be in effect.

Under the CRS, the Group:

- faces challenges in developing countries where the Group has operations, such as the Pacific region. The local regulators in these countries are generally assisted by a 'partner' country which may introduce standards that can be challenging to implement;
- must deal with considerable country specific variations in local law and regulatory implementation, with significant local regulatory penalties for non-collection or failed reporting in respect of prescribed customer information; and
- along with other FIs, is under increasingly stringent regulatory scrutiny and measures as regulators turn their focus from the initial establishment of the CRS to its effective implementation. This tightening of the regulatory focus can lead to significant negative experience for affected customers (including unilateral account blocking and closure), may adversely affect the Group's Position and if not similarly implemented by other FIs, may present a significant competitive disadvantage.

The scale and complexity of the Group, like other FIs, 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.

On a global scale, COVID-19 challenges have resulted in limited staff access to systems, tools and information, and have impacted on the delivery of regulatory obligations to requisite timeframes, including mandatory FATCA and CRS regulatory reporting, customer follow-up strategies, resolution and action of regulatory recommendations, as well as continuous improvement activities required to achieve the zero rate of error expected by regulators. The Group's global taxation obligations in relation to the enterprise's own tax lodgements and payments may similarly be impacted. While some level of leniency from global regulators is anticipated, there is an increasing risk of additional regulatory scrutiny, associated penalties and reputational ramifications resulting from any deficiencies or delays in meeting regulatory obligations to the level of quality and within the timeframes required.

These consequences, individually or collectively, may adversely affect the Group's Position.

***Unexpected changes to the Group's licence to operate in any jurisdiction may adversely affect the Group's Position***

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

**Internal control, operations and reputational risk**

***Operational risk events may adversely affect the Group's Position***

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, cyber risk, conduct and culture risk, and the risk of reputational loss or damage arising from inadequate or failed internal processes, people, and/or systems, but excludes strategic risk.

Operational risk categories include but are not limited to:

- internal fraud (for example, involving employees or contractors);
- external fraud (for example, fraudulent loan applications or ATM skimming);
- employment practices, loss of key staff, inadequate workplace safety and failure to effectively implement employment policies;
- impacts on clients, products and business practices (for example, misuse of customer data or anti-competitive behaviour);
- business disruption (including systems failures);
- reputational risk (see risk factor "*Reputational risk events as well as operational failures and regulatory compliance failures may give rise to reputational risk, which may undermine the trust of stakeholders, erode the Group's brand and adversely affect the Group's Position*");
- cyber risk (see risk factors "*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 Position*" and "*Risks associated with information security including cyber-attacks, may adversely affect the Group's Position*");
- conduct and culture risks (see risk factor "*Conduct risk events may adversely affect the Group's Position*");
- damage to physical assets; and
- execution, delivery and process management (for example, processing errors or data management failures).

Loss from operational risk events may adversely affect the Group's Position. 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.

Pursuant to APRA requirements, ANZ must also maintain "operational risk capital" reserves in the event future operational events occur.

COVID-19 challenges have resulted in a number of changes in terms of how the Group is undertaking its operations, including adapting to remote working arrangements. While the lifting of restrictions in Australia and New Zealand has allowed a number of ANZ staff to return to work on ANZ premises, many ANZ staff continue to work remotely. Although technology has been successfully deployed to ensure remote working capabilities are available to the relevant staff, greater reliance on digital channels creates heightened risks associated with cyber-attacks and

the impact those attacks might have on our systems and service availability, which could affect ANZ technology assets as well as third party technology suppliers and critical services on which the Group relies, such as telecommunications operators.

All or any of the impacts described above may cause a reduction in productivity or delays in completing important activities or increased regulatory scrutiny, which could subsequently result in customer remediation activities, or fines, all of which may adversely affect the Group's Position.

***Reputational risk events as well as operational failures and regulatory compliance failures may give rise to reputational risk, which may undermine the trust of stakeholders, erode the Group's brand and adversely affect the Group's Position***

The Group's reputation is a valuable asset and a key contributor to the support that it receives from the community in respect of its business initiatives and its ability to raise funding or capital.

Reputational risk may arise as a result of an external event or the Group's actual or perceived actions and practices, which include operational and regulatory compliance failures. The occurrence of such events may 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 Position.

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 its 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.

While impacts of COVID-19 are ongoing, and the longer-term financial and non-financial effects are yet to be fully realised, it is possible there may be unintended consequences from the Group's actions which may give rise to negative perceptions about the Group.

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

- failures related to fulfilment of identification obligations;
- failures related to new product development;
- failures related to ongoing product monitoring activities;
- failures related to suitability requirements when products are sold outside 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 funding, increased regulatory scrutiny, regulatory enforcement actions, additional legal risks 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 may adversely affect the Group's Position.

***Conduct risk events may adversely affect the Group's Position***

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 risks include:

- the provision of unsuitable or inappropriate advice to customers;
- 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;
- inadequate management of complaints or remediation processes;
- a failure to respect and comply with duties to customers in financial hardship; and
- unauthorised trading activities in financial markets, in breach of the Group's policies and standards.

There has been an increasing regulatory and community focus on conduct risk, including in Australia and New Zealand. The Group has a centralised and dedicated team tasked with undertaking a variety of customer remediation programmes, including to address specific conduct issues identified in Group reviews. Conduct risk events may expose the Group to regulatory actions, restrictions or conditions on banking licences and/or reputational consequences that may adversely affect the Group's Position. It is possible that remediation programmes may not be implemented appropriately or may lead to further remediation work being required, resulting in litigation, regulatory action and/or increasing cost to the Group, all of which may adversely affect the Group's Position.

The COVID-19 pandemic has resulted in more employees working remotely which may impact employee behaviour and/or Group systems and processes, and may adversely, impact our customers, or market integrity, or increase the risk that we fail to live up to community expectations. And as the economy begins to recover and government- or company-imposed COVID-19 measures are eliminated, individual customers still enduring hardship may suffer detriment if the Group cannot provide support based on individual circumstances.

For further discussion of the increasing regulatory focus on conduct risk, see risk factor "*Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group's Position*" and risk factor "*Litigation and contingent liabilities may adversely affect the Group's Position*".

***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 Position***

The Group's day-to-day activities and its service offerings (including digital banking) are highly dependent on their IT systems. Disruption of IT systems, or the services the Group uses or is dependent upon, may result in the Group failing to meet its compliance obligations and/or customers' banking requirements.



The frequency and magnitude of threats to the Group's IT systems from cyber-attacks are increasing and continuously evolving. Cyber-attacks against organisations can range from attacks from single private individuals up to state owned attacks, which are generally much more sophisticated. While the Group has implemented policies and procedures design to protect against cyber-attacks, it may not be able to anticipate or implement effective measures to prevent or minimise disruptions including those caused by, among other things, cyber-attacks due to well-resourced perpetrators using highly sophisticated and/or novel techniques.

The Group has an ongoing obligation to maintain its IT systems and to identify, assess and respond to risk exposures caused by the use of technology including IT asset lifecycle, IT asset project delivery, technology resilience, technology security, use of third parties, data retention/restoration or business rules and automation. Inadequate responses to these risk exposures could lead to unstable or insecure systems or a decrease in the Group's ability to service its customers, increased costs, and non-compliance with regulatory requirements, which may adversely affect the Group's Position. As an example, in response to the COVID-19 pandemic, more of the Group's staff and third party contractors are working remotely or from alternative work sites, which has put additional stress on the Group's productivity and remote access to systems.

The Group has disaster recovery and business continuity measures in place designed to ensure that critical IT systems will continue to operate during both short-lived and prolonged disruption events. However, COVID-19 has highlighted that these arrangements must cater for vast and improbable events, like a global pandemic, and ensure critical information systems can be supported and accessed by a large number of multi-jurisdictional technology and business users for extended periods. If such measures cannot be effectively implemented, this may adversely affect the Group's Position.

In addition, businesses in all countries within the ANZ network, including ANZ New Zealand rely on the Group to provide a number of IT systems. A failure of the Group's systems may affect ANZ network countries, which may in turn, adversely affect the Group's Position.

***Risks associated with information security including cyber-attacks, may adversely affect the Group's Position***

The primary focus of information security is to protect information and technology systems from disruptions to confidentiality, integrity or availability. As a bank, the Group handles a considerable amount of personal and confidential information about its customers and its own internal operations, from the multiple geographies in which the Group operates. This information is processed and stored on both internal and third party hosted environments. Any failure of security controls operated by the Group or its third parties could adversely affect the Group's business.

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

The Group is conscious that cyber threats, such as advanced persistent threats, distributed denial of service, malware and ransomware, are continuously evolving, becoming more sophisticated and increasing in volume. The COVID-19 pandemic has increased the number of staff working offsite for an extended period, which may increase information security risks to the Group. Cyber criminals may attempt to take advantage through pursuing exploits in end point security, spreading malware, and increasing phishing attempts.

Additionally, failures in the Group's cybersecurity policies, procedures or controls, could result in loss of data or other sensitive information (including as a result of an outage) and may cause

associated reputational damage. Any of these events could result in significant financial losses (including costs relating to notification of, or compensation for customers), regulatory investigations or sanctions or may affect the Group's ability to retain and attract customers, and thus may adversely affect the Group's Position.

#### **Environmental, social and governance risks**

##### ***Impact of future climate events, geological events, plant, animal and human diseases, and other extrinsic events may adversely affect the Group's Position***

The Group and its customers are exposed to climate-related events. 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 such as COVID-19, which is causing significant impacts on the Group's operations and its customers. The COVID-19 pandemic has resulted in a widespread health crisis that could continue to adversely affect the economies and financial markets of many countries, including Australia and New Zealand, resulting in an economic downturn that could affect the Group and its customers. See risk factor "*The COVID-19 pandemic has materially and adversely affected, and future outbreaks of other communicable diseases or pandemics may materially and adversely affect, the Group's Position*" for further details regarding the different impacts from COVID-19.

Depending on their frequency and severity, these extrinsic events may continue to interrupt or restrict the provision of some local services such as the Group branch or business centres 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 in turn may adversely affect the Group's Position.

##### ***The Group's risk management framework may fail to manage all existing risks appropriately or detect new and emerging risks fast enough, which could adversely affect the Group's Position***

Risk management is an integral part of all of the Group's activities and includes the identification and monitoring of the Group's risk appetite and reporting on the Group's risk exposure and effectiveness of identified controls. However, there can be no assurance that the Group's risk management framework will be effective in all instances including in respect of existing risks, or new and emerging risks that the Group may not anticipate or identify in a timely manner and/or for which its controls may not be effective. Failure to manage risks effectively could adversely impact the Group's reputation or compliance with regulatory obligations.

The effectiveness of the Group's risk management framework is also connected to the establishment and maintenance of a sound risk management culture, which is supported by appropriate remuneration structures. A failure in designing or effectively implementing appropriate remuneration structures, could have an adverse impact on the Group's risk culture and effectiveness of the Group's risk management frameworks.

The Group seeks to continuously improve its risk management frameworks. It has implemented, and regularly reviews, its risk management policies and allocates additional resources across the Group to manage and mitigate risks (including conduct risk). However, such efforts may not insulate the Group from future instances of misconduct and no assurance can be given that the Group's risk management framework will be effective. A failure in the Group's risk management processes or governance could result in the Group suffering unexpected losses and reputation damage, and failing to comply with regulatory obligations, which could adversely affect the Group's Position.

While these principles still continue to underpin the Group's risk management framework, the ongoing COVID-19 pandemic requires the Group to continue to maintain good practices and a robust risk management framework as its operational activities continue to evolve, so as to manage the impacts of the pandemic both to its workforce and customers. In these circumstances, a failure in the Group's risk management processes or governance could adversely affect the Group's Position.

***Risks associated with lending to customers that could be directly or indirectly impacted by climate risk may adversely affect the Group's Position***

The risks associated with climate change are subject to increasing regulatory, political and societal focus. APRA has released a draft prudential practice guide that is designed to assist regulated entities in managing climate-related risks and opportunities as part of their existing risk management and governance frameworks. Embedding climate change risk into the Group's risk management framework in line with APRA's and other stakeholders' expectations, and adapting the Group's operation and business strategy to address both the risks and opportunities posed by climate change and the transition to a low carbon economy could have a significant impact on the Group.

The Group's most material climate-related risks result from its lending to business and retail customers, including credit-related losses incurred as a result of a customer being unable or unwilling to repay debt, or impacting the value and liquidity of collateral.

The risk to the Group through credit-related issues with the Group's customers could result directly from climate-related events, and indirectly from changes to laws, regulations, or other policies such as carbon pricing and climate risk adaptation or mitigation policies, which may impact the customer's supply chain. This may result in credit-related losses as a result of the customer being unable or unwilling to repay debt, which may adversely affect the Group's Position.

## GENERAL TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the general terms and conditions ("**General Conditions**") that, subject to completion and/or amendment and as supplemented or varied by the relevant Pricing Supplement, shall be applicable to the Notes of each Series. Either (i) the full text of these conditions together with the applicable provisions of the relevant Pricing Supplement or (ii) these conditions as so completed and/or amended (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on all Bearer Notes in definitive form or on the Certificates relating to Registered Notes in definitive form. Wording which appears in italics in the text does not form part of the terms and conditions.*

*The Additional Terms and Conditions (as defined below) contained in Annex 1 in the case of Interest Rate Linked Notes (as defined below) or Annex 2 in the case of FX Linked Notes (as defined below) will apply to the Notes if specified in the applicable Pricing Supplement.*

*The terms and conditions (the "**Conditions**") applicable to the Notes shall comprise the General Conditions of the Notes and, where applicable, any additional terms and conditions set out in the annexes to the General Conditions, in each case subject to completion and/or amendment in the applicable Pricing Supplement.*

This Note is one of a Series (as defined below) of Notes issued by Australia and New Zealand Banking Group Limited ("**ANZBGL**" or the "**Issuer**") acting through its head office or its Hong Kong branch. References herein to "**Notes**" shall be references to the Notes of this Series.

The Notes are issued pursuant to an Agency Agreement dated 17 May 2021 (as may be amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") between the Issuer, Deutsche Bank AG, Hong Kong Branch as fiscal agent and paying agent, Deutsche Bank Luxembourg S.A. as registrar and transfer agent, and ANZBGL as calculation agent and with the benefit of a Deed of Covenant dated 17 May 2021 (the "**Deed of Covenant**") executed by the Issuer in relation to the Notes. The fiscal agent, paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent and, if applicable, the "**Registrar**", the "**Transfer Agents**" and the "**Calculation Agent(s)**"). Copies of the Agency Agreement and the Deed of Covenant are available for inspection at the specified offices of each of the Paying Agents (if more than one), upon prior written request and proof of holding to the satisfaction of the Paying Agent(s).

The Noteholders, the holders (the "**Couponholders**") of the interest coupons (the "**Coupons**") appertaining to interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") and the holders (the "**Receiptholders**") 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 are bound by and are deemed to have notice of all of the provisions of the Agency Agreement and the Deed of Covenant.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single Series and (ii) identical in all respects (including as to listing) except for the respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Pricing Supplement for this Note (or the relevant provisions thereof) is endorsed on this Note and completes these General Conditions and specifies which of these General Conditions are

applicable to this Note. References herein to the "Pricing Supplement" are to the Pricing Supplement (or the relevant provisions thereof) endorsed on this Note.

Words and expressions defined in the Agency Agreement or used in the Pricing Supplement shall have the same meanings where used in these General Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the Pricing Supplement, the Pricing Supplement will prevail.

Where any Additional Conditions are specified in the applicable Pricing Supplement for any Notes to be applicable to such Notes, these General 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.

The "**Additional Conditions**" are set out as annexes hereto as follows:

1. Annex 1 (*Additional Terms and Conditions for Interest Rate Linked Notes*); and
2. Annex 2 (*Additional Terms and Conditions for FX Linked Notes*).

## **1 Form, Denomination and Title**

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"), in each case in the Specified Currency and the Specified Denomination(s). All Registered Notes shall have the same Specified Denomination. This Note is, to the extent specified in the applicable Pricing Supplement, a Note bearing interest on fixed rate basis ("**Fixed Rate Note**"), a Note bearing interest on a floating rate basis ("**Floating Rate Note**"), a Note issued on a non-interest bearing basis ("**Zero Coupon Note**"), a Note with respect to which interest and/or principal is calculated by reference to a currency or basket of currencies ("**FX Linked Note**"), a Note with respect to which interest and/or principal is calculated by reference to one or more underlying interest rates ("**Interest Rate Linked Note**"), a Note with respect to which interest and/or principal is calculated by reference to or to a combination of, underlying interest rates, currencies, prices, indices, reference assets or bases (each a "**Reference Item**") specified in the applicable Pricing Supplement (together with Interest Rate Linked Notes and FX Linked Notes, "**Reference Item Linked Notes**"), a Note with respect to which interest and/or principal is payable in one or more Specified Currencies other than the Specified Currency in which it is denominated ("**Dual Currency Note**"), a Note redeemable in instalments ("**Instalment Note**"), a Note which is issued on a partly-paid basis ("**Partly Paid Note**"), a combination of any of the foregoing or any other relevant type of Note, depending upon the Interest Basis or Redemption/Payment Basis shown in the Pricing Supplement.

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 General Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in General Condition 2(c) (*Exercise of Options or Partial Redemption in Respect of Registered Notes*), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall, subject to mandatory rules of law, 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 Certificate, 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 interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these General Conditions, "**Noteholder**" 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), and "**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).

## **2 Exchange and Transfers of Notes**

### **(a) *Exchange of Notes***

Registered Notes may not be exchanged for Bearer Notes and vice versa. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination.

### **(b) *Transfer of Registered Notes***

Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate duly completed and executed and such other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

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

In the case of an exercise of the Issuer's or Noteholder's option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new 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 Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing 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 Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

### **(d) *Delivery of New Certificates***

Each new Certificate to be issued pursuant to General Condition 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 five business days after receipt of the request for exchange, form of transfer or Exercise Notice or surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of

transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this General Condition 2(d) (*Delivery of New Certificates*), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the location of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

(e) *Exchange Free of Charge*

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

(f) *Closed Period*

No Noteholder may require the transfer of a Registered Note to be registered (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 before any date on which Notes may be called for redemption by the Issuer at its option pursuant to General Condition 5(c) (*Redemption at the Option of the Issuer and Exercise of Issuer's Options*), (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.

### 3 Status

None of the Notes are deposit liabilities or protected accounts of the Issuer for the purposes of the Banking Act 1959 of Australia (the "**Banking Act**").

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

*The debts which are preferred by law to the claim of a Noteholder in respect of a Note, including by virtue of the provisions referred to in the above paragraph of General Condition 3 (Status), will be substantial and are not limited by the Conditions of the Notes. Without limitation to other applicable laws, section 13A(3) of the Banking Act provides that, in the event the Issuer becomes unable to meet its obligations or suspends payment, its assets in Australia are to be available to meet its liabilities in the following order: (i) liabilities to the APRA in respect of any payments that APRA makes or is liable to make to (A) holders of protected accounts under the Banking Act or (B) a body corporate pursuant to a determination made by APRA in connection with a transfer of the ADI's business to that body corporate (where that transfer includes liabilities of the ADI in respect of protected accounts) under the Financial Sector (Transfer and Restructure) Act 1999 of Australia, (ii) debts in respect of costs of APRA in certain circumstances, (iii) the Issuer's liabilities in Australia in relation to protected accounts (as defined in the Banking Act) kept with the Issuer, (iv) debts due to the RBA, (v) liabilities under certain certified industry support contracts; and (vi) all other liabilities of the Issuer in their order of priority apart from section 13A(3). Changes to applicable law may extend the debts required to be preferred by law.*

#### **4 Interest and other Calculations**

##### **(a) *Interest on Fixed Rate Notes***

- (i) Each Fixed Rate Note bears interest on its outstanding Principal Amount from, and including, the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the Pricing Supplement as specified Interest Payment Dates or, if no Interest Payment Date(s) is/are specified in the Pricing Supplement, Interest Payment Date shall mean each date which falls the number of months or other period shown in the Pricing Supplement as the specified Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) If a Fixed Coupon Amount or a Broken Amount is specified in the Pricing Supplement, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the Pricing Supplement.
- (iii) *Calculation of Interest Amount:* The Interest Amount payable in respect of each Note for any period for which a Fixed Coupon Amount or Broken Amount is not specified in the Pricing Supplement shall be calculated by applying the Rate of Interest to the Calculation Amount for such Note, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest unit of the Specified Currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen, and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose, a "unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means 0.01 euro, as the case may be.
- (iv) *Business Day Convention:* If "Business Day Convention – Adjusted" is specified to be applicable in the relevant Pricing Supplement, (a) any Interest Payment Date otherwise falling on a day which is not a Business Day (as defined in General Condition 4(p) (*Definitions*) below) will be postponed or brought forward (as applicable) in accordance with the Business Day Convention set out in the relevant Pricing Supplement (as described below) and (b) the amount of interest payable on such Interest Payment Date will be adjusted accordingly. If "Business Day Convention – No Adjustment" is specified to be applicable in the relevant Pricing Supplement, any Interest Payment Date otherwise falling on a day which is not a Business Day will be postponed or brought forward (as applicable) in accordance with the Business Day Convention set out in the relevant Pricing Supplement (as described below) and there will be no corresponding adjustment of the amount of interest payable on such Interest Payment Date.

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

- (i) *Interest Payment Dates:* Each Floating Rate Note and Reference Item Linked Note bears interest on its outstanding Principal Amount from, and including, the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the Pricing Supplement as specified Interest Payment Dates or, if no Interest Payment Date(s) is/are specified in the Pricing Supplement, Interest Payment Date shall mean each date which falls the number of months or other period shown in the



Pricing Supplement as the specified Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

- (ii) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day (as defined in General Condition 4(p) (*Definitions*)), then that date will be adjusted in accordance with the Business Day Convention specified in the relevant Pricing Supplement. If "No Adjustment of Interest Amounts" is specified to be applicable in the relevant Pricing Supplement then notwithstanding the bringing forward or postponement (as applicable) of an Interest Payment Date as a result of the application of the Business Day Convention set out in the relevant Pricing Supplement, the Interest Amount in respect of the relevant Interest Period and each subsequent Interest Period shall be calculated as aforesaid on the basis of the original Interest Payment Dates without adjustment in accordance with the applicable Business Day Convention.
- (iii) *Rate of Interest for Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes, other than in the case of (w) BBSW Notes or BKBM Notes, provisions in respect of which are set out in General Condition 4(c) (*Rate of Interest on BBSW Notes*) and General Condition 4(d) (*Rate of Interest on BKBM Notes*), (x) CMS Rate Notes, provisions in respect of which are set out in General Condition 4(e) (*Rate of Interest on CMS Rate Notes*), (y) Inverse Floating Rate Notes, provisions in respect of which are set out in Additional Condition 1 (*Rate of Interest on Inverse Floating Rate Notes*) of Annex 1 (*Additional Terms and Conditions for Interest Rate Linked Notes*) and (z) Range Accrual Notes, provisions in respect of which are set out in Additional Condition 2 (*Rate of Interest on Range Accrual Notes*) of Annex 1 (*Additional Terms and Conditions for Interest Rate Linked Notes*), for each Interest Accrual Period shall be determined in the manner specified in the Pricing Supplement and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply depending upon which is specified in the Pricing Supplement.

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified in the Pricing Supplement;
- (y) the Designated Maturity is a period specified in the Pricing Supplement; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the Pricing Supplement. For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**", and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(B) *Screen Rate/Reference Bank Determination for Floating Rate Notes other than Floating Rate Notes referencing SONIA (Non-Index Determination), SONIA (Index Determination), SOFR (Non-Index Determination) or SOFR (Index Determination)*

In respect of Floating Rate Notes other than Floating Rate Notes where the Reference Rate specified in the applicable Pricing Supplement is SONIA (*Non-Index Determination*), SONIA (*Index Determination*), SOFR (*Non-Index Determination*) or SOFR (*Index Determination*):

- (x) if Screen Rate Determination is specified in the Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be (subject to General Condition 4(n) (*Benchmark Replacement*) or General Condition 4(o) (*Effect of Benchmark Transition Event*), where applicable) (as determined by the Calculation Agent), either:
  - (I) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
  - (II) the arithmetic mean of the offered quotations,for the Reference Rate, in each case appearing on the Relevant Screen Page at the Relevant Time on the relevant Interest Determination Date;
- (y) if sub-paragraph (x)(I) above applies and no Reference Rate appears on the Relevant Screen Page at the Relevant Time on the relevant Interest Determination Date or if sub-paragraph (x)(II) above applies and fewer than two offered quotations appear on the Relevant Screen Page at the Relevant Time on the relevant Interest Determination Date or, if in either case, the Relevant Screen Page is unavailable, subject as provided below:
  - (A) the Issuer will appoint a Reference Banks Agent and the Reference Banks Agent will, at the request of the Issuer, request the principal Relevant Financial Centre office of each of the Reference Banks (or such of them, being at least two, as are so quoting) to provide offered quotations that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the relevant Interest Determination Date for deposits of the Specified Currency for a term equal to the relevant Interest Accrual Period and will provide such responses to the Calculation Agent; and
  - (B) the Calculation Agent shall determine the arithmetic mean of the offered quotations; and
- (z) if paragraph (y) above applies and the Reference Banks Agent advises the Calculation Agent that fewer than two Reference Banks are so quoting the Reference Rate, subject as provided below, the Calculation Agent shall determine the arithmetic mean of the rates per annum (expressed as a percentage), which the Reference Banks Agent determines (at the request of the Issuer) and notifies to the Calculation Agent to be the nearest equivalent to the Reference Rate, in respect of deposits of the Specified Currency that at least two out of five leading banks selected by the Reference Banks Agent (after consultation with the Issuer) in the Principal Financial Centre of the country of the Specified Currency, in each case as selected by the Reference Banks Agent (after consultation with the Issuer), are quoting at or about the Relevant Time for a period commencing on the Effective Date equivalent to the relevant Interest Accrual Period to leading banks carrying on business in (i) Europe, or (ii) (if the Reference Banks Agent determines that fewer than two of such banks are so quoting to such leading banks in Europe) the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to such

leading banks (as notified to the Calculation Agent and the Issuer by the Reference Banks Agent), the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum Rate of Interest or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(C) *Screen Rate Determination for Floating Rate Notes where the Reference Rate specified in the applicable Pricing Supplement is SONIA (Non-Index Determination)*

Where the Reference Rate is specified in the applicable Pricing Supplement as being "SONIA (Non-Index Determination)", the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA as calculated by the Calculation Agent (or the person specified in the applicable Pricing Supplement as the party responsible for calculating the Rate of Interest).

As used in this provision:

**"Compounded Daily SONIA"** means, in relation to any Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average ("**SONIA**") as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent (or the person specified in the applicable Pricing Supplement as the party responsible for calculating the Rate of Interest) on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SONIA_{i-pLBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Interest Period;

"**d<sub>0</sub>**" is the number of London Banking Days in the relevant Interest Period;

"**i**" for any Interest Period is a series of whole numbers from one to **d<sub>0</sub>**, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in the relevant Interest Period;

**"London Banking Day"** or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**n<sub>i</sub>**", for any day "**i**", means the number of calendar days from and including such day "**i**" up to but excluding the following London Banking Day;

**"Observation Look-Back Period"** is as specified in the applicable Pricing Supplement which shall, unless otherwise agreed with the Calculation Agent (or such other person specified in the applicable Pricing Supplement as the party responsible for calculating the Rate of Interest), be no less than five London Banking Days;

**"Observation Period"** means the period from and including the date falling "**p**" London Banking Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on,

but excluding, the date falling "p" London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

"p", for any Interest Period, the number of London Banking Days included in the Observation Look-Back Period, as specified in the applicable Pricing Supplement, which shall, unless otherwise agreed with the Calculation Agent (or such other person specified in the applicable Pricing Supplement as the Party responsible for calculating the Rate of Interest), be no less than five London Banking Days;

the "**SONIA reference rate**", in respect of any London Banking Day, is a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (on the London Banking Day immediately following such London Banking Day); and

"**SONIAi-pLBD**" means, in respect of any London Banking Day falling in the relevant Observation Period, the SONIA reference rate for the London Banking Day falling "p" London Banking Days prior to the relevant London Banking Day "i".

If, subject to General Condition 4(n) (*Benchmark Replacement*), where applicable, in respect of any London Banking Day in the relevant Observation Period, the Calculation Agent (or the person specified in the applicable Pricing Supplement as the party responsible for calculating the Rate of Interest) determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then unless the Calculation Agent (or such other person specified in the applicable Pricing Supplement as the party responsible for determining the Rate of Interest) has been notified of any successor or alternative rate (together with any relevant methodology or adjustment factor) pursuant to General Condition 4(n) (*Benchmark Replacement*), where applicable, such SONIA reference rate shall be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall, subject to General Condition 4(n) (*Benchmark Replacement*), where applicable, be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any

Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the relevant Series of Notes becomes due and payable or is otherwise redeemed early in accordance with the Conditions, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable or are scheduled for redemption (as the case may be), and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

(D) *Screen Rate Determination for Floating Rate Notes where the Reference Rate specified in the applicable Pricing Supplement is SONIA (Index Determination)*

Where the Reference Rate is specified in the applicable Pricing Supplement as being "SONIA (Index Determination)", the Rate of Interest for each Interest Period will, subject as provided below, be the Compounded Daily SONIA, as determined by the Calculation Agent (or the person specified in the applicable Pricing Supplement as the party responsible for calculating the Rate of Interest) on the relevant Interest Determination Date.

As used in this provision:

**"Compounded Daily SONIA"** means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average ("**SONIA**") as the reference rate for the calculation of interest) by reference to the SONIA Compounded Index, which will be calculated by the Calculation Agent, as at the relevant Interest Determination Date as follows, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left( \frac{SONIA \text{ Compounded Index}_{End}}{SONIA \text{ Compounded Index}_{Start}} - 1 \right) \times \frac{365}{d}$$

where:

**"Business Day"** means a London Banking Day;

**"d"** means the number of calendar days from (and including) the day in relation to which SONIA Compounded Index<sub>Start</sub> is determined to (but excluding) the day in relation to which SONIA Compounded Index<sub>End</sub> is determined;

**"London Banking Day"** means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

**"Relevant Number"** means the number specified as such in the applicable Pricing Supplement (or, if no such number is specified, five);

**"SONIA Compounded Index"** means the screen rate or index for compounded daily SONIA rates administered by the administrator of the SONIA reference rate that is published or displayed by such administrator or other information service from time to time on the relevant Interest Determination Date, as further specified in the applicable Pricing Supplement;

**"SONIA Compounded Index<sub>Start</sub>"** means, with respect to an Interest Period, the SONIA Compounded Index determined in relation to the day falling the Relevant Number of Business Days prior to the first day of such Interest Period; and

**"SONIA Compounded Index<sub>End</sub>"** means, with respect to an Interest Period, the SONIA Compounded Index determined in relation to the day falling the Relevant Number of Business Days prior to (A) the Interest Payment Date for such Interest Period, or (B) such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period).

If the relevant SONIA Compounded Index is not published or displayed by the administrator of the SONIA reference rate or other information service by 5.00 p.m. (London time) (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the Reference Rate or of such other information service, as the case may be) on the relevant Interest Determination Date, the Rate of Interest shall be calculated for the Interest Period for which the SONIA Compounded Index is not available as if "SONIA (Non-Index Determination)" were specified as applicable in the Pricing Supplement and for these purposes the "Observation Look-Back Period" shall be deemed to be equal to the Relevant Number of Business Days, as if that alternative election had been made in the applicable Pricing Supplement.

If the relevant Series of Notes becomes due and payable or is otherwise redeemed early in accordance with the Conditions, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable or are scheduled for redemption (as the case may be), and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

(E) *Screen Rate Determination for Floating Rate Notes where the Reference Rate specified in the applicable Pricing Supplement is SOFR (Non-Index Determination)*

Where the Reference Rate is specified in the applicable Pricing Supplement as being "SOFR (Non-Index Determination)", the Rate of Interest for each Interest Period will, except as provided below, be the Compounded Daily SOFR (expressed as a percentage rate per annum), as determined by the Calculation Agent (or the person specified in the applicable Pricing Supplement as the party responsible for calculating the Rate of Interest) on the relevant Interest Determination Date.

As used in this provision:

**"Compounded Daily SOFR"** means, in relation to any Interest Period, the rate of return of a daily compound interest investment (with the Secured Overnight Financing Rate as the reference rate for the calculation of interest) as calculated by the Calculation Agent (or the person specified in the applicable Pricing Supplement as the party responsible for calculating the Rate of Interest) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards):

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SOFR_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

"d" is the number of calendar days in:

- (i) where "Lookback" or "Suspension Period" is specified as the Observation Method in the applicable Note and any applicable Pricing Supplement, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the applicable Note and any applicable Pricing Supplement, the relevant Observation Period;

"d<sub>0</sub>" is the number of U.S. Government Securities Business Days in:

- (i) where "Lookback" or "Suspension Period" is specified as the Observation Method in the applicable Note and any applicable Pricing Supplement, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the applicable Note and any applicable Pricing Supplement, the relevant Observation Period;

"i" is a series of whole numbers from one to d<sub>0</sub>, each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in:

- (i) where "Lookback" or "Suspension Period" is specified as the Observation Method in the applicable Note and any applicable Pricing Supplement, the relevant Interest Period; or
- (ii) where "Observation Shift" is specified as the Observation Method in the applicable Note and any applicable Pricing Supplement, the relevant Observation Period;

"n<sub>i</sub>" means for any U.S. Government Securities Business Day "i", the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to (but excluding) the following U.S. Government Securities Business Day;

**"Observation Period"** means, in respect of an Interest Period, the period (i) from (and including) the U.S. Government Securities Business Day that precedes the first day of the Interest Period by the Relevant Number of U.S. Government Securities Business Days (ii) to (but excluding) the U.S. Government Securities Business Day that precedes the Interest Payment Date for such Interest Period by the Relevant Number of U.S. Government Securities Business Days;

**"SOFR<sub>i</sub>":**

- (i) where "Lookback" or "Suspension Period" is specified as the Observation Method in the applicable Note and any applicable Pricing Supplement, for any U.S. Government Securities Business Day "i",

(A) if such U.S. Government Securities Business Day is a SOFR Reset Date, SOFR (as defined below) for the U.S. Government Securities Business Day that precedes the SOFR Reset Date by the Relevant Number of U.S. Government Securities Business Days; and

(B) if such U.S. Government Securities Business Day is not a SOFR Reset Date (being a U.S. Government Securities Business Day falling in the Suspension Period), SOFR for the U.S. Government Securities Business Day that precedes the first day of the Suspension Period (the "**Suspension Period SOFRi**") by the Relevant Number of U.S. Government Securities Business Days. For the avoidance of doubt, the Suspension Period SOFRi shall apply to each day falling in the relevant Suspension Period; or

- (ii) where "Observation Shift" is specified as the Observation Method in the applicable Note and any applicable Pricing Supplement, for any U.S. Government Securities Business Day "i", is equal to SOFR in respect of such U.S. Government Securities Business Day "i".

**"Relevant Number"** means the number specified as such in the applicable Pricing Supplement, which, unless otherwise agreed with the Calculation Agent or such other party specified in the applicable Pricing Supplement as the party responsible for calculating the Rate of Interest and Interest Amount, shall not be less than five (or, if no such number is specified, five); provided that, for the purposes of clause (i)(B)(B) of the definition of "SOFRi" above, the Relevant Number may be less than five, so long as the sum of the Relevant Number and the number of U.S. Government Securities Business Days in the Suspension Determination Period is not be less than five (unless otherwise agreed by the Calculation Agent or such other party specified in the applicable Pricing Supplement as the party responsible for calculating the Rate of Interest and Interest Amount).

**"SOFR"** means:

- (i) in relation to any U.S. Government Securities Business Day (the "**SOFR Determination Date**"), the daily secured overnight financing rate as published by the SOFR Administrator at or around 3:00 p.m. (New York City time) on the SOFR Administrator's Website on the next succeeding U.S. Government Securities Business Day for trades made on such SOFR Determination Date (the "**SOFR Determination Time**");
- (ii) if the rate specified in (i) above is not so published, and a Benchmark Transition Event and its related Benchmark Replacement Date (each as defined in General Condition 4(o) (*Effect of Benchmark Transition Event*)) have not both occurred (all as notified to the Calculation Agent by the Issuer), the daily secured overnight financing rate in respect of the last U.S. Government Securities Business Day for which such rate was published on the SOFR Administrator's Website; or
- (iii) if the rate specified in (i) above is not so published, and a Benchmark Transition Event and its related Benchmark Replacement Date have both occurred (all as notified to the Calculation Agent by the Issuer), the rate determined in accordance with Condition 4(o) (*Effect of Benchmark Transition Event*), where applicable, or otherwise in accordance with any alternative fallback provisions specified in the applicable Pricing Supplement.



**"SOFR Reset Date"** means, in relation to any Interest Period, each U.S. Government Securities Business Day during such Interest Period, other than any U.S. Government Securities Business Day falling in the Suspension Period corresponding with such Interest Period.

**"Suspension Determination Period"** means, if Suspension Determination Period is specified as applicable in the relevant Pricing Supplement, the number of U.S. Government Securities Business Days as are specified as such in the applicable Pricing Supplement.

**"Suspension Period"** means, in relation to any Interest Period, the period from (and including) the U.S. Government Securities Business Day which falls on a date equal to the number of U.S. Government Securities Business Days in the Suspension Determination Period prior to the end of such Interest Period to (but excluding) the Interest Payment Date of such Interest Period.

**"U.S. Government Securities Business Day"** means any calendar day except for a Saturday, Sunday or a calendar day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire calendar day for purposes of trading in U.S. government securities.

If the relevant Series of Notes become due and payable or are otherwise redeemed early in accordance with the Conditions, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable or are scheduled for redemption (as the case may be), and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

- (F) *Screen Rate Determination for Floating Rate Notes where the Reference Rate specified in the applicable Pricing Supplement is SOFR (Index Determination)*

Where the Reference Rate is specified in the applicable Pricing Supplement as being "SOFR (Index Determination)", the Rate of Interest for each Interest Period will, subject as provided below, be the Compounded Daily SOFR, as determined by the Calculation Agent (or the person specified in the applicable Pricing Supplement as the party responsible for calculating the Rate of Interest) on the relevant Interest Determination Date.

As used in this provision:

**"Compounded Daily SOFR"** means, with respect to an Interest Period, the rate of return of a daily compound interest investment (with SOFR as the reference rate for the calculation of interest) by reference to the SOFR Compounded Index, which will be calculated by the Calculation Agent, as at the relevant Interest Determination Date as follows, (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (e.g., 9.876541 per cent (or .09876541) being rounded down to 9.87654 per cent (or .0987654) and 9.876545 per cent (or .09876545) being rounded up to 9.87655 per cent (or .0987655)):

$$\left( \frac{SOFR \text{ Compounded Index}_{End}}{SOFR \text{ Compounded Index}_{Start}} - 1 \right) \times \left( \frac{360}{d_c} \right)$$

where:

"**d<sub>c</sub>**" means the number of calendar days in the Observation Period relating to such Interest Period;

"**Observation Period**" means, in respect of an Interest Period, the period (i) from (and including) the U.S. Government Securities Business Day that precedes the first day of the Interest Period by the Relevant Number of U.S. Government Securities Business Days (ii) to (but excluding) the U.S. Government Securities Business Day that precedes the Interest Payment Date for such Interest Period by the Relevant Number of U.S. Government Securities Business Days;

"**SOFR Compounded Index**" means with respect to any U.S. Government Securities Business Day:

- (1) the SOFR Compounded Index value as published by the SOFR Administrator as such index appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on such US Government Securities Business Day (the **SOFR Determination Time**); provided that;
- (2) if a SOFR Compounded Index value does not so appear as specified in (1) above at the SOFR Determination Time:
  - (i) if a Benchmark Transition Event and its related Benchmark Replacement Date (each as defined in General Condition 4(o) (*Effect of Benchmark Transition Event*)) have not occurred with respect to SOFR, then SOFR (Index Determination) shall be the rate determined pursuant to "SOFR Compounded Index Unavailable"; or
  - (ii) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, then SOFR (Index Determination) shall be the rate determined pursuant to the provisions set forth in Condition 4(o) (*Effect of Benchmark Transition Event*), where applicable, or otherwise in accordance with any alternative fallback provisions specified in the applicable Pricing Supplement.

"**SOFR Compounded Index<sub>Start</sub>**" means, with respect to an Interest Period, the SOFR Compounded Index value for the day falling the Relevant Number of U.S. Government Securities Business Days prior to the first day of such Interest Period;

"**SOFR Compounded Index<sub>End</sub>**" means, with respect to an Interest Period, the SOFR Compounded Index value for the day falling the Relevant Number of U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period;

"**Relevant Number**" means the number specified as such in the applicable Pricing Supplement (or, if no such number is specified, five); and

"**US Government Securities Business Day**" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

"**SOFR Compounded Index Unavailable**" means if a SOFR Compounded Index<sub>Start</sub> or SOFR Compounded Index<sub>End</sub> is not published on the associated Interest Determination Date and a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, "Compounded Daily SOFR" means, for the

applicable Interest Period for which any such index is not available, the rate of return on a daily compounded interest investment calculated in accordance with the formula for SOFR Averages, and definitions required for such formula, published on the SOFR Administrator's Website at <https://www.newyorkfed.org/markets/treasury-repo-reference-rates-information>. For the purposes of this provision, references in the SOFR Averages compounding formula and related definitions to "calculation period" shall be replaced with "Observation Period" and the words "that is, 30-, 90-, or 180- calendar days" shall be removed. If the daily SOFR (SOFR<sub>i</sub>) does not so appear for any day, "i" in the Observation Period, SOFR<sub>i</sub> for such day "i" shall be SOFR published in respect of the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website.

If the relevant Series of Notes become due and payable or are otherwise redeemed early in accordance with the Conditions, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable or are scheduled for redemption (as the case may be), and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

(G) *Alternative Fallback Provisions*

The applicable Pricing Supplement may supplement or amend any of the provisions set out above in this sub-paragraph (iii), including the time at which such Reference Rate will be observed on the Relevant Screen Page and the location of the Reference Banks, or set out other alternative procedures which shall apply in place of the procedures set out above in this sub-paragraph (iii).

(c) *Rate of Interest on BBSW Notes*

If a Note is specified to be a BBSW Note, the Rate of Interest for each Interest Accrual Period will be determined by the Calculation Agent on the relevant Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (i) the Rate of Interest shall be the rate (expressed as an interest rate per annum and rounded up, if necessary, to the fourth decimal place) for prime bank eligible securities having a tenor approximately equal to the relevant Interest Accrual Period which is designated as the "AVG MID" (or any designation that replaces that designation) on the Thomson Reuters Screen "BBSW" Page ("**BBSW Reuters Page**") at or about the Relevant Time on the relevant Interest Determination Date in respect of such Interest Accrual Period;
- (ii) if, by the time that falls 15 minutes after the Relevant Time ("**Cut-Off Time**"), on any Interest Determination Date, such rate does not appear on the BBSW Reuters Page, the Rate of Interest means the rate determined by the Calculation Agent on the relevant Interest Determination Date in good faith, having regard, to the extent possible, to:

- (A) the rates otherwise bid and offered at or around the Cut-Off Time on the relevant Interest Determination Date for prime bank eligible securities having a tenor approximately equal to the relevant Interest Accrual Period ("**Comparable Rates**"); and

- (B) if Comparable Rates are not otherwise available, the rates otherwise bid and offered at or around the Cut-Off Time on the relevant Interest Determination Date for funds having a tenor approximately equal to the relevant Interest Accrual Period; and
- (iii) if, (subject to General Condition 4(n) (*Benchmark Replacement*), where applicable), on any Interest Determination Date, the Rate of Interest cannot be determined by reference to any of sub-paragraphs (i) and (ii) above, the Rate of Interest for the relevant Interest Accrual Period shall be the Rate of Interest in effect for the last preceding Interest Accrual Period (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(d) *Rate of Interest on BKBM Notes*

If a Note is specified to be a BKBM Note, the Rate of Interest for each Interest Accrual Period will be (subject to General Condition 4(n) (*Benchmark Replacement*), where applicable) determined by the Calculation Agent on the relevant Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (i) the Rate of Interest shall be the Bank Bill Reference Rate (FRA) (rounded, if necessary, to the fifth decimal place) administered by the New Zealand Financial Markets Association (or any other person which takes over the administration of that rate) as set forth on the display page designated on page "BKBM" on the Reuters screen service ("**BKBM Reuters Page**"), or such other information service as may replace the BKBM Reuters Page, at or about the Relevant Time (or such other time at which such rate customarily appears on that page (the "**Publication Time**")) on the relevant Interest Determination Date in respect of such Interest Accrual Period;
- (ii) if, by 11.00 a.m. Wellington time (or such other time that is 15 minutes after the then prevailing Publication Time), on any Interest Determination Date, such rate does not appear on the BKBM Reuters Page, the Rate of Interest means the rate determined by the Calculation Agent on the relevant Interest Determination Date in good faith, having regard, to the extent possible, to the rates otherwise bid and offered at or around 11.00 a.m. Wellington time (or such other time that is 15 minutes after the then prevailing Publication Time) on the relevant Interest Determination Date by participants in the BKBM trading window for New Zealand bank bills having a tenor approximately equal to the relevant Interest Accrual Period; and
- (iii) if, on any Interest Determination Date, the Rate of Interest cannot be determined by reference to any of sub-paragraphs (i) and (ii) above, the Rate of Interest for the relevant Interest Accrual Period shall be the Rate of Interest in effect for the last preceding Interest Accrual Period (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(e) *Rate of Interest on CMS Rate Notes*

Each CMS Rate Note will bear interest on its outstanding Principal Amount in accordance with the provisions set out in General Condition 4(b)(i) (*Interest Payment Dates*) above, at a specified rate that will be reset periodically based on the CMS Rate and any Margin and Rate Multiplier.

"**CMS Rate**" means the EUR CMS Rate, the GBP CMS Rate or the USD CMS Rate, as specified in the applicable Pricing Supplement.

The following procedures will apply if the rate cannot be set as described above (subject to General Condition 4(n) (*Benchmark Replacement*), where applicable):

- (a) If the GBP CMS Rate is not published on the Reuters Screen ICESWAP4 Page as described above, the GBP CMS Rate will be a percentage determined on the basis of the mid-market semi-annual swap rate quotations provided by the CMS Reference Banks at approximately 11.00 a.m., London time, on the relevant Interest Determination Date and, for this purpose, the semi-annual swap rate means the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for floating sterling interest rate swap transaction with a term equal to the Specified Maturity commencing on the Interest Reset Date and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Specified Maturity is greater than one year, to GBP-LIBOR-BBA with a Specified Maturity of six months or (B) if the Specified Maturity is one year or less, to GBP-LIBOR-BBA with a Designated Maturity of three months. The Issuer will appoint a Reference Banks Agent and the Reference Banks Agent, at the request of the Issuer, will request the principal London office of each of the CMS Reference Banks to provide a quotation of its rate and will provide such quotations to the Calculation Agent.
- (b) If at least three quotations are provided, the GBP CMS Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).
- (c) If fewer than three quotations are provided as requested, the GBP CMS Rate for that Interest Determination Date will be the same as the rate used for the prior Interest Period.
- (d) If the EUR CMS Rate is not published on the Reuters Screen ICESWAP2 Page as described above, the EUR CMS Rate will be a percentage determined on the basis of the mid-market annual swap rate quotations provided by the CMS Reference Banks at approximately 11.00 a.m., London time, on the relevant Interest Determination Date and, for this purpose, the annual swap rate means the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for floating euro interest rate swap transaction with a term equal to the Specified Maturity commencing on the Interest Reset Date and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters with a Specified Maturity of six months. The Issuer will appoint a Reference Banks Agent and the Reference Banks Agent, at the request of the Issuer, will request the principal office of each of the CMS Reference Banks to provide a quotation of its rate and will provide such quotations to the Calculation Agent.
- (e) If at least three quotations are provided, the EUR CMS Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).
- (f) If fewer than three quotations are provided as requested, the EUR CMS Rate for that Interest Determination Date will be the same as the rate used for the prior Interest Period.
- (g) If the USD CMS Rate is not published on the Reuters Screen ICESWAP1 Page as described above, the USD CMS Rate will be a percentage determined on the basis of the mid-market semi-annual swap rate quotations provided by the CMS Reference Banks at approximately 11.00 a.m., New York City time, on the relevant Interest Determination Date

and, for this purpose, the semi-annual swap rate means the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating U.S. Dollar interest rate swap transaction with a term equal to the Specified Maturity commencing on the Interest Reset Date and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA with a maturity of three months. The Issuer will appoint a Reference Banks Agent and the Reference Banks Agent, at the request of the Issuer, will request the principal New York City office of each of the CMS Reference Banks to provide a quotation of its rate and will provide such quotations to the Calculation Agent.

- (h) If at least three quotations are provided, the USD CMS Rate will be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).
- (i) If fewer than three quotations are provided as requested, the USD CMS Rate for that Interest Determination Date will be the same as the rate used for the prior Interest Period.

**"CMS Reference Banks"** means five leading swap dealers in the interbank market in the Principal Financial Centre of the Specified Currency selected by the Reference Banks Agent.

**"EUR CMS Rate"** means, with respect to any Interest Determination Date, the rate for euro swaps with the Specified Maturity, expressed as a percentage, determined by the Calculation Agent by reference to the rates which appears on the Reuters Screen ICESWAP2 Page under the heading "EURIBOR BASIS - EUR" and above the caption "11:00AM FRANKFURT" as of 11.00 a.m., Frankfurt time.

**"EUR-EURIBOR-Reuters"** means, for any date, the rate for deposits in euros for a period of the Specified Maturity which appears on the Reuters Screen EURIBOR01 Page as of 11.00 a.m., Brussels time, on the day that is two TARGET2 Settlement Days preceding that date.

**"GBP CMS Rate"** means, with respect to any Interest Determination Date, the rate for pound sterling swaps with the Specified Maturity, expressed as a percentage, determined by the Calculation Agent by reference to the rates appearing on Reuters Screen ICESWAP4 Page at approximately 11.10 a.m. (London time).

**"U.S. dollars"** and **"U.S.\$"** means United States dollars.

**"USD CMS Rate"** means, with respect to any Interest Determination Date, the rate for U.S. Dollar swaps with the Specified Maturity, expressed as a percentage, determined by the Calculation Agent by reference to the rates appearing on Reuters Screen ICESWAP1 Page at approximately 11.00 a.m. (New York City time).

**"USD-LIBOR-BBA"** means, for any date, the rate for deposits in U.S. dollars for a period of the Specified Maturity which appears on the Reuters Screen LIBOR01 as of 11.00 a.m., London time, on the day that is two London Business Days preceding that date.

- (f) *Zero Coupon Notes*

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

(g) *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 in the relevant Pricing Supplement.

(h) *Dual Currency Notes*

In the case of Dual Currency Notes, if the rate or amount of interest is to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the Pricing Supplement.

(i) *Rate of Interest for Reference Item Linked Notes*

The Rate(s) of Interest or amount of interest in respect of any Reference Item Linked Notes (including Interest Rate Linked Notes and FX Linked Notes) with customised interest rate provisions for each Interest Period or Interest Accrual Period shall be determined in the manner specified in the applicable Pricing Supplement and interest will accrue by reference to the Reference Item, formula and/or set of definitions as specified in the applicable Pricing Supplement and/or applicable Additional Conditions (if any). The applicable Pricing Supplement and/or applicable Additional Conditions (if any) shall specify the dates on which interest shall be payable on such Note and the basis for calculation of each amount of interest payable in respect of such Note on each such date and on any other date on which interest becomes payable in respect of such Note. Interest Amounts may be calculated by reference to such Reference Item, formula and/or set of definitions as the Issuer and the relevant Dealer(s) agree, such Reference Item, formula and/or set of definitions to be specified, together with such other supplemental terms and conditions, in the applicable Pricing Supplement and/or applicable Additional Conditions (if any).

Wherever Reference Item Linked Notes with customised provisions relating to payment of principal are issued to bear interest on a fixed or floating rate basis, on a non-interest bearing basis or on a Reference Item(s) linked basis, the provisions in these General Conditions relating to Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, and/or in the Additional Conditions (if any) for the relevant Reference Item Linked Note(s) respectively, shall where the context so permits, apply to such other Reference Item Linked Notes.

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

- (i) If any Margin or Rate Multiplier is specified in the Pricing Supplement (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 (A), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (B), calculated in accordance with the relevant Conditions, by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin or multiplying such Rate Multiplier, subject always to the next paragraph.
- (ii) If any Maximum Rate of Interest or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the Pricing Supplement, then any Rate of Interest, Instalment Amount or Final Redemption Amount shall be subject to such maximum or minimum, as the case may be. Unless otherwise specified in the Pricing Supplement, the Minimum Rate of Interest shall be deemed to be zero.
- (iii) Subject to the requirements of applicable law, for the purposes of any calculations required pursuant to the relevant 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 decimal places (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, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means 0.01 euro, as the case may be.

(k) *Accrual of Interest*

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (after, as well as before, judgment) at the Rate of Interest in the manner provided in this General Condition 4 (*Interest and other Calculations*) to the Relevant Date.

(l) *Calculations*

Unless otherwise specified in the Pricing Supplement, the amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding Principal Amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in the Pricing Supplement in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(m) *Determination and Publication of Rate of Interest, Interest Amounts, Final Redemption Amounts and Instalment Amounts*

As soon as practicable after the Relevant Time 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 or Instalment Amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or 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 the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, the Registrar, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange (and/or admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system) and the rules of such listing authority, stock exchange and/or quotation system so require, such listing authority, stock exchange and/or quotation system as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Accrual 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 Accrual Period is subject to adjustment pursuant to the applicable 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 Accrual Period. If the Calculation Amount is less than the minimum Specified Denomination, the Calculation Agent shall not be obligated to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination. If the Notes become due and payable under General Condition 9 (*Events of Default*), 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 General Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) or such other person specified in the applicable Pricing Supplement as the party responsible for making any such calculation or determination shall (in the absence of manifest error) be final and binding upon all parties.

(n) **Benchmark Replacement**

If Benchmark Replacement is specified as applicable in the applicable Pricing Supplement, this General Condition 4(n) (*Benchmark Replacement*) applies where the relevant Reference Rate specified in the applicable Pricing Supplement is a rate other than U.S. Dollar LIBOR, SOFR (Non-Index Determination) or SOFR (Index Determination).

Notwithstanding the provisions above in General Conditions 4(b) (*Interest on Floating Rate Notes and Reference Item Linked Notes*), 4(c) (*Rate of Interest on BBSW Notes*), 4(d) (*Rate of Interest on BKBM Notes*), 4(e) (*Rate of Interest on CMS Rate Notes*), 4(h) (*Dual Currency Notes*) and 4(i) (*Rate of Interest for Reference Item Linked Notes*) and Additional Conditions 1 and 2 of Annex 1 (*Additional Terms and Conditions for Interest Rate Linked Notes*), if the Issuer, in its discretion and acting in good faith and in a commercially reasonable manner (after consulting any source it deems to be reasonable, including, but not limited to, an Independent Adviser (where applicable) or the Calculation Agent (or the person specified in the applicable Pricing Supplement as the party responsible for calculating the Rate of Interest)) determines that a Benchmark Disruption Event has occurred when any Rate of Interest (or the relevant component part(s) thereof) remains to be determined by reference to such Reference Rate affected by the Benchmark Disruption Event, then, the following provisions shall apply:

(i) **Independent Adviser**

If Independent Adviser is specified as applicable in the applicable Pricing Supplement, the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Independent Adviser determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(n)(ii) (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread if any (in accordance with Condition 4(n)(iv) (*Adjustment Spread*)) and any Benchmark Amendments (in accordance with Condition 4(n)(v) (*Benchmark Amendments*)).

(ii) **Successor Rate or Alternative Rate**

Following the appointment of the Independent Adviser, if the Independent Adviser, following consultation with the Issuer and acting in good faith and in a commercially reasonable manner, determines, no later than the relevant IA Determination Cut-off Date that: (A) there is a Successor Rate, then it shall notify the Calculation Agent and the Calculation Agent shall use such Successor Rate (subject to adjustment as provided in Condition 4(n)(iv) (*Adjustment Spread*)) in place of the Reference Rate to determine the Rate of Interest (or the relevant

component part(s) thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this General Condition 4(n) (*Benchmark Replacement*)); or (B) there is no Successor Rate but that there is an Alternative Rate, then it shall notify the Calculation Agent and the Calculation Agent shall use such Alternative Rate (subject to adjustment as provided in Condition 4(n)(iv) (*Adjustment Spread*)) in place of the Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for all future payments of interest on the Notes (subject to the subsequent operation of this General Condition 4(n) (*Benchmark Replacement*)).

**(iii) Issuer Determination**

If Independent Adviser is not specified to be applicable in the applicable Pricing Supplement or if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser appointed by it fails to determine a Successor Rate or Alternative Rate prior to the relevant IA Determination Cut-off Date, then, if it elects to do so, the Issuer (acting in good faith and in a commercially reasonable manner) may (but shall not be obliged to) determine a Successor Rate or Alternative Rate for the purposes of Condition 4(n)(ii) (*Successor Rate or Alternative Rate*).

**(iv) Adjustment Spread**

If the Independent Adviser, following consultation with the Issuer (or the Issuer as the case may be), acting in good faith and in a commercially reasonable manner, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Independent Adviser (or the Issuer as the case may be) shall notify the Calculation Agent of such Adjustment Spread and the Calculation Agent shall apply it to the Successor Rate or the Alternative Rate (as the case may be).

**(v) Benchmark Amendments**

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this General Condition 4(n) (*Benchmark Replacement*) and the Independent Adviser, following consultation with the Issuer (or the Issuer as the case may be), acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions and/or the Agency Agreement and/or any other agreement or document relating to the Notes are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(n)(vi) (*Notices, etc.*), without any requirement for the consent or approval of Noteholders, at the Issuer's expense, vary these Conditions and/or the Agency Agreement and/or any other agreement or document relating to the Notes as is necessary to give effect to such Benchmark Amendments with effect from the date specified in such notice. The Fiscal Agent and/or each other party to an applicable agreement shall not be obliged to concur (including if in their opinion doing so would impose more onerous obligations on them or expose them to any additional duties, responsibilities or liabilities or reduce or amend their rights and/or the protective provisions afforded to them in these Conditions or in any other document to which they are a party in any way). For the avoidance of doubt, no consent of the Noteholders of the relevant Series shall be required in connection with effecting the Benchmark Amendments or such other changes, including for the execution of any documents or the taking of other steps

by the Issuer or any of the parties to the Agency Agreement (if required). In connection with any such variation in accordance with this General Condition 4(n)(v) (*Benchmark Amendments*), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(vi) **Notices, etc.**

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this General Condition 4(n) (*Benchmark Replacement*) will be notified promptly, and in any event no later than the fifth Business Day prior to the relevant Interest Determination Date in respect of which they shall become effective by the Issuer to the Fiscal Agent, the Calculation Agent, and each other party to the Agency Agreement, and the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any, and will be binding on the Issuer, the Fiscal Agent, the Calculation Agent and each other party to the Agency Agreement, and the Noteholders.

(vii) **Survival of Reference Rate**

Without prejudice to the provisions of this General Condition 4(n) (*Benchmark Replacement*), the Reference Rate and the fallback provisions provided for in General Condition 4(b)(iii)(B) (*Screen Rate/Reference Bank Determination for Floating Rate Notes other than Floating Rate Notes referencing SONIA (Non-Index Determination), SONIA (Index Determination), SOFR (Non-Index Determination) or SOFR (Index Determination)*) will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 4(n)(v) (*Benchmark Amendments*).

For the avoidance of doubt and notwithstanding any other provision of this General Condition 4(n) (*Benchmark Replacement*), where applicable, in determining any Adjustment Spread or other relevant methodology for the purposes of General Condition 4(n)(iii) (*Issuer Determination*), the Issuer shall not and shall not be obliged to apply and may discount any Adjustment Spread or methodology the application of which may constitute it an administrator for the purposes of Regulation (EU) 2016/1011 or Regulation (EU) 2016/1011 as it forms part of "retained law", as defined in the EUWA.

For the purposes of this General Condition 4(n) (*Benchmark Replacement*), where applicable:

**"Adjustment Spread"** means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser, following consultation with the Issuer (or the Issuer as the case may be), acting in good faith and in a commercially reasonable manner, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (ii) if in the case of a Successor Rate for which no such recommendation has been made or, in the case of an Alternative Rate, the Independent Adviser, following consultation with the Issuer (or the Issuer as the case may be), acting in good faith and in a commercially reasonable

manner, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions or is in customary market usage in the debt capital market for transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

- (iii) if the Independent Adviser (or the Issuer as the case may be) determines that no such industry standard is recognised or acknowledged, the Independent Adviser, following consultation with the Issuer (or the Issuer as the case may be), in its discretion, and acting in good faith and in a commercially reasonable manner, determines to be appropriate.

**"Alternative Rate"** means an alternative benchmark or screen rate which the Independent Adviser (or the Issuer as the case may be) determines in accordance with Condition 4(n)(ii) (*Successor Rate or Alternative Rate*) has replaced the Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part(s) thereof) for the same interest period and in the same Specified Currency as the Notes.

**"Benchmark Amendments"** has the meaning given to it in Condition 4(n)(v) (*Benchmark Amendments*).

**"IA Determination Cut-Off Date"** means no later than five Business Days prior to the relevant Interest Determination Date relating to the next relevant Interest Period.

**"Independent Adviser"** means an independent financial institution of international repute or other independent financial adviser with appropriate expertise in the international debt capital markets, in each case appointed by the Issuer at its own expense;

**"Benchmark Disruption Event"** means:

- (i) the relevant Reference Rate specified in the relevant Pricing Supplement has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or
- (ii) the Issuer determines after consulting with the Independent Adviser (if so appointed) that, a change in the generally accepted market practice in the international debt capital markets to refer to a Reference Rate is endorsed in a public statement by a Relevant Nominating Body, despite the continued existence of the applicable Reference Rate.

**"Reference Rate"** means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part(s) thereof) on the Notes in the applicable Pricing Supplement, provided that if a Successor Rate or Alternative Rate is determined to be used in respect of any Notes following one or more Benchmark Disruption Events, such Successor Rate or Alternative Rate (or any further Successor Rate or Alternative Rate) shall be the Reference Rate for the Notes during the period in which such Successor Rate or Alternative Rate is used.

**"Relevant Nominating Body"** means, in respect of a Reference Rate:

- (i) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for administering or supervising the administrator of the Reference Rate;
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for administering or supervising the administrator of the Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof; or

- (iii) any of the Board of Governors of the Federal Reserve, the Federal Reserve Bank of New York, the Bank of England, the Financial Conduct Authority or the Prudential Regulation Authority or any relevant committee or other body established, sponsored or approved by any of the foregoing, including the Working Group on Sterling Risk-Free Reference Rates and the Alternative Reference Rates Committee.

**"Successor Rate"** means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

(o) *Effect of Benchmark Transition Event*

If Benchmark Transition Event is specified as applicable in the Pricing Supplement, this General Condition 4(o) (*Effect of Benchmark Transition Event*) applies where the relevant Reference Rate specified in the applicable Pricing Supplement is U.S. Dollar LIBOR, SOFR (Non-Index Determination) or SOFR (Index Determination) (and for the avoidance of doubt, any subsequent Benchmark determined as a result of a Benchmark Replacement determination):

(i) **Benchmark Replacement**

If the Issuer or its designee determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to the Reference Time in respect of any determination of the Benchmark on any date, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of such determination on such date and all determinations on all subsequent dates.

(ii) **Benchmark Replacement Conforming Changes**

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time.

(iii) **Decisions and Determinations**

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this General Condition 4(o) (*Effect of Benchmark Transition Event*), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, (x) will be conclusive and binding absent manifest error, (y) will be made in the Issuer or its designee's sole discretion, and, (z) notwithstanding anything to the contrary in the in these Conditions or any other documentation relating to the Notes, shall become effective without consent from any other party.

For the avoidance of doubt and notwithstanding any other provision of this General Condition 4(o) (*Effect of Benchmark Transition Event*) in determining any Benchmark Replacement, Benchmark Replacement Conforming Changes or Benchmark Replacement Adjustment or for the purposes of making any other determination for the purposes of this General Condition, the Issuer shall not and shall not be obliged to apply and may discount any factor or methodology the application of which may constitute it an administrator for the purposes of Regulation (EU) 2016/1011 or Regulation (EU) 2016/1011 as it forms part of "retained law", as defined in the EUWA.

For the purposes of this General Condition 4(o) (*Effect of Benchmark Transition Event*):

**"Benchmark"** means, initially, the relevant Reference Rate specified in the applicable Pricing Supplement (or the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part (s) thereof)) where such Reference Rate is specified to be U.S. Dollar LIBOR, SOFR (Index Determination) or SOFR (Non-Index Determination); provided that if the Issuer or its designee determines on or prior to a Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to U.S. Dollar LIBOR, SOFR (Index Determination) or SOFR (Non-Index Determination), as applicable, or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

**"Benchmark Replacement"** means the LIBOR Benchmark Replacement or SOFR Benchmark Replacement, as applicable.

**"LIBOR Benchmark Replacement"** means the Interpolated Benchmark; provided that if the Issuer or its designee cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date, then "Benchmark Replacement" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(i) the sum of:

- (A) Term SOFR; and
- (B) the Benchmark Replacement Adjustment;

(ii) the sum of:

- (A) Compounded SOFR; and
- (B) the Benchmark Replacement Adjustment;

(iii) the sum of:

- (A) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then- current Benchmark for the applicable Corresponding Tenor; and
- (B) the Benchmark Replacement Adjustment;

(iv) the sum of:

- (A) the ISDA Fallback Rate; and
- (B) the Benchmark Replacement Adjustment;

(v) the sum of:

- (A) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar denominated floating rate notes at such time; and
- (B) the Benchmark Replacement Adjustment.

**"SOFR Benchmark Replacement"** means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (i) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;
- (ii) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment;  
or
- (iii) the sum of: (a) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark for the applicable Corresponding Tenor giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment.

**"Benchmark Replacement Adjustment"** means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar denominated floating rate notes at such time.

**"Benchmark Replacement Conforming Changes"** means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, changes to the definition of "Corresponding Tenor" (as defined below) solely when such tenor is longer than the Interest Period and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary).

**"Benchmark Replacement Date"** means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (i) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event," the later of:
  - (A) the date of the public statement or publication of information referenced therein; and
  - (B) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

- (ii) in the case of clause (iii) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

**"Benchmark Transition Event"** means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component);
- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark (or such component), which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

**"Compounded SOFR"** means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which will be compounded in arrears with a backward-shifted observation as a mechanism to determine the interest amount payable prior to the end of each Interest Period) being established by the Issuer or its designee in accordance with:

- (i) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:
- (ii) if, and to the extent that, the Issuer or its designee determines that Compounded SOFR cannot be determined in accordance with paragraph (i) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Issuer or its designee giving due consideration to any industry-accepted market practice for U.S. dollar denominated floating rate notes at such time.

**"Corresponding Tenor"** with respect to a Benchmark Replacement means a tenor (including overnight), or an interest period, if the applicable Benchmark or Benchmark Replacement is a daily rate, having approximately the same length (disregarding business day adjustment) as



the applicable tenor for, or interest period for interest calculated with reference to, the then-current Benchmark.

**"Interpolated Benchmark"** with respect to the Benchmark means the rate determined for the Corresponding Tenor by interpolating on a linear basis between:

- (i) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor; and
- (ii) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor.

**"ISDA Definitions"** means the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. ("ISDA") or any successor definitional booklet for interest rate derivatives as published by ISDA, and in respect of each Series, as amended and supplemented as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Pricing Supplement)), unless otherwise specified in the relevant Pricing Supplement.

**"ISDA Fallback Adjustment"** means the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

**"ISDA Fallback Rate"** means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

**"Reference Time"** with respect to any determination of the Benchmark means:

- (i) if the Benchmark is LIBOR, 11.00 a.m. (London time) on the day that is two London banking days preceding the date of such determination;
- (ii) if the Benchmark is Compounded SOFR, the relevant SOFR Determination Time; and
- (iii) if the Benchmark is not LIBOR or Compounded SOFR, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes.

**"Relevant Governmental Body"** means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

**"SOFR"** with respect to any day means the secured overnight financing rate as provided by the SOFR Administrator on the SOFR Administrator's Website.

**"SOFR Administrator"** means the Federal Reserve Bank of New York (or a successor administrator of SOFR);

**"SOFR Administrator's Website"** means the website of the Federal Reserve Bank of New York, or any successor source.

**"Term SOFR"** means the forward-looking term rate for the applicable Corresponding Tenor based on SOFR that has been selected or recommended by the Relevant Governmental Body.

**"Unadjusted Benchmark Replacement"** means the applicable Benchmark Replacement, in each case, excluding the applicable Benchmark Replacement Adjustment.

- (p) *Definitions*

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

**"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.

**"Amortisation Yield"** has the meaning given in General Condition 5(f)(B) (*Early Redemption Amounts*).

**"Amortised Face Amount"** has the meaning given in General Condition 5(f)(B) (*Early Redemption Amounts*).

**"APRA"** means the Australian Prudential Regulation Authority (or any successor organisation).

**"Australian Tax Act"** means the Income Tax Assessment Act 1936 or the Income Tax Assessment Act 1997 of Australia as applicable (which term includes any amendments or successor legislation).

**"BBSW"** means the Australian Bank Bill Swap Rate.

**"BBSW Note"** means a Floating Rate Note denominated in Australian dollars.

**"BKBM"** means the New Zealand Bank Bill reference rate.

**"BKBM Note"** means a Floating Rate Note denominated in New Zealand dollars.

**"Broken Amount"** means the amount specified as such in (or calculated in accordance with the provisions of) the relevant Pricing Supplement.

**"Business Day"** means:

- (i) in the case of:
  - (A) a Specified Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments generally in the Principal Financial Centre for such Specified Currency; or
  - (B) in the case of euro, a TARGET2 Business Day; and
- (iii) in the case of one or more additional business centres specified in the applicable Pricing Supplement (each, an **"Additional Business Centre"**), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the Additional Business Centres or, if no currency is indicated, generally in each of the Additional Business Centres,

unless otherwise specified in the relevant Pricing Supplement.

**"Business Day Convention"** in relation to an Interest Payment Date or other particular date, has the following meaning as so specified in the Pricing Supplement:

- (i) **Floating Rate Business Day Convention** means that the relevant 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 (A) such date shall be brought forward to the immediately preceding Business Day and (B) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment;
- (ii) **Following Business Day Convention** means that the relevant date shall be postponed to the next day that is a Business Day;

- (iii) **Modified Following Business Day Convention** means that the relevant 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;
- (iv) **Preceding Business Day Convention** means that the relevant date shall be brought forward to the immediately preceding Business Day; or
- (v) **"No adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention.

**"Calculation Agent"** means ANZBGL or such other calculation agent as is specified in the applicable Pricing Supplement;

**"Calculation Amount"** has the meaning given in the relevant Pricing Supplement.

**"CDOR"** means the Toronto inter-bank offered rate.

**"CMS Rate Note"** means a Floating Rate Note where the designated Interest Basis is CMS Rate.

**"CNH HIBOR"** means the CNH Hong Kong Interbank Offered Rate.

**"Code"** means the U.S. Internal Revenue Code of 1986, as amended.

**"Day Count Fraction"** means, in relation to 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 Accrual Period, the **"Calculation Period"**):

- (i) if **"Actual/Actual (ICMA)"** is specified in the Pricing Supplement:
  - (A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (x) the actual number of days in such Regular Period and (y) the number of Regular Periods in any year; and
  - (B) where the Calculation Period is longer than one Regular Period, the sum of:
    - (x) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (I) the actual number of days in such Regular Period and (II) the number of Regular Periods in any year; and
    - (y) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (I) the actual number of days in such Regular Period and (II) the number of Regular Periods in any year;

where **"Regular Period"** means:

- (aa) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (bb) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular

Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and

- (cc) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;
- (ii) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the Pricing Supplement, 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);
- (iii) if "**Actual/365 (Fixed)**" is specified in the Pricing Supplement, the actual number of days in the Calculation Period divided by 365;
- (iv) if "**Actual/360**" is specified in the Pricing Supplement, the actual number of days in the Calculation Period divided by 360;
- (v) if "**30/360 (ICMA)**" is specified in the Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;
- (vi) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

where:

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

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"**D<sub>1</sub>**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

"**D<sub>2</sub>**" 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 D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

where:

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

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"D<sub>1</sub>" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

"D<sub>2</sub>" 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 D<sub>2</sub> will be 30; or

- (viii) if "30E/360 (ISDA)" is specified in the Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

where:

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

"Y<sub>1</sub>" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y<sub>2</sub>" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"M<sub>1</sub>" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M<sub>2</sub>" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"D<sub>1</sub>" 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 D<sub>1</sub> will be 30; and

"D<sub>2</sub>" 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 D<sub>2</sub> will be 30,

provided, however, that in each case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period.

"**Early Redemption Amount**" has the meaning given in General Condition 5(f) (*Early Redemption Amounts*).

"**Effective Date**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, unless otherwise specified in the Pricing Supplement, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

**"EURIBOR"** means the Euro-Zone inter-bank offered rate.

**"Euro-Zone"** means the region comprising Member States of the European Economic Area that adopt the single currency in accordance with the Treaty establishing the European Union, as amended (the **"Treaty"**).

**"Event of Default"** has the meaning given in General Condition 9 (*Events of Default*).

**"Exercise Notice"** has the meaning given in General Condition 5(d) (*Redemption at the Option of Noteholders and Exercise of Noteholders' Options*).

**"Extraordinary Resolution"** has the meaning given in General Condition 10(a) (*Meetings of Noteholders*).

**"FATCA"** means:

- (i) Sections 1471-1474 of the Code (or any amended or successor version to the Code) and any current or future regulations or official interpretations thereof;
- (ii) any U.S. or non-U.S. fiscal or regulatory legislation, rules, guidance or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of either such sections of the Code or analogous provisions of non-U.S. law; or
- (iii) any agreement pursuant to the implementation of paragraphs (i) or (ii) above with the U.S. Internal Revenue Service, the U.S. government or any governmental or taxation authority in any other jurisdiction.

**"Federal Funds Effective Rate US"** means the volume weighted average rate at which depository institutions lend balances at the United States Federal Reserve to other depository institutions.

**"HIBOR"** means the Hong Kong inter-bank offered rate.

**"Instalment Amount"** means the amount specified as such in (or calculated in accordance with the provisions of) the relevant Pricing Supplement.

**"Interest Amount"** means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount, Broken Amount or the amount calculated pursuant to General Condition 4(a)(iii) (*Calculation of Interest Amount*) as the case may be.

**"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, except that the final Interest Accrual Period ends on (but excludes) the Maturity Date or the date of any earlier redemption of a Note in accordance with the Conditions, or any other period specified in the Pricing Supplement.

**"Interest Commencement Date"** means the Issue Date or such other date as may be specified in the Pricing Supplement.

**"Interest Determination Date"** means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the Pricing Supplement or, if none is so specified:

- (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or if the Notes are BBSW Notes or BKBM Notes;

- (ii) except for BBSW Notes or BKBM Notes, the day falling two Business Days for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro; or
- (iii) the day falling two TARGET2 Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

**"Interest Payment Date(s)"** means the date or dates specified in the Pricing Supplement and, unless otherwise specified in the Pricing Supplement, the final Interest Payment Date shall be the Maturity Date or such earlier date on which the relevant Notes are redeemed in accordance with the Conditions.

**"Interest Period"** means, unless otherwise specified in the Pricing Supplement, 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, except that the final Interest Period ends on (but excludes) the Maturity Date or the date of any earlier redemption of a Note in accordance with the Conditions.

**"Interest Period Date"** means each Interest Payment Date unless otherwise specified in the Pricing Supplement.

**"ISDA Definitions"** means, the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") or any successor definitional booklet for interest rate derivatives as published by ISDA, and in respect of each Series, as amended and supplemented as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Pricing Supplement)), unless otherwise specified in the relevant Pricing Supplement.

**"Issue Date"** means the date of issue of the Notes as specified in the Pricing Supplement.

**"Issue Price"** means the issue price of the Notes as specified in the Pricing Supplement.

**"LIBOR"** means the London inter-bank offered rate.

**"Maximum Redemption Amount"** means the amount specified as such in (or calculated in accordance with the provisions of) the relevant Pricing Supplement.

**"Minimum Redemption Amount"** means the amount specified as such in (or calculated in accordance with the provisions of) the relevant Pricing Supplement.

**"Offshore Associate"** has the meaning given in General Condition 5(h) (*Purchases*).

**"Optional Redemption Amount"** means the amount specified as such in (or calculated in accordance with the provisions of) the relevant Pricing Supplement, and if Unwind Costs are specified as applicable in the relevant Pricing Supplement, adjusted to take account of Unwind Costs.

**"Optional Redemption Date"** means the date or dates specified as such in the relevant Pricing Supplement.

**"Principal Amount"** in respect of a Note means the outstanding principal amount of that Note.

**"Principal Financial Centre"** means, in relation to a Specified Currency or any other currency, the principal financial centre of the country of that Specified Currency or other currency, which in the case of euro, is the Euro-Zone, and, in the case of Renminbi, is Hong Kong.

**"Rate of Interest"** means the rate of interest payable from time to time in respect of this Note and that is either specified in the relevant Pricing Supplement or calculated in accordance with the Conditions.

**"Rate of Exchange"** has the meaning specified in the relevant Pricing Supplement.

**"Record Date"** has the meaning given in General Condition 6(b)(ii).

**"Redemption Amount(s)"** means the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount, Maximum Redemption Amount or Minimum Redemption Amount, as the case may be.

**"Reference Banks"** means the institutions specified as such in the Pricing Supplement or, if none, four major banks selected by the Reference Banks Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Reference Rate specified in the Pricing Supplement which, if the relevant Reference Rate is EURIBOR, shall be the Euro-Zone.

**"Reference Banks Agent"** means an independent investment bank, commercial bank or stockbroker appointed by the Issuer.

**"Reference Rate"** means one of the following interbank lending rates, swap rates or bank bill rates: BBSW, BKBM, LIBOR, Federal Funds Effective Rate US, EURIBOR, CDOR, CMS Rate, SHIBOR, HIBOR, SIBOR, SOFR, SONIA (Non-Index Determination), SONIA (Index Determination), SOFR (Non-Index Determination) or SOFR (Index Determination) or CNH HIBOR as specified in the relevant Pricing Supplement.

**"Relevant Date"** has the meaning given in General Condition 7 (*Taxation*).

**"Relevant Financial Centre"** means, with respect to any Floating Rate to be determined in accordance with Screen Rate Determination on an Interest Determination Date and for the determination of the Rate of Interest in respect of Range Accrual Notes:

- (i) (A) in the case of BBSW Notes, Sydney (B) in the case of BKBM Notes, either Wellington or Auckland, New Zealand or (C) in either case such other financial centre as may be specified in the Pricing Supplement; and
- (ii) in all other cases, the financial centre specified as such in the Pricing Supplement or, if none is so specified, the Principal Financial Centre with which the relevant Reference Rate is most closely connected (which, where the Specified Currency is euro, shall be the Euro-Zone) or, if none is so connected, London.

**"Relevant Screen Page"** means the screen page specified as such in the relevant Pricing Supplement.

**"Relevant Time"** with respect to any Interest Determination Date, unless otherwise specified in the Pricing Supplement, in the case of BBSW Notes is 10.30 a.m. Sydney time, in the case of the BKBM Notes is 10.45 a.m. Wellington time, in the case of LIBOR is 11.00 a.m. London time, in the case of EURIBOR is 11.00 a.m. Brussels time, in the case of CDOR is 10.00 a.m. Toronto time, in the case of SHIBOR is 11.30 a.m. Beijing time, in the case of HIBOR is 11.00 a.m. Hong Kong time, in the case of SIBOR is 11.00 a.m. Singapore time (or, in each case, such other time at which such rate customarily appears). The Relevant Time in the case of CNH HIBOR will be specified in the Pricing Supplement. If a substitute or successor screen page is used for the purposes of calculating a Screen Rate as provided in General Condition 4(t) (*Substitute or Successor Screen Page*), the



Relevant Time in relation to such Screen Rate will be the nearest comparable time at which such Screen Rate is published on such substitute or successor screen page.

**"SHIBOR"** means the Shanghai inter-bank rate.

**"SIBOR"** means the Singapore inter-bank offered rate.

**"Specified Currency"** means the currency specified as such in the Pricing Supplement or, if none is specified, the currency in which the Notes are denominated.

**"Specified Maturity"** has the meaning given in the relevant Pricing Supplement.

**"TARGET2 Business Day"** means a day on which the TARGET2 System is open.

**"TARGET2 System"** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

**"Trade Date"** means the date specified as such in the relevant Pricing Supplement.

**"U.S. Dollar LIBOR"** means the London inter-bank offered rate for deposits in U.S.\$.

(q) *Calculation Agent and Reference Banks*

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the Pricing Supplement and for so long as any Note is outstanding (as defined in the Agency Agreement). If any Reference Bank (acting through its relevant offices) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in the Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount or Optional Redemption Amount or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(r) *Linear Interpolation*

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate or the relevant Floating Rate Option, as applicable, one of which shall be determined as if the Designated Maturity or Specified Maturity, as applicable, as specified in the applicable Pricing Supplement, were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which rates are available next longer than the length of the relevant Interest Period, provided, however, that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

(s) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this General Condition 4 (*Interest and other Calculations*) shall (in the absence of wilful default, gross negligence or fraud) be binding on the Issuer, the Calculation Agent, the Fiscal Agent, the other Paying Agents (if any), the Registrar and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default, gross negligence or fraud) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(t) *Substitute or Successor Screen Page*

Any reference in the Conditions or in the Pricing Supplement to a screen page on Reuters or on Bloomberg means the display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or the Bloomberg Professional® service (or any successor service), as the case may be, or such other page as may replace such page for the purpose of displaying the relevant rate.

## **5 Redemption, Purchase and Options**

(a) *Redemption by Instalments and Final Redemption*

- (i) Unless previously redeemed, purchased and cancelled as provided in this General Condition 5 (*Redemption, Purchase and Options*) or unless the relevant Instalment Date (being one of the dates so specified in the Pricing Supplement) is extended pursuant to any Issuer's or Noteholder's option in accordance with General Condition 5(c) (*Redemption at the Option of the Issuer and Exercise of Issuer's Options*) or 5(d) (*Redemption at the Option of Noteholders and Exercise of Noteholders' Options*), each Note that provides for Instalment Dates and Instalment Amounts (each an "**Instalment Note**") shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the Pricing Supplement. The outstanding Principal 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 Principal 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 on presentation of the related Receipt, 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 or its maturity is extended pursuant to any Issuer's or Noteholder's option in accordance with General Condition 5(c) (*Redemption at the Option of the Issuer and Exercise of Issuer's Options*) or 5(d) (*Redemption at the Option of Noteholders and Exercise of Noteholders' Options*), each Note shall be finally redeemed on the Maturity Date specified in the Pricing Supplement at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

(b) *Redemption for Taxation Reasons Applicable to all Notes*

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 is located, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations 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 General Condition 7 (*Taxation*), the Issuer may at its option, at any time (if the Note is a Fixed Rate Note, or a Note which bears no interest) or on any Interest Payment Date (if the Note is an interest-bearing Note other than a Fixed Rate Note), on giving not more than 60 nor less than 30 days' notice to the Noteholders of the relevant Series (which notice shall be irrevocable) redeem all, but not some only, of the Notes of the relevant Series at their Early Redemption Amount together with interest accrued to the date fixed for redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this General Condition 5(b) (*Redemption for Taxation Reasons Applicable to all Notes*), the Issuer shall deliver to the Fiscal Agent a certificate signed by two persons, each of whom is either a Director, a Senior Executive, an authorised representative or of equivalent status of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of the facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

(c) *Redemption at the Option of the Issuer and Exercise of Issuer's Options*

If a Call Option is included in the Pricing Supplement, the Issuer may, on giving not less than five or more than 30 days' irrevocable notice (subject to such other notice period as may be specified in the Pricing Supplement under "Option Exercise Date(s)") to the Noteholders redeem, or exercise any Issuer's option (as may be described in the Pricing Supplement) in relation to, all or, if so provided, some 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. Any such redemption or exercise of the Issuer's option shall only relate to Notes of a Principal Amount at least equal to the Minimum Redemption Amount to be redeemed specified in the Pricing Supplement and no greater than the Maximum Redemption Amount to be redeemed specified in the Pricing Supplement.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with the Conditions.

In the case of a partial redemption or a partial exercise of the Issuer's option, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place as may be fair and reasonable in the circumstances, having regard to prevailing market practices and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange requirements.

(d) *Redemption at the Option of Noteholders and Exercise of Noteholders' Options*

If a Put Option is specified in the Pricing Supplement, the Issuer shall, at the option of the holder of such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (subject to such other notice period as may be specified in the Pricing Supplement, under "Option Exercise Date(s)"), redeem such Note on the Optional Redemption Date(s) so provided at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option or any other Noteholder's option that may be set out in the Pricing Supplement, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer

Agent at its specified office, together with a duly completed option exercise notice ("**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 Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer, except that such Note or Certificate will be returned to the relevant Noteholder by the Paying Agent, the Registrar or Transfer Agent with which it has been deposited if, prior to the due date for its redemption or the exercise of the option, the Note becomes immediately due and payable or if upon due presentation payment of the redemption moneys is not made or exercise of the option is denied.

(e) *Redemption for Illegality*

If, at any time, the Issuer determines in good faith that either (i) it has become or will become unlawful, illegal, or otherwise prohibited or restricted 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 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, exchanges, clearing houses, 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, then the Issuer may, at its option, having given not less than 30 days' notice nor more than 60 days' notice to the Noteholders in accordance with General Condition 13 (*Notices*) (which notice shall be irrevocable), 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 Note which bears no interest) all, but not some only, of the Notes then outstanding at the Early Redemption Amount referred to in General Condition 5(f) (*Early Redemption Amounts*) together (if appropriate) with interest accrued to (but excluding) the date fixed for redemption (if applicable).

(f) *Early Redemption Amounts*

The Early Redemption Amount will be calculated by the Calculation Agent as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of a Note (other than a Zero Coupon Note and excluding Notes specified in sub-paragraph (iii) below but including an Instalment Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Pricing Supplement or, if no such amount or manner is so specified in the applicable Pricing Supplement, at its nominal amount; or
  - (A) in the case of a Zero Coupon Note that does not bear interest prior to the Maturity Date, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to General Condition 5(b) (*Redemption for Taxation Reasons Applicable to all Notes*) or upon it becoming due and payable as provided in General Condition 9 (*Events of Default*), shall be the Amortised Face Amount (calculated as provided below) of such Note.
  - (B) Subject to the provisions of sub-paragraph (C) below, the "**Amortised Face Amount**" of any such Note shall be the scheduled Final Redemption Amount of

such Note on the Maturity Date discounted to the date of its early redemption at a rate per annum (expressed as a percentage) equal to (I) where Compound Interest is specified in the Pricing Supplement, the **"Amortisation Yield"** (which, if none is set out in the Pricing Supplement, shall be such rate as would produce an Amortised Face Amount equal to the Issue Price of the Notes if such Notes were discounted back from the Maturity Date to the Issue Date) compounded annually, or (II) where Linear Interest is specified in the Pricing Supplement, an amount per Calculation Amount calculated in accordance with the following formula:

Amortised Face Amount = Calculation Amount + (Accreting Payment Amount x A) + B Where:

**"A"** means the aggregate number of Accreting Payment Periods that precede the Final Accreting Payment Period;

**"Accreting Payment Amount"** means the amount per Calculation Amount specified in the Pricing Supplement;

**"Accreting Payment Period"** means a period specified in the Pricing Supplement;

**"B"** means, in respect of the Final Accreting Payment Period, the Accreting Payment Amount multiplied by the Day Count Fraction;

**"Early Redemption Date"** means in respect of this General Condition 5(f) (*Early Redemption Amounts*) the date on which the Notes are redeemed prior to the Maturity Date; and

**"Final Accreting Payment Period"** means a period specified in the Pricing Supplement.

Where such calculation referred to in sub-paragraph (A) above is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction set out in the Pricing Supplement.

- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to General Condition 5(b) (*Redemption for Taxation Reasons Applicable to all Notes*) or upon it becoming due and payable as provided in General Condition 9 (*Events of Default*) is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the reference therein, in the case of sub-paragraph (A) above, to the date on which the Note becomes due and payable or, in the case of sub-paragraph (B) above, the Early Redemption Date, were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (after, as well as before, judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with General Condition 4(k) (*Accrual of Interest*); and

- (iii) in the case of a Reference Item Linked Note (including an Interest Rate Linked Note and an FX Linked Note), the Early Redemption Amount in respect of each nominal amount of such Notes equal to the Calculation Amount will 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), unless otherwise provided for in the relevant Additional Conditions (if applicable) and/or the applicable Pricing Supplement,

provided that, in each case, if "Unwind Costs" is specified in the applicable Pricing Supplement, the Early Redemption Amount will be adjusted to take account of any Unwind Costs.

(g) *Partly Paid Notes*

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this General Condition 5 (*Redemption, Purchase and Options*) and the provisions specified in the relevant Pricing Supplement.

(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 Corporations Act 2001 of Australia (the "**Corporations Act**")).

"**Offshore Associate**" means an associate (as defined in section 128F of the Australian Tax Act) of the Issuer 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 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) *Cancellation*

All Notes redeemed by the Issuer or surrendered by the purchaser through the Issuer for cancellation pursuant to General Condition 5(h) (*Purchases*) shall 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, or to the order of, the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(j) *Unwind Costs*

"**Unwind Costs**" means, in respect of the Early Redemption Amount or Optional Redemption Amount (as the case may be and each a "**Relevant Redemption Amount**") the losses, expenses and costs (if any), including any loss of bargain or cost of funding (in which case the Relevant

Redemption Amount will be adjusted downward to the extent of such losses, expenses and costs) to the Issuer and/or any Affiliate of the Issuer of unwinding, terminating, liquidating, adjusting, obtaining, replacing or re-establishing any underlying or related hedging arrangements (including but not limited, to any options or selling or otherwise realising any instruments of any type whatsoever which the Issuer and/or any of its Affiliates may hold as part of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute 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 General Condition 6(f)(vi) (*Unmatured Coupons and Receipts and Unexchanged Talons*)) or Coupons (in the case of interest, save as specified in General Condition 6(f)(ii) (*Unmatured Coupons and Receipts and Unexchanged Talons*)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holder, by transfer to an account denominated in that currency with, a bank in the Principal Financial Centre for that currency, provided, however, that:

- (i) payments in a Specified Currency other than euro will be made by transfer to an account in the relevant Specified Currency maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank in the Principal Financial Centre of the country of such Specified Currency (which (A) if the Specified Currency is New Zealand dollars shall be Wellington and Auckland; (B) if the Specified Currency is Australian dollars, shall be Sydney; and (C) if the Specified Currency is Renminbi, shall be Hong Kong); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

### **(b) Registered Notes**

- (i) Payments of principal (which for the purposes of this General Condition 6(b) (*Registered Notes*) 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 Certificates at the specified office of any of the Transfer Agents or of the Registrar in the manner provided in sub-paragraph (ii) below.
- (ii) Interest (which for the purpose of this General Condition 6(b) (*Registered Notes*) 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 in respect of each Registered Note shall be made in the relevant Specified Currency by cheque drawn on a bank in the Principal Financial Centre of the country of such Specified Currency (which (A) if the Specified Currency is New Zealand dollars shall be Wellington and Auckland; and (B) if the Specified Currency is Australian dollars, shall be Sydney; and (C) if the Specified Currency is Renminbi, shall be Hong Kong), and mailed to the holder (or 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 General Condition 6(a) (*Bearer Notes*), such payment of interest may be made by transfer to an account in the Specified Currency maintained by the payee with a bank in the Principal Financial Centre of the country of such Specified Currency (which (I) if the Specified Currency is New Zealand dollars shall be Wellington and Auckland; and (II) if the Specified Currency is Australian dollars, shall be Sydney; and (III) if the Specified Currency is Renminbi, shall be Hong Kong); provided, however, that in the case of euro, the transfer may be to, or the cheque drawn on, a euro account with a bank in the European Union.

*So long as the Notes are represented by a Registered Global Note, the "Record Date" shall be the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment where "Clearing System Business Day" means a day on which the relevant clearing system is open for business.*

(c) *Payments in the United States*

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

(d) *Payments Subject to Fiscal Laws*

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives; and (ii) any withholding or deduction made for or on account of FATCA but without prejudice to the provisions of General Condition 7 (*Taxation*). No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments. For the avoidance of doubt, any amounts to be paid in respect of the Notes will be paid net of any deduction or withholding made for or on account of FATCA and, notwithstanding any other provision of the Conditions, no additional amounts will be required to be paid on account of any such deduction or withholding. References to Specified Currency will include any successor currency under applicable law.

(e) *Appointment of Agents*

The Fiscal Agent, the other Paying Agents (if any), the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the other Paying Agents (if any), the Registrar, the Transfer Agents and the Calculation Agent 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, any Transfer Agent or the Calculation 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, (iv) one or more Calculation Agent(s) where the Conditions so require; and (v) such other agents as may be required by the rules of any other listing authority, stock exchange and/or quotation system on which the Notes may be admitted to listing, trading and/or quotation.



In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in US dollars in the circumstances described in General 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 in accordance with General Condition 13 (*Notices*).

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

- (i) In the case of Fixed Rate Notes (other than Reference Item Linked Notes (including Interest Rate Linked Notes and FX Linked Notes)), Bearer Notes should be surrendered for payment together with all unmaturing Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unmaturing Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmaturing Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to General Condition 8 (*Prescription*)).
- (ii) In the case of Floating Rate Notes or Reference Item Linked Notes (including Interest Rate Linked Notes and FX Linked Notes), upon the due date for redemption of any Bearer Note, unmaturing 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 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 which 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 which provides that the relative Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmaturing 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 provisions of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Notes 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 Note or Certificate representing it, as the case may be. Interest accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) *Talons*

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the 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 General Condition 8 (*Prescription*)).

(h) *Non-Business Days*

If any date for payment in respect of any Note, Receipt or Coupon is not a Payment Business Day, the holder shall not be entitled to payment until (i) if "Following" is specified as the Payment Business Day Convention in the applicable Pricing Supplement, the next following Payment Business Day; or (ii) if "Modified Following" is specified as the Payment Business Day Convention in the applicable Pricing Supplement, the next following Payment Business Day unless that Payment Business Day falls in the next calendar month, in which case the first preceding Payment Business Day. In this paragraph, "**Payment Business Day**" means a day (other than a Saturday or a Sunday) on which:

- (i) commercial banks and foreign exchange markets settle payments generally in such jurisdictions as shall be specified as "**Additional Financial Centres**" in the Pricing Supplement and, where relevant, in the relevant place of presentation; and
- (ii) (in the case of a payment in a currency other than euro where payment is to be made by transfer in the relevant currency to an account maintained with a bank) foreign exchange transactions may be carried on in the relevant currency in the Principal Financial Centre of the country of such currency; or
- (iii) (in the case of a payment in euro) banks are open for business and carrying out transactions in euro in the jurisdiction in which the account specified by the payee is located and a day on which the TARGET2 System is open.

(i) *Euro and Redenomination*

References to euro are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to Article 123 of the Treaty.

Unless otherwise specified in the Pricing Supplement, Notes denominated in the currency (the "**Relevant Currency**") of a Member State that does not participate in the third stage of European economic and monetary union prior to the Issue Date of the relevant Notes may, at the election of the Issuer, be subject to redenomination in the manner set out below. In relation to such Notes the Issuer may, without the consent of the Noteholders or Couponholders, on giving at least 30 days' prior notice to Noteholders, the Fiscal Agent and each of the Paying Agents and Transfer Agents, designate a "**Redenomination Date**" for the Notes, being a date for payment of interest under the Notes falling on or after the date on which the relevant Member State commences participation in such third stage.

With effect from the Redenomination Date, notwithstanding the other provisions of the Conditions:

- (i) the Notes shall (unless already so provided by mandatory provisions of applicable law) be deemed to be redenominated in euro in the denomination of euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Relevant Currency, converted into euro at the rate for conversion of the Relevant Currency into euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations) provided that, if the Issuer determines that the then market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, any listing authority, stock

exchange and/or quotation system on which the Notes may be listed, the Fiscal Agent and each of the Paying Agents and Transfer Agents of such deemed amendment;

- (ii) if Notes in definitive form are required to be issued, they shall be issued at the expense of the Issuer in the denominations of euro 0.01, euro 1,000, euro 10,000, euro 100,000 and such other denominations as the Fiscal Agent shall determine and notify to Noteholders;
- (iii) if Notes in definitive form have been issued, all unmatured Receipts and Coupons denominated in the Relevant Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives the notice (the "**Exchange Notice**") that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes so issued will also become void on that date although those Notes will continue to constitute valid exchange obligations of the Issuer. New certificates in respect of euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Relevant Currency in such manner as the Fiscal Agent may specify and as shall be specified to Noteholders in the Exchange Notice;
- (iv) all payments in respect of the Notes (other than, unless the Redenomination Date is on or after such date as the Relevant Currency ceases to be a subdivision of the euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in euro. Such payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or by cheque; and
- (v) the amount of interest in respect of Notes will be calculated by reference to the aggregate principal amount of Notes presented (or, as the case may be, in respect of which Receipts or Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01.

In connection with such redenomination, the Issuer may, after consultation with the Fiscal Agent, make such other changes to the Conditions applicable to the relevant Notes as it may decide so as to conform them to the then market practice in respect of euro-denominated debt securities issued in the euromarkets which are held in international clearing systems. Any such changes will not take effect until the next following Interest Payment Date after they have been notified to the Noteholders in accordance with General Condition 13 (*Notices*).

(j) *Payment of US Dollar Equivalent in respect of CNY Notes*

Where "CNY Currency Event" is specified to be applicable in the relevant Pricing Supplement then, if by reason of a CNY Currency Event, the Issuer is not able to satisfy payments of principal or interest in respect of any Notes which are denominated in Renminbi ("**CNY Notes**") when due in Renminbi in Hong Kong, the Issuer may, on giving not less than five or more than 30 calendar days' irrevocable notice to the Noteholders prior to the due date for payment, settle any such payment in US dollars on the due date at the US Dollar Equivalent of any such Renminbi-denominated amount.

For the purposes of these General Conditions, "**US Dollar Equivalent**" means the Renminbi amount converted into US dollars using the Spot Rate for the relevant Determination Date.

For this purpose:

"**CNY**" means the lawful currency of the PRC;

**"CNY Currency Event"** means any one of CNY Illiquidity, CNY Inconvertibility and CNY Non transferability;

**"CNY 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 Hong Kong;

**"CNY Illiquidity"** means that, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, the general Renminbi exchange market in Hong Kong has become illiquid and, as a result of which, the Issuer and/or any of its Affiliates cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest and principal (in whole or in part) in respect of the CNY Notes, as determined by the Issuer in good faith and in a commercially reasonable manner following consultation (if practicable) with two Renminbi Dealers;

**"CNY Inconvertibility"** means, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, the occurrence of any event that has the direct or indirect effect of hindering, limiting, restricting, making it impossible, illegal or impracticable for the Issuer and/or any of its Affiliates to convert any amount due in respect of the CNY Notes in the general Renminbi exchange market in Hong Kong (including, without limitation, by reason of any delays, increased costs or discriminatory rate of exchange or any current or future restrictions on the repatriation of Renminbi), other than where such impossibility, illegality 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 CNY Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date of the relevant Series of Notes and it is impossible or not reasonably practicable for the Issuer and/or any of its Affiliates, due to an event beyond its control, to comply with such law, rule or regulation);

**"CNY Non transferability"** means, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, the occurrence of any event that has the direct or indirect effect of hindering, limiting, restricting, making it impossible, illegal or impracticable for the Issuer and/or any of its Affiliates to transfer Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong or from an account outside Hong Kong to an account inside Hong Kong (including, without limitation, by reason of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on the repatriation of Renminbi), other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any CNY Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date of the relevant Series of Notes and it is not impossible or reasonably practicable for the Issuer and/or any of the Affiliates, due to an event beyond its control, to comply with such law, rule or regulation);

**"Determination Business Day"** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong, Beijing, London and New York City;

**"Determination Date"** means the day which is two Determination Business Days before the due date for any payment of the relevant amount under the Conditions;

**"Hong Kong"** means the Hong Kong Special Administrative Region of the PRC;

**"PRC"** means the People's Republic of China which, for the purpose of the Conditions, shall exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan;

**"Renminbi"** means the lawful currency of the PRC;

**"Renminbi Dealer"** means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong; and

**"Spot Rate"** means the spot Renminbi/US dollar exchange rate for the purchase of US dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent will determine the Spot Rate at or around 11.00 a.m. (Hong Kong time) on the Determination Date as the most recently available Renminbi/US dollar official fixing rate for settlement in two Determination Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC.

(k) *Alternative Currency Equivalent Provisions*

Where Alternative Currency Equivalent is specified to be applicable in the relevant Pricing Supplement then, if the Calculation Agent (acting in good faith and in a commercially reasonable manner) makes a determination pursuant to this General Condition 6(k) (*Alternative Currency Equivalent Provisions*) that, by reason of a Scheduled Payment Currency Disruption Event (the occurrence of which shall be determined by the Calculation Agent acting in good faith and in a commercially reasonable manner), it would, in the opinion of the Calculation Agent, be commercially impracticable for the Issuer to satisfy any payment obligation in respect of the Notes when due in the Scheduled Payment Currency, then the Issuer may in its sole and absolute discretion, take the action described in paragraph (i), (ii), (iii) or (iv) below:

- (i) determine that the relevant payment or delivery obligation of the Issuer in respect of the Notes be postponed by the number of Business Days (such number, the **"Maximum Days of Postponement"**) specified in the relevant Pricing Supplement, after the date on which the relevant Scheduled Payment Currency Disruption Event ceases to exist, in the determination of the Calculation 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;
- (ii) determine that the Issuer's obligation to make any payment in respect of the Notes 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;
- (iii) determine that the relevant payment or delivery obligation in respect of the Notes 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 Calculation 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 Notes 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

- (iv) give notice to the Noteholders in accordance with General Condition 13 (*Notices*) and redeem all, but not some only, of the Notes 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 to each Noteholder in respect of each Note held by such Noteholder. Payment will be made in such manner as shall be notified to the Noteholders in accordance with 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 Notes.

In making any determination in respect of any Scheduled Payment Currency Disruption Event, neither the Issuer nor the Calculation Agent shall have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number), and, in particular, but without limitation, shall not have regard to the consequences of any such determination for individual Noteholders (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 Noteholder shall 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 Noteholders.

For this purpose:

**"Alternative Currency"** means the currency specified as such in the relevant Pricing Supplement (or any lawful successor currency to that currency), or, if no Alternative Currency is so specified, U.S. dollars;

**"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 Scheduled Payment Currency Spot Rate for the relevant Rate Calculation Date, all as determined by the 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 converting such amount into an amount expressed in U.S. dollars using the Scheduled Payment Currency 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 Calculation Agent;

**"Inconvertibility (ACE)"** means, in respect of any payment or obligation in respect of the Notes, the occurrence of any event that has the direct or indirect effect of hindering, limiting, restricting or making it impossible, illegal or impracticable, for the Issuer and/or any of its Affiliates to convert the whole, or part thereof, of (i) any amount due in respect of the Notes in the foreign exchange markets for the Scheduled Payment Currency; or (ii) such other amount as may be determined by the Calculation 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, by reason 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, illegality 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 Scheduled Payment Currency Governmental Authority (unless such law, rule or regulation becomes effective on or after the Trade Date of the relevant Series of Notes and it is impossible or not reasonably practicable for the Issuer and/or any of its Affiliates, due to an event beyond its control, to comply with such law, rule or regulation);

**"Illiquidity (ACE)"** means (i) in respect of any payment obligation in respect of the Notes 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 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 for the Issuer and/or any of its Affiliates to obtain a firm quote for exchange of the Scheduled Payment Currency into the Alternative Currency;

**"Non-transferability (ACE)"** means, in respect of any payment obligation in respect of the Notes, the occurrence of any event that has the direct or indirect effect of hindering, limiting, restricting, making it impossible, illegal or impracticable, for the Issuer and/or any of its Affiliates to deliver (i) the Scheduled Payment Currency in relation to any such payment obligation between accounts inside any relevant jurisdiction; or (ii) the Scheduled Payment Currency between an account inside the relevant jurisdiction to an account outside such relevant jurisdiction, or to a party that is a non-resident of such relevant jurisdiction (including, without limitation, by reason of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on the repatriation of the relevant Scheduled Payment Currency), other than where such impossibility, illegality 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 Scheduled Payment Currency Governmental Authority (unless such law, rule or regulation becomes effective on or after the Trade Date of the relevant Series of Notes and it is impossible or not reasonably practicable 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 in the relevant Pricing Supplement, 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 in the relevant Pricing Supplement before the due date for payment of the relevant amount under the Notes or, unless specified otherwise in the relevant Pricing Supplement, if the relevant Scheduled Payment Currency Spot Rate is not available on such day, the last preceding Rate Calculation Business Day on which the relevant Scheduled Payment Currency Spot Rate was most recently available, as determined by the Calculation Agent;

**"Rate Calculation Jurisdiction"** means the jurisdiction(s) specified as such in the relevant Pricing Supplement, 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 (ACE);
- (ii) Non-transferability (ACE);
- (iii) Illiquidity (ACE); 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 Notes; or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

**"Scheduled Payment Currency 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 relevant jurisdiction;

**"Scheduled Payment Currency Spot Rate"** means, in respect of a Rate Calculation Date, unless otherwise specified in the relevant Pricing Supplement, 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 Pricing Supplement at the Specified Time, provided that if such Scheduled Payment Currency Spot Rate is not available, then the Calculation Agent will determine the Scheduled Payment Currency Spot Rate (or a method for determining the Scheduled Payment Currency Spot Rate), taking into consideration all available information that it deems relevant;

**"Settlement Rate Option"** means, unless otherwise specified in the relevant Pricing Supplement, 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 Pricing Supplement;

**"USD Settlement Rate Option"** means, unless otherwise specified in the relevant Pricing Supplement, the settlement rate option for the exchange of U.S. dollars into the Alternative Currency specified in the relevant Pricing Supplement, 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 in the relevant Pricing Supplement, 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 Pricing Supplement at the Specified Time, provided that if such USD Spot Rate is not available, then the 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.

(l) *Discretion of Calculation Agent*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this General Condition 6 (*Payments and Talons*) by the Calculation Agent will (in the absence of a manifest error) be binding on the Issuer, the Calculation Agent, the Fiscal Agent, the other Paying Agents (if any), the Registrar, all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default, gross negligence or fraud) no liability to any such person shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers and duties for such purposes.

The Calculation Agent or such other person may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate. The Issuer may delegate any of its obligations and functions to a third party as it deems appropriate.

(m) *Exercise of Discretion*

In exercising its discretion in respect of the Notes as provided herein, each of the Issuer and the Calculation Agent or such other person described in General Condition 4(m) (*Determination and Publication of Rate of Interest, Interest Amounts, Final Redemption Amounts and Instalment Amounts*) above may (unless otherwise provided for in the relevant Conditions and/or the applicable



Pricing Supplement) take into account such factors as it determines appropriate in each case, which may include, in particular, any circumstances or events which have or may have a material impact on the hedging arrangements entered into by a Hedging Party in respect of the Notes. The exercise of the Issuer's and/or the Calculation Agent's and/or such other person's discretion in respect of the Notes as provided herein are necessary because certain circumstances or events (for example, a Benchmark Disruption Event, Benchmark Transition Event, Additional Disruption Event or FX Market Disruption Event, in each case, where applicable) may occur subsequent to the issuance of the Notes which may materially affect the costs to a Hedging Party of maintaining the relevant Notes or relevant hedging arrangements. Such circumstances or events may not have been reflected in the pricing of the Notes. In addition, as a result of certain circumstances or events (for example, the occurrence or existence of a Price Source Disruption or a Trading Suspension or Limitation, where applicable), it may no longer be reasonably practicable or otherwise appropriate for certain valuations in respect of any Reference Item or otherwise in connection with the Notes to be made, thus making it necessary for the Issuer and/or the Calculation Agent to exercise its discretion in such a case.

For the purposes of this General Condition, "**Hedging Party**" means the Issuer and/or any Affiliate and/or any other party which conducts or may conduct hedging arrangements in respect of the Issuer's obligations in respect of the Notes from time to time.

(n) *Determination of amounts payable*

The Issuer and/or the Calculation Agent and/or such other person will employ the methodology described in the Conditions and/or the applicable Pricing Supplement to determine amounts payable in respect of the Notes. When making any such determination in relation to any amounts so payable, the Issuer and/or the Calculation Agent and/or such other persons may, unless otherwise provided for in the relevant Conditions and/or the applicable Pricing Supplement, in its/their sole and absolute discretion, consider any relevant information, which may but is not required to include, without limitation, one or more of the following:

- (i) quotations (either firm or indicative) supplied by one or more third parties or information sources;
- (ii) information consisting of relevant market data in the relevant markets supplied by one or more third parties or information sources including, without limitation, relevant rates, prices, yields, yield curves, volatilities, spreads correlation or other relevant market data in the relevant market; or
- (iii) information of the types described in paragraph (i) or (ii) above from internal sources (including any Affiliates of the Issuer and/or the Calculation Agent and/or such other persons) or other information of a type used by the Issuer and/or the Calculation Agent and/or such other persons in the regular course of its business or in connection with similar transactions.

Whenever any of the Issuer and/or the Calculation Agent and/or such other persons is required to make any determination it may, *inter alia*, decide issues of construction and legal interpretation. Any delay, deferral or forbearance by the Issuer and/or the Calculation Agent and/or such other person in the performance or exercise of any of its obligations or discretions under the Notes including, without limitation, the giving of any notice by it to any person, shall not affect the validity or binding nature of any later performance or exercise of such obligation or discretion.

(o) *Disclaimer of liability and responsibility*

None of the Issuer, the Calculation Agent and any such other person makes any express or implied representations or warranties as to (i) the advisability of investing in or obtaining exposure to the Notes; (ii) the value of the Notes at any particular time on any particular date; or (iii) any amounts that may become payable in respect of the Notes.

Without limiting any of the foregoing, in no event shall the Calculation Agent and/or such other persons have any liability (whether in negligence or otherwise) to any Noteholders for any direct, indirect, special, punitive, consequential or any other damages (including loss of profits) even if notified of the possibility of such damages. The Calculation Agent and/or such other persons shall not have any responsibility to any holder for any errors or omissions in any calculations or determinations in respect of the Notes and act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any holder.

(p) *Conflict of Interest*

In addition to providing calculation agency services to the Issuer, the Calculation Agent and/or any of its Affiliates may perform further or alternative roles relating to the Issuer and any Series of Notes including, but not limited to, for example, being involved in arrangements relating to any Reference Item(s) (for example as a calculation agent). Furthermore, the Calculation Agent or any of its Affiliates may contract with the Issuer and/or enter into transactions which relate to the Issuer, the Notes or any Reference Item and as a result the Calculation Agent may face a conflict between its obligations as Calculation Agent and its and/or its Affiliates' interests in other capacities. Subject to all regulatory obligations, neither the Issuer nor the Calculation Agent in respect of the Notes shall owe any duty or responsibility to any Noteholder to avoid any conflict or to act in the interests of any Noteholder.

## **7 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 Pricing Supplement 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:

- (i) 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 relevant Pricing Supplement is located, other than the mere holding of such Note, Receipt or Coupon or the receipt of the relevant payment in respect thereof; or

- (ii) 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
- (iii) 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
- (iv) 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
- (v) 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 to which the Issuer was neither a party nor participated in; or
- (vi) 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 General 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 and all other amounts in the nature of principal payable pursuant to General 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 General Condition 4 (*Interest and other Calculations*), any applicable Additional Conditions for Interest Rate Linked Notes or any amendment or supplement to it; and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this General Condition or any undertaking given in addition to or substitution for it under the Agency Agreement.

## 8 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.

## 9 Events of Default

If any of the following events ("**Events of Default**") occurs and is continuing, the holder of any Note of any Series issued by the Issuer may give written notice to the Fiscal Agent at its specified office that such Note is immediately repayable, whereupon it shall immediately become due and repayable at its Early Redemption Amount together with accrued interest to the date of payment unless, prior to the date that such written notice is received by the Fiscal Agent, the Issuer shall have cured or otherwise made good all Events of Default in respect of the Notes of such Series:

- (i) default is made in the payment of any principal or Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount, Instalment Amount or Amortised Face Amount (in the case of a Zero Coupon Note) (whether becoming due upon redemption or otherwise) or interest when due, in respect of any Note of such Series, and such default continues for a period of seven days; or
- (ii) the Issuer fails to perform or observe any of its obligations under any Note of such Series other than those specified in paragraph (i) 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 Note of such Series on the Issuer and the Fiscal Agent of written notice requiring the same to be remedied; or
- (iii) 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, a resolution is passed that the Issuer be wound up or dissolved; or
- (iv) the Issuer stops payment (within the meaning of Australian or any other applicable bankruptcy law) of its obligations; or
- (v) 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 Notes 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 Notes of such Series and is not discharged within 60 days thereof; or
- (vi) proceedings shall have been initiated against the Issuer under any applicable bankruptcy, reorganisation or other similar law and such proceedings shall not have been discharged or stayed within a period of 60 days; or
- (vii) the Issuer shall initiate or consent 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 country of the Issuer's incorporation)) and such proceedings would materially prejudice the performance by the Issuer of its obligations under the Notes of such Series.

Any such notice by a holder of Notes to the Fiscal Agent shall specify the serial number(s) of the Notes concerned.

Notwithstanding any other provision of this General Condition 9 (*Events of Default*), no Event of Default in respect of any Notes shall occur solely on account of any failure by the Issuer 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 APRA from time to time).

## 10 Meeting of Noteholders, Modifications and Waiver

### (a) *Meetings of Noteholders*

The Agency Agreement contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification or amendment of any of these General Conditions. The quorum for any meeting of Noteholders shall be two or more persons holding or representing in the aggregate a clear majority in Principal Amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the Principal Amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes or the obligation of the Issuer to pay additional amounts pursuant to General Condition 7 (*Taxation*); (ii) to reduce or cancel the Principal Amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes; (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes; (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount is set out in the Pricing Supplement, to reduce any such Minimum and/or Maximum; (v) to vary any method of, or basis for, calculating the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, including the method of calculating the Amortised Face Amount; (vi) to vary the currency or currencies of payment or Specified Denomination of the Notes; (vii) to take any steps that as specified in the Pricing Supplement may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply; or (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum at any adjourned meeting shall be two or more persons holding or representing in the aggregate not less than one-third in Principal Amount of the Notes for the time being outstanding. Any resolution duly passed (including an Extraordinary Resolution) shall be binding on all Noteholders of the relevant Series (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders of the relevant Series. The expression "**Extraordinary Resolution**" means a resolution passed at a meeting of Noteholders duly convened by a majority consisting of not less than three-quarters of the votes cast. All other resolutions, except for written resolutions, shall be passed at a meeting of Noteholders duly convened by a clear majority of the votes cast.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

### (b) *Modification of the Agency Agreement, Deed of Covenant, Conditions and Pricing Supplement*

The Agency Agreement, the Deed of Covenant, the Conditions and any applicable Pricing Supplement may be modified or amended by the Issuer without the consent of the holders if, in the reasonable opinion of the Issuer, the modification or amendment is:

- (i) not materially prejudicial to the interests of the holders;
- (ii) of a formal, minor or technical nature;

- (iii) made to correct any manifest or proven error or omission;
- (iv) made to comply with mandatory provisions of the law; or
- (v) made to cure, correct or supplement any defective provision or ambiguity.

Any such modification or amendment shall be binding on the holders and any such modification or amendment shall be notified to the holders in accordance with General Condition 13 (*Notices*) as soon as practicable thereafter.

## **11 Replacement of Notes, Certificates, Receipts, Coupons and Talons**

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and listing authority, stock exchange and/or quotation system regulations, at the specified office of the Fiscal Agent (in case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, 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 Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **12 Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same Conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single Series with the outstanding securities of any Series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. Notes of more than one Series may be consolidated into one Series denominated in euro, even if one or more such Series was not originally denominated in euro, provided that all such Series have been redenominated into euro and otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions. References in the Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this General Condition and forming a single Series with the Notes.

## **13 Notices**

Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London. It is expected that such publication will be made in the *Financial Times* in London. 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 London. 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 General Condition 13 (*Notices*).

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 Australia, Hong Kong 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.

Notices to holders of all Notes which have been listed, admitted to trading on any stock exchange or listed on a quotation system will also be given in such manner and in such place as may be required by the rules and regulations of such listing authority, stock exchange and/or quotation system.

*Where the Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, the provisions of such Global Note shall prevail over the provisions of this General Condition 13 (Notices).*

#### **14 Currency Indemnity**

If any sum due from the Issuer in respect of the Notes, Receipts or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under the Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer; (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, Receipts or Coupons, the Issuer shall indemnify each holder, on the written demand of such holder addressed to the Issuer and delivered to the Issuer or to the specified office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency; and (ii) the rate or rates of exchange at which such holder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof. For the purposes of this General Condition 14 (*Currency Indemnity*), it shall be sufficient for the Noteholder, Receiptholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder, Receiptholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

#### **15 Additional Disruption Events**

##### **(a) Occurrence of Additional Disruption Events**

To the extent that any Additional Disruption Event is specified as applicable in the relevant Pricing Supplement and the Calculation Agent, acting in good faith and in a commercially reasonable manner, determines that such Additional Disruption Event has occurred, the Issuer in its sole and absolute discretion may take the action described in paragraph (i) or (ii) below:

- (i) (A) require the Calculation Agent to make the appropriate adjustment, if any;
- (B) where the Notes are specified in the relevant Pricing Supplement as relating to a basket of Reference Items, and the Additional Disruption Event occurs with respect to a Reference Item comprised in the basket, remove such Reference Item from the basket and, following such removal, the Calculation Agent shall make the appropriate adjustment, if any; or

(C) substitute the relevant Reference Item with a different Reference Item and, following such substitution, the Calculation Agent shall make such adjustment, if any,

in each case, to any one or more of the Rate of Interest, any one or more Interest Amount(s), the Reference Price, the Final Redemption Amount and/or any of the other terms of these General Conditions, the relevant Additional Conditions and/or the applicable Pricing Supplement to account for the Additional Disruption Event, and determine the effective date of that adjustment, in its sole and absolute discretion; or

(ii) give notice to the Noteholders in accordance with General Condition 13 (*Notices*) and redeem all, but not some only, of the Notes on a date selected by the Issuer by payment of the Early Redemption Amount.

Upon the occurrence (if relevant) of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with 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.

(b) *Definitions*

**"Additional Disruption Event"** means any of Change in Law, Hedging Disruption, Increased Cost of Hedging and Force Majeure, in each case if specified in the relevant Pricing Supplement.

**"Change in Law"** means that, on or after the Trade Date, (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 Calculation Agent determines in its sole and absolute discretion that (a) it has or there is a substantial likelihood that it will become illegal for the Issuer and/or any of its Affiliates 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 Notes (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).

**"Force Majeure"** means that the performance of any of the Issuer's obligations with respect to the Notes and/or that any arrangements made to hedge the Issuer's obligations with respect to the Notes shall have or will become or would be (as the case may be), impossible or impracticable to comply with, in whole or in part, due to reasons outside the Issuer or Calculation Agent's control (including, but not limited to, any natural, systems, facilities, technological, political or other cause) and which cannot be overcome by reasonable diligence and/or without unreasonable expense.

**"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 Notes.

**"Hedging Disruption"** means that the Issuer and/or any of its Affiliates 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 Notes; or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).



**"Increased Cost of Hedging"** means that the Issuer and/or any of its Affiliates 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 in issuing and performing its obligations with respect to the Notes; 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 and/or any of its Affiliates shall not be deemed an Increased Cost of Hedging.

## **16 Governing Law, Jurisdiction and Service of Process**

### **(a) *Governing Law***

The Notes, 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.

### **(b) *Jurisdiction***

The Issuer agrees for the benefit of the holders of Notes, Receipts, Coupons and Talons that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Notes and all matters connected with the Notes, Receipts, Coupons and Talons (including a dispute relating to any non-contractual obligation arising out of or in connection with them) (respectively, **"Proceedings"** and **"Disputes"**) and, for such purposes, irrevocably submits to the jurisdiction of such courts.

### **(c) *Appropriate Forum***

The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

### **(d) *Service of Process***

The Issuer agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to the officer in charge of the London branch of Australia and New Zealand Banking Group Limited at 40 Bank Street, Canary Wharf, London E14 5EJ. If such person is not or ceases to be effectively appointed to accept service of process on the Issuer's behalf, the Issuer shall appoint a further person in England to accept service of process on the Issuer's behalf and, failing such appointment, within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the specified office of the Fiscal Agent.

Nothing in this paragraph shall affect the right of any holder of Notes, Receipts, Coupons or Talons to serve process in any other manner permitted by law.

### **(e) *Non-exclusivity***

The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of any holder of Notes, Receipts, Coupons or Talons to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

(f) *Consent to Enforcement etc.*

The Issuer consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such Proceedings.

**17 Third Parties**

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

## ANNEX 1 ADDITIONAL TERMS AND CONDITIONS FOR INTEREST RATE LINKED NOTES

The following terms (the "**Interest Rate Linked Conditions**"), as completed and/or amended in the relevant Pricing Supplement, shall apply to the Notes if "Interest Rate Linked Conditions" are stated in the relevant Pricing Supplement to be applicable.

In the event of any inconsistency between the General Conditions, these Interest Rate Linked Conditions (if applicable) and the relevant Pricing Supplement, the prevailing terms will be determined in accordance with the following order of priority:

- (a) the relevant Pricing Supplement;
- (b) these Interest Rate Linked Conditions (if applicable); and
- (c) the General Conditions.

Any reference to "**Additional Condition**" in this Annex 1 shall be a reference to a condition set out in this Annex 1. Capitalised terms used but not otherwise defined in these Interest Rate Linked Conditions shall have the same meaning given to them in the General Conditions or the applicable Pricing Supplement, as the case may be.

### 1. Rate of Interest on Inverse Floating Rate Notes

- (a) Each Inverse Floating Rate Note ("**Inverse Floating Rate Note**"), will bear interest on its outstanding Principal Amount in accordance with the provisions set out in General Condition 4(b)(i) (*Interest Payment Dates*) and shall be subject to General Condition 4(b)(ii) (*Business Day Convention*). The Rate of Interest for each Interest Accrual Period shall be (as determined by the Calculation Agent) the Specified Fixed Rate minus the Relevant Floating Rate where:

**"Specified Fixed Rate"** means, in respect of each Interest Accrual Period, the rate specified to be applicable in respect of the Interest Payment Date on which the Interest Accrual Period ends, as set out in the relevant Pricing Supplement.

**"Relevant Floating Rate"** means:

- (i) the offered quotation; or
- (ii) the arithmetic mean of the offered quotations, for the Reference Rate for the Specified Maturity and the Specified Currency in each case appearing on the Relevant Screen Page as at the Relevant Time on the relevant Interest Determination Date;
- (iii) where the Reference Rate specified in the applicable Pricing Supplement is SONIA (Non-Index Determination) or SONIA (Index Determination), the rate as determined in accordance with General Condition 4(b)(iii)(C) (*Screen Rate Determination for Floating Rate Notes where the Reference Rate specified in the applicable Pricing Supplement is SONIA (Non-Index Determination)*) or General Condition 4(b)(iii)(D) (*Screen Rate Determination for Floating Rate Notes where the Reference Rate specified in the applicable Pricing Supplement is SONIA (Index Determination)*), as the case may be; or
- (iv) where the Reference Rate specified in the applicable Pricing Supplement is SOFR (Non-Index Determination) or SOFR (Index Determination), the rate as determined in accordance with General Condition 4(b)(iii)(E) (*Screen Rate Determination for Floating*

*Rate Notes where the Reference Rate specified in the applicable Pricing Supplement is SOFR (Non-Index Determination) or General Condition 4(b)(iii)(F) (Screen Rate Determination for Floating Rate Notes where the Reference Rate specified in the applicable Pricing Supplement is SOFR (Index Determination)), as the case may be).*

- (b) If sub-paragraph (a)(i) above applies and (subject to General Condition 4(n) (*Benchmark Replacement*) or General Condition 4(o) (*Effect of Benchmark Transition Event*), where applicable) no Reference Rate for the Specified Maturity and the Specified Currency appears on the Relevant Screen Page as at the Relevant Time on the relevant Interest Determination Date or if sub-paragraph (a)(ii) above applies and fewer than two offered quotations appear on the Relevant Screen Page as at the Relevant Time on the relevant Interest Determination Date, subject as provided below, the Issuer shall appoint a Reference Banks Agent and the Rate of Interest shall be determined by the Calculation Agent as the arithmetic mean of the offered quotations that each of the Reference Banks is quoting (or such of them, being at least two, as are so quoting) to leading banks in the Relevant Financial Centre as at the Relevant Time on the relevant Interest Determination Date for deposits of the Specified Currency for a term equal to the relevant Interest Accrual Period, as quoted to the Reference Banks Agent, at the Reference Banks Agent's request, and advised by the Reference Banks Agent to the Calculation Agent; and
- (c) if paragraph (b) above applies and the Reference Banks Agent advises the Calculation Agent that fewer than two Reference Banks are so quoting the Reference Rate for the Specified Maturity and the Specified Currency, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage), which the Calculation Agent determines to be the nearest equivalent to the Reference Rate for the Specified Maturity and the Specified Currency, in respect of deposits of the Specified Currency that at least two out of five leading banks selected by the Reference Banks Agent (after consultation with the Issuer) in the Principal Financial Centre of the country of the Specified Currency, in each case as selected by the Reference Banks Agent (after consultation with the Issuer), are quoting at or about the Relevant Time for a period commencing on the Effective Date equivalent to the relevant Interest Accrual Period to leading banks carrying on business in (i) Europe; or (ii) (if the Reference Banks Agent advises the Calculation Agent that fewer than two of such banks are so quoting to such leading banks in Europe) the Principal Financial Centre, in either case, as provided by the Reference Banks Agent to the Calculation Agent; except that, if fewer than two of such banks are so quoting to such leading banks, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Maximum Rate of Interest or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

## 2. **Rate of Interest on Range Accrual Notes**

Each Range Accrual Note ("**Range Accrual Note**") will bear interest on its outstanding Principal Amount in accordance with the provisions set out in General Condition 4(b)(i) (*Interest Payment Dates*) and shall be subject to General Condition 4(b)(ii) (*Business Day Convention*). The Rate of Interest payable for each Interest Accrual Period will be determined by the Calculation Agent in respect of such Interest Accrual Period in accordance with paragraph (A), (B), (C) or (D) below:

- (A) if Fixed Rate Range Accrual Note is specified as applicable and Protection Barrier is specified as not applicable in the Pricing Supplement, the Rate of Interest for each Interest Accrual Period will be the product of:

- (1) the Specified Fixed Rate; and
  - (2) the Relevant Fraction; and
- (B) if Floating Rate Range Accrual Note is specified as applicable and Protection Barrier is specified as not applicable in the Pricing Supplement, the Rate of Interest for each Interest Accrual Period will be the product of:
  - (1) the sum of:
    - (a) the Range Accrual Floating Rate; and
    - (b) if specified as applicable in the Pricing Supplement, the Margin for such Interest Accrual Period (whether positive or negative); and
  - (2) the Relevant Fraction; and
- (C) if Fixed Rate Range Accrual Note and Protection Barrier are both specified as applicable in the Pricing Supplement then:
  - (1) if, in respect of any Interest Accrual Period, the Protection Barrier Condition is satisfied, the Rate of Interest for such Interest Accrual Period shall be the Specified Fixed Rate; and
  - (2) if, in respect of any Interest Accrual Period, the Protection Barrier Condition is not satisfied, the Rate of Interest for such Interest Accrual Period shall be the product of:
    - (a) the Specified Fixed Rate; and
    - (b) the Relevant Fraction; and
- (D) if Floating Rate Range Accrual Note and Protection Barrier are both specified as applicable in the Pricing Supplement, then:
  - (1) if, in respect of any Interest Accrual Period, the Protection Barrier Condition is satisfied, the Rate of Interest for such Interest Accrual Period shall be the Range Accrual Floating Rate; and
  - (2) if, in respect of any Interest Accrual Period, the Protection Barrier Condition is not satisfied, the Rate of Interest for such Interest Accrual Period shall be the product of:
    - (a) the sum of:
      - (i) the Range Accrual Floating Rate; and
      - (ii) if specified as applicable in the Pricing Supplement, the Margin for such Interest Accrual Period (whether positive or negative); and
    - (b) the Relevant Fraction.

In this Additional Condition 2 (*Rate of Interest on Range Accrual Notes*):

**"Calculation Day"** means, in respect of each Interest Accrual Period, each calendar day falling within such Interest Accrual Period.

**"Cap"** means the per annum rate specified in the applicable Pricing Supplement.

**"Constant Maturity Swap Spread"** means the First CMS Spread Reference Rate on the day minus the Second CMS Spread Reference Rate on the day as specified to be applicable in the relevant Pricing Supplement, provided that:

- (a) subject to paragraph (b) below, if a Calculation Day is not a business day in the Relevant Financial Centre, the rate for such day shall be determined in respect of the immediately preceding business day in the Relevant Financial Centre; and
- (b) if a Calculation Day falls in the Cut-Off Period, the rate for that day shall be the rate on the business day in the Relevant Financial Centre that immediately precedes the Cut-Off Period.

**"Cut-Off Period"** means the number of Business Days (as specified in the applicable Pricing Supplement) before the last day of an Interest Accrual Period.

**"First CMS Spread Reference Rate"** means EUR CMS, GBP CMS or USD CMS as specified in the applicable Pricing Supplement and determined in accordance with these Additional Conditions.

**"Floor"** means the per annum rate specified in the applicable Pricing Supplement which shall not be less than zero.

**"Margin"** means the margin specified in the applicable Pricing Supplement.

**"Protection Barrier Condition"** means, (i) if Single Range Accrual Note is specified as applicable and Constant Maturity Swap Spread is specified as not applicable in the relevant Pricing Supplement, then the Reference Rate; or (ii) if Single Range Accrual Note is specified as applicable and Constant Maturity Swap Spread is specified as applicable then the Constant Maturity Swap Spread, or (iii) if Dual Range Accrual Note is specified as applicable in the relevant Pricing Supplement, then each Reference Rate or the Reference Rate and a Constant Maturity Swap Spread if applicable, in each case, as specified in the applicable Pricing Supplement is or are:

- (A) in respect of the Floor,
  - (1) if the relevant Pricing Supplement specifies that "greater than or equal to" shall apply, then greater than or equal to the applicable Floor; or
  - (2) if the relevant Pricing Supplement specifies that "greater than" shall apply, then greater than the applicable Floor;

and
- (B) in respect of the Cap;
  - (1) if the relevant Pricing Supplement specifies that "less than or equal to" shall apply, then less than or equal to the applicable Cap; or
  - (2) if the relevant Pricing Supplement specifies that "less than" shall apply, then less than the applicable Cap,

for a number of Calculation Days in the applicable Interest Accrual Period which is equal to or greater than the Protection Barrier Period.

**"Protection Barrier Period"** means the number of Calculation Days which is equal to the percentage specified in the applicable Pricing Supplement under "Protection Barrier Period" of the total number of Calculation Days in the applicable Interest Accrual Period.

**"Range Accrual Floating Rate"** means the rate specified in the applicable Pricing Supplement which Rate of Interest for each Interest Accrual Period shall be determined in accordance with General Condition 4(b)(iii)(B) (*Screen Rate/Reference Bank Determination for Floating Rate Notes other than Floating Rate Notes referencing SONIA (Non-Index Determination), SONIA (Index Determination), SOFR (Non-Index Determination) or SOFR (Index Determination)*) or, where the rate specified in the applicable Pricing Supplement is SONIA (Non-Index Determination), in accordance with General Condition 4(b)(iii)(C) (*Screen Rate Determination for Floating Rate Notes where the Reference Rate*

*specified in the applicable Pricing Supplement is SONIA (Non-Index Determination)) or, where the rate specified in the applicable Pricing Supplement is SONIA (Index Determination), in accordance with General Condition 4(b)(iii)(D) (Screen Rate Determination for Floating Rate Notes where the Reference Rate specified in the applicable Pricing Supplement is SONIA (Index Determination)) or, where the rate specified in the applicable Pricing Supplement is SOFR (Non-Index Determination), in accordance with General Condition 4(b)(iii)(E) (Screen Rate Determination for Floating Rate Notes where the Reference Rate specified in the applicable Pricing Supplement is SOFR (Non-Index Determination)) or, where the rate specified in the applicable Pricing Supplement is SOFR (Index Determination), in accordance with General Condition 4(b)(iii)(F) (Screen Rate Determination for Floating Rate Notes where the Reference Rate specified in the applicable Pricing Supplement is SOFR (Index Determination)).*

**"Reference Rate"** means, on any Calculation Day:

- (A) the interest rate (excluding the Margin) for Floating Rate Notes on that day notionally determined in accordance with General Condition 4(b)(iii)(B) *(Screen Rate/Reference Bank Determination for Floating Rate Notes other than Floating Rate Notes referencing SONIA (Non-Index Determination), SONIA (Index Determination), SOFR (Non-Index Determination) or SOFR (Index Determination))* or, in the case of SONIA (Non-Index Determination), General Condition 4(b)(iii)(C) *(Screen Rate Determination for Floating Rate Notes where the Reference Rate specified in the applicable Pricing Supplement is SONIA (Non-Index Determination))* or, in the case of SONIA (Index Determination), General Condition 4(b)(iii)(D) *(Screen Rate Determination for Floating Rate Notes where the Reference Rate specified in the applicable Pricing Supplement is SONIA (Index Determination))* or, in the case of SOFR (Non-Index Determination), General Condition 4(b)(iii)(E) *(Screen Rate Determination for Floating Rate Notes where the Reference Rate specified in the applicable Pricing Supplement is SOFR (Non-Index Determination))* or, in the case of SOFR (Index Determination), General Condition 4(b)(iii)(F) *(Screen Rate Determination for Floating Rate Notes where the Reference Rate specified in the applicable Pricing Supplement is SOFR (Index Determination))* or as specified in the applicable Pricing Supplement;
- (B) the interest rate for BBSW Notes (excluding the Margin) on that day notionally determined in accordance with General Condition 4(c) *(Rate of Interest on BBSW Notes)* as specified in the applicable Pricing Supplement;
- (C) the interest rate for BKBM Notes (excluding the Margin) on that day notionally determined in accordance with General Condition 4(d) *(Rate of Interest on BKBM Notes)* as specified in the applicable Pricing Supplement;
- (D) the EUR CMS swap rate on that day notionally determined in accordance with General Condition 4(e) *(Rate of Interest on CMS Rate Notes)* as specified in the applicable Pricing Supplement;
- (E) the GBP CMS swap rate on that day notionally determined in accordance with General Condition 4(e) *(Rate of Interest on CMS Rate Notes)* as specified in the applicable Pricing Supplement; and
- (F) the USD CMS swap rate on that day notionally determined in accordance with General Condition 4(e) *(Rate of Interest on CMS Rate Notes)* as specified in the applicable Pricing Supplement,

save that, in determining a notional interest rate or swap rate for the purposes of paragraphs (A)-(F) above, references in General Condition 4(b)(iii)(B) *(Screen Rate/Reference Bank Determination for Floating Rate Notes other than Floating Rate Notes referencing SONIA (Non-Index Determination),*

SONIA (*Index Determination*), SOFR (*Non-Index Determination*) or SOFR (*Index Determination*)), General Condition 4(b)(iii)(C) (*Screen Rate Determination for Floating Rate Notes where the Reference Rate specified in the applicable Pricing Supplement is SONIA (Non-Index Determination)*), General Condition 4(b)(iii)(D) (*Screen Rate Determination for Floating Rate Notes where the Reference Rate specified in the applicable Pricing Supplement is SONIA (Index Determination)*), General Condition 4(b)(iii)(E) (*Screen Rate Determination for Floating Rate Notes where the Reference Rate specified in the applicable Pricing Supplement is SOFR (Non-Index Determination)*), General Condition 4(b)(iii)(F) (*Screen Rate Determination for Floating Rate Notes where the Reference Rate specified in the applicable Pricing Supplement is SOFR (Index Determination)*), General Condition 4(c) (*Rate of Interest on BBSW Notes*), General Condition 4(d) (*Rate of Interest on BKBM Notes*) and General Condition 4(e) (*Rate of Interest on CMS Rate Notes*) to "Interest Determination Date" shall be deemed to be references to "each Calculation Day", provided that:

- (a) subject to paragraph (b) below, if a Calculation Day is not a business day in the Relevant Financial Centre, the rate for such day shall be determined in respect of the immediately preceding business day in the Relevant Financial Centre; and
- (b) if a Calculation Day falls in the Cut-Off Period, the rate for that day shall be the rate on the business day in the Relevant Financial Centre that immediately precedes the Cut-Off Period.

**"Relevant Fraction"** means, in respect of each Interest Accrual Period, an amount calculated by the Calculation Agent in accordance with the following formula:

$$N1/N2$$

where:

**"N1"** means the number of Calculation Days in the Interest Accrual Period where (i) if Single Range Accrual Note is specified as applicable and Constant Maturity Swap Spread is specified as not applicable in the relevant Pricing Supplement, then the Reference Rate; or (ii) if Single Range Accrual Note is specified as applicable and Constant Maturity Swap Spread is specified as applicable, then the Constant Maturity Swap Spread, or (iii) if Dual Range Accrual Note is specified as applicable in the relevant Pricing Supplement, then each Reference Rate or the Reference Rate and a Constant Maturity Swap Spread if applicable, in each case, as specified in the applicable Pricing Supplement is or are:

- (A) in respect of the Floor,
  - (1) if the relevant Pricing Supplement specifies that "greater than or equal to" shall apply, then greater than or equal to the applicable Floor; or
  - (2) if the relevant Pricing Supplement specify that "greater than" shall apply, then greater than the applicable Floor

and

- (B) in respect of the Cap;
  - (1) if the relevant Pricing Supplement specifies that "less than or equal to" shall apply, then less than or equal to the applicable Cap; or
  - (2) if the relevant Pricing Supplement specifies that "less than" shall apply, then less than the applicable Cap; and

**"N2"** means the actual number of Calculation Days in the Interest Accrual Period.



**"Second CMS Spread Reference Rate"** means EUR CMS, GBP CMS or USD CMS as specified in the applicable Pricing Supplement and determined in accordance with the Conditions.

**"Specified Fixed Rate"** means the per annum rate specified in the applicable Pricing Supplement.

## ANNEX 2 ADDITIONAL TERMS AND CONDITIONS FOR FX LINKED NOTES

The following terms (the "**FX Linked Conditions**"), as may be completed and/or amended in the relevant Pricing Supplement, shall apply to the Notes if "FX Linked Conditions" are stated in the relevant Pricing Supplement to be applicable.

In the event of any inconsistency between the General Conditions, these FX Linked Conditions (if applicable) and the relevant Pricing Supplement, the prevailing terms will be determined in accordance with the following order of priority:

- (a) the relevant Pricing Supplement;
- (b) these FX Linked Conditions (if applicable); and
- (c) the General Conditions.

Any reference to "**Additional Condition**" in this Annex 2 shall be a reference to a condition set out in this Annex 2. Capitalised terms used but not otherwise defined in these FX Linked Conditions shall have the same meaning given to them in the General Conditions or the applicable Pricing Supplement, as the case may be.

### 1. **FX Market Disruption Event Adjustment/Termination Provisions**

Without prejudice to the provisions of Additional Condition 2 (*Definitions applicable to FX Linked Notes*) below, upon the occurrence and/or continuation of any FX Market Disruption Event (as defined below), on or before the date on which the Issuer's obligations in respect of the FX Linked Notes are discharged, the Issuer may in its sole and absolute discretion either:

- (a) direct the Calculation Agent (i) to make, in good faith and a commercially reasonable manner, such consequential adjustments to any of the terms of the FX Linked Notes (including any payment obligations) as it determines appropriate in order to reflect the economic effect of the relevant FX Market Disruption Event; and/or (ii) to substitute any FX Rate (as defined below) affected by such FX Market Disruption Event with a substitute FX Rate selected by the Calculation Agent and to make such consequential adjustments to any of the terms of the FX Linked Notes as it determines appropriate in order to reflect such substitution; or
- (b) redeem all (but not some only) of the FX Linked Notes by giving notice to the Noteholders, in accordance with General Condition 13 (*Notices*). If the FX Linked Notes are so redeemed, the Issuer shall pay on a day selected by the Issuer, the Early Redemption Amount to each Noteholder in respect of each nominal amount of FX Linked Notes equal to the Calculation Amount.

### 2. **Definitions applicable to FX Linked Notes**

"**Averaging Date**" means each date specified as an Averaging Date in the applicable Pricing Supplement or, if that is not an FX Business Day, the first FX Business Day thereafter unless, in the opinion of the Calculation Agent, such day is an FX Disrupted Day. If such day is an FX Disrupted Day then:

- (i) if "**Omission**" is specified as applying in the applicable Pricing Supplement, then such date will be deemed not to be an Averaging Date for the purposes of determining the relevant level, price or amount 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 relevant level or price on the final Averaging Date, as if such Averaging Date were a Valuation Date that was an FX Disrupted Day; or

- (ii) if "**Postponement**" is specified as applying in the applicable Pricing Supplement, then the provisions of the definition of "Valuation Date" will apply for the purposes of determining the relevant level, price or amount of such affected FX Rate on that Averaging Date as if such Averaging Date were a Valuation Date that was an FX 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 as applying in the applicable Pricing Supplement, then where the FX Linked Notes relate to a single FX Rate, the Averaging Date shall be the first succeeding Valid Date (as defined below). If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth FX Business Day immediately following the original date that, but for the occurrence of another Averaging Date or FX Disrupted Day, would have been the final Averaging Date in respect of the relevant Scheduled Valuation Date, then (A) that eighth FX Business Day shall be deemed to be the Averaging Date (irrespective of whether that eighth FX Business Day is already an Averaging Date); and (B) the Calculation Agent shall determine the relevant level, price or amount for that Averaging Date in accordance with sub-paragraph (ii) of the definition of "Valuation Date" below (for which purpose, that date shall be deemed to be the "Valuation Cut-off Date").

For the purposes of these FX Linked Conditions, "**Valid Date**" means, in relation to an FX Rate, an FX Business Day for such FX Rate that is not an FX Disrupted Day for such FX Rate and on which another Averaging Date for such FX Rate does not or is deemed not to occur.

"**Barrier Event**" means an event that, if specified as applicable to any Notes in the related Pricing Supplement, would give rise to a change to the terms of the Notes in the manner specified in the related Pricing Supplement. The occurrence of a Barrier Event shall be determined in good faith and in a commercially reasonable manner by the Calculation Agent.

"**Barrier Level**" means the currency exchange rate specified as such in the related Pricing Supplement in relation to an FX Rate, which is the currency exchange rate at which the occurrence of a Barrier Event is determined.

"**Base Currency**" means, in relation to an FX Rate, the currency specified as such in the applicable Pricing Supplement.

"**Benchmark Obligation**" means the benchmark obligation (if any) specified in the applicable Pricing Supplement in relation to the FX Rate.

"**Benchmark Obligation Default**" means, in relation to an FX Rate and with respect to any Benchmark Obligation, the occurrence of a default, event of default or other similar condition or event (however described), including, but not limited to:

- (i) the failure of timely payment in full of any principal, interest or other amounts due (without giving effect to any applicable grace periods) in respect of such Benchmark Obligation;
- (ii) a declared moratorium, standstill, waiver, deferral, repudiation or rescheduling of any principal, interest or other amounts due in respect of such Benchmark Obligation; or
- (iii) the amendment or modification of the terms and conditions of payment of any principal, interest or other amounts due in respect of such Benchmark Obligation without the consent of all holders of such Benchmark Obligation.

The determination of the existence or occurrence of any default, event of default or other similar condition or event shall be made without regard to any lack or alleged lack of authority or capacity of the relevant entity to issue or enter into such Benchmark Obligation.

**"Currency Disruption Event"** means any of the Benchmark Obligation Default, Currency Replacement, Dual Exchange Rate, General Illiquidity, General Inconvertibility, General Non-Transferability, Governmental Authority Event, Material Change in Circumstances, Nationalisation, Price Materiality, Specific Inconvertibility and Specific Non-Transferability, if specified as applicable in the applicable Pricing Supplement.

**"Currency Price"** means, in relation to each Note, as the case may be, the Currency Price specified in the applicable Pricing Supplement, or, if not so specified in the applicable Pricing Supplement, such relevant FX Rate appearing on the Price Source at the Valuation Time on (A) if Averaging is not specified in the applicable Pricing Supplement, the Valuation Date or Observation Date; or (B) if Averaging is specified in the applicable Pricing Supplement, an Averaging Date.

**"Currency Replacement"** means, in relation to an FX Rate, a relevant Reference Currency ceases to exist and is replaced by a new currency in a relevant jurisdiction.

**"Dual Exchange Rate"** means, in relation to an FX Rate, the occurrence of an event that splits any currency exchange rate specified for such FX Rate into dual or multiple currency exchange rates.

**"FX Business Day"** means, in relation to an FX Rate, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits), or but for the occurrence of an FX Market Disruption Event would have settled payments and been open for general business in each of the Specified Financial Centres for that FX Rate specified in the applicable Pricing Supplement.

**"FX Disrupted Day"** means, without prejudice to the provisions of Additional Condition 1 (*FX Market Disruption Event Adjustment/Termination Provisions*) and in relation to an FX Rate, any FX Business Day on which an FX Market Disruption Event occurs.

**"FX Market Disruption Event"** means the occurrence or existence, as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, of any Price Source Disruption and/or any Trading Suspension or Limitation and/or, if specified as applicable in the applicable Pricing Supplement, any Currency Disruption Event and/or any other event specified as such in the applicable Pricing Supplement.

**"FX Rate"** means the spot rate of exchange of a Base Currency into the corresponding Subject Currency (expressed as the number of units (or part units) of the relevant Subject Currency for which one unit of the relevant Base Currency can be exchanged).

**"General Illiquidity"** means that it becomes impossible to obtain a firm quote of the FX Rate in a customary amount (either in one transaction or a commercially reasonable number of transactions that, when taken together, total the customary amount) on the Averaging Date, Valuation Date or Observation Date (or, if different, the day on which rates for that Averaging Date, Valuation Date or Observation Date, as the case may be, would, in the ordinary course, be published or announced by the relevant Price Source) or by such other date (the **"Illiquidity Valuation Date"**) as is specified for such purpose in the applicable Pricing Supplement.

**"General Inconvertibility"** means, in relation to an FX Rate, the occurrence of any event that generally makes it impossible or not reasonably practicable to (i) convert the relevant Subject Currency into the relevant Base Currency; or (ii) to convert relevant Reference Currencies for the purpose of determining the Currency Price or any other relevant level or value, as the case may be, in any relevant jurisdiction through customary legal channels.

**"General Non-Transferability"** means, in relation to an FX Rate, the occurrence of any event that generally makes it impossible or not reasonably practicable to deliver (i) the relevant Base Currency from accounts inside any relevant jurisdiction to accounts outside such relevant jurisdiction; or (ii) the relevant Subject Currency between accounts inside the relevant jurisdiction or to a party that is a non-resident of such relevant jurisdiction.

**"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 (public or private) charged with the regulation of the financial markets (including the central bank) in each case in any relevant jurisdiction.

**"Governmental Authority Event"** means, in relation to an FX Rate, a Governmental Authority of a relevant jurisdiction has given public notice of its intention to impose any controls which are likely to materially affect the Issuer's ability to hedge its obligations with respect to the FX Linked Notes or to unwind any such hedge.

**"Hedging Party"** means the Issuer and/or any Affiliate and/or any other party which conducts or may conduct hedging arrangements in respect of the Issuer's obligations in respect of the Notes from time to time.

**"Material Change in Circumstances"** means, in relation to an FX Rate, the occurrence of an event in a relevant jurisdiction beyond the control of any Hedging Party which makes it impossible or not reasonably practicable for (i) any Hedging Party to fulfil its obligations under any Hedge Position; and (ii) for any entity generally to fulfil obligations similar to such Hedging Party's obligations under any Hedge Position.

**"Nationalisation"** means, in relation to an FX Rate, any expropriation, confiscation, requisition, nationalisation or other action taken by a Governmental Authority which deprives any Hedging Party of all or substantially all of its assets in any relevant jurisdiction.

**"Observation Cut-Off Date"** means, in respect of the determination of a Barrier Event, the date falling eight FX Business Days immediately following the relevant Scheduled Observation Date or, if earlier, the FX Business Day immediately preceding the end of the Observation Period, unless otherwise specified in the applicable Pricing Supplement.

**"Observation Date"** means, in respect of the determination of a Barrier Event, each Observation Date specified in the applicable Pricing Supplement or if such date is not an FX Business Day, the first FX Business Day thereafter unless, in the opinion of the Calculation Agent, such day is an FX Disrupted Day. If such day is an FX Disrupted Day, then where the FX Linked Notes relate to a single FX Rate, the Observation Date shall be the first succeeding FX Business Day that is not an FX Disrupted Day, unless each of the FX Business Days up to and including the Observation Date Cut-Off Date is an FX Disrupted Day. In that case, (i) the Observation Cut-Off Date shall be deemed to be the Observation Date (notwithstanding the fact that such day is an FX Disrupted Day); and (ii) the Calculation Agent shall determine the relevant FX Rate in the manner set out in the applicable Pricing Supplement, or if not set out or if not practicable, determine the relevant FX Rate in accordance with its good faith estimate of the relevant FX Rate as of the Valuation Time on the Observation Cut-Off Date.

**"Observation Period"** means, in respect of the determination of a Barrier Event, the period or periods specified as such in the applicable Pricing Supplement.

**"Price Materiality"** means the Primary Rate differs from the Secondary Rate by at least the Price Materiality Percentage.

**"Price Materiality Percentage"** means, in relation to an FX Rate and in respect of Price Materiality, the percentage specified as such in the applicable Pricing Supplement.

**"Price Source(s)"** means, in respect of an FX Rate, the price source(s) specified in the applicable Pricing Supplement for such FX Rate or, if the relevant rate is not published or announced by such Price Source at the relevant time, the successor or alternative price source or page/publication for the relevant rate as determined by the Calculation Agent in its sole and absolute discretion.

**"Price Source Disruption"** means, in relation to an FX Rate, it becomes impossible or otherwise impracticable to obtain and/or execute the relevant rate(s) required to calculate the Currency Price or any other relevant level or value, as the case may be, on the Averaging Date, the Valuation Date, the Observation Date (or, if different, the day on which rates for that Averaging Date, Valuation Date or Observation Date, as the case may be, would, in the ordinary course, be published or announced by the relevant Price Source).

**"Primary Rate"** means, in relation to an FX Rate, the currency exchange rate determined as set out in the applicable Pricing Supplement.

**"Reference Currencies"** means each Subject Currency and each Base Currency.

**"Scheduled Observation Date"** means, in respect of the determination of a Barrier Event, any original date that, but for the occurrence of an event causing an FX Disrupted Day, would have been an Observation Date.

**"Scheduled Valuation Date"** means any original date that, but for the occurrence of an event causing an FX Disrupted Day, would have been an Averaging Date or a Valuation Date.

**"Secondary Rate"** means, in relation to an FX Rate, the currency exchange rate specified as such in the applicable Pricing Supplement.

**"Specific Inconvertibility"** means, in relation to an FX Rate, the occurrence of any event that has the direct or indirect effect of hindering, limiting, restricting, making it impossible, illegal or impracticable for any Hedging Party to convert the whole, or part thereof, (i) of any relevant amount in the relevant Subject Currency into the relevant Base Currency, or (ii) of any relevant Reference Currencies for the purpose of determining the Currency Price or any other relevant level or value, as the case may be, in any relevant jurisdiction, (including, without limitation, by reason of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on the repatriation of either (i) the Subject Currency into the Base Currency; or (ii) any relevant Reference Currencies for the purpose of determining the Currency Price or any other relevant level or value, as the case may be) other than where such impossibility, illegality or impracticability is due solely to the failure by such Hedging Party to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date of the relevant Series of Notes and it is impossible or not reasonably practicable for such Hedging Party, due to an event beyond its control, to comply with such law, rule or regulation).

**"Specific Non-Transferability"** means, in relation to an FX Rate, the occurrence of any event that has the direct or indirect effect of hindering, limiting, restricting, making it impossible, illegal or impracticable for any Hedging Party to deliver (i) the relevant Base Currency from accounts inside any relevant jurisdiction to accounts outside such relevant jurisdiction; or (ii) the relevant Subject Currency between accounts inside any relevant jurisdiction or to a party that is a non-resident of such relevant jurisdiction (including, without limitation, by reason of any delays, increased costs or discriminatory rates of exchange or any current or future restrictions on the repatriation of the relevant Subject Currency into the relevant Base Currency), other than where such impossibility, illegibility or impracticability is due solely to the failure by such Hedging Party to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Trade Date of the relevant Series of Notes and it is impossible or not reasonably practicable for such Hedging Party, due to an event beyond its control, to comply with such law, rule or regulation).

**"Specified Financial Centre(s)"** means the financial centre(s) specified in the applicable Pricing Supplement.

**"Subject Currency"** means, in relation to an FX Rate, the currency specified as such in the applicable Pricing Supplement.

**"Trading Suspension or Limitation"** means, in relation to an FX Rate, the suspension of and/or limitation of trading in the rate(s) required to calculate the relevant Currency Price or any other relevant level or value, as the case may be (which may be, without limitation, rates quoted on any over-the-counter or quotation-based market, whether regulated or unregulated), provided that such suspension or limitation of trading is material in the opinion of the Calculation Agent.

**"Valuation Cut-off Date"** means the date falling eight FX Business Days immediately following the relevant Scheduled Valuation Date specified in the applicable Pricing Supplement or, if earlier, the second FX Business Day immediately preceding the date of payment or delivery of any amount calculated in respect of such Valuation Date pursuant to the definition of "Valuation Date".

**"Valuation Date"** means each Valuation Date specified in the applicable Pricing Supplement, or, if that is not an FX Business Day, the first FX Business Day thereafter unless, in the opinion of the Calculation Agent, such day is an FX Disrupted Day. If such day is an FX Disrupted Day, then, where the FX Linked Notes relate to a single FX Rate, the Valuation Date shall be the first succeeding FX Business Day that is not an FX Disrupted Day, unless each of the FX Business Days up to and including the Valuation Cut-Off Date is an FX Disrupted Day. In that case, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day is an FX Disrupted Day); and (ii) the Calculation Agent shall determine the relevant FX Rate in the manner set out in the applicable Pricing Supplement or, if not set out or if not practicable, determine the relevant FX Rate in accordance with its good faith estimate of the relevant FX Rate as of the Valuation Time on the Valuation Cut-Off Date.

**"Valuation Time"** means, in relation to an FX Rate, the Valuation Time specified for such FX Rate in the applicable Pricing Supplement.

### **3. Determinations, etc. by Issuer or Calculation Agent**

- (a) In making any determination in respect of any FX Market Disruption Event, neither the Issuer nor the Calculation Agent shall have regard to any interests arising from circumstances particular to individual Noteholders (whatever their number), and, in particular, but without limitation, shall not have regard to the consequences of any such determination for individual Noteholders (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 Noteholder shall 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 Noteholders.
- (b) All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Additional Conditions by the Issuer or the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Calculation Agent, the Fiscal Agent, the other Paying Agents (if any), the Registrar and all Noteholders, Receipholders and Couponholders and (in the absence of wilful default, gross negligence or fraud) no liability to any such person shall attach to the Issuer or Calculation Agent in connection with the exercise or non-exercise by it of its powers and duties for such purposes.

#### **4. Successor Currency**

Each of the Base Currency and the Subject Currency will be deemed to include any lawful successor currency (the "**Successor Currency**") of the relevant country, respectively. If, after the Trade Date and on or before the Averaging Date, Valuation Date, Observation Date, the Early Redemption Date or the Maturity Date, as the case may be, of the Notes, either country has lawfully eliminated, converted, redenominated or exchanged its currency in effect on such Trade Date or any Successor Currency, as the case may be (the "**Original Currency**"), for a Successor Currency, then, for purposes of calculating any amounts of such currency in respect of the Notes, and for purposes of effecting settlement thereof, any Original Currency amounts will be converted to the Successor Currency by multiplying the amount of Original Currency by a ratio of Successor Currency to Original Currency, which ratio will be calculated on the basis of the exchange rate set forth by such country for converting the Original Currency into the Successor Currency on the date on which the elimination, conversion, redenomination or exchange took place as determined by the Calculation Agent. If there is more than one such date, the date closest to the relevant Averaging Date, Valuation Date or Observation Date, as the case may be, will be selected.

#### **5. Corrections to published and displayed rates**

For the purposes of determining the FX Rate on any Averaging Date, Observation Date or Valuation Date:

- (a) In any case where the FX Rate is based on information obtained from the Reuters Monitor Money Rates Service or any other financial information service, the FX Rate will be subject to the corrections, if any, to that information subsequently displayed by that source within one hour of the time when such rate is first displayed by such source.
- (b) Notwithstanding paragraph (a) above, in any case where the FX Rate on an Averaging Date, Valuation Date or Observation Date is based on information published or announced by any Governmental Authority in the relevant country, the FX Rate will be subject to the corrections, if any, to that information subsequently published or announced by that source within five days of that Averaging Date, Valuation Date or Observation Date, as the case may be.
- (c) In the event that the Calculation Agent identifies any correction referred to in paragraph (a) or (b) above no later than five days after the expiration of the period referred to in such subsection, if applicable, an appropriate amount will be payable by the Issuer or the Noteholders (as appropriate) as a result of such correction (whether such correction is made or such notice is given before or after the Early Redemption Date or the Maturity Date, as applicable, of the Notes), together with interest on that amount at a rate per annum equal to the cost (as determined by the Calculation Agent) to the Issuer or the Noteholders (as applicable) of funding that amount for the period from, and including, the day on which, based on such correction, a payment in the incorrect amount was first made to, but excluding, the day of payment of the refund or payment resulting from such correction.



## FORM OF THE NOTES

*The summary of the forms and provisions of the Notes contained in this section is intended to be a guide only and is subject to change, including as a result of any amendments to the Agency Agreement and the forms of Notes and the terms of the relevant Pricing Supplement. For further details regarding the forms of Notes and the provisions applicable to the Notes, purchasers and potential purchasers of Notes are advised to review the Agency Agreement and the relevant Notes.*

### 1. Initial Issue of Notes

#### Bearer Notes

##### **Temporary Global Notes**

Unless otherwise specified in the relevant Pricing Supplement, each Series or Tranche of notes in bearer form ("**Bearer Notes**") will initially be represented by a temporary global note (a "**Temporary Global Note**") if:

- (a) Bearer Notes in definitive form are to be made available to Noteholders following the expiry of 40 days *after* the Issue Date of an identifiable Tranche of such Notes; or
- (b) such Notes are being issued in compliance with US Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**D Rules**"), as specified in the relevant Pricing Supplement.

##### **Permanent Global Notes**

In all other cases, each Series or Tranche of Bearer Notes will be represented by a permanent global note (a "**Permanent Global Note**"). A "**Bearer Global Note**" means either a Permanent Global Note or a Temporary Global Note.

The Temporary Global Note or Permanent Global Note (as the case may be) initially representing each Series or Tranche of Bearer Notes will be deposited on the Issue Date thereof with a common depositary (the "**Common Depositary**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream**") (or, in the case of a Series or Tranche to be cleared through a clearing system other than Euroclear or Clearstream (an "**Alternative Clearing System**"), as agreed between the Issuer, the Fiscal Agent and the relevant Dealers).

#### Registered Notes

As set forth in the Pricing Supplement, each Series or Tranche of Notes in registered form ("**Registered Notes**") will be represented by either:

- (a) *Definitive Certificates*: one or more Certificates in definitive form which shall be delivered as agreed between the Issuer and the relevant Dealer(s); or
- (b) *Registered Global Notes*: one or more registered Global Notes ("**Registered Global Notes**" and each a "**Registered Global Note**" and, together with the Temporary Global Note and the Permanent Global Note, the "**Global Notes**" and each a "**Global Note**") without Coupons, deposited on the Issue Date with a Common Depositary, and registered in the name of a nominee, for Euroclear and Clearstream (or, in the case of a Series or Tranche to be cleared through an Alternative Clearing System, as agreed between the Issuer, the Fiscal Agent, the Registrar and the relevant Dealer(s)).

### 2. Clearing Systems

Upon the initial deposit of a "**Bearer Global Note**" with a Common Depositary or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream and delivery of the

relevant Registered Global Note to the Common Depositary, Euroclear or Clearstream will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may (if indicated in the relevant Pricing Supplement) also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) Alternative Clearing Systems through direct or indirect accounts with Euroclear and Clearstream held by such Alternative Clearing Systems. Conversely, Notes that are initially deposited with an Alternative Clearing System may similarly be credited to the accounts of subscribers with Euroclear, Clearstream or other Alternative Clearing Systems.

Each of the persons shown in the records of Euroclear, Clearstream or any Alternative Clearing System as the holder of a Note represented by a Bearer Global Note or a Registered Global Note must look solely to Euroclear, Clearstream or the Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Bearer Global Note or the holder of the underlying Registered Notes, as the case may be, and such payments and all other rights arising under the Bearer Global Notes or Registered Global Notes will be subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream 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 Bearer Global Note or Registered Global Note and such obligations of the Issuer will be discharged by payment to the bearer of such Bearer Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

### **3. Exchange**

#### ***Temporary Global Notes***

Each Temporary Global Note in respect of a Tranche of Bearer Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (a) *Bearer Notes in definitive form*: if the relevant Pricing Supplement indicates that such Temporary Global Note is issued in compliance with US Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**C Rules**") or in a transaction to which TEFRA is not applicable, in whole, but not in part, for Bearer Notes in definitive form as described below; and
- (b) *Permanent Global Note*: otherwise, in whole or in part, upon certification as to non-US 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 Pricing Supplement, for Bearer Notes in definitive form.

"**Exchange Date**" means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after the Issue Date of the Notes.

#### ***Permanent Global Notes***

Each Permanent Global Note in respect of a Tranche of Bearer Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not in part for Bearer Notes in definitive form only in the following circumstances:

- (a) unless principal in respect of any Bearer Notes is not paid when due, by the Issuer giving notice to the Noteholders and the Fiscal Agent of its intention to effect such exchange;
- (b) if the Pricing Supplement provides that such Permanent Global Note is exchangeable at the request of the holder, by the holder giving notice to the Fiscal Agent of its election for such exchange; or

- (c) (i) if the Permanent Global Note is held on behalf of Euroclear or Clearstream or any Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or; (ii) upon or following any failure to pay principal in respect of any Bearer Notes when it is due and payable, by the holder giving notice to the Fiscal Agent of its election for such exchange.

**"Exchange Date"** means, in relation to a Permanent Global Note, a day falling not less than 60 days, or, in the case of exchange following failure to pay principal in respect of any Bearer Notes when due 30 days, after that on which notice requiring exchange is given and on which commercial banks are open for business in the city in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to sub-paragraph (c)(i) above, in the cities in which Euroclear and Clearstream, or any Alternative Clearing System (if applicable), are located.

A Permanent Global Note is not exchangeable in part except (provided that if the Permanent Global Note is held by or on behalf of Euroclear, Clearstream or an Alternative Clearing System, such clearing system permits) upon or following any failure to pay principal in respect of the Notes when it is due and payable or if so provided in, and in accordance with, the Conditions relating to Partly Paid Notes.

The exchange at the request of the holder, as described in paragraph (b) above, should not be expressed to be applicable if the Notes are issued in denominations comprising a minimum Specified Denomination (such as €100,000 (or its equivalent in another currency)) plus one or more higher integral multiples of another smaller amount (such as €1,000 or its equivalent in another currency)). Furthermore, such denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Permanent Global Note in respect of a Tranche of Bearer Notes exchangeable for Bearer Notes in definitive form.

### **Registered Global Notes**

Each Registered Global Note will only be exchangeable for Certificates in definitive form in part:

- (a) if the Notes represented by the Registered Global Note are held (directly or indirectly) on behalf of Euroclear or Clearstream 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;
- (b) upon or following any failure to pay principal in respect of any Notes when it is due and payable; or
- (c) with the consent of the Issuer,

provided that, in the case of the first exchange of part of a holding pursuant to paragraph (a) or (b) above, the holder of the Notes represented by this Registered Global Note has given the Registrar not less than 30 days' notice at its specified office of such holder's intention to effect such exchange.

### **Delivery**

On or after any due date for exchange of any Bearer Global Note or Registered Global Note, the holder of such Bearer Global Note or Registered Global Note may surrender the same or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent or Registrar, as the case may be, or as otherwise specified in the Bearer Global Note or Registered Global Note, as the case may be. Upon surrender of any Bearer Global Note or Registered Global Note, or the part thereof to be exchanged, the Issuer will:

- (a) **Permanent Global Note:** 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 principal 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
- (b) **Definitive Notes and Certificates:** in the case of a Bearer Global Note or Registered Global Note exchangeable for Notes or Certificates in definitive form (unless such exchange is at the request of the Issuer) at the cost of the relevant Noteholder, cause an equal aggregate principal amount of Notes or Certificates in definitive form to be executed and delivered to the Fiscal Agent or the Registrar, as the case may be, for completion, authentication and dispatch to the relevant Noteholders.

Bearer Notes in definitive form will be security-printed and Certificates in definitive form will be printed in accordance with any applicable legal and listing authority, stock exchange and/or quotation system requirements in or substantially in the form set out in the Schedules to the Agency Agreement.

On exchange in full of each Bearer Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Notes in definitive form for which it was exchanged.

#### **4. Legends**

Each Bearer Note (including each Bearer Global Note), Talon and Coupon will bear the following legend:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code."

The sections of the US Internal Revenue Code referred to in the legend provide that a United States taxpayer, with certain exceptions, will not be permitted to deduct any loss, and will not be eligible for capital gain treatment with respect to any gain realised, on any sale, exchange or redemption of Bearer Notes or any related Coupons.

#### **5. Provision Relating to Notes Whilst Notes in Global Form**

Each Bearer Global Note and Registered Global Note contains provisions that apply to the Notes that they represent, some of which modify the effect of the Conditions of the Notes set out in this Offering Circular. The following is a summary of those provisions:

##### **(a) Payments**

No person shall be entitled to receive any payment or delivery in respect of the Notes represented by any Bearer Global Note that falls due on or after the Exchange Date of that Bearer Global Note unless, upon presentation, exchange for an interest in, delivery of (or, in the case of a Temporary Global Note, in the case of a subsequent exchange, due endorsement of), as appropriate, a Permanent Global Note or for Bearer Notes in definitive form is improperly withheld or refused or, in the case of a Permanent Global Note, the Issuer does not comply with or perform its obligations under any Bearer Note in definitive form. 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-US beneficial ownership in the form set out in the Agency Agreement. All payments or deliveries in respect of Bearer Notes will be made against presentation for endorsement and, if no further payment and/or delivery is due to be made in respect of such Notes, surrender of that Bearer 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. A record of each payment and/or delivery so made will be endorsed on each such Bearer Global Note, which endorsement will be prima facie evidence that such payment and/or delivery has been made in respect of the Notes.

So long as the Notes are represented by a Registered Global Note, the "**Record Date**" shall be the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment, where "**Clearing System Business Day**" means a day on which the relevant clearing system is open for business.

(b) ***Prescription***

Claims against the Issuer in respect of Notes issued by it that are represented by a Permanent Global Note will become void unless it is presented for payment or delivery within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date.

(c) ***Meetings***

The holder of a Registered Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes represented by such Registered Global Note.

(d) ***Cancellation***

Cancellation of any Bearer Note represented by a Bearer Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant Bearer Global Note and evidenced by the appropriate notation in the relevant appendix to such Bearer Global Note.

(e) ***Purchase***

Bearer Notes represented by a Permanent Global Note may only be purchased by the Issuer or any of its subsidiaries together with the rights to receive all future payments or deliveries of interest and Instalment Amounts (if any) thereon.

(f) ***The Issuer's Options***

Any option of the Issuer provided for in the Conditions of any Notes issued by it while such Notes are represented by a 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 Conditions, except that the notice shall not be required to contain the serial 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 Tranche or Series which are represented by a Global Note, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream or any Alternative Clearing System (as the case may be).

(g) ***Noteholders' Options***

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Global Note may be exercised by the holder of the Global Note delivering to the Fiscal Agent, within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions, a notice stating the principal amount of Notes in respect of which the option is exercised (but which shall not be required to state the serial numbers of such Notes)

and at the same time presenting the Global Note to the Fiscal Agent or to a Paying Agent acting on behalf of the Fiscal Agent, for notation.

(h) ***Events of Default***

Each Bearer Global Note and Registered Global Note representing the Notes provides that the holder may from time to time exercise the right to declare the Notes represented by such Bearer Global Note or Registered Global Note due and repayable following an Event of Default in accordance with the Conditions by stating in a notice to the Fiscal Agent the principal amount of such Bearer Global Note or Registered Global Note that is due and repayable. If principal in respect of any Note is not paid when due, the holder of a Bearer Global Note or Registered Global Note representing such Notes from time to time may elect in a notice to the Fiscal Agent for direct enforcement rights against the Issuer under the terms of a Deed of Covenant executed as a deed by the Issuer on 17 May 2021 to come into effect in relation to the whole or a part of such Bearer Global Note or Registered Global Note in respect of which such failure to pay principal has occurred in favour of the persons entitled to such part of such Bearer Global Note or Registered Global Note, as the case may be, as accountholders with a clearing system. Following any such election, the specified portion of the Bearer Global Note or, as the case may be, the Registered Global Note and the corresponding entry in the register kept by the Registrar will become void, save to the extent that the appropriate direct enforceable rights shall fail to take effect for whatever reason. In the case of Bearer Global Notes, no such election may however be made on or before the Exchange Date unless the holder elects in such notice that the exchange for such Notes shall no longer take place.

(i) ***Notices***

So long as any Notes are represented by a Bearer Global Note and such Bearer Global Note is held on behalf of a clearing system, notices to the holders of such Notes may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions. Such notices shall be deemed to have been given to the holders of the Notes in accordance with the Conditions on the date of delivery to that clearing system. In addition, so long as any Bearer Global Notes or Registered Global Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system (so long as such Bearer Global Notes or Registered Global Notes are admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system), notices shall also be published as may be required by the rules and regulations of such listing authority, stock exchange and/or quotation system.

(j) ***Partly Paid Notes***

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the relevant Pricing Supplement and thereby in the Bearer Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Bearer Global Note representing such Notes may be exchanged for an interest in a Permanent Global Note or for Bearer Notes in definitive form (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.

## DESCRIPTION OF AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED AND ITS SUBSIDIARIES

### Overview

ANZBGL 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. ANZBGL is a public company limited by shares incorporated in Australia and was registered in the State of Victoria on 14 July 1977. ANZBGL's registered office is located at Level 9, 833 Collins Street, Docklands, Victoria, 3008, Australia, and the telephone number is +61 3 9683 9999. ANZBGL's Australian Business Number is ABN 11 005 357 522. The website of the Issuer is [www.anz.com](http://www.anz.com). No information on such website forms part of this Offering Circular except as specifically incorporated by reference, see "*Information Incorporated by Reference*".

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 31 March 2021, ANZBGL had total assets of A\$1,018.3 billion and shareholders' equity excluding non-controlling interests of A\$62.6 billion. In terms of total assets among banking groups, the Group ranked second in Australia<sup>1</sup> as at 31 March 2021 and first in New Zealand<sup>2</sup> as at 31 March 2021. ANZBGL's principal ordinary share listing and quotation is on the ASX. Its ordinary shares are also quoted on the New Zealand Stock Exchange ("**NZX**"). At the close of trading on 31 March 2021, ANZBGL had a market capitalisation of A\$80.2 billion, which ranked among the top six largest companies listed on the ASX.<sup>3</sup>

### Legal Status

Under the Programme, the Issuer may issue Notes through its head office and/or its Hong Kong branch, and will choose to do so purely for its own internal accounting and booking purposes. In legal terms, the **Hong Kong** branch is the same entity as the headquarters of the Issuer incorporated in Australia. From the point of view of a holder of the Note, the identity of the issuing branch is not significant, because the Notes 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. Up until the sale completion dates of the Group's divested wealth businesses in recent years, the Group earned revenue from its wealth activities through the provision of insurance, superannuation and funds management services, which are largely classified as discontinued operations from a financial reporting perspective.

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:

- 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;

<sup>1</sup> Source: Commonwealth Bank of Australia results announcement for the financial half year ended 31 December 2020; National Australia Bank results announcement for the financial half year ended 31 March 2021; Westpac Banking Corporation results announcement for the financial half year ended 31 March 2021

<sup>2</sup> Source: Reserve Bank of New Zealand Bank Financial Strength Dashboard (<https://bankdashboard.rbnz.govt.nz/summary>) for the quarter ending 31 December 2020.

<sup>3</sup> Source: IRESS

- Net fee and commission income – represents fee income earned on lending and non-lending related financial products and services. It includes net funds management income;
- 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 income earned from the provision of insurance solutions, 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 improving the financial wellbeing of its customers; having the right people who listen, learn and adapt; putting the best tools and insights into their hands; and focusing on those few things that it believes really add value to customers and doing them right the first time.

In particular, the Group wants to help customers:

- save for, buy and own a liveable home;
- start or buy and grow their business and adopt sustainable business practices; and
- move capital and goods around the region and adopt sustainable business practices.

In doing so, the Group seeks to improve the financial wellbeing of our customers, people and communities by helping them make the most of their money throughout their lives; supporting household, business and financial practices that improve environmental sustainability; and improving the availability of suitable and affordable housing options for all Australians and New Zealanders.

Purpose				
ANZ's purpose is to shape a world where people and communities thrive				
Strategic Imperatives	Strategy			Creating value for our stakeholders
Create a simpler, better capitalised, better balanced bank	Improving the financial wellbeing of customers			Decent returns for shareholders
Build a superior experience for our people and customers in order to compete in the digital age	Looking to save for, buy and own a home	Looking to start, buy and grow a business	Looking to move capital and goods around the region	Great experience for customers
Focus our efforts where we can carve out a winning position	With people who listen, learn and adapt	With the best tools and insights		Engaged, adaptable & capable employees
Drive a purpose and values led transformation of the Bank	With flexible, resilient, digital infrastructure that supports great customer experience at lower cost			Improved financial wellbeing, housing and environmental sustainability outcomes for customers and communities

## Principal activities of the Group

The Group operates on a divisional structure with five continuing divisions: Australia Retail and Commercial, Institutional, New Zealand, Pacific and Technology, Services & Operations ("TSO") and Group Centre.

As at 31 March 2021, the principal activities of the five continuing divisions were:

### Australia Retail and Commercial

The Australia Retail and Commercial division comprises the following business units.



- (a) 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) Commercial and Private Banking 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, in addition to financial planning services provided by salaried financial planners and investment lending secured by approved securities.

## **Institutional**

The Institutional division services governments, global institutional and corporate customers across three product sets: Transaction Banking, Corporate Finance and Markets.

- (a) Transaction Banking provides working capital and liquidity solutions including documentary trade, supply chain financing, commodity financing as well as cash management solutions, deposits, merchants and clearing.
- (b) Corporate Finance provides loan products, loan syndication, specialised loan structuring and execution, project and export finance, debt structuring and acquisition finance and corporate advisory.
- (c) Markets provides 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.

- (a) 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.
- (b) 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, the agricultural business segment, government and government related entities.

## **Pacific**

The Pacific division 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 retail products provided to consumers, traditional relationship banking and sophisticated financial solutions provided to business customers through dedicated managers.

## **TSO and Group Centre**

TSO and Group Centre division provides 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 residual components of the Group's divestments, Group Treasury, Shareholder Functions and minority investments in Asia.

## Recent Developments

### ***Notice of wholesale subordinated note redemption***

On 26 April 2021, the Group posted notice that it will exercise its option to redeem wholesale A\$700,000,000 floating rate subordinated notes due May 2026. The notes will be redeemed on 17 May 2021 for their par value of \$700 million.

### ***Fitch revises outlook on ANZ to stable***

On 12 April 2021, Fitch revised the outlook on the long-term Issuer Default Rating ("**IDR**") for ANZBGL, and its wholly-owned subsidiary ANZ New Zealand, to stable from negative.

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 an assigning rating agency and any rating should be evaluated independently of any other information.

Fitch affirmed ANZBGL's and ANZ New Zealand's long-term IDR at 'A+'. Fitch also reaffirmed all the ratings on long-term and short-term senior debt issued by ANZBGL and ANZ New Zealand and ANZBGL's subordinated debt and hybrid Tier 1 capital instruments.

Except as disclosed above, there have been no significant developments since 31 March 2021 to the date of this Offering Circular.

## Organisational Structure

ANZBGL is not directly or indirectly owned and controlled by any other corporation or corporations or by any foreign government.

ANZBGL's material controlled entities as at 30 September 2020 are set out in Note 25 to the Group's 2020 Annual Financial Statements which are incorporated by reference into, and forms part of, this Offering Circular (see "*Information Incorporated by Reference*").

## Directors

As at the date of this Offering Circular, there are eight members on the Board of Directors of ANZBGL. Their names, positions within ANZBGL and principal outside activities are described below. The business address of the Board of Directors of ANZBGL is ANZ Centre Melbourne, Level 9, 833 Collins Street, Docklands, Victoria 3008, Australia.

<b>Name of Director</b>	<b>Position</b>	<b>Principal Outside Activities</b>
Mr Paul O'Sullivan	Chairman Independent Non-Executive Director	Chairman, Singtel Optus Pty Limited and Western Sydney Airport Corporation. Director, Telkomsel Indonesia and St Vincent's Health Australia.
Mr Shayne Cary Elliott	Chief Executive Officer Executive Director	Director, ANZ Bank New Zealand Limited and the Financial Markets Foundation for Children. Member, Business Council of Australia, the Australian Banking Association and the Australian Customs Advisory Board.
Ms Ilana Rachel Atlas AO	Independent Non-Executive Director	Chairman, Jawun. Director, Origin Energy Limited and Paul Ramsay Foundation. Member, Panel of Adara Partners.
Ms Paula Jane Dwyer	Independent Non-Executive Director	Chairman, Kin Group Advisory Board and Allianz Australia 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,

<b>Name of Director</b>	<b>Position</b>	<b>Principal Outside Activities</b>
		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, Palo Alto Networks.
Mr Graeme Richard Liebelt	Independent Non-Executive Director	Chairman, Amcor Limited. Director, Australian Foundation Investment Company Limited and Carey Baptist Grammar School.
Mr John Thomas Macfarlane	Independent Non-Executive Director	Director, Colmac Group Pty Ltd, AGInvest Holdings Ltd (MyFarm Ltd), Balmoral Pastoral Investments and L1 Long Short Fund Ltd.

As at the date of this Offering Circular, no material conflicts of interest and, other than in respect of any dealings between ANZBGL 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 ANZBGL, no potential material conflicts of interest exist between any duties owed to ANZBGL 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, ANZBGL has processes for the management of such conflicts.

## **DESCRIPTION OF SUPERVISION AND REGULATION OF AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED**

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**

#### **Prudential and Regulatory Supervision**

##### ***The Supervisory Role of APRA***

Since 1 July 1998, APRA has been responsible for the prudential and regulatory supervision of Australian ADIs, which include banks (including ANZBGL), credit unions, building societies, insurance companies and superannuation funds. Prior to this, the Australian banking industry was regulated by 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.

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, securitisation 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 may suspend 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 of Australia 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 relevant Australian Minister declares that the transfer should occur, 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, closing out any transaction relating to that contract or enforcing any security under 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, the Board of an ADI must make an annual declaration to APRA on risk management of the ADI in the form specified by applicable prudential standards.

## **Other Australian Regulators**

In addition to APRA and its prudential and regulatory supervision, ANZBGL and its Australian subsidiaries are supervised and regulated in some respects by other regulators including the ASIC, the ACCC, the AUSTRAC, the Office of the Australia Information Commissioner ("**OAIC**") and various securities exchanges.

ASIC is Australia's corporate, markets, financial services and consumer credit regulator. It regulates Australian companies, financial markets, financial services organisations 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 Australian National Consumer Credit Protection Act 2009. 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. ANZBGL 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.

AUSTRAC is Australia's financial intelligence agency and its anti-money laundering and counter-terrorism financing regulator. The Group is required to comply with certain anti-money laundering and counter-terrorism financing legislation and regulations under Australian law, including the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 of Australia ("**AML Act**"). The AML Act is administered by AUSTRAC.

The OAIC is an independent agency within the Australian Attorney General's portfolio. Its primary functions are privacy, freedom of information and government information policy, with responsibilities including conducting investigations, reviewing decisions, handling complaints, and providing guidance and advice.

## **Capital and Liquidity**

### **Capital**

The common framework for determining the appropriate level of bank regulatory capital is set by the BCBS under a framework that is commonly known as "Basel 3".

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 methodology for credit risk weighted assets and Advanced Measurement Approach 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 AT1 and Tier 2 securities and transitional arrangements for existing AT1 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 FSI as described below.

For further discussion regarding capital regulatory developments, refer to "*Regulatory Developments – Capital and Liquidity*" below.

## **Liquidity**

ANZBGL's liquidity and funding risks are governed by a detailed policy framework that is approved by ANZBGL's Board Risk Committee. The management of the liquidity and funding positions and risks is overseen by the Group Asset and Liability Committee. ANZBGL's liquidity risk appetite is defined by the ability to meet a range of regulatory requirements and internal liquidity metrics mandated by ANZBGL'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 mandated by banking regulators including APRA. It was introduced as part of the Basel 3 international framework for liquidity risk measurement, standards and monitoring. As part of meeting the LCR requirements, ANZBGL has a Committed Liquidity Facility ("**CLF**") with the RBA. The CLF has been established as a solution to a High Quality Liquid Asset 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 at least annually by APRA. From 1 January 2021, ANZBGL's CLF is A\$10.7 billion (2020 calendar year end: A\$35.7 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's Level 2 NSFR was 121% as of 31 March 2021 (30 September 2020: 124%).

ANZBGL seeks to observe strictly its prudential obligations in relation to liquidity and funding risk as required by APRA Prudential Standard APS 210 ("**APS 210**"), as well as the prudential requirements of overseas regulators on ANZBGL's offshore operations.

## **Capital Management and Liquidity within APRA's Regulations**

For further details of the Group's capital management and, liquidity refer to the sections entitled "Capital management – including discontinued operations", "Funding – including discontinued operations" and "Liquidity risk – including discontinued operations" set out in "Group Results" of "ANZBGL's Half Year 31 March 2021 Consolidated Financial Report, Dividend Announcement and Appendix 4D", which is incorporated by reference into this Base Prospectus.

## **Banking Executive Accountability Regime**

The Treasury Laws Amendment (Banking Executive Accountability and Related Measures) Act 2018 established the BEAR. ANZBGL'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:

- ANZBGL is required to register individuals with APRA before appointing them to certain senior executive or director positions 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 of these senior executives or directors, detailing that individual's roles and responsibilities;

- where ANZBGL's registered senior executives and directors do not meet accountability obligations, APRA is empowered to disqualify those 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);
- ANZBGL 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
- ANZBGL may be liable for substantial penalties for failing to comply with its BEAR obligations.

The Australian Government announced in January 2020 that BEAR will be replaced by the FAR, which proposes to extend the regime to other APRA-regulated entities and directors/senior executives to increase accountability. FAR would be jointly administered by APRA and ASIC and could impose larger civil penalties for any breaches.

### ***Crisis Management***

The Financial Sector Legislation Amendment (Crisis Resolution Powers and Other Measures) Act 2018 enhanced 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 ANZBGL 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 ANZBGL 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 applies 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, such as denying any obligation, accelerating any debt, closing out any transaction or enforcing any security, on grounds relating to the operation of the Statutory Conversion and Write-Off Provisions.

## **Regulatory Developments – Capital and Liquidity**

### ***APRA Guidance on Capital Management***

In response to COVID-19, APRA provided guidance on capital management, including as to its expectations in relation to dividends. Most recently, in December 2020, APRA updated their guidance, whereby from the 2021 calendar year, APRA will no longer hold ADIs to a minimum level of earnings retention but ADIs will need to maintain vigilance and careful planning in capital management, including conducting regular stress testing and assurance on the capacity to continue to lend. APRA also stated that the onus will be on Boards to carefully consider the sustainable rate for dividends, taking into account the outlook for profitability, capital and economic environment.

### ***RBNZ Capital Requirements***

In December 2019, the RBNZ announced its capital review policy decisions for New Zealand banks. In November 2020, the RBNZ released for consultation its draft Banking Prudential Requirements for these capital policy changes.<sup>4</sup> See "*Supervision and Regulation - New Zealand – New Zealand Regulatory Developments - RBNZ review of capital requirements*" for more information about the RBNZ's final decisions.

The key requirements of the RBNZ's final capital requirements are:

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<sup>4</sup> RBNZ released its consultation paper titled "Capital Review Paper 4: How much capital is enough?" on 14 December 2018.

- Tier 1 capital requirement of 16% of RWA for ANZ New Zealand of which up to 2.5% of this could be in the form of AT1 capital. Total Capital requirement remained at 18% of RWA of which up to 2% can be Tier 2 Capital;
- redeemable preference shares are allowable as AT1 capital. It is anticipated that ANZ New Zealand will be able to refinance existing internal AT1 securities to external counterparties;
- increase RWA outcomes for internal ratings-based ("**IRB**") banks to approximately 90% of what would be calculated under the Basel Standardised Measurement Approach ("**Standardised approach**"):
  - apply an 85% output floor for credit risk RWA of IRB banks;
  - increase the scalar applied to credit risk RWA of IRB banks from 1.06 to 1.2; and
  - implemented over a transition period concluding on 1 July 2028.

The net impact on the Group is an increase in CET1 capital of approximately A\$0.7 billion between 31 March 2021 and the end of the transition period (based on the Group's 31 March 2021 balance sheet). This amount could vary over time subject to changes to capital requirements for ANZ New Zealand (for example, from RWA growth), potential dividend payments and the level of capital already retained by ANZ New Zealand to meet the final RBNZ requirements.

See "*New Zealand - New Zealand Regulatory Developments - RBNZ review of capital requirements*" for more information.

#### ***RBNZ restrictions on distributions and capital instruments***

With effect from 29 April, the RBNZ amended ANZ New Zealand's Conditions of Registration to (among other things) restrict the payment of dividends to up to a maximum of 50% of its earnings. This restriction applies to all New Zealand-incorporated banks and will remain in place until 1 July 2022 (subject to no significant worsening in economic conditions). This amendment restricts the amount of dividends that ANZ New Zealand can pay to its ultimate shareholder, ANZBGL.

From April 2020 until April 2021, the RBNZ also restricted ANZ New Zealand, and other New Zealand-incorporated banks, from redeeming capital instruments. Accordingly, ANZ New Zealand was not permitted to redeem its NZ\$500 million of Capital Notes in May 2020, although ANZ New Zealand could continue making interest payments on those Capital Notes (subject to certain conditions). Further, ANZ New Zealand did not exercise its option to convert the Capital Notes in May 2020. The terms of the Capital Notes provide for their conversion into a variable number of ANZBGL ordinary shares in May 2022 (subject to certain conditions). Conversion will result in an increase in the Group's CET1 capital (approximately 10 basis points) at Level 2.

See "*Recent Developments*" and "*Supervision and Regulation – New Zealand – New Zealand Regulatory Developments – Regulatory Response to the COVID-19 Pandemic and Other Developments*" for more information.

#### ***Financial System Inquiry***

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. APRA initiatives in support of the FSI are:

- 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 D-SIBs, this equated to a benchmark CET1 capital ratio, under the current capital adequacy framework, of at least 10.5% from 1 January 2020".
- APRA is consulting on a number of proposals in relation to risk-weighting framework revisions to credit risk, operational risk, market risk and interest rate risk in the banking book requirements. In December 2020, APRA released a consultation paper regarding proposed



changes to the capital framework for ADIs aimed at embedding 'unquestionably strong' levels of capital, improving the flexibility of the framework, and improving the transparency of ADI capital strength. These proposals replace previous consultation packages released by APRA in 2018 and 2019 in relation to proposed revisions to the capital framework for ADIs and is expected to be implemented from 1 January 2023. Key aspects of APRA's latest December 2020 proposals are:

- Increased alignment with internationally agreed Basel standards;
- Implementing more risk-sensitive risk weights for residential mortgage lending;
- Introduction of the Basel II capital floor that limits the RWA outcome for IRB ADIs to no less than 72.5% of the RWA outcome under the standardised approach;
- Improving the flexibility of the capital framework through the introduction of a default level of the CCyB of 100 basis points of RWA and increasing the capital conservation buffer CCB for IRB ADIs by 150 basis points (from 250 basis points to 400 basis points);
- Improving the transparency and comparability of ADIs' capital ratios, including by requiring IRB ADIs to also publish their capital ratios under the standardised approach; and
- Implementing a Minimum Leverage Ratio for IRB ADIs at 3.5%. APRA's **"Leverage Ratio"** compares Tier 1 capital to the "exposure measure" (expressed as a percentage) as defined by APRA Prudential Standard APS 110. It is designed as a non-risk based supplement or backstop to the current risk based capital requirements and is intended to restrict the build-up of excessive leverage in the banking system.

APRA has indicated that the above proposals will likely result in a decrease in RWA by 10% for IRB ADIs, but this will be offset by the increased capital allocation to regulatory buffers. APRA has also indicated that, as ADIs are currently meeting the 'unquestionably strong' benchmarks, it is not APRA's intention to require ADIs to raise additional capital. Accordingly, APRA has therefore sought to calibrate the proposed capital requirements for ADIs, measured in dollar terms, to be consistent at an industry level with the existing 'unquestionably strong' capital benchmarks for ADIs under the current capital framework. The impact of these proposed changes on individual ADIs (including ANZBGL), however, will vary depending on the final form of requirements implemented by APRA.

APRA's consultation for the above is ongoing. However, in response to the challenging economic environment resulting from the COVID-19 disruptions, APRA has:

- announced a temporary change to its expectations with regards to ADIs, such as ANZBGL, maintaining bank capital ratios at the "unquestionably strong" benchmark of 10.5% for CET1. During the period of the COVID-19 disruption, APRA has stated that it would not be concerned if ADIs are not meeting this benchmark as the current large buffers may be needed to facilitate ongoing lending to the Australian economy; and
- deferred its scheduled implementation of changes to ADIs' risk-weighting framework and Leverage Ratio requirements by one year. The majority of the capital reforms were initially due for implementation on 1 January 2022, but these have now been revised to 1 January 2023. The deferral also includes APRA proposals on improving transparency, international comparability and flexibility of the ADI capital framework.

Given the number of items that are yet to be finalised by APRA, the final outcome of the FSI including any further changes to APRA's prudential standards or other impacts on the Group remains uncertain.

### **APRA Total Loss Absorbing Capacity Requirements**

In July 2019, APRA announced its decision on loss-absorbing capacity pursuant to which it will require Australian D-SIBs, including ANZBGL, to increase their total capital by 3% of risk weighted assets by January 2024. Based on the Group's capital position as at 31 March 2021, this represents an incremental increase in the total capital requirement of approximately A\$4 billion, with an equivalent

decrease in other senior funding. APRA has stated that it anticipates that Australian D-SIBs would satisfy the requirement predominantly with additional Tier 2 capital. APRA is considering, over the next four years, feasible alternative methods for raising an additional 1% to 2% of risk weighted assets. As part of APRA's update on the APS111 consultation in May 2021, APRA has indicated their intention to work with the industry and the RBNZ on how the RBNZ's proposed new definitions of Additional Tier 1 (AT1) and Tier 2 capital could contribute towards the overall loss absorbing capacity of banking groups. APRA has also indicated that subject to appropriate strengthening of cross-border resolution arrangements; APRA could take into account the RBNZ qualifying AT1 and Tier 2 capital when determining the financial resources needed to support the orderly resolution of major banks.

### ***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, to allow for the final capital requirements arising from FSI recommendations as well as from international initiatives that are in progress. APRA has not proposed any date for implementing any changes.

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 nor ANZBGL's funding of its subsidiaries. See *"Restrictions on ANZBGL's ability to provide financial support"* below for further discussion on the impact of the Level 3 framework on ANZBGL's ability to support its related entities, including ANZ New Zealand.

### ***Revisions to Related Entities Framework***

In August 2019, APRA announced that it will amend APS 222 to reduce the limits for Australian ADIs' individual entity exposure to related ADIs (or overseas equivalents) from 50% of Level 1 total capital to 25% of Level 1 Tier 1 Capital, and aggregate exposures from 150% of Level 1 total capital to 75% of Level 1 Tier 1 Capital. As exposures are measured net of capital deductions, the proposed changes to APRA's capital regulations (contained in APS 111) will affect the measurement of ADI exposures. On the basis that the APS 111 revisions are implemented as currently proposed, the reduction in the above limits is not expected to have a material impact on the Group. The proposed implementation date has been deferred by APRA to 1 January 2022. Refer to *"Restrictions on ANZBGL's ability to provide financial support"* below for more detail.

### ***Revisions to APS 111 Capital Adequacy Measurement of Capital***

In October 2019, APRA released a discussion paper on draft revisions to APS 111 for consultation. The most material change from APRA's proposal is in relation to the treatment of capital investments into ADIs (or overseas equivalents) and insurance subsidiaries at Level 1, with the tangible component of the investment changing from a 400% risk weighting to:

- 250% risk weighting up to an amount equal to 10% of ANZBGL's net Level 1 CET1 capital; and
- the remainder of the investment will be treated as a CET1 capital deduction.

APRA has maintained the above proposals, in an update in May 2021, which also includes APRA responses to submissions made by the industry in relation to the issues raised from the October 2019 discussion paper. ANZBGL is reviewing the implications for its current investments. The net impact on the Group is unclear and will depend upon a number of factors including the capitalisation of the affected subsidiaries at the time of implementation, the final form of the prudential standard, as well as the effect of management actions being pursued that have the potential to materially offset the impact of these proposals. Based on ANZBGL's current investment in its affected subsidiaries and in the absence of any offsetting management actions, the above proposals imply a reduction in ANZBGL's Level 1 CET1 capital ratio of up to approximately A\$2 billion (approximately 60 basis points). However, ANZBGL believes that this outcome is unlikely and, post implementation of management actions, the net capital impact could be minimal. There is no impact on the Group's Level 2 CET1 capital ratio arising from

these proposed changes. The proposed implementation date has been deferred by APRA to January 2022.

In November 2020, APRA further announced, that until the new APS 111 is finalised and implemented, APRA will require any new or additional equity investments in banking and insurance subsidiaries, where the amount of that new or additional investments takes the aggregate value of the investment above 10% of an ADI's CET1 capital, to be fully funded by equity capital at the ADI parent company level. This treatment would apply to the proportion of the new or additional investment that is above 10% of an ADI's CET1 capital.

### ***Restrictions on ANZBGL's ability to provide financial support***

#### ***Effect of APRA's Prudential Standards***

APRA's current or future requirements may have an adverse effect on ANZBGL's business, results of operations, liquidity, capital resources or financial condition.

APS 222 sets minimum requirements for ADIs in Australia, including ANZBGL, in relation to the monitoring, management and control of risks which arise from associations with related entities and also includes maximum limits on intra-group financial exposures.

Under APS 222, ANZBGL's ability to provide financial support to related entities (including ANZ New Zealand) is subject to the following restrictions:

- ANZBGL should not undertake any third party dealings with the prime purpose of supporting the business of related entities;
- ANZBGL must not hold unlimited exposures (i.e., should be limited as to specified time or amount) to related entities (e.g., not provide a general guarantee covering any of the obligations of related entities) either in aggregate or at an individual entity level;
- ANZBGL must not enter into cross-default clauses whereby a default by a related entity on an obligation (whether financial or otherwise) triggers or is deemed to trigger a default of ANZBGL on its obligations; and
- the level of exposure, net of exposures deducted from capital, of ANZBGL's Level 1 total capital base:
  - (a) to related ADIs or equivalents, such as ANZ New Zealand, should not exceed 50% on an individual exposure basis or 150% in aggregate to all related ADIs or equivalents;
  - (b) to other related entities:
    - (i) in the case of a regulated related entity, should not exceed 25% on an individual exposure basis; or
    - (ii) in the case of any other (unregulated) related entity, should not exceed 15% on an individual exposure basis; and
    - (iii) should not exceed in aggregate 35% to all non-ADIs or equivalent related entities.

In August 2019, APRA released an update to APS 222. Changes that affect the quantum and nature of the financial support that ANZBGL can provide to ANZ New Zealand are:

- change the Level 1 capital base used for setting the exposure limits from total capital to Tier 1 capital; and
- reduce the individual ADI exposure limit to 25% of Level 1 Tier 1, and the aggregate to 75% of Level 1 Tier 1 capital base.

The proposed implementation date for APS 222 has been deferred by APRA to 1 January 2022. APRA has provided for entity-specific transitional arrangements or flexibility on a case by case basis.

Further, in October 2019, APRA released a discussion paper on draft revisions to APS 111, which proposes to change the Level 1 capital treatment for Australian ADIs, such as ANZBGL, investing in ADIs (or overseas equivalents) and insurance subsidiaries, as outlined above in *"Revisions to APS 111 Capital Adequacy Measurement of Capital"*. The proposed implementation date has been deferred by APRA to January 2022.

If implemented, these APS 111 changes would reduce ANZBGL's Level 1 Tier 1 capital base and exposure to ANZ New Zealand for the purposes of APS 222 reporting. As a result, ANZBGL's expected exposure to ANZ New Zealand at 1 January 2022 would be compliant with the APS 222 limits.

However, if the APS 111 changes are not implemented and the APS 222 changes become effective, it is still possible that the changes outlined in APRA's announcement in connection with APS 222 could adversely impact the ANZ New Zealand Group's business, results of operations, liquidity, capital resources or financial condition, as well as, its credit ratings and its ability to grow its business as ANZBGL's exposure to ANZ New Zealand would be near the limit of 25% of Level 1 Tier 1 Capital, although ANZBGL would be able to apply for transition relief.

In addition, APRA has confirmed that, by 1 January 2021, no more than 5% of ANZBGL's Level 1 Tier 1 capital base can comprise non-equity exposures to its New Zealand operations (including its subsidiaries incorporated in New Zealand, such as ANZ New Zealand, and ANZBGL's New Zealand branch) during ordinary times. This limit does not include holdings of capital instruments or eligible secured contingent funding support provided to the ANZ New Zealand Group during times of financial stress.

APRA has also confirmed that contingent funding support by ANZBGL to its ANZ New Zealand operations during times of financial stress must be provided on terms that are acceptable to APRA. At present, only covered bonds meet APRA's criteria for contingent funding. APRA also requires that ANZBGL's total exposures to its New Zealand operations must not exceed 50% of ANZBGL's Level 1 Tier 1 capital base.

#### *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). This framework also requires the Group to limit its financial and operational exposures to subsidiaries (including ANZ New Zealand).

In determining the acceptable level of exposure to a subsidiary, ANZBGL's Board of Directors should have regard to:

- the exposures that would be approved for third parties of broadly equivalent credit status; and
- the potential impact on ANZBGL's capital and liquidity positions and ability to continue operating in the event of a failure by the subsidiary.

These requirements are not expected to place additional restrictions on ANZBGL's ability to provide financial or operational support to its subsidiaries, including ANZ New Zealand.

#### **Regulatory Developments- Other**

##### ***Regulatory Response to COVID-19***

Australian regulators and the Australian Government implemented a broad range of measures in response to the COVID-19 pandemic. Many measures have impacted, and may continue to impact, the Group. These include the measures outlined below.

In March 2020, the RBA established a term funding facility ("**TFF**") for the banking system. ADIs are able to obtain an initial allowance of up to 3% of their outstanding credit (measured as the average of an ADI's total credit in the relevant three-month period) and an additional funding allowance if they

increase lending to business, especially to small and medium-sized businesses. In September 2020 the RBA announced a supplementary funding allowance available from 1 October 2020 to 30 June 2021 and extended the deadline for drawdowns of the additional funding allowance based on an ADI's lending to businesses from 31 March 2021 to 30 June 2021. The supplementary funding allowance is fixed at 2% of an ADI's outstanding credit (measured as the average of an ADI's total credit in the relevant three-month period). As at 31 March 2021, ANZBGL had fully drawn A\$12 billion from its initial TFF allowance and it had not drawn anything from its additional TFF allowance of A\$8 billion.

In March 2020, APRA announced, among other matters:

- the suspension of the majority of its planned policy and supervision initiatives in response to the impact of COVID-19, including substantive public consultations and actions to finalise revisions to the prudential framework that were underway or upcoming, including consultations on prudential and reporting standards. In an update in August 2020, APRA announced that apart from a limited number of high-priority policy initiatives, APRA did not plan to recommence consultation on any other matters for the remainder of 2020. However, in February 2021, as part of APRA's announcement of its policy programme for 2021, the majority of the policy and supervision initiatives suspended from March 2020 have resumed;
- a temporary change to its expectations with regards to ADIs maintaining bank capital ratios at the "unquestionably strong" benchmark. During the period of the COVID-19 disruption, APRA stated that it would not be concerned if ADIs did not meet this benchmark, as the current large buffers may be needed to facilitate ongoing lending to the Australian economy;
- an exemption for banks from having to treat eligible small business loans and home loans, which are subject to a COVID-19 loan repayment deferral, as 'arrears' or 'restructured' for capital purposes. APRA initially provided the capital treatment exemption for a period of up to six months from March 2020, but in July 2020, APRA allowed an extension to align with a further period of loan deferrals until the earlier of an aggregate period of deferral totaling 10 months or 31 March 2021. The extension of the loan deferral arrangements (and associated capital treatment) is subject to ADIs undertaking an appropriate credit assessment to ascertain if an extension or new deferral is appropriate for the particular borrower given their circumstances. There has not been any further extension of the loan deferral arrangements after 31 March 2021.

In March 2020, ASIC announced that it would focus its regulatory efforts on challenges created by COVID-19. For information on the recalibration of ASIC's priorities see *"Recalibration of ASIC's Regulatory Priorities"* in risk factor *"Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group's Position"*. In March 2020, the ACCC announced that, while its 2020 compliance and enforcement priorities remain in place, it will re-focus its efforts to those priorities of most relevance to competition and consumer issues arising from the impact of COVID-19. Further, the ACCC provided an authorisation for the Australian Banking Association and participating member banks (including ANZBGL) to co-operate to provide relief packages for individuals and businesses affected by COVID-19.

In March 2020, AUSTRAC announced that it will constructively work with reporting entities, such as ANZBGL, as they manage their money laundering and terrorism financing risks during the COVID-19 disruptive period. This included considering such reporting entities' circumstances when applying anti-money laundering and counter-terrorism financing laws.

For further information, refer to risk factor *"Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group's Position"*.

For information relating to the regulatory response to the COVID-19 pandemic in New Zealand, please see *"Supervision and regulation - New Zealand - New Zealand Regulatory Developments - Regulatory Response to the COVID-19 Pandemic and Other Developments"*.

The full extent of the duration and severity of the impact of the COVID-19 pandemic remains subject to significant uncertainties. Accordingly, while Australian regulators have re-focused their priorities to their usual supervisory initiatives, regulators continue to monitor the effect of COVID-19 and will adjust their approach as necessary. Given this, the regulation and supervision of, and enforcement against,

financial services groups such as the Group continue to be uncertain and, as at the date of this Base Prospectus, are difficult to predict.

COVID-19 resulted in the Australian Commonwealth and State Governments enacting many measures to combat the spread of the virus and economic impacts. The Australian and State and Territory Governments imposed wide ranging restrictions due to COVID-19 on, suspensions and limitations of, or advice against, travel, events, and meetings and many other normal activities and undertaken substantial and costly monetary and fiscal interventions. For example, the Victorian State Government declared a temporary 'state of disaster' in August 2020 and imposed extensive restrictions on business, household and other activities. As an example of economic measures, the Australian Commonwealth Government provided until the end of March 2021 a 'JobKeeper Payment' (where eligible businesses significantly impacted by COVID-19 are able to access a subsidy from the Australian Government to continue paying their eligible employees). The Australian Commonwealth and State Governments may in the foreseeable future implement, extend and introduce further measures. It is not clear what effect, if any, the cessation of economic assistance measures will have on the economy. A further key response to COVID-19 has been, and will continue to be, the vaccination of people against the virus. The degree of success of the vaccination programme may have an effect on economic activity. As at the date of this Base Prospectus, it is unclear what the full impact of these measures will be on the Group.

### **Royal Commission**

A Royal Commission is a formal public inquiry that can only be instigated by the executive branch of the Australian Government and is directed by terms of reference. The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (the "**Royal Commission**") was directed to inquire into, and report on, whether any conduct of financial service entities (including ANZBGL) might have amounted to misconduct or conduct falling below community standards and expectations. The Royal Commission was also tasked with considering the causes of that conduct, in particular the role of culture, governance, remuneration and risk management practices, the effectiveness of regulators and making policy recommendations in response.

The final report (the "**Final Report**") of the Royal Commission was released publicly in February 2019. In the Final Report, the Commissioner of the Royal Commission identified conduct by financial service entities, including ANZBGL, that may have amounted to misconduct or that has fallen short of community standards and expectations.

The Final Report contained 76 recommendations across several matters, among them, banking, financial advice, superannuation, insurance, culture, governance and remuneration and regulators.

The Australian Government provided its response to the Royal Commission in February 2019, which included a commitment to take action on all of the Royal Commission's recommendations and additional commitments to address issues raised in the Final Report.

In August 2019, the Australian Government released a roadmap to the implementation of its response. APRA, ASIC and the industry have also implemented or begun the implementation process for a number of recommendations directed towards them. The Australian Parliament passed legislation in December 2020 and March 2021 concerning a number of recommendations of the Royal Commission.

Some of the more significant changes that have resulted or are likely to result from the recommendations of the Royal Commission include:

- adjustments to the regime of self-reporting of breaches of financial services laws and the introduction of an equivalent regime for breaches of credit laws;
- giving ASIC the ability to issue directions to prevent or address suspected breaches of financial services and credit laws;
- allowing ASIC to enforce financial services industry codes by attaching civil penalties to breaches of identified provisions of approved industry codes and establishing enforceable mandatory codes of conduct for the financial services industry;
- amendments to the prohibition on hawking (or unsolicited selling) of financial products;

- the introduction of a compensation scheme of last resort;
- the increased focus, and changes to policy, of APRA on governance, culture, remuneration and accountability, which has commenced and includes proposed changes to how banks pay senior executives; and
- the proposed replacement of the BEAR with the Financial Accountability Regime, which will be jointly administered by ASIC and APRA and will impose penalties on individuals and carry higher penalties for entities than BEAR.

Actions taken in connection with the other recommendations of the Royal Commission not highlighted above could also impact the Group's Position.

In February 2019, ANZBGL announced 16 commitments responding to a number of the Royal Commission's recommendations and comments. These commitments are meant to improve the treatment of retail customers, small businesses and farmers in Australia. They include, among other matters, commitments relating to remediation, remuneration, accountability, culture and governance and regulators. As at 1 April 2021, ANZBGL has completed 11 of its 16 commitments. ANZBGL continues to engage with the Australian Government, its regulators and industry as they progress their response to the Royal Commission recommendations.

In addition to the specific recommendations, the Royal Commission's conclusions have led or 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. The recommendations and the Government's commitments have also led to the Group's regulators altering their existing policies and practices and legislation being passed to expand regulatory powers.

The Royal Commission has also referred instances of potential misconduct to APRA or ASIC for consideration where they are not already being investigated. Where these matters relate to the Group, it may result in proceedings being brought against Group entities, which could result in the imposition of civil or criminal penalties on the Group.

The Royal Commission is resulting 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, and may have an adverse impact on the Group's Position. The outcomes and total costs associated with these possible exposures remain uncertain.

The Royal Commission may also lead to increased political or regulatory scrutiny of the financial industry in New Zealand.

### ***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 the Group, 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. ANZBGL submitted its written self-assessment to APRA on 30 November 2018. On 22 August 2019, ANZBGL released an article from ANZBGL's Chairman detailing the actions (including development of a 'roadmap') being taken by ANZBGL to address the issues raised in its self-assessment report. ANZBGL's roadmap has five focus areas: culture; governance and accountability; management of operational risk; remediation; and simplification. The roadmap is a multi-year programme. APRA requires ANZBGL to hold an additional capital overlay of A\$500 million for operational risk (from 30 September 2019) until ANZBGL has effectively completed the planned uplift as outlined in ANZBGL's roadmap.

## ***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:

- in 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%) and loan affordability tests for new borrowers; and
- in March 2017, APRA outlined that ADIs will be expected, among other things, to:
  - limit the flow of new interest-only lending to 30% of total new residential mortgage lending ("**30% Interest-Only Benchmark**"). Within this limit, ADIs were expected to place strict internal limits on the volume of interest-only lending at loan-to-valuation ratios ("**LVRs**") above 80% and ensure there was strong scrutiny and justification of any instances of interest-only lending at LVRs above 90%; and
  - manage lending to investors so as to comfortably remain below the previously advised benchmark of 10% annual growth in lending to property investors ("**10% Investor Loan Growth Benchmark**").

The Group 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.

In April 2018 and December 2018, APRA outlined that the 10% Investor Loan Growth Benchmark and 30% Interest-Only Benchmark, respectively, will no longer apply to ADIs in certain circumstances. The benchmarks no longer apply to the Group.

APRA has indicated that it will continue to monitor closely conditions in the housing market more generally and despite the removal of the benchmarks, a return to more rapid rates of investor loan growth or re-acceleration in interest-only lending at an industry-wide level would raise systemic concerns and that such an environment could lead APRA to consider the need to apply industry-wide measures.

The National Credit Code contained in Schedule 1 of the NCCP Act imposes a range of disclosure and conduct obligations (including certain "responsible lending" obligations) on persons engaging in a credit activity in addition to imposing authorisation and licensing requirements on participants.

In December 2020, the Australian Government introduced a bill into the Australian Parliament that would largely remove the responsible lending requirements in the NCCP Act for ADIs. ADIs will continue to be regulated under APRA's existing standards. They will also continue to be subject to other disclosure and conduct obligations under the NCCP Act.

## ***Changes in classifications for residential mortgage loans***

The current classification of ANZBGL's residential mortgage loans, as reported to regulators and the market, is generally determined during the loan origination process (i.e., loan application, processing and funding), based on information provided by the customer or subsequently when a customer requests changes to the loan.

Classification of residential mortgage loans may change due to:

- incorrect classification at origination: to the extent that customers inaccurately advise ANZBGL of their circumstances at origination, there is a risk that loans may be incorrectly classified, and such loans may be reclassified;



- changes in customer circumstances: ongoing appropriateness of a given classification relies on the customer's obligation to advise ANZBGL of any changes in the customer's circumstances and on ANZBGL's ability to independently validate the information provided by its customers. To the extent that customers advise of any changes in their circumstances or when ANZBGL makes such a determination based on its verification processes, a loan may be reclassified;
- regulatory or other changes: the criteria for loan classifications, and their interpretation, may change for one or more reporting purposes, which may affect the classification of certain loans; and
- changes in ANZBGL's systems and processes.

Incorrect classification or re-classification of loans may affect a customer's ability to meet required repayments, such as when an owner-occupied property loan is re-classified to an investment property loan, which may attract a higher interest rate. The inability of customers to meet repayment obligations on re-classified loans may increase the risk of default on such loans, which may adversely affect the Group's Position.

### **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 Position"*.

### **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. An organisation is a terrorist organisation if it is directly or indirectly engaged in, preparing, planning, assisting in or fostering the doing of a terrorist act, or is prescribed as a terrorist organisation 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, assets 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 RBNZ to exercise its powers of registration of banks and prudential supervision of registered banks (including ANZ New Zealand) for the purposes of:

- promoting the maintenance of a sound and efficient financial system; and
- 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 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.

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.

The RBNZ publishes a quarterly "dashboard" of key information on registered banks on the RBNZ's website. The dashboard aims to improve the ability of the public and market participants to understand and act on information about such banks' financial strength and risk profile. The information is sourced from private reporting that banks provide to the RBNZ. Information relating to the ANZ New Zealand Group published in the dashboard is not incorporated by reference herein and does not form part of this Base Prospectus. In some cases, information relating to the ANZ New Zealand Group published in the dashboard has been classified and presented differently to the presentation in the ANZ New Zealand consolidated financial statements.

New Zealand-incorporated banks are required to comply with the Basel 3 capital adequacy requirements, as modified to reflect New Zealand conditions. The RBNZ also requires most New Zealand-incorporated banks, including ANZ New Zealand, to maintain a conservation buffer of 2.5%

above the minimum ratios or face restrictions on distributions. The RBNZ also has the discretion to apply a countercyclical buffer of common equity with an indicative range of between 0 and 2.5%, although there is no formal upper limit. There are also counterparty credit risk requirements and additional disclosure requirements to incorporate Basel 3. These capital requirements are expected to change from 2022 as a result of the RBNZ's capital reforms, although some aspects of the RBNZ's capital reforms will proceed from 1 July 2021, including the new rules around capital instruments, see *"New Zealand Regulatory Developments – RBNZ review of capital requirements"* below for further information.

New Zealand-incorporated banks (including ANZ New Zealand) are required to comply with the RBNZ's Liquidity Policy ("**BS13**"). A requirement of BS13 is that New Zealand-incorporated banks meet a minimum core funding ratio ("**CFR**") of 75% ensuring that at least a minimum proportion of bank funding is met through customer deposits, term wholesale funding and Tier 1 capital. However, with effect from 2 April 2020, the RBNZ amended ANZ New Zealand's Conditions of Registration to reduce ANZ New Zealand's minimum CFR to 50% in response to the COVID-19 pandemic. The RBNZ intends to revert back to the previous 75% CFR from 1 January 2022.

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 Basel 3 liquidity standards are not suitable for adoption in New Zealand.

The RBNZ is undertaking a thematic review of compliance with BS13 ("**BS13 Thematic Review**"), which it intends to complete by mid-2021. Findings from the BS13 Thematic Review are intended to provide input into a forthcoming review of BS13. See *"New Zealand Regulatory Developments — Thematic review of registered banks' compliance with the RBNZ Liquidity Policy"* below for further information.

The RBNZ 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% or more of the board of directors of a registered bank or a qualifying interest (e.g., legal or beneficial ownership) in 10% 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**

### ***Regulatory Response to the COVID-19 Pandemic and Other Developments***

The exact ramifications of COVID-19 on the regulation and supervision of financial services groups such as the ANZ New Zealand Group are still uncertain and, as of the date of this Base Prospectus, difficult to predict.

In response to the COVID-19 pandemic, the RBNZ and the New Zealand Government have implemented a broad range of measures to promote financial stability and ensure foreign exchange, debt and money markets continue operating efficiently and at low cost, many of which affect the ANZ New Zealand Group. As of the date of this Base Prospectus, it remains unclear what the full impact of these measures will be on the ANZ New Zealand Group.

The RBNZ announced in March 2020 that it would defer external-facing work on most of its regulatory initiatives. The RBNZ also extended the transition period for BS11 to October 2023, and there have been delays to the commencement of some upcoming amendments to the Credit Contracts and Consumer Finance Act 2003 ("**CCCFA**") with the majority of the changes due to come into effect on 1 October 2021.

The RBNZ delayed the start date for the increase in bank capital arising from the capital reforms for New Zealand incorporated banks to 2022. Some aspects of the capital reforms will proceed during 2021, including recognition of Tier 2 capital instruments issued in accordance with the new requirements. The conclusion of the transition period is 1 July 2028. The implementation timetable may be revised if conditions warrant in 2021.

The RBNZ amended ANZ New Zealand's Conditions of Registration in response to the COVID-19 pandemic, as follows:

- In May 2020, the RBNZ temporarily removed LVR restrictions for residential mortgage lending. However, effective from 1 March 2021, the pre-pandemic LVR restrictions were reinstated. These LVR restrictions require New Zealand registered banks to restrict new non-property-investment residential mortgage lending over 80% LVR to no more than 20% of the dollar value of a bank's new "non- property-investment residential mortgage lending" (which is a standard residential mortgage loan secured over only owner-occupied residential property), and restrict "property investment residential mortgage" (which is a standard residential mortgage loan that is not a non-property-investment residential mortgage loan) lending over 70% LVR to no more than 5% of the dollar value of a bank's new property investment residential mortgage lending. Additionally, effective from 1 May 2021, New Zealand registered banks are required to restrict property investment residential mortgage lending over 60% LVR to no more than 5% of the dollar value of a bank's new property investment residential mortgage lending.
- In April 2020, various changes were made, including:
- restricting ANZ New Zealand from paying dividends or other distributions, other than discretionary payments payable to holders of AT1 capital instruments;
- the reduction of the minimum requirement for ANZ New Zealand's CFR from 75% to 50%; and
- updates to refer to the revised version of BS11 dated April 2020 and to reflect the extension of the transition period for existing outsourcing arrangements under BS11 to 1 October 2023.

The RBNZ announced in May 2021 that it intends to increase the CFR minimum requirement back to 75% on 1 January 2022 (subject to no significant worsening of economic conditions).

With effect from 29 April 2021, the RBNZ amended ANZ New Zealand's Conditions of Registration to (among other things) restrict the payment of dividends by ANZ New Zealand to a maximum of 50% of its earnings. This restriction applies to all New Zealand-incorporated banks and will remain in place until 1 July 2022 (subject to no significant worsening in economic conditions). This amendment restricts the amount of dividends that ANZ New Zealand can pay to its ultimate shareholder, ANZBGL. From April 2020 until April 2021, the RBNZ also restricted ANZ New Zealand, and other New Zealand-incorporated banks, from redeeming capital instruments. Accordingly, ANZ New Zealand was not permitted to

redeem its NZ\$500 million of Capital Notes in May 2020, although ANZ New Zealand could continue making interest payments on those Capital Notes (subject to certain conditions). Further, ANZ New Zealand did not exercise its option to convert the Capital Notes in May 2020. The terms of the Capital Notes provide for their conversion into a variable number of ANZBGL ordinary shares in May 2022 (subject to certain conditions). Conversion will result in an increase in the Group's CET1 capital (approximately 12 basis points) at Level 2.

The financial support package included a Leave Support Scheme and Short-Term Absence Payments to help businesses pay their employees who needed to self-isolate as a result of COVID-19 and could not work from home. Wage Subsidy Schemes were also previously available to help employers adversely affected by COVID-19 lockdowns to continue to pay their staff.

The New Zealand Government and certain New Zealand banks (including ANZ New Zealand) implemented the Business Finance Guarantee Scheme ("**BFGS**") to assist with the provision of credit to businesses for the purpose of managing liquidity needs as a result of COVID-19 and to help them to position themselves for the subsequent economic recovery. All businesses with annual revenues of up to NZ\$200 million and who meet other criteria set by the New Zealand Treasury are eligible. A limit of NZ\$5 million per loan applies and the loans have a maximum term of five years. The New Zealand Government takes 80% of the credit risk of each loan, with the other 20% to be retained by the banks. The scheme is open for applications until 30 June 2021.

The New Zealand Government has also implemented a Small Business Cashflow Loan Scheme, under which the New Zealand Inland Revenue Department provides loans of up to NZ\$100,000 to assist small businesses impacted by the COVID-19 pandemic. The interest rate is 3% per annum. However, interest will not be charged if the loan is fully paid back within two years. The maximum term of the loans is five years, and businesses are not required to make repayments for the first two years. The scheme applies the same eligibility criteria as the Wage Subsidy Scheme. Businesses will have to declare that they are a viable business and that they will use the money for core business operating costs.

The RBNZ also implemented an up to NZ\$100 billion Large Scale Asset Purchase ("**LSAP**") programme, under which it will purchase New Zealand Government bonds, New Zealand Government Inflation-Indexed Bonds and Local Government Funding Agency bonds, on the secondary market and inject cash into the banking system by June 2022. The LSAP programme aims to provide further support to the New Zealand economy, build confidence, and keep interest rates low. The LSAP programme increases the amount of money circulating in the New Zealand banking system available to banks, including ANZ New Zealand, as deposits. The RBNZ continues to monitor the effectiveness of the LSAP programme and will make further adjustments and additions if needed.

The RBNZ has also implemented a Funding for Lending Program ("**FLP**") that makes available to banks direct secured funding equivalent to 4% of the relevant bank's eligible loans for a term of three years at the prevailing official cash rate over the drawdown period. Additional FLP funding equivalent to a further 2% of eligible loans will be available to banks that meet certain requirements to increase eligible loans. The FLP is intended to provide banks with low cost funding and encourage lower borrowing costs for New Zealand businesses and households.

From early-2020 to 31 March 2021, the New Zealand Government and the RBNZ implemented a financial support package for homeowners (the "**Mortgage Repayment Deferral Scheme**") and businesses affected by the economic impacts of COVID-19, in which ANZ New Zealand, along with other New Zealand banks, agreed to participate. The package included a Mortgage Repayment Deferral Scheme for residential mortgage, agriculture and small to medium-sized business customers. The Mortgage Repayment Deferral Scheme was available to eligible ANZ New Zealand customers impacted by COVID-19. Under the Mortgage Repayment Deferral Scheme, repayments could initially be deferred for any period up to six months, as agreed between the bank and the borrower. The period of a repayment deferral under the Mortgage Repayment Deferral Scheme was not treated as a period in arrears, and the granting of a repayment deferral was not treated as a distressed restructuring. ANZ New Zealand followed its usual processes for capitalising interest on loans under the Mortgage Repayment Deferral Scheme. Treatment of loan repayment deferrals as 'performing loans' ended on 31 March 2021.

Other support facilities introduced in order to support liquidity that have since been suspended include the Term Lending Facility, Term Auction Facility, and Corporate Open Market Operation. The RBNZ is

considering additional monetary instruments that could be deployed in the future including a negative official cash rate, receiving interest rate swaps and purchasing foreign assets.

The Companies Act 1993 and other legislation have been amended to help businesses facing insolvency due to COVID-19 to remain viable, including by introducing a COVID-19 Business Debt Hibernation ("**BDH**") regime. Under the regime, eligible entities (including companies, partnerships, incorporated societies, and other bodies) are able to submit a proposal to their creditors for putting their business debts into 'hibernation'. Creditors will have one month from the date the entity notifies the Registrar of Companies of its intention to enter into BDH to vote on the proposal, and the proposal will take effect if 50% of creditors (by number and value) agree. There will be a moratorium on the enforcement of debts during the initial one-month period following notification to the Registrar of Companies, and a further six-month moratorium if the proposal is agreed to. The proposal, if agreed to, will be subject to any conditions agreed with creditors. The BDH regime does not limit enforcement action by creditors with security over the whole, or substantially the whole, of an entity's property, and certain debts (including debts owed to employees) are excluded from the regime entirely. In December 2020, the New Zealand Government extended the BDH regime until 31 October 2021.

The New Zealand Government has also made a number of tax reforms to provide relief to businesses. These include a temporary loss carry-back scheme, under which businesses expecting to make a loss in either of the 2019-2020 or 2020-2021 income years can offset that loss against income from the preceding income year, and receive a refund of some or all of the tax paid for that preceding year. Several changes have been made to assist medium and smaller businesses, including raising the provisional tax threshold from NZ\$2,500 to NZ\$5,000, in order to lower compliance costs and introducing new rules to allow businesses meeting certain "business continuity criteria" to carry-forward their tax losses notwithstanding changes in continuity of shareholder ownership.

The New Zealand Government announced its Half Year Economic and Fiscal Update ("**HYEFU**") on 16 December 2020. The HYEFU outlined the New Zealand Government's fiscal support measures in response to the COVID-19 pandemic which included a NZ\$12.1 billion initial support package and a NZ\$50 billion COVID-19 Response and Recovery Fund ("**CRRF**"). As at the date of the HYEFU, NZ\$51.8 billion of the initial support package and CRRF had been allocated to initiatives, including the Wage Subsidy Scheme and subsequent extensions, the BFGS, costs associated with managed isolation facilities, and purchasing of vaccines. The remaining NZ\$10.3 billion of CRRF funding was unallocated at the time of the HYEFU.

### ***RBNZ review of capital requirements***

Between May 2017 and December 2019, the RBNZ conducted a comprehensive review of the capital adequacy framework applying to New Zealand incorporated banks. The RBNZ's final decisions on the capital review as they relate to ANZ New Zealand are set out below. In response to the COVID-19 pandemic, the RBNZ has delayed the start date for the increased capital requirements to support credit availability. The new regime is expected to be implemented in stages from 1 October 2021.

- ANZ New Zealand's total capital requirement will increase to 18% of RWA, including tier 1 capital of at least 16% of RWA. Up to 2.5% of the tier 1 capital requirement can be made up of AT1 capital, with the remainder of the tier 1 requirement made up of CET1 capital. The increased capital ratios requirement will be implemented progressively from 1 July 2022 to 1 July 2028. AT1 capital must consist of perpetual preference shares, which may be redeemable. The total capital requirement can also include tier 2 capital of up to 2% of RWA. Tier 2 capital must consist of long-term subordinated debt.
- The tier 1 capital requirement will include a CET1 prudential capital buffer of 9% of RWA. This will include: a 2% domestic, systemically important bank capital buffer; a 1.5% 'early-set' counter-cyclical capital buffer, which can be temporarily reduced to 0% following a financial crisis, or temporarily increased to prevent asset price bubbles from developing; and a 5.5% capital conservation buffer.
- Contingent capital instruments will no longer be treated as eligible regulatory capital. As at 31 March 2021, ANZ New Zealand had approximately NZ\$2,741 million of AT1 instruments that will progressively lose eligible regulatory capital treatment over a transition period from 1 January 2022 to 1 July 2028.

- As an IRB accredited bank, ANZ New Zealand's RWA outcomes will be increased to approximately 90% of what would be calculated under the standardised approach. This will be achieved by applying an 85% output floor from 1 January 2022 and increasing the credit RWA scalar from 1.06 to 1.20 from 1 October 2022.
- ANZ New Zealand will be required to report RWA, and resulting capital ratios, using both the internal models and the standardised approaches from 1 January 2022.

The RBNZ's reforms will result in a material increase in the level of capital that ANZ New Zealand is required to hold, although the amount of the increase is currently uncertain. The reforms could have a material impact on ANZ New Zealand and its business, including on its capital allocation and business planning.

Since 30 September 2018, CET1 capital has increased by NZ\$3.8 billion to NZ\$12.9 billion at 31 March 2021 and total capital has increased by NZ\$3.8 billion to NZ\$15.7 billion, in preparation for these changes and due to the RBNZ's COVID-19 related dividend restrictions'.

See *"- Australia – Australian Regulatory Developments – ANZBGL Update on RBNZ Capital Requirements"* for information on the impact of these requirements on ANZBGL.

### ***Non-compliance with Conditions of Registration***

Set out below are outstanding and recent instances of non-compliance by the ANZ New Zealand Group with its Conditions of Registration that were disclosed in the Half Year Disclosure Statement.

#### ***Material non-compliance with conditions of registration***

A review of ANZ New Zealand's compliance with the RBNZ's capital adequacy requirements was undertaken under section 95 of the Reserve Bank Act and was completed in April 2020. ANZ New Zealand has accepted the improvements identified in the review, and is working to rectify its processes. The RBNZ has stated that it is confident ANZ New Zealand will resolve this matter without issue, and has emphasised that ANZ New Zealand Group remains sound and well capitalised.

As first reported in the ANZ New Zealand 2019 Disclosure Statement, ANZ New Zealand has not complied with condition of registration 1B in relation to the implementation of changes to rating models and processes that were not approved by the RBNZ. Applying the last RBNZ approved methodologies to the affected exposures as at 30 September 2019 would have decreased RWA by NZ\$47 million (0.05%) in aggregate, which was not sufficient to affect the reported capital ratios.

Affected models and the initial dates of non-compliance are:

- Commercial Property Model Suite (Single Investment, Multi Investment, Hotel Investment, Special Purpose Asset Investment, Single Residential Development, Commercial Development, Englobo Land Pre Development) – 2011
- Non-Bank Financial Institutions Model Suite (Life Insurance, Non-life Insurance, Insurance Holding Company, Finance Companies, Financial Services Companies, Real Money Funds) – 2009
- Project and Structured Finance – 2009
- Bank, Country & Sovereigns – 2008

ANZ New Zealand's model compendium required under section 1.3B of the RBNZ's Capital Adequacy Framework (Internal Models Based Approach) (BS2B) ("**BS2B**") was found to be non-compliant as it included unapproved model changes.

The first tranche of remediated models was submitted to the RBNZ for approval in August 2020, a second tranche was submitted in November 2020, with a third submission completed in April 2021. As at 30 April 2021, 14 remediated models had been submitted to the RBNZ for approval, with the three remaining models expected to be submitted before the end of 2021.

### *Other matters relevant to the conditions of registration*

There are other matters currently under review where there may be more than one valid interpretation of the respective policy wording or requirement. Where there may be some uncertainty about the interpretation ANZ New Zealand has applied, where appropriate it has sought guidance from, and will be liaising with, the RBNZ on these matters's.

### **Section 95 Reviews**

On 5 July 2019, the RBNZ issued a notice under section 95 of the Reserve Bank Act requiring ANZ New Zealand to obtain two external reviews: the first on ANZ New Zealand's compliance with certain aspects of BS2B (Capital Adequacy Review); and the second on the effectiveness of ANZ New Zealand's directors' attestation and assurance framework (Attestation Review).

The Attestation Review and the Capital Adequacy Review were completed in December 2019 and April 2020, respectively. ANZ New Zealand is committed to implementing the recommendations and addressing the issues raised by these reviews.

Due to the impacts of the COVID-19 pandemic, the RBNZ extended the time period for addressing the 'Attestation Review recommendations, subject to ANZ New Zealand obtaining external interim reviews of the remediation activities being undertaken in respect of the Attestation Review and the Capital Adequacy Review, assessed as at March 2021, with final ""reviews being assessed as at September 2021 for the Attestation review and December 2021 for the Capital Models review. The interim review of the 'Attestation Review is in the process of being finalised. The interim review of the Capital Adequacy Review has been completed. The external reviewer has reported that ANZ New Zealand has made significant progress to address non-compliance issues and improvement areas identified by the Capital Adequacy Review, and the programme of work is expected to be completed by December 2021.

The Attestation Review and the Capital Adequacy Review have highlighted the need for a broader programme of improving ANZ New Zealand's processes covered by those reviews, and this programme is now in its implementation phase.

See "*New Zealand Regulatory Developments – FMA and RBNZ conduct and culture review*" below for further information.

### ***Loan calculator remediation***

In June 2017, ANZ New Zealand self-reported a problem with a loan calculator to the New Zealand Commerce Commission ("**Commerce Commission**"). The problem affected some of ANZ New Zealand customers' loans that were varied between May 2015 and May 2016. The loan calculator was used to calculate customer repayments and loan terms when customers asked for changes to their home, personal and business loans. The problem resulted in some customers paying less than they should have on affected loans. ANZ New Zealand fixed the calculator in May 2016. ANZ New Zealand has previously credited approximately NZ\$8.4 million to affected customers to put the affected loans back into the position they would have been in had the error not occurred. In March 2020, the Commerce Commission announced it had agreed with ANZ New Zealand that ANZ New Zealand would pay some customers affected by the issue a further NZ\$29.4 million. These payments are nearing completion.

### ***RBNZ's revised outsourcing policy***

BS11 requires large New Zealand-incorporated banks, such as ANZ New Zealand, to have the legal and practical ability to control and execute outsourced functions. BS11 applies to all new outsourcing arrangements entered into from 1 October 2017. The RBNZ has issued revised Conditions of Registration to ANZ New Zealand effective from 2 April 2020, which include an extension of the transition period to full compliance for existing outsourcing arrangements under BS11 from 1 October 2022 to 1 October 2023.

### ***Conditions of Registration***

The BS11 requirements form part of ANZ New Zealand's Conditions of Registration. If ANZ New Zealand does not comply with its condition of Registration in relation to outsourcing, the RBNZ could take enforcement action, such as putting further restrictions on ANZ New Zealand's use of outsourcing.



A formal programme has been established and is responsible for delivering ANZ New Zealand's compliance with BS11, as outlined in its Path-to-Compliance Plan. In order to be compliant with BS11, ANZ New Zealand must be able to meet the policy outcomes on a stand-alone basis without reliance on any other Group entity. The policy outcomes are defined as ANZ New Zealand being able to:

- continue to meet daily clearing, settlement, and other time-critical obligations;
- monitor and manage financial positions, including credit, liquidity and market risk positions;
- make available the systems and financial data necessary for the statutory manager and the RBNZ to have options available for managing the failed bank; and
- provide basic banking services to existing customers, including liquidity (both access to deposits and to credit lines as defined in basic banking services) and account activity reporting.

#### *Compliance obligations*

BS11 imposes a number of ongoing compliance requirements on ANZ New Zealand. In particular:

- ANZ New Zealand must have a compendium of outsourcing arrangements;
- all contracts to which BS11 applies must include prescribed contractual terms allowing the RBNZ access to details of the contract and service, and not allowing the vendor to terminate if ANZ New Zealand is under statutory management;
- the RBNZ must provide its non-objection for all new outsourcing arrangements (including with other Group entities), unless an exemption applies;
- ANZ New Zealand must have a separation plan that describes how it 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 ANZBGL. A final separation plan, fully compliant with BS11, must be in place by 1 October 2023 and will be subject to annual testing; and
- ANZ New Zealand must obtain an independent, external review of progress against its Path-to-Compliance Plan and compliance of new arrangements on an annual basis during the transition period and at least every three years thereafter.

#### ***Financial Markets (Derivatives Margin and Benchmarking) Reform Amendment Act 2019 ("FMRA Act")***

The FMRA Act was enacted in August 2019 and addresses aspects of New Zealand law that impeded the ability of certain New Zealand entities (including registered banks such as ANZ New Zealand) to comply with foreign derivative margin requirements (in particular, statutory moratoria on creditors' claims under insolvency or restructuring regimes, and the ranking of creditors in certain circumstances). These legislative impediments had resulted in a reduction of the number of counterparties with which ANZ New Zealand was able to enter into uncleared OTC derivative transactions.

The amendments made under the FMRA Act, which as of 14 March 2021 have all become effective, allow derivative counterparties, which enter into derivatives with these New Zealand entities, 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 (provided that, prior to enforcement, the margin is in the possession or under the control of the enforcing counterparty or its agent). More specifically, the amendments:

- 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 derivative counterparties enforce their security interest over margin, their claim ranks ahead of other potential claims under the New Zealand Companies Act 1993 and the New Zealand Personal Property Securities Act 1999.

The FMRA Act also amended the Financial Markets Conduct Act 2013 ("**FMCA**") to establish a new licensing regime for administrators of financial benchmarks. These amendments aim to ensure that New Zealand's regulatory regime for financial benchmarks (including the New Zealand Bank Bill Benchmark Rate) meets the equivalence requirements for the purposes of the Benchmarks Regulation.

### ***Replacement of the Financial Advisers Act 2008***

In March 2021, New Zealand introduced a new financial advice regime. The Financial Services Legislation Amendment Act 2019 ("**FSLAA**"), which inserted the provisions of the new financial advice regime into the FMCA and amended the Financial Service Providers (Registration and Dispute Resolution) Act 2008. The key changes to the regime include:

- requiring financial advice providers to be licensed;
- 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 regulated financial advice to retail clients;
- requiring all people who give regulated financial advice to retail clients to comply with standards of ethical behaviour, conduct, and client care;
- adding new requirements 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;
- amending the requirements to be registered on the New Zealand Financial Service Providers Register to prevent its misuse; and
- adding requirements to ensure that there are appropriate processes and controls in place to limit, regulate and monitor the financial advice provided by nominated representatives.

ANZ New Zealand has obtained a transitional financial advice provider licence from the FMA and has up to two years to apply for and obtain a full licence.

### ***Review of the Reserve Bank Act***

From November 2017 to April 2021, the New Zealand Government undertook a review of the Reserve Bank Act, with the goal of modernising New Zealand's monetary and financial stability policy frameworks and the RBNZ's governance and accountability settings.

Phase one of the review was completed in 2018, and resulted in the enactment of the Reserve Bank of New Zealand (Monetary Policy) Amendment Act 2018, which made several changes to New Zealand's monetary policy framework.

Phase two involved a comprehensive review of the financial policy provisions of the Reserve Bank Act, including provisions that provide the legislative basis for the RBNZ's prudential regulation and supervision functions and its crisis management framework, and institutional matters such as the RBNZ's legislative objectives, broader governance arrangements and its funding model.

The New Zealand Government has announced in-principle decisions relating to the regulation of deposit takers, including:

- introducing a formal depositor insurance scheme that will protect depositors' savings up to an insured limit of NZ\$100,000 per depositor, per institution;

- making Non-Bank Deposit Takers ("**NBDTs**") and banks subject to a single prudential regulatory regime;
- strengthening accountability requirements on directors of companies that are deposit takers;
- strengthening the RBNZ's supervision and enforcement tools, including with powers to undertake on-site inspections as part of its supervision activities; and
- clarifying and strengthening the RBNZ's crisis resolution framework, including providing the RBNZ with the ability to "bail-in" (that is, write-down or convert to equity) certain unsecured liabilities as a new mechanism for recapitalising a failing bank.

The New Zealand Government intends to replace the Reserve Bank Act with two separate pieces of legislation – the "Reserve Bank of New Zealand Act" and the "Deposit Takers Act" – which will implement the decisions from this review. The Reserve Bank of New Zealand Act will set out the overall governance and accountability framework for the RBNZ across all its functions. It will also provide for the RBNZ's central banking functions, including the framework for monetary policy. The Reserve Bank of New Zealand Bill is currently before the Finance and Expenditure Committee. The Deposit Takers Act will integrate the two different legislative frameworks for deposit taking institutions (banks and NBDTs) and establish the deposit insurance scheme. In April 2021, the New Zealand Government announced its in-principle decisions to adopt the final measures resulting from the review. An exposure draft of a Deposit Takers Bill is expected to be provided to the public for consultation in October 2021, with implementation of the deposit insurance scheme expected in 2023.

### ***RBNZ review of mortgage bond collateral standards***

The RBNZ has undertaken consultation 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 in the future, and is proposing a new Residential Mortgage Obligations ("**RMO**") standard. The RBNZ is proposing to gradually phase in RMO to replace internal residential mortgage backed securities over a five-year transition period.

### ***FMA and RBNZ conduct and culture review***

Following the establishment of the Australian Royal Commission, the Financial Market Authority (the "**FMA**") and the RBNZ conducted a joint review of conduct and culture in the New Zealand banking sector in 2018 and 2019. The FMA and RBNZ's industry report concluded that conduct and culture issues did not appear to be widespread in New Zealand banks. There were a small number of issues related to poor conduct by bank staff across the industry. Issues relating to system or process weaknesses were more commonplace. The industry report noted that the FMA and the RBNZ were concerned about the identification and remediation of conduct issues and risks in the banks' businesses, and potential weaknesses in the governance and management of conduct risks.

The FMA and RBNZ have continued to engage with banks that took part in the review, including ANZ New Zealand. In July 2019, the FMA and the RBNZ provided ANZ New Zealand with their specific feedback letter. In their letter, the FMA and the RBNZ noted that ANZ New Zealand's conduct and culture plan appeared to address the relevant issues identified in the feedback letters and published reports. In addition, the FMA and the RBNZ informed ANZ New Zealand that the outcomes of the Section 95 Reviews may result in ANZ New Zealand needing to amend its conduct and culture plan. See "*Section 95 Reviews*" for further information.

ANZ New Zealand is continuing to provide regular progress updates on its conduct and culture plan to the FMA and the RBNZ.

### ***RBNZ's approach to supervision of financial institutions***

In June 2019, the RBNZ announced that it would intensify its supervision of financial institutions (including ANZ New Zealand). The RBNZ indicated that financial institutions could expect more intrusive supervision, including more reviews, a deeper scrutiny of boards and management, and enforcement action in cases of non-compliance. For further discussion, see "*Risk Factors—Legal and regulatory risk—Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group's Position*".

### ***RBNZ breach disclosure and reporting regime***

Since January 2021, the RBNZ has introduced a new framework for the reporting and publishing of regulatory breaches by New Zealand banks. Banks are required to report promptly to the RBNZ when there is a breach or possible breach of a regulatory requirement in a material manner, and report all minor breaches every six months. Actual material breaches will then be published on the RBNZ's website. Since March 2021, a materiality threshold applies to the disclosure of breaches of a bank's conditions of registration in their disclosure statements.

### ***FMA review of sales incentives structures in the New Zealand banking industry***

In November 2018, the FMA released its findings from its review of incentive structures in the New Zealand banking industry.

The industry review found that the incentives of salespeople across the New Zealand banking industry are highly sales focused and that there is a high risk of inappropriate sales practices occurring. The industry review also found that significant changes are being made to incentive schemes across the New Zealand banking industry.

From 1 October 2019, ANZ New Zealand removed sales incentives for all frontline staff and made changes to its remuneration structure to reduce the emphasis on variable remuneration and individual performance. Frontline Retail and Business Banking staff do not have incentives paid based on individual performance (including payments based on sales measures). Instead staff are eligible for a Group Performance Dividend ("**GPD**") payment based on overall Group performance. Some staff are also eligible for a variable remuneration component called At Risk Pay ("**ARP**") which is based on business, team and individual performance. For any roles with an individual performance component, ANZ New Zealand is committed to ensuring that there are no incentives linked to sales measures. Employees who do meet the minimum standards of behaviour and performance will not receive, or will receive a smaller proportion of, GPD and ARP.

In July 2019, the FMA and the RBNZ, in their feedback letter to ANZ New Zealand on its conduct and culture plan, noted the requirement for ANZ New Zealand to notify the FMA, in writing, if ANZ New Zealand intends to materially change its approach to incentives outlined in ANZ New Zealand's conduct and culture plan.

### ***Proposed conduct regulations for financial institutions***

The Financial Markets (Conduct of Institutions) Amendment Bill ("**FMCI Bill**") was introduced to the New Zealand Parliament in December 2019. The FMCI Bill would require financial institutions (including registered banks, licensed insurers and NBDTs) that are in the business of providing relevant services to:

- obtain a licence under Part 6 of the FMCA;
- comply with a fair conduct principle (requiring them to treat consumers fairly, including by paying due regard to their interests);
- establish, implement, maintain and comply with an effective fair conduct programme to operationalise the fair conduct principle; and
- comply with regulations that regulate incentives.

Financial institutions and intermediaries would be subject to the FMCA's compliance and enforcement tools such as civil pecuniary penalties for contraventions of various obligations, and licensed financial institutions would be subject to licensing actions such as censure and the imposition of action plans.

These proposals are intended to form the basis of a broad conduct regime that could be expanded over time with further obligations on regulated entities.

In August 2020, the Finance and Expenditure Committee released its report on the FMCI Bill, recommending it be passed with amendments. Among other things, the updated Bill now:

- clarifies the fair conduct principle by inserting a non-exhaustive list of relevant factors required to treat consumers fairly;
- changes the requirement that fair conduct programmes must be published in full to requiring a summary of the programme to be published and the programme to be provided to the FMA;
- removing the duty for intermediaries to comply with fair conduct programmes, and the duty for financial institutions to ensure intermediary compliance with fair conduct programmes; and
- inserts a list of matters that the Minister must have regard to before recommending to regulate or prohibit incentives.

In April 2021, the New Zealand Government released two discussion documents regarding the treatment of intermediaries under, and the development of regulations to support, the new conduct of the financial institutions regime. This consultation may result in amendments to the Bill later in 2021.

### ***Amendments to the CCCFA***

In December 2019, the CCLA Act was enacted. The CCLA Act makes a number of significant changes to the CCCFA, including:

- introducing a new duty on directors and senior managers of creditors under consumer credit contracts to exercise due diligence to ensure that the creditor complies with its duties and obligations under the CCCFA. Proposed remedies for failure to comply with this duty include compliance orders, civil pecuniary penalties, statutory damages and payment of compensation. This change takes effect on 1 October 2021;
- strengthening enforcement provisions, including by providing civil pecuniary penalties and statutory damages for breaches of lender responsibility principles;
- requiring lenders to keep records of their inquiries in relation to their compliance with the responsible lending principles and how they calculate credit and default fees. This change takes effect on 1 October 2021;
- amending the provisions relating to how disclosure is made, including in relation to electronic disclosure; and
- requiring debt collectors to disclose key information to the debtor at the commencement of debt collection action.

Certain amendments contained in the CCLA Act (including changes to electronic disclosure rules and the introduction of civil pecuniary penalties) have already come into effect. As a result of the COVID-19 pandemic, the commencement of Part 5A of the CCLA Act, relating to fit and proper person certification, was delayed and will now come into force on 1 June 2021, and the commencement of the remaining provisions of the CCLA Act and new regulations will now occur on 1 October 2021. The ANZ New Zealand Group is undertaking a programme of work in relation to its current CCCFA processes and the upcoming CCLA Act reforms.

### ***Thematic review of registered banks' compliance with the RBNZ Liquidity Policy***

The RBNZ is undertaking a thematic review of compliance with BS13, which it intends to complete by mid-2021. The BS13 Thematic Review is expected to deliver an assessment of the compliance of registered banks in New Zealand with the quantitative and qualitative requirements of BS13 as well as provide useful insights into the banking industry's current liquidity management practices. The findings from the BS13 Thematic Review are also intended to provide input into a forthcoming review of BS13. ANZ New Zealand is continuing to work with the RBNZ on the BS13 Thematic Review.

### ***Cyber resilience guidance and information sharing consultation***

In April 2021, the RBNZ released guidance that outlines its expectations on cyber resilience for regulated entities (including ANZ New Zealand). The guidance aims to raise awareness of, and ultimately promote, the cyber resilience of the financial sector, especially at the board and senior

management level. This guidance draws upon leading international and national cybersecurity standards and guidelines and is intended to provide high-level principle-based recommendations for entities.

The RBNZ plans to promote information sharing with other relevant government agencies including the National Cyber Security Centre, the NZ Computer Emergency Response Team and the FMA. Details of the RBNZ's information gathering and sharing plan are under development and expected to be published for public consultation in mid-2021.

### ***Privacy Act 2020***

The Privacy Act 2020 ("**Privacy Act**") came into effect on 1 December 2020. The Privacy Act enhances the role of the Privacy Commissioner and promotes early intervention and risk management by organisations that handle personal information (such as ANZ New Zealand). Key changes relevant to ANZ New Zealand include:

- the mandatory notification of privacy breaches that cause serious harm (or are likely to do so) to the Privacy Commissioner and affected parties, for which failure to comply is an offence subject to a fine of up to \$10,000 per breach;
- the ability for the Privacy Commissioner to issue compliance notices and data access notices, with a fine of up to \$10,000 for non-compliance; and
- the introduction of controls on the disclosure of information overseas, including the requirement to ensure overseas entities receiving New Zealanders' personal information have similar levels of privacy protection to those in New Zealand.

The Privacy Act affects the handling of personal information ANZ New Zealand receives from customers and counterparties. ANZ New Zealand has implemented a programme to ensure compliance with the new privacy obligations from 1 December 2020.

## UNITED STATES

ANZBGL has elected to be treated as a Financial Holding Company (an "**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 ANZBGL, 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, or if its U.S. bank subsidiary in Guam and American Samoa fails to maintain at least a "Satisfactory" or better rating under the Community Reinvestment Act. The FRB is the "umbrella" supervisor with jurisdiction over FHCs, including ANZBGL.

ANZBGL 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 in the United States (the "**OCC**"), ANZBGL's New York branch ("**New York Branch**") can engage in activities permissible for national banks, with the exception that the 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.

Other Dodd-Frank regulations impose minimum margin requirements on uncleared swaps, require the central execution and clearing of standardised OTC derivatives on regulated trading platforms and clearing houses, set limits on the size of positions in certain types of derivatives and provide for heightened supervision of OTC derivatives dealers and major market participants. ANZBGL is a provisionally registered swap dealer under the Commodity Exchange Act and Commodity Futures Trading Commission ("**CFTC**") regulations. In addition, other affiliated entities within the Group could become subject to swap registration, depending on the level of their swap dealing activities with counterparties that are U.S. persons. Even if not required to be registered with the CFTC, such entities are potentially subject to certain of the CFTC's regulatory requirements, in connection with transactions that they enter into with counterparties that are U.S. persons.

In 2020, the CFTC adopted rules regarding cross-border transactions which, among other things, 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 previously made such a determination with respect to certain aspects of Australian law and regulation pursuant to guidance issued by the CFTC prior to its adoption of the cross-border rules, and that determination remains in effect under the new rules. Pursuant to that determination, ANZBGL is able to rely on substituted compliance with respect to certain aspects of CFTC rules in connection with transactions outside the U.S. with non-U.S. counterparties.

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 ANZBGL 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. These rules impose requirements to collect and post initial and variation margin in respect of in-scope trading with in-scope counterparties. The rules of the prudential regulators and the CFTC also allow non-U.S. swap dealers, such as ANZBGL, to comply with the applicable laws of non-U.S. jurisdictions in lieu of compliance with their margin rules, or otherwise not to comply with U.S. margin rules, with respect to certain categories of transactions and counterparties.

Dodd-Frank also requires ANZBGL to submit U.S. resolution plans to the FRB and the FDIC. ANZBGL submitted its most recent U.S. resolution plan in December 2018. ANZBGL 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. In October 2019, the FRB and the FDIC issued final rules that would apply tailored requirements on resolution planning and a modification of the enhanced prudential standards applicable to foreign banking organisations, depending on the size of their U.S. operations and their risk profile. Under the final rules, ANZBGL is next required to submit a reduced resolution plan by 1 July 2022 because it continued to be a triennial reduced filer on 1 October 2020.

ANZBGL conducts its debt capital markets activities in the United States through ANZ Securities, Inc. ("**ANZSI**"). ANZSI is a broker-dealer licensed by the U.S. Securities and Exchange Commission ("**SEC**") and supervised by the SEC and the Financial Industry Regulatory Authority ("**FINRA**"). ANZSI is also licensed states and territories where it does business. The SEC and FINRA have extensive compliance requirements that apply to ANZSI, including recordkeeping, transaction and communications monitoring, supervision of ANZSI staff, internal policies and procedures, and many others that govern the day-to-day business of ANZSI. ANZSI is subject to periodic reviews of its operations by the SEC and FINRA.

The FATCA 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, 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% withholding tax on certain amounts. While such withholding tax may currently apply only to certain payments derived from sources within the United States, no such withholding tax will be imposed on any payments derived from sources outside the United States that are made prior to the date that is two years after the date on which final U.S. regulations defining the term "foreign passthru payment" are enacted. There is currently no proposed or final definition of "foreign passthru payment" and it is therefore impossible to know whether certain payments could possibly be treated as foreign passthru payments.

The discussion above reflects proposed U.S. regulations that eliminate withholding on certain gross proceeds payments and delay the effective date for withholding on payments from sources outside the United States. The U.S. Treasury Department has indicated that taxpayers may rely on the proposed regulations. The discussion assumes that the regulations will be finalised in their current form and will be effective retroactively.

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. Moreover, even if the Group does provide the required information, withholding may still be applicable to certain U.S. source payments.

In the event that any country in which ANZBGL operates does not have or enforce an Intergovernmental Agreement 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.

A major focus of U.S. governmental policies affecting financial institutions has been combating money laundering, terrorist financing and violations of U.S. sanctions. 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, and other U.S. laws with respect to sanctions, that apply to U.S. financial institutions, including subsidiaries and branches of foreign banks such as ANZBGL's U.S. broker-dealer subsidiary, the New York Branch and ANZBGL'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. They also require financial institutions in the United States to operate in compliance with U.S. sanctions regimes. 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, and to comply with U.S. sanctions regimes, 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 ANZBGL and its branch operations and the supervision and regulation described above, local banking operations in all of the ANZBGL offshore branches and banking subsidiaries are subject to host country supervision by their respective regulators, such as the RBNZ, the OCC, the FRB, the UK Prudential Regulatory Authority, the Monetary Authority of Singapore, the Hong Kong Monetary Authority, the China Banking and Insurance Regulatory Commission and other financial regulatory bodies in those countries and in other relevant countries. 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.

## INFORMATION INCORPORATED BY REFERENCE

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

1. all supplements and amendments to this Offering Circular issued by the Issuer;
2. the ANZBGL 2019 Audited Financial Statements and the ANZBGL 2020 Audited Financial Statements (including the auditor's reports thereon and notes thereto) (set out on pages 101 to 217 and pages 111 to 233, respectively of the 2019 and 2020 Annual Reports of ANZBGL) and the non-consolidated audited financial statements of ANZBGL in respect of the year ended 30 September 2020 (including the auditors' audit report thereon and notes thereto) and the unaudited condensed consolidated financial statements (including the independent auditor's review report thereon and notes thereto) in respect of the six months ended 31 March 2021;
3. the most recently published audited annual consolidated financial statements (including the auditor's report thereon and notes thereto), any subsequent unaudited semi-annual consolidated financial statements (including the auditor's report thereon and notes thereto) of ANZBGL and the half-year (ending 31 March) profit announcement of the Issuer from time to time lodged on ASX of ANZBGL;
4. ANZBGL's Basel 3 Pillar 3 Disclosure dated 31 March 2021 (APS 330: Public Disclosure); and
5. the paragraph headed "Recent Developments" in the section entitled "*Australia and New Zealand Banking Group Limited and its Subsidiaries*" of the Base Prospectus of the Issuer dated 14 May 2021 in connection with the US\$30,000,000,000 ANZ Global Covered Bond Programme established by ANZBGL, as supplemented by any supplemental base prospectus(es) from time to time after the date of this Offering Circular.

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

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or otherwise covered elsewhere in this Offering Circular.

Copies of the documents incorporated by reference into this Offering Circular (provided that the same has been made available to the Paying Agent) can be obtained during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection by eligible investors at the offices of the Paying Agent, Deutsche Bank AG Hong Kong Branch at Level 60, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong and can also be viewed electronically and free of charge at the Issuer's website (<http://www.debtinvestors.anz.com/>) upon prior written request and proof of holding to the satisfaction of the Paying Agent.

Although not incorporated by reference, the annual report, quarterly trading updates (if any) and continuous disclosure notices in relation to the Issuer are available online at [www.asx.com.au](http://www.asx.com.au).

## SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in a Dealer Agreement dated 17 May 2021 (as may be amended, restated, supplemented and/or updated from time to time, the "**Dealer Agreement**") between the Issuer, the Arranger and the Initial Dealer, the Notes will be offered from time to time by the Issuer to the Initial Dealer. However, the Issuer reserves the right to issue Notes directly on its own behalf to Dealer(s) who are appointed as Dealer(s) in respect of specified Tranches only, or to other subscribers procured by it. In addition, the Issuer may also issue Notes to persons other than a Dealer on terms separately agreed in writing from time to time by the Issuer and such other person. The Notes may be sold at prevailing market prices, or at prices related thereto, at the time of such sale, as determined by the relevant Dealer.

### United States

The Notes 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 or sold within the United States or to or, for the account or benefit of, U.S. persons, except pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. The Initial Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Dealer Agreement, it has not offered or sold Notes, and will not offer or sell Notes (a) (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Notes comprising the relevant Tranche and the completion of the distribution of the Notes comprising the relevant Tranche, as determined and certified to the Fiscal Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified), and (b) 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, the Initial Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that none of it, its affiliates or 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 Notes, and it and they have complied and will comply with any applicable offering restrictions requirement of Regulation S. The Initial Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree that, at or prior to the confirmation of any sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes 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 Notes covered hereby have not been, and will not be, registered under the U.S. 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 or sold 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 of the Notes comprising the relevant Tranche and the completion of the distribution of the Notes comprising the relevant Tranche, as determined and certified by [*Name of Dealer or Dealers, 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 meaning given to them by Regulation S under the Securities Act."

The Initial Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, to notify the Fiscal Agent and the Issuer when it has completed its distribution of the Notes of any Tranche. In addition, until 40 days after the later of the commencement of the offering of the Notes comprising the relevant Tranche and the completion of the distribution of the Notes comprising the relevant Tranche, any offer or sale of Notes within the United States by a Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

In addition, unless the Pricing Supplement 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 Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required 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 Notes 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 Notes 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 Notes are aware that such Notes 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 the 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 sub-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 sub-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 Pricing Supplement 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)(C) (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, the Initial Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required 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, the Initial Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required 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. International Revenue Code and regulations thereunder, including the C Rules.

### **Prohibition of Sales to EEA Retail Investors**

The Initial Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Offering Circular as completed by the Pricing Supplement 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 the Insurance Distribution 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 Regulation (EU) 2017/1129; 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### **Prohibition of Sales to UK Retail Investors**

The Initial Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the UK. 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 (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of "retained EU law", as defined in the EUWA;
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of "retained EU law", as defined in the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of "retained EU law", as defined in the EUWA; and
- (b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### **Other UK Regulatory Restrictions**

The Initial Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) **No deposit-taking:** in relation to any Notes having a maturity of less than one year:

- (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
- (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA;

- (b) **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 Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer, if the Issuer was not an authorised person; and
- (c) **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 Notes in, from or otherwise involving the United Kingdom.

### Australia

No prospectus, product disclosure document or other disclosure document (as defined in the Corporations Act) in relation to the Programme or any Notes (including this Offering Circular) has been or will be lodged with or registered by the Australian Securities and Investments Commission or the ASX Limited. The Initial Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not (unless a supplement to this Offering Circular otherwise provides):

- (a) made or invited, and will not make or invite, an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and
- (b) 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, distribution or publication otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act;
- (ii) the offer, distribution or publication does not constitute an offer to a "retail client" as defined for the purposes of section 761G and 761GA of the Corporations Act; and
- (iii) such action complies with all applicable laws, directives and regulations and does not require any document to be lodged with, or registered by, the Australian Securities and Investments Commission.

The Initial Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not sell any Note issued by the Issuer in circumstances where employees of the Dealer aware of, or involved in, the sale know, or have reasonable grounds to suspect, that the Note, or an interest in or right in respect of the Note, 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 Pricing Supplement 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 Note issued by the Issuer, an Offshore Associate of the Issuer 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 Corporations Act.

**"Offshore Associate"** means an associate (as defined in section 128F of the Income Tax Assessment Act 1936 and any successor legislation) of the Issuer that is either a non-resident 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 Australia.

### **Hong Kong**

The Initial Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered 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 Notes (except for Notes 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 Notes, 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 Notes 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 Notes 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, the Initial Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, 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 Dealers which would permit a public or regulated offering of any of the Notes, or possession or distribution of any offering material in relation to the Notes, in New Zealand.

The Initial Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered and will not directly or indirectly offer, sell or deliver any Note, and it will not distribute any offering memorandum or advertisement in relation to any offer of Notes, in New Zealand, other than to any or all of the following persons only:

1. "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 ("**FMC Act**"), being a person who is:
  - (a) an "investment business";
  - (b) "large"; or
  - (c) a "government agency",in each case as defined in Schedule 1 to the FMC Act; and
2. in other circumstances where there is no contravention of the FMC Act, provided that (without limiting paragraph 1 above) Notes may not be offered or transferred to any "eligible investors" (as defined in the FMC Act) or any person that meets the investment activity criteria specified in clause 38 of Schedule 1 to the FMC Act.

In addition, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Notes to persons whom it believes to be persons to whom any amounts payable on the Notes are or would be subject to New Zealand resident withholding tax, unless such persons certify that they have RWT exempt status (as defined in the Income Tax Act 2007 (NZ)) in respect of, New Zealand resident withholding tax, and provide a New Zealand tax file number to such Dealer (in which event the Dealer shall provide details thereof to the Issuer or to a Paying Agent).

## **Singapore**

The Initial Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Initial Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes 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 Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (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.



Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which 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,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) 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 Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, 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;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

*Singapore SFA Product Classification: In connection with Section 309B of 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 Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are capital markets products other than '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).*

## **South Korea**

The Notes have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea. The Notes may 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. Without prejudice to the foregoing, the number of the Notes offered in Korea or to a resident in Korea shall be less than 50, and for a period of one year from the Issue Date of the Notes, none of the Notes may be divided resulting in an increase number of the Notes. Furthermore, the Notes may not be resold to Korean residents unless the purchaser of the Notes complies with all applicable regulatory requirements (including but not limited to government reporting requirements under the Foreign Exchange Transactions Law of Korea and its Enforcement Decree) in connection with the purchase of the Notes.

## **Taiwan**

The Notes 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 Notes shall only become effective upon acceptance by the Issuer or the relevant

Dealer outside Taiwan and shall be deemed a contract entered into in the jurisdiction of incorporation of the Issuer or relevant Dealer, as the case may be.

### **General**

These selling restrictions may be modified by the agreement of the Issuer and the Dealers, including following a change in a relevant law, regulation or directive. Any such modification not relevant to a particular tranche of Notes only will be set out in a supplement to this Offering Circular. No action has been taken in any country or jurisdiction by the Issuer or any Dealer that would permit a public offering of any of the Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required.

The Dealer Agreement provides that each Dealer will comply with all applicable securities laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Offering Circular, any Pricing Supplement or any other offering material, in all cases at its own expense.

The Dealer Agreement also provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the first paragraph under this section headed "General".

Persons into whose hands the Offering Circular or any Pricing Supplement comes are, and each Noteholder is, required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

## TAXATION

### **General**

Neither the Issuer nor the Arranger nor any of the Dealers makes any comment about the treatment for taxation purposes of payments or receipts in respect of the Notes. Each investor contemplating acquiring Notes under the Programme is advised to consult a professional adviser in connection with the consequences relating to the acquisition, retention and disposition of Notes.

**All prospective investors (including non-U.S. 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 the Issuer (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 instruments issued by the Issuer 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**").

#### **1. Australian withholding tax**

##### ***Interest withholding tax – section 128F exemption***

Under the Programme, the Notes may be issued out of the head office of the Issuer or through foreign branches of the Issuer.

To the extent the Notes are issued out of a foreign branch of the Issuer under the Programme in the course of carrying on business at or through a permanent establishment outside Australia, any interest paid on the Notes by the Issuer should not be subject to Australian withholding tax.

Interest or an amount that is included in the extended definition of interest in section 128A on the Notes issued by the Issuer is exempt from Australian interest withholding tax under section 128F of the Australian Tax Act if the following conditions are met:

- (a) the Issuer 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 the Issuer 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 the Issuer in a manner which satisfies the public offer test.

The public offer test is satisfied if the Notes are issued by the Issuer 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 the Issuer 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 the Issuer 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 the Issuer had previously entered into an agreement with a dealer, manager or underwriter in relation to the placement of the Notes, requiring the Issuer 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 the Issuer, 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 the Issuer, 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;
- (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;
- (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;
- (d) before the issue of the Global Note, the Issuer or a 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;
- (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 the Issuer, that are not themselves Global Notes.

The public offer test is not satisfied if at the time of issue, or at the time of payment, the Issuer knows, or had reasonable grounds to suspect, that the Notes, or an interest in the Notes, issued by the Issuer was being, or would later be, acquired directly or indirectly by an Offshore Associate (as defined in the section entitled "*Subscription and Sale — Australia*") of the Issuer 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 Corporations Act.

The Issuer 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 concluded double tax conventions ("**Specified Treaties**") with particular countries (each a "**Specified Country**") that contain certain exemptions from Australian interest withholding tax. The Specified Treaties apply to interest derived by a resident of a Specified Country.

The Specified 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 Specified Treaties are in force in a number of jurisdictions including, for example, the United States ("**U.S.**") and the United Kingdom.

### ***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% on the payment of interest on bearer Notes issued by the Issuer if it fails to disclose the names and addresses of the holders to the Australian Taxation Office. Section 126 does not apply to a payment on a bearer Note 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 where interest withholding tax is payable. The Australian Taxation Office has confirmed 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% 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 the Issuer, 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 the Issuer 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).

### ***Payment of additional amounts***

If the Issuer 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 General Condition 7 (*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.

The Issuer 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 (see General Condition 7 (*Taxation*) for further details), the investor being an Offshore Associate (as defined in the Section entitled "*Subscription and Sale – Australia*") 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 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 the Issuer neither was a party to nor participated in.

## **2. Other tax matters**

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; or
  - (iv) amounts that are deemed to be interest under section 128AA of the Australian Tax Actto a holder of a Note or Coupon issued by the Issuer 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 the Issuer 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 the Issuer 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 of 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. The Issuer does 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 the Issuer will not be subject to death, estate or succession duties imposed by Australia or by any political subdivision or authority therein having power to tax, if held at the time of death; and
- (e) no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue or redemption of the Notes by the Issuer or the transfer of the Notes.

### **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. The Issuer 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.

### **Income Tax Consolidation**

The Issuer is the head company of a consolidated tax group for the purposes of Australian income tax. This means that the Issuer determines its income tax liability on the basis that its subsidiary members are taken to be a part of the Issuer. Each subsidiary member has entered into a Tax Sharing Deed which has the effect, in the event of a default by the Issuer in the payment of a relevant tax liability, of allocating to that subsidiary member its reasonable allocation of that liability. The Issuer has been advised that a nil amount is a reasonable allocation of any income tax liability incurred by the Issuer. This conclusion does not change due to the introduction of the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016.

### **GST Grouping**

The Issuer is the representative member of a GST group for the purposes of Australian GST (or, if relevant, luxury car tax). This means that the Issuer is liable for the GST on taxable supplies made by the members of the GST group and entitled to the input tax credits for any acquisitions made by GST group members. The difference between those two amounts is known as the GST group's "net amount". All members of the GST group are jointly and severally liable for the GST group's net amount, unless the relevant liability is covered by a valid indirect tax sharing agreement. A valid indirect tax sharing agreement is required, among other things, to contain a way of working out a reasonable allocation of the GST group's liability between the group members. Where there is such a reasonable allocation under a valid indirect tax sharing agreement, the liability of each GST group member for the relevant period is limited to the amount of that reasonable allocation. The Issuer has entered into an indirect tax sharing agreement. The Issuer has been advised that a nil amount is a reasonable allocation to the GST group's GST (or, if relevant, luxury car tax liability). For the purpose of this paragraph, "GST" has the meaning it has in the A New Tax System (Goods and Services Tax) Act 1999 of Australia.

### **Hong Kong**

*The following is a general description of certain Hong Kong tax considerations relating to the Notes. It is based on law and relevant interpretations thereof in effect as at the date of this Offering Circular, 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 Notes. Prospective holders of Notes 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 Notes or in respect of any capital gains arising from the sale of the Notes.

### ***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).

In general, in determining the source of interest income from simple loans of money, for a person who is not a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong, "IRO") and not carrying on a money lending business, the source of interest income is generally determined by the "provision of credit test" (i.e. the place where the funds from which the interest is derived were first made available to the borrower).

For taxpayers who are engaged in a money lending business, the "operation test" should instead be used to determine the source of interest income. In such case, it depends on what the taxpayer has done to earn the profits in question and where he has done it. Typically, if a taxpayer's business encompasses a broader range of activities, including the borrowing and/or lending of money, it may be regarded as carrying on a money lending business.

In addition, interest on the Notes 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 Notes 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 Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (iii) interest on the Notes is received by or accrues to a financial institution (as defined in 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 Notes is received by or accrued to a corporation, other than a financial institution (as defined in the IRO) and arises through or from the carrying on in Hong Kong by the corporation of an intra-group financing business within the meaning of section 16(3) of the IRO, even if the moneys in respect of which the interest is received or accrues are made available outside Hong Kong.

Gain derived from the sale, disposal or transfer of the Notes will be regarded as Hong Kong sourced and taxable if either the contract of purchase or sale is effected in Hong Kong, provided that the gain is revenue in nature. This will generally be determined by having regard to the manner in which the Notes are acquired and disposed. The determination of revenue or capital in nature is a matter of facts and circumstances.

### ***Stamp Duty***

Stamp duty will not be payable on the issue of Bearer Notes provided either:

- (i) such Notes 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 Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong).

If stamp duty is payable, it is payable by the Issuer on issue of Bearer Notes at a rate of 3% of the market value of the Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfers of Registered Notes provided that either:

- (i) the Registered Notes 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) the Registered Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong).

If stamp duty is payable in respect of the transfer of Registered Notes, it will be payable at the rate of 0.2% (of which 0.1% is payable by the seller and 0.1% is payable by the purchaser) normally by reference to the value of the consideration or the market value, whichever is higher. If, in the case of either the sale or purchase of such 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 stamp duty is not paid on or before the due date (two days after the sale or purchase if effected in Hong Kong or 30 days if effected elsewhere) a penalty of up to 10 times the 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 the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

### ***Estate Duty***

The Revenue (Abolition of Estate Duty) Ordinance 2005 commenced operation on 11th February, 2006. Estates of persons who pass away on or after the commencement date of that ordinance are not subject to Hong Kong estate duty.

### **Foreign Account Tax Compliance Withholding**

A 30% withholding tax may be imposed on certain payments to certain non-U.S. financial institutions that fail to comply with information collection and reporting requirements or certification requirements in respect of their direct and/or indirect shareholders and/or accountholders that are tax resident in the U.S. (including certain non-U.S. entities that are controlled by U.S. tax residents). Accountholders subject to such information collection, reporting or certification requirements may include holders of certain Notes 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 or has been found to be non-compliant in its execution of the obligations by the U.S. IRS. Such withholding may be imposed at any point in a chain of payments if a payee fails to comply with U.S. information collection, 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. Moreover, under proposed U.S. Treasury regulations, such withholding will not apply to payments made before the date that is two years after the date on which final regulations defining the term "foreign passthru payment" are enacted. Moreover, except with respect to Subordinated Notes, such withholding would only apply to notes issued at least six months after the date on which final regulations defining the term "foreign passthru payment" are enacted.

Whilst an Australian or Hong Kong resident Reporting Financial Institution (as defined in the relevant intergovernmental agreement with the United States) that complies with its obligations under the applicable 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 Notes (other than in certain prescribed circumstances), counterparty dealings may still result in withholding events on payments made.

Prospective investors should consult their tax advisors and their banks or brokers regarding the possibility of this withholding.

### **Common Reporting Standard**

The OECD Common Reporting Standard ("**CRS**") requires certain financial institutions to report information regarding certain accounts (which may include the Notes) to their local tax authority and follow related account opening information collection and due diligence procedures. Noteholders 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 to give effect to the CRS.

### **USE OF PROCEEDS**

The net proceeds from the issue of any Notes will be used by the Issuer for its general corporate purposes, including the making of profits and the hedging of certain risks.

## FORM OF PRICING SUPPLEMENT

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

### PRICING SUPPLEMENT

**IMPORTANT – PROHIBITION OF SALES TO 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 (and for the avoidance of doubt, this means any retail investor within or outside (i) the European Economic Area ("EEA") or (ii) the United Kingdom ("UK")). 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 Directive 2014/65/EU (as amended, "MiFID II") or a "retail client", as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of "retained EU law", as defined in the European Union (Withdrawal) Act 2018 ("EUWA"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive") or within the meaning of the provisions of the Financial Services and Markets Act 2000 ("FSMA") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, in each case, where that customer would not qualify as a professional client as defined in, respectively, point (10) of Article 4(1) of MiFID II and point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of "retained EU law", as defined in the EUWA; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended) or Article 2 of Regulation (EU) 2017/1129 as it forms part of "retained EU law", as defined in the EUWA. No key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") or the PRIIPs Regulation as it forms part of "retained EU law", as defined in the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been or will be prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation or the UK PRIIPs Regulation.

**[MiFID II product governance/Professional investors and eligible counterparties only target market –** Solely for the purposes of the Dealer's product approval process as [a] MiFID II [(as defined below)] "manufacturer[s]", the target market assessment completed by the relevant Dealer 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")][MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. *[Consider any negative target market]*. 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.] The Issuer is not subject to MiFID II and any implementation thereof by an EU Member State. The Issuer is therefore not a "manufacturer" for the purposes of the MiFID Product Governance Rules under EU Delegated Directive 2017/593 and has no responsibility or liability for identifying a target market, or any other product governance obligation set out in MiFID II, for financial instruments it issues (including any target market assessment for the relevant Notes).]

**[UK MiFIR product governance/Professional investors and eligible counterparties only target market –** Solely for the purposes of the Dealer's product approval process as [a] UK MiFIR (as defined below) "manufacturer[s]", the target market assessment completed by the relevant Dealer in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of "retained EU law", as defined in the European Union (Withdrawal) Act 2018 ("EUWA") ("UK MiFIR"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any distributor should take into consideration the manufacturer[s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") 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. The Issuer is not subject to UK MiFIR. The Issuer is therefore not a "manufacturer" for the purposes of the UK MiFIR Product Governance Rules and has no responsibility or liability for identifying a target market, or any other product governance obligation set out in UK MiFIR, for financial instruments it issues (including any target market assessment for the relevant Notes).]

**[Notification under Section 309B(1) of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") –** In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets 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 [prescribed capital markets products][capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations 2018) and are [Excluded Investment Products][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.)]



**Australia and New Zealand Banking Group Limited  
(Australian Business Number 11 005 357 522)**

(Incorporated with limited liability in Australia and registered in the State of Victoria)  
[(Acting through its Hong Kong Branch)]  
**Legal Entity Identifier:**  
JHE42UYNWWTJB8YTTU19  
(the "**Issuer**")

**Markets Issuance Programme**

Series No: [•]

[Tranche No: [•]]

**Issue of [*Brief Description and Amount of Notes*] Notes due [•]**

Issue Price: [•]%

**[Name(s) of Dealers(s)]**

Pricing Supplement dated [•]

## [RISK FACTORS]

***The purchase of Notes involves substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. Before making an investment decision, prospective investors in Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risks and that they consider carefully, in the light of their own financial circumstances, financial condition and investment objectives, all the information set forth in the Offering Circular (including the "Risk Factors" on pages 16 to 75 thereof) and this Pricing Supplement.]***

*[Insert any specific additional risk factors (relating only to the tranche of Notes documented by this Pricing Supplement.)]*

**[AN INVESTMENT IN NOTES LINKED TO ONE OR MORE REFERENCE ITEMS MAY ENTAIL SIGNIFICANT RISKS NOT ASSOCIATED WITH INVESTMENTS IN A CONVENTIONAL DEBT SECURITY. THE AMOUNT PAID BY THE ISSUER ON REDEMPTION OF THE NOTES MAY BE LESS THAN THE NOMINAL AMOUNT OF THE NOTES, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO. WHERE THE NOTES ARE REDEEMED BY THE ISSUER BY DELIVERY OF REFERENCE ITEM(S) THE VALUE OF THE REFERENCE ITEM(S) MAY BE LESS THAN THE NOMINAL AMOUNT OF THE NOTES, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO. INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT.]**

## [INVESTOR SUITABILITY]

The purchase of Notes issued under the Programme is associated with certain risks. Each prospective investor in Notes must ensure that the complexity and risks inherent in the Notes are suitable for its investment objectives and are appropriate for itself or the size, nature and condition of its business, as the case may be. No person should deal in the Notes unless that person understands the nature of the relevant transaction and the extent of that person's exposure to potential loss. Each prospective investor of Notes should consider carefully whether the Notes are suitable for it in light of its circumstances and financial position. Prospective investors in Notes should consult their own financial, legal and/or other professional advisers to assist them in determining the suitability of the Notes for them as an investment.]

## PART A – CONTRACTUAL TERMS

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Unless the context otherwise requires, terms used herein shall be deemed to be defined as such for the purposes of the General Conditions and/or, if applicable, the applicable Additional Conditions set forth in the Offering Circular dated 17 May 2021 [and the Supplemental Offering Circular[s] dated [•][and [•]]]([together,] the "**Offering Circular**"). This Pricing Supplement of the Notes must be read in conjunction with the Offering Circular.

*[(The following alternative language applies if the first Tranche of an issue of Notes which is being increased was issued under an offering circular with an earlier date.)]*

Terms used herein shall be deemed to be defined as such for the purposes of the General Conditions and/or, if applicable, the applicable Additional Conditions (together, the "**Original Conditions**") set forth in the offering circular dated [original date] [and the Supplemental Offering Circular[s] dated [•][and [•]]]. This Pricing Supplement of the Notes must be read in conjunction with the Offering Circular dated 17 May 2021 [and the Supplemental Offering Circular[s] dated [•] [and [•]]] ([together,] the "**Offering Circular**"), save in respect of the Original Conditions which are extracted from the offering circular dated [original date] [and the Supplemental Offering Circular dated [•][and [•]]] and are attached hereto.]

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of this Pricing Supplement and the Offering Circular. The Offering Circular is available for viewing on the Issuer's website (at <http://www.debtinvestors.anz.com/>) [and] [during normal business hours at the offices of the Paying Agent and copies may be obtained from Deutsche Bank AG, Hong Kong Branch, [•], upon prior written request and proof of holding to the satisfaction of the Paying Agent.]

[No person has been authorised to give any information or make any representation not contained in or not consistent with this Pricing Supplement, or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any Dealer.]

[By purchasing the Notes, each Noteholder represents that:

- (a) *Non-Reliance*. It is acting for its own account, and it has made its own independent decisions to invest in the Notes and as to whether the investment in the Notes is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the Issuer or any Dealer as investment advice or as a recommendation to invest in the Notes, it being understood that information and explanations related to the terms and conditions of the Notes shall not be considered to be investment advice or a recommendation to invest in the Notes. No communication (written or oral) received from the Issuer or any Dealer shall be deemed to be an assurance or guarantee as to the expected results of the investment in the Notes.
- (b) *Assessment and Understanding*. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms and conditions and the risks of the investment in the Notes. It is also capable of assuming, and assumes, the risks of the investment in the Notes.
- (c) *Status of Parties*. Neither the Issuer nor any Dealer is acting as a fiduciary for or adviser to it in respect of the investment in the Notes.]

*(Include whichever of the following apply or specify as "Not Applicable" or "N/A". Note that the numbering should remain as set out below, even if "Not Applicable" or "N/A" indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.)*

1. **Issuer** Australia and New Zealand Banking Group Limited  
[(acting through its Hong Kong Branch)]
2. (i) Series Number: [•]
- (ii) Tranche Number: [•] *(if fungible with an existing Series, include details of that Series, and the date on which the Notes become fungible)*
3. **Specified Currency or Currencies:** [•]
  - (i) CNY Currency Equivalent: [Applicable]/[Not Applicable] *(If not applicable, delete)*
  - (ii) Alternative Currency Equivalent: [Applicable]/[Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
    - (a) Alternative Currency: [•]/[U.S. dollars]
    - (b) Settlement Rate Option: [•]
    - (c) USD Settlement Rate Option: [•]
    - (d) USD Spot Rate: [[•] *(if other than as specified in General Condition 6(k))*]/[As defined in General Condition 6(k)]
    - (e) Maximum Days of Postponement: [•]
    - (f) Maximum Days of Postponement: [•]
    - (g) Rate Calculation Business Day: [[•] *(if other than as specified in General Condition 6(k))*]/[As defined in General Condition 6(k)]
    - (h) Rate Calculation Date: [[•] *(if other than as specified in General Condition 6(k))*]/[As defined in General Condition 6(k)]
    - (i) Rate Calculation Jurisdiction(s): [•]/[Euro-zone]/[Hong Kong]
    - (j) Scheduled Payment [[•] *(if other than as specified in General Condition*

	Currency Spot Rate:	6(k))/[As defined in General Condition 6(k)]
	(k) Specified Time:	[•]
<b>4. Aggregate Principal Amount:</b>		[•]
(i) Series:		[•]
(ii) Tranche:		[•]
<b>5. Issue Price:</b>		[•]% of the Aggregate Principal Amount [plus accrued interest from <i>[insert date]</i> (in the case of fungible issues only, if applicable)]
<b>6.</b>	(i) Specified Denomination(s) (and Principal Amount):	[•]
	(ii) Calculation Amount:	[•] ( <i>The applicable Calculation Amount will be (i) if there is only one Specified Denomination, the Specified Denomination of the relevant Notes or (ii) if there are several Specified Denominations and multiples of a lower Principal Amount (for example €1,000), the highest common factor of those Specified Denominations (note: there must be a common factor in the case of two or more Specified Denominations)</i> )
<b>7.</b>	(i) Trade Date:	[•]
	(ii) Issue Date:	[•]
	[(ii) Interest Commencement Date:]	[Issue Date] [•] [Not Applicable] ( <i>An Interest Commencement Date will not be relevant for certain Notes, for example, Zero Coupon Notes.</i> )
<b>8. Maturity Date:</b>		[•] ( <i>specify date or, where applicable Interest Payment Date falling on or nearest to the relevant date</i> )
<b>9. Interest Basis:</b>		[Fixed Rate] [Floating Rate] [Zero Coupon] [Inverse Floating Rate] [CMS Rate] [Range Accrual] [Interest Rate Linked] [FX Linked] [Reference Item Linked] [Other ( <i>specify</i> )] [(Further particulars specified below)]
<b>10. Redemption/Payment Basis:</b>		[Redemption at [Par]/[ ]% of the Aggregate Principal Amount]] [Interest Rate Linked] [FX Linked] [Reference Item Linked] [Dual Currency] [Instalment] [Other ( <i>specify</i> )] [(Further particulars specified below)]
<b>11. Change of Interest or Redemption/Payment Basis:</b>		[Not Applicable]/[•]  ( <i>Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis</i> ) [(Further particulars specified below)]
<b>12. Put/Call Options:</b>		[Not Applicable] [Put Option] [Call Option] [(Further particulars specified below)]
<b>13. Method of distribution:</b>		[Syndicated] [Non-syndicated]
<b>14. Calculation Agent:</b>		[Australia and New Zealand Banking Group Limited] [Other ( <i>specify</i> )]
<b>15. Additional Conditions:</b>		[Applicable]/[Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )



- (i) Interest Rate Linked Conditions: [Applicable]/[Not Applicable] [(Further particulars specified below)] (*Applicable for Interest Rate Linked Notes*)
- (ii) FX Linked Conditions: [Applicable]/[Not Applicable] [(Further particulars specified below)] (*Applicable for FX Linked Note*)

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 16. Fixed Rate Note Provisions:** [Applicable [in respect of the period from, and including, [•] to, but excluding, [•]] [Not Applicable]
- (Specify if interest on the Note is calculated by reference to more than one interest rate)/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [•]% per annum [payable annually/semi-annually/quarterly/monthly/other (*specify*)] in arrear
- (ii) (a) Interest Payment Date(s): [[•] in each year [commencing on [•]] [in each case subject to adjustment [for payment purposes only] in accordance with the Business Day Convention specified below]]/[As defined in General Condition 4(a)(i)]
- (b) Interest Period(s): [[ ] (*Specify either a period or periods or a specific date or dates if no Interest Payment Date(s) specified*)/[As defined in General Condition 4(p)]]
- (c) Interest Period Date: [[•] (*Specify either a date or dates if no Interest Payment Date(s) specified*)/[As defined in General Condition 4(p)]]
- (iii) Fixed Coupon Amount[(s)]: [[•] per Calculation Amount/Not Applicable]
- (iv) Broken Amount(s): [Not Applicable/[•] per Calculation Amount payable on [•] (*Insert particulars of any initial or final Broken Amount(s) which do not correspond with Fixed Coupon Amount(s) and insert relevant Interest Payment Date(s) for which a Broken Amount is payable*)]
- (v) Day Count Fraction: [Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/360] [30/360 (ICMA)] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [Other (*specify*)]
- (vi) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
- (a) Adjusted: [Applicable]/[Not Applicable]
- (b) No Adjustment: [Applicable]/[Not Applicable]
- (vii) Additional Business Centre(s): [[•] /Not Applicable] (*Only relevant where a Business Day Convention is applicable for the purposes of the definition of "Business Day"*)
- [For the avoidance of doubt, [in addition to the Additional Business Centre[s] noted above,] [ ] [is/are] business centre[s] for the purposes of the definition of "Business Day" in General Condition 4(p)]
- (viii) Party, if any, responsible for calculating the Rate(s) of [Not Applicable] [(*specify*)]

Interest and/or Interest Amount(s) (if not the Calculation Agent):

- (ix) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable] [(specify)]

**17. Floating Rate Note Provisions:**

[Applicable [in respect of the period from, and including, [•] to, but excluding, [•] (specify if interest on the Note is calculated by reference to more than one interest rate)] [Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) (a) Interest Payment Dates: [[•] in each year [commencing on [•]] [in each case subject to adjustment [for payment purposes only] in accordance with the Business Day Convention specified below]]/[As defined in General Condition 4(b)(i)]
- (b) Interest Period(s): [[•] (specify either a period or periods or a specific date or dates if no Interest Payment Date(s) specified)]/[As defined in General Condition 4(p)]
- (c) Interest Period Date: [[•] (specify either a date or dates if no Interest Payment Date(s) specified)]/[As defined in General Condition 4(p)]
- (d) Interest Accrual Period: [[•] (specify either a period or periods or a specific date or dates if no Interest Payment Date(s) specified)]/[As defined in General Condition 4(p)]
- (ii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (iii) No Adjustment of Interest Amounts: [Applicable]/[Not Applicable]
- (iv) Additional Business Centre(s): [•]/[Not Applicable] (for the purposes of the definition of "Business Day")
- [For the avoidance of doubt, [in addition to the Additional Business Centre[s] noted above,] [ ] [is/are] business centre[s] for the purposes of the definition of "Business Day" in General Condition 4(p)]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/BBSW Notes/BKBM Notes/Other (give details)]
- (vi) Party, if any, responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): [Not Applicable] [(specify)]
- (vii) Screen Rate Determination: [Applicable/Not Applicable] (Specify "Not Applicable" if the Notes are BBSW Notes or BKBM Notes) (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- Reference Rate: [BBSW/BKBM/LIBOR/EURIBOR/Federal Funds Effective Rate US/CDOR/SHIBOR/HIBOR/SIBOR/SONIA (Non-Index Determination)/SONIA (Index Determination)/SOFR (Non-Index Determination)/SOFR (Index Determination)/CNH HIBOR/Other (specify)]

—	Specified Maturity:	[•]
—	Specified Currency:	[•]
—	Interest Determination Date(s):	[•] <i>(Fifth (or other number specified under Observation Look-Back Period below) London Banking Day prior to the end of each Interest Period if SONIA (Non-Index Determination) or SONIA (Index Determination))</i>  [[•]/[[•] U.S. Government Securities Business Day prior to Interest Payment Date]]
—	Relevant Screen Page:	[•]
—	Reference Banks:	[•] <i>(If other than as specified in the definition of "Reference Banks" in General Condition 4(p))</i> /As defined in General Condition 4(p).
—	[Relevant Time:]	[[•] <i>(If other than as specified in the definition of "Relevant Time" in General Condition 4(p))</i> /As defined in General Condition 4(p)]
—	[Relevant Financial Centre:]	[[•] <i>(If other than as specified in the definition of "Relevant Financial Centre" in General Condition 4(p))</i> /As defined in General Condition 4(p)]
—	Observation Look Back Period:	[•] [ London Banking Days] [Not Applicable]
—	Observation Method:	[Lookback][Suspension Period][Observation Shift][Not Applicable]
—	Relevant Number:	[[•] /Not Applicable]
—	Suspension Determination Period:	[[•] U.S. Government Securities Business Day(s)] [Not Applicable]
(viii)	ISDA Determination:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
—	Floating Rate Option:	[•]
—	Designated Maturity:	[•]
—	Reset Date:	[•]/[first day of Interest Accrual Period]
(ix)	Margin(s):	[[+/-][•]% per annum/Not Applicable]
(x)	Rate Multiplier:	[[•]/Not Applicable]
(xi)	Minimum Rate of Interest:	[[•]% per annum/Not Applicable]
(xii)	Maximum Rate of Interest:	[[•]% per annum/Not Applicable]
(xiii)	Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/360] [30/360 (ICMA)] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [Other (specify)].
(xiv)	Linear Interpolation:	[Not Applicable]/[Applicable – the Rate of Interest for the [long]/[short] [first/last] Interest Period shall be calculated

		using Linear Interpolation]
(xv)	Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the General Conditions and/or, if applicable, the applicable Additional Conditions:	[Not Applicable] [(specify)]
<b>18.</b>	<b>CMS Rate Note Provisions:</b>	[Applicable [in respect of the period from, and including, [•] to, but excluding, [•]/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	CMS Rate:	[EUR CMS Rate]/[GBP CMS Rate]/[USD CMS Rate]/[Other (specify)]
(ii)	(a) Interest Payment Dates:	[[•] in each year [commencing on [•]] [in each case subject to adjustment [for payment purposes only] in accordance with the Business Day Convention]]/[As defined in General Condition 4(b)(i)]
	(b) Interest Period(s):	[•]/[As defined in General Condition 4(p)]
	(c) Interest Period Date:	[•]/[As defined in General Condition 4(p)]
	(d) Interest Determination Date:	[•]/[As defined in General Condition 4(p)]
(iii)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(iv)	No Adjustment:	[Applicable]/[Not Applicable]
(v)	Additional Business Centre(s):	[•]/[Not Applicable]  [For the avoidance of doubt, [in addition to the Additional Business Centre[s] noted above,] [•] [is/are] business centre[s] for the purposes of the definition of "Business Day" in General Condition 4(p)]
(vi)	Party, if any, responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):	[Not Applicable] [(Specify)]
(vii)	Specified Maturity:	[Applicable] [Not Applicable]
(viii)	Interest Reset Date:	[•]
(ix)	Representative Amount:	[•]
(x)	Margin(s):	[[+/-][•]% per annum] [Not Applicable]
(xi)	Rate Multiplier:	[•] [Not Applicable]
(xii)	Minimum Rate of Interest:	[[•]% per annum/Not Applicable]
(xiii)	Maximum Rate of Interest:	[[•]% per annum/Not Applicable]

(xiv)	Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/360] [30/360 (ICMA)] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]					
(xv)	CMS Rate fallbacks:	[As specified in General Condition 4(e)]/specify other]					
(xvi)	Linear Interpolation:	[Not Applicable]/[Applicable – the Rate of Interest for the [long]/[short] [first/last] Interest Period shall be calculated using Linear Interpolation]					
(xiv)	Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on CMS Rate Notes, if different from those set out in the General Conditions and/or, if applicable, the applicable Additional Conditions:	[Not Applicable] [(Specify)]					
19.	Inverse Floating Rate Note Provisions:	[Applicable] [Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)					
(i)	(a)	Interest Payment Dates:	[[•] in each year [commencing on [•]] [in each case subject to adjustment [for payment purposes only] in accordance with the Business Day Convention specified below]]/[As defined in General Condition 4(b)(i)]				
	(b)	Interest Period(s):	[•]/[As defined in General Condition 4(p)]				
	(c)	Interest Period Date:	[•]/[As defined in General Condition 4(p)]				
	(d)	Interest Accrual Period:	[•]/[As defined in General Condition 4(p)]				
(ii)	Business Day Convention:		[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]				
(iii)	No Adjustment of Interest Amounts:		[Applicable] [Not Applicable]				
(iv)	Additional Business Centre(s):		[•]/[Not Applicable]				
			[For the avoidance of doubt, [in addition to the Additional Business Centre[s] noted above,] [•] [is/are] business centre[s] for the purposes of the definition of "Business Day" in General Condition 4(p)]				
(v)	Party, if any, responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):		[Not Applicable] [(specify)]				
(vi)	Specified Fixed Rate:		<table><tr><td>Interest Payment Date</td><td>Specified Fixed Rate (% per annum)</td></tr><tr><td>[•]</td><td>[•]</td></tr></table>	Interest Payment Date	Specified Fixed Rate (% per annum)	[•]	[•]
Interest Payment Date	Specified Fixed Rate (% per annum)						
[•]	[•]						

[•]	[•]
[•]	[•]

- (vii) Relevant Floating Rate:
- Reference Rate: [BBSW/BKBM/LIBOR/EURIBOR/Federal Funds Effective Rate US/CDOR/SHIBOR/HIBOR/SIBOR/SONIA (Non-Index Determination)/SONIA (Index Determination)/SOFR (Non-Index Determination)/SOFR (Index Determination)/CNH HIBOR/Other (specify)]
  - Specified Maturity: [•]
  - Specified Currency: [•]
  - Interest Determination Date(s): [•] *(Fifth (or other number specified under Observation Look-Back Period below) London Banking Day prior to the end of each Interest Period if SONIA (Non-Index Determination) or SONIA (Index Determination))*  
[[•]/[•] U.S. Government Securities Business Day prior to Interest Payment Date]
  - Relevant Screen Page: [•]
  - Reference Banks: [•] *(If other than as specified in the definition of "Reference Banks" in General Condition 4(p))*[As defined in General Condition 4(p)]
  - Relevant Time: [•] *(If other than as specified in the definition of "Relevant Time" in General Condition 4(p))*[As defined in General Condition 4(p)]
  - Relevant Financial Centre: [•] *(If other than as specified in the definition of "Relevant Financial Centre" in General Condition 4(p))*[As defined in General Condition 4(p)]
  - Observation Look Back Period: [•] [London Banking Days] [Not Applicable]
  - Observation Method: [Lookback][Suspension Period][Observation Shift][Not Applicable]
  - Relevant Number: [[•] /Not Applicable]
  - Suspension Determination Period: [[•] U.S. Government Securities Business Day(s)] [Not Applicable]
- (viii) Minimum Rate of Interest: [[•]% per annum/Not Applicable]
- (ix) Maximum Rate of Interest: [[•]% per annum/Not Applicable]
- (x) Day Count Fraction: [Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/360] [30/360 (ICMA)] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)]
- (xi) Linear Interpolation: [Not Applicable]/[Applicable – the Rate of Interest for the [long]/[short] [first/last] Interest Period shall be calculated

		using Linear Interpolation]
(xii)	Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Inverse Floating Rate Notes, if different from those set out in the General Conditions and/or, if applicable, the applicable Additional Conditions:	[Not Applicable] [(Specify)]
<b>20.</b>	<b>Range Accrual Note Provisions:</b>	[Applicable]/[Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
(i)	Interest Payment Date(s):	[[•] in each year [commencing on [ ]] [in each case subject to adjustment [for payment purposes only] in accordance with the Business Day Convention specified below]]/Not Applicable]
(ii)	Interest Period(s):	[[•] (specify either a period or periods or a specific date or dates if no Interest Payment Date(s) specified)/[As defined in General Condition 4(p)]]
(iii)	Interest Period Date:	[[•] (specify either a date or dates if no Interest Payment Date(s) specified)/[As defined in General Condition 4(p)]]
(iv)	Interest Accrual Period:	[[•] (specify either a date or dates if no Interest Payment Date(s) specified)/[As defined in General Condition 4(p)]]
(v)	No Adjustment of Interest Amounts:	[Applicable/Not Applicable]
(vi)	Business Day Convention:	[Floating Rate Business Day Convention][Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [Not Applicable]
(vii)	Additional Business Centre(s):	[•]/[Not Applicable]  [For the avoidance of doubt, [in addition to the Additional Business Centre[s] noted above,] [ ] [is/are] business centre[s] for the purposes of the definition of "Business Day" in General Condition 4(p)]
(viii)	Protection Barrier:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	[— Protection Barrier Period:	[[•] %]
	[— Cap:	For the purposes of the term "Protection Barrier Condition", [less than or equal to] [less than] shall apply.
	[— Floor:	For the purposes of the term "Protection Barrier Condition", [greater than or equal to] [greater than] shall apply.
(ix)	Party, if any, responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):	[Not Applicable] [(specify)]

- (x) Fixed Rate Range Accrual Note: [Applicable]/[Not Applicable] (*Specify "Applicable" if Additional Condition 2(A) or 2(C) of Annex 1 applies (If not applicable, delete the remaining sub-paragraphs of this paragraph)*)
- Specified Fixed Rate: [[•]% per annum]
- (xi) Floating Rate Range Accrual Note: [Applicable/Not Applicable] (*Specify "Applicable" if Additional Condition 2(B) or 2(D) of Annex 1 applies (If not applicable, delete the remaining sub-paragraphs of this paragraph)*)
- Range Accrual Floating Rate: [BBSW/BKBM/LIBOR/EURIBOR/Federal Funds Effective Rate US/CDOR/SHIBOR/HIBOR/SIBOR/SONIA (Non-Index Determination)/SONIA (Index Determination)/SOFR (Non-Index Determination)/SOFR (Index Determination)/CNH HIBOR/Other (specify)]
- Margin: [[+/-][•]% per annum/Not Applicable]
- Specified Maturity: [•]
- Interest Determination Date(s): [•] (*Fifth (or other number specified under Observation Look-Back Period below) London Banking Day prior to the end of each Interest Period if SONIA (Non-Index Determination) or SONIA (Index Determination)*)
- [[•]/[•] U.S. Government Securities Business Day prior to Interest Payment Date]
- Specified Currency: [•]
- Relevant Screen Page: [•]
- Relevant Time: [[•] (*If other than a specified in the definition of "Relevant Time" in General Condition 4(p)*)/[As defined in General Condition 4(p)]]
- Relevant Financial Centre: [[•] (*If other than a specified in the definition of "Relevant Financial Centre" in General Condition 4(p)*)/[As defined in General Condition 4(p)]]
- Observation Look Back Period: [•] [London Banking Days] [Not Applicable]
- Observation Method: [Lookback][Suspension Period][Observation Shift][Not Applicable]
- Relevant Number: [•]/[Not Applicable]
- Suspension Determination Period: [[•] U.S. Government Securities Business Day(s)] [Not Applicable]
- Linear Interpolation: [Not Applicable]/[Applicable – the Rate of Interest for the [long]/[short] [first/last] Interest Period shall be calculated using Linear Interpolation]
- (xii) Single Range Accrual Note: [Applicable]/[Not Applicable] (*If specified as "Applicable" then delete paragraph (x)*)
- Reference Rate: [BBSW/BKBM/LIBOR/EURIBOR/Federal Funds Effective Rate US/CDOR/SHIBOR/HIBOR/SIBOR/SONIA (Non-Index Determination)/SONIA (Index Determination)]



		Determination)/SOFR (Non-Index Determination)/SOFR (Index Determination)/CNH HIBOR/EUR CMS/GBP CMS/USD CMS/Other (specify)) [Not Applicable]
—	Specified Maturity:	[•] [month[s]] [year[s]]
[—	Specified Currency:	[•]]
[—	Relevant Screen Page:	[•]] ( <i>Delete if CMS is specified as Reference Rate</i> )
[—	Relevant Time:]	[[•] [As specified in General Condition 4(p)]] ( <i>Delete if CMS is specified as Reference Rate</i> )
[—	Relevant Financial Centre:]	[[•]] ( <i>Delete if CMS is specified as Reference Rate</i> )
[—	Observation Look Back Period:	[•] [ London Banking Days] [Not Applicable]
—	Observation Method:	[Lookback][Suspension Period][Observation Shift][Not Applicable]
—	Relevant Number:	[•]/[Not Applicable]
—	Suspension Determination Period:	[[•] U.S. Government Securities Business Day(s)] [Not Applicable]
—	Constant Maturity Swap Spread:	[Applicable]/[Not Applicable] ( <i>Constant Maturity Swap Spread is calculated by subtracting the Second CMS Spread Reference Rate from the First CMS Spread Reference Rate</i> )
[—	First CMS Spread Reference Rate:	[EUR CMS][GBP CMS][USD CMS]
—	Specified Maturity:	[•] [months[s]] [year[s]]
—	Second CMS Spread Reference Rate:	[EUR CMS][GBP CMS][USD CMS]
—	Specified Maturity:	[•] [months[s]] [year[s]]
—	Cap:	[[•]% per annum] [Not Applicable]
		[For the purposes of the definition of "N1" in Additional Condition 2 of Annex 1, [less than or equal to][less than] shall apply.]
—	Floor:	[[•]% per annum] [Not Applicable]
		[For the purposes of the definition of "N1" in Additional Condition 2 of Annex 1, [greater than or equal to][greater than] shall apply.]
(xiii)	Dual Range Accrual Note:	[Applicable][Not Applicable] ( <i>If specified as "Applicable" then delete paragraph (x)</i> )

—	Reference Rate:	[BBSW/BKBM/LIBOR/EURIBOR/Federal Funds Effective Rate US/CDOR/SHIBOR/HIBOR/SIBOR/SONIA (Non-Index Determination)/SONIA (Index Determination)/SOFR (Non-Index Determination)/SOFR (Index Determination)/CNH HIBOR/EUR CMS/GBP CMS/USD CMS/Other (specify)] [Not Applicable]
—	Specified Maturity:	[•] [month[s]] [year[s]]
[—	Specified Currency:	[•]]
[—	Relevant Screen Page:	[•]] ( <i>Delete if CMS is specified as Reference Rate</i> )
[—	Relevant Time:]	[[•] [As specified in General Condition 4(p)]] ( <i>Delete if CMS is specified as Reference Rate</i> )
[—	Relevant Financial Centre:]	[[•]] ( <i>Delete if CMS is specified as Reference Rate</i> )
[—	Observation Look Back Period:	[•] [ London Banking Days] [Not Applicable]
—	Observation Method:	[Lookback][Suspension Period][Observation Shift][Not Applicable]
—	Relevant Number:	[•]/[Not Applicable]
—	Suspension Determination Period:	[[•] U.S. Government Securities Business Day(s)] [Not Applicable]
—	Cap:	[[•]% per annum] [Not Applicable]  [For the purposes of the definition of "N1" in Additional Condition 2 of Annex 1, [less than or equal to][less than] shall apply.]
—	Floor:	[[•]% per annum] [Not Applicable]  [For the purposes of the definition of "N1" in Additional Condition 2 of Annex 1, [greater than or equal to][greater than] shall apply.]
—	Reference Rate:	[BBSW/BKBM/LIBOR/EURIBOR/Federal Funds Effective Rate US/CDOR/SHIBOR/HIBOR/SIBOR/SONIA (Non-Index Determination)/SONIA (Index Determination)/SOFR (Non-Index Determination)/SOFR (Index Determination)/CNH HIBOR/EUR CMS/GBP CMS/USD CMS/Other (specify)] [Not Applicable]
—	Specified Maturity:	[•] [month[s]] [year[s]]
[—	Specified Currency:	[•]]
[—	Relevant	[•] ( <i>Delete if CMS is specified as Reference Rate</i> )

Screen Page:

[—	Relevant Time:]	[[•] [As specified in General Condition 4(p)]] [As specified in General Condition 4(p)] <i>(Delete if CMS is specified as Reference Rate)</i>
[—	Relevant Financial Centre:]	[[•]] <i>(Delete if CMS is specified as Reference Rate)</i>
[—	Observation Look Back Period:	[•] [ London Banking Days] [Not Applicable]
—	Observation Method:	[Lookback][Suspension Period][Observation Shift][Not Applicable]
—	Relevant Number:	[•]/[Not Applicable]
—	Suspension Determination Period:	[[•] U.S. Government Securities Business Day(s)] [Not Applicable]
—	Cap:	[[•]% per annum] [Not Applicable]
		[For the purposes of the definition of "N1" in Additional Condition 2 of Annex 1, [less than or equal to][less than] shall apply.]
—	Floor:	[[•]% per annum] [Not Applicable]
		[For the purposes of the definition of "N1" in Additional Condition 2 of Annex 1, [greater than or equal to][greater than] shall apply.]
—	Constant Maturity Swap Spread:	[Applicable]/[Not Applicable] <i>(Constant Maturity Swap Spread is calculated by subtracting the Second CMS Spread Reference Rate from the First CMS Spread Reference Rate)</i>
[—	First CMS Spread Reference Rate:	[EUR CMS][GBP CMS][USD CMS]
—	Specified Maturity:	[•] [months[s]] [year[s]]
—	Second CMS Spread Reference Rate:	[EUR CMS][GBP CMS][USD CMS]
—	Specified Maturity:	[•] [months[s]] [year[s]]
(xiv)	Cut-Off Period:	[•] <i>(Specify number of days for the purposes of the definition of "Rate of Interest" in Additional Condition 2 of Annex 1)</i>
(xv)	Minimum Interest Rate:	[[•]% per annum] [Not Applicable]

(xvi)	Maximum Interest Rate:	[•]% per annum] [Not Applicable]
(xvii)	Fallback provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Range Accrual Notes, if different from those set out in the General Conditions and/or, if applicable, the applicable Additional Conditions:	[Not Applicable] [(Specify)]
<b>21.</b>	<b>Zero Coupon Note Provisions:</b>	[Applicable [in respect of the period from, and including, [•] to, but excluding, [•] (specify if interest on the Note is calculated by reference to more than one interest rate (i.e. if there is to be a change in Interest Basis))]/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
(i)	Compound Interest:	[Applicable/Not Applicable]
(A)	Amortisation Yield:	[[•]% per annum/Not Applicable]
(ii)	Linear Interest:	[Applicable/Not Applicable]
(A)	Amortisation Yield:	[[•]% per annum/Not Applicable]
(B)	Accreting Payment Amount:	[•] per Calculation Amount
(C)	Accreting Payment Period:	[Each period from (and including) [•] to (but excluding) the next following [•] [•], except (a) that the initial Accreting Payment Period will commence on, and include, the Issue Date and (b) the final Accreting Payment Period will end on, but exclude, the Early Redemption Date or Maturity Date (whichever is first)]
(D)	Final Accreting Payment Period:	[[•]/[the Accreting Payment Period immediately preceding the Maturity Date or the Early Redemption Date, as applicable]]
(iii)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[•] (specify where applicable)
[(iv)]	Any other relevant provisions and/or other formula/basis of determining amount payable or the Amortised Face Amount if different from those set out in the General Conditions and/or, if applicable, the applicable Additional Conditions:	[•]
<b>22.</b>	<b>Dual Currency Note Provisions:</b>	[Applicable [in respect of the period from, and including, [•] to, but excluding, [•] (specify if interest on the Note is calculated by reference to more than one interest rate)/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
(i)	Rate of Exchange/method of calculating Rate of Exchange	[•] (Specify here or in a schedule)

and Rate(s) of Interest:

- |       |  |                                     |
|-------|--|-------------------------------------|
| (ii)  | Party, if any, responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent): | [Not Applicable] [(specify)]        |
| (iii) | Provisions applicable where calculation of Rate(s) of Interest by reference to Rate of Exchange impossible or impracticable: | [•] (Specify here or in a schedule) |
| (iv)  | Person at whose option Specified Currency(ies) is/are payable:   | [•](Specify here or in a schedule)  |
- 23. Interest Rate Linked Note/FX Linked Note/Reference Item Linked Note/Other variable linked Note Interest Provisions:**
- [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- [The provisions for Interest Rate Linked Notes/FX Linked Notes/Reference Item Linked Notes/Other variable linked Notes may be set out below and/or in a schedule to the Pricing Supplement. Capitalised terms used below and not referred to in the General Conditions and/or, if applicable, the applicable Additional Conditions shall be defined in such schedule to the Pricing Supplement.]
- |       |   |   |
|-------|---|---|
| (i)   | Interest Rate/FX Rate/Reference Item(s)/Formula/Other variable(s):  | [•] (Specify here or in a schedule)   |
| (ii)  | Provisions for determining the Rate(s) of Interest or Interest Amount where calculated by reference to Interest Rate/FX Rate/Reference Item(s)/Formula/Other variable(s): | [The [Interest Rate Linked Conditions]/[FX Linked Conditions]/[Other (specify) Linked Conditions] shall apply.] [•] (Specify here or in a schedule)   |
| (iii) | Party, if any, responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):  | [Not Applicable] [(specify)]  |
| (iv)  | (a) Interest Payment Dates:   | [[•] in each year [commencing on [•]] [in each case subject to adjustment [for payment purposes only] in accordance with the Business Day Convention specified below]]/[As defined in General Condition 4(b)(i)]] |
|       | (b) Interest Period(s):   | [[•] (specify either a period or periods or a specific date or dates if no Interest Payment Date(s) specified)]/[As defined in General Condition 4(p)]]   |
|       | (c) Interest Period Date:   | [[•] (specify either a date or dates if no Interest Payment Date(s) specified)]/[As defined in General Condition 4(p)]]   |
|       | (d) Interest Accrual Period:  | [[•] (specify either a period or periods or a specific date or dates if no Interest Payment Date(s) specified)]/[As defined in General Condition 4(p)]]   |
| (v)   | Provisions for determining the Rate(s) of Interest or Interest  | [The [Interest Rate Linked Conditions]/[FX Linked Conditions]/[Other (specify) Linked Conditions] shall   |

	Amount where calculation by reference to Interest Rate/FX Rate/Reference Item(s)/Formula or other variable(s) is impossible or impracticable or otherwise disrupted:	apply.] [(Further particulars specified below [in paragraph 31])] [•] ( <i>Specify here or in a schedule</i> )
(vi)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other ( <i>give details</i> )]
(vii)	No Adjustment of Interest Amount:	[Applicable]/[Not Applicable]
(viii)	Additional Business Centre(s):	[•]/[Not Applicable] ( <i>for the purposes of the definition of "Business Day"</i> )  [For the avoidance of doubt, [in addition to the Additional Business Centre[s] noted above,] [ ] [is/are] business centre[s] for the purposes of the definition of "Business Day" in General Condition 4(p)]
(ix)	Margin(s):	[[+/-] [•]% per annum/Not Applicable]
(x)	Rate Multiplier:	[[•]/Not Applicable]
(xi)	Minimum Rate of Interest:	[[•]% per annum/Not Applicable]
(xii)	Maximum Rate of Interest:	[[•]% per annum/Not Applicable]
(xiii)	Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/360] [30/360 (ICMA)] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [Other ( <i>specify</i> )].
(xiv)	Other special terms and conditions:	[[•]/Not Applicable]
<b>24.</b>	<b>Benchmark Fallbacks:</b>	[Applicable]/[Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )
(i)	[Benchmark Replacement:	[Applicable]/[Not Applicable] ( <i>See General Condition 4(n)</i> )
	— Independent Adviser:]	[Applicable]/[Not Applicable]
(ii)	[Benchmark Transition Event:]	[Applicable]/[Not Applicable] ( <i>See General Condition 4(o)</i> )

## PROVISIONS RELATING TO REDEMPTION

<b>25.</b>	<b>Call Option</b>	[Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )
(i)	Option Exercise Date(s) (if other than as set out in the General Conditions and/or, if applicable, the applicable Additional Conditions):	[[•] [The [10th]/[•] Business Day prior to [each] Optional Redemption Date] ( <i>If setting notice periods which are different to those provided in the General Conditions and/or, if applicable, the applicable Additional Conditions, consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent</i> )/Not Applicable]

(ii)	Optional Redemption Date(s):	[•]
(iii)	Optional Redemption Amount(s) and method, if any, of calculation of such amount(s):	[[•] per Calculation Amount/other ( <i>specify</i> )]
(iv)	If redeemable in part:	
(a)	Minimum Redemption Amount:	[[•]/Not Applicable]
(b)	Maximum Redemption Amount:	[[•]/Not Applicable]
<b>26.</b>	<b>Put Option</b>	[Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )
(i)	Option Exercise Date(s) (if other than as set out in the General Conditions and/or, if applicable, the applicable Additional Conditions):	[•] [The [10th]/[•] Business Day prior to [each] Optional Redemption Date] ( <i>If setting notice periods which are different to those provided in the General Conditions and/or, if applicable, the applicable Additional Conditions, consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent</i> )
(ii)	Optional Redemption Date(s):	[•]
(iii)	Optional Redemption Amount(s) and method, if any, of Amount/other ( <i>specify</i> ) calculation of such amount(s):	[[•] per Calculation Amount/other( <i>specify</i> )]
<b>27.</b>	<b>Final Redemption Amount of each Note</b>	[[•] per Calculation Amount/[Reference Item Linked or other variable linked/Other ( <i>Specify here or in a schedule</i> )]
	[In cases where the Final Redemption Amount is Interest Rate Linked/FX Linked/Reference Item Linked/Other variable linked:	[ <i>The provisions for Interest Rate Linked Notes/FX Linked Notes/Reference Item Linked Notes/Other variable linked Notes may be set out below and/or in a schedule to the Pricing Supplement. Capitalised terms used below and not referred to in the General Conditions and/or, if applicable, the applicable Additional Conditions shall be defined in such schedule to the Pricing Supplement.</i> ]
(i)	Interest Rate/FX Rate/Reference Item(s)/Formula/Other variable:	[•] ( <i>Specify here or in a schedule</i> )
(ii)	Provisions for determining Final Redemption Amount where calculated by reference to Interest Rate/FX Rate/Reference Item/Formula/Other variable:	[The [Interest Rate Linked Conditions]/[FX Linked Conditions]/[Other ( <i>specify</i> ) Linked Conditions] shall apply.] [•] ( <i>Specify here or in a schedule</i> )
(iii)	Provisions for determining Final Redemption Amount where calculation by reference to Interest Rate/FX Rate/Reference Item/Formula/Other variable is impossible or impracticable or	[The [Interest Rate Linked Conditions]/[FX Linked Conditions]/[Other ( <i>specify</i> ) Linked Conditions] shall apply.] [(Further particulars specified below [in paragraph 31])] [•] ( <i>Specify here or in a schedule</i> )

otherwise disrupted:]

- 28. Early Redemption Amount:** [[•] per Calculation Amount] [Amortised Face Amount (for Zero Coupon Notes)] [Fair Market Value (for Reference Item Linked Notes)] [Other (Specify here or in a schedule)]
- (Early Redemption Amount(s) payable on redemption for taxation reasons, illegality or change in law, on an Event of Default or other early redemption (including an Additional Disruption Event, where applicable), or in the case of certain Reference Item Linked Notes, if so specified herein, following the occurrence of an FX Market Disruption Event (if applicable) and/or the method of calculating the same)*
- 29. Additional Disruption Event(s):** [Applicable – the following Additional Disruption Event(s) shall apply:]/[Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- [Change in Law]
- [Force Majeure]
- [Hedging Disruption]
- [Increased Cost of Hedging]
- 30. Unwind Costs:** [Applicable/Not Applicable]

#### PROVISIONS RELATING TO REFERENCE ITEM LINKED NOTES

- 31. FX Linked Note Provisions:** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- [The provisions for FX Linked Notes may be set out below and/or in a schedule to the Pricing Supplement. Capitalised terms used below and not referred to in the General Conditions and/or applicable Additional Conditions shall be defined in such schedule to the Pricing Supplement.]*
- (i) FX Rate: [•]
- (ii) Base Currency: [•]
- (iii) Subject Currency: [•]
- (iv) Currency Price: [•]
- (v) Averaging: [Applicable]/[Not Applicable]
- [Averaging Dates: [•]]
- In the event that an Averaging Date is an FX Disrupted Day, [Omission/Postponement/Modified Postponement] will apply.]
- (vi) Valuation Date(s): [•]
- (vii) Valuation Time: [•]



- (viii) Price Source(s): [•]
- (ix) Specified Financial Centre(s): [•]
- (x) Barrier Event: [Applicable]/[Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Observation Date(s): [•]
- (b) Observation Period(s): [•]
- (c) Barrier Level: [•]
- (d) Observation Cut-Off Date(s): [•]
- (xi) FX Market Disruption Event(s): [Applicable – the following FX Market Disruption Event(s) shall apply:]/[Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- [Price Source Disruption]
- [Trading Suspension or Limitation]
- [Currency Disruption Event (see below)]
- [Other (*specify*)]
- (xii) Currency Disruption Event(s): [Applicable – the following Currency Disruption Event(s) shall apply:]/[Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- [Benchmark Obligation Default]
- Benchmark Obligation: [ ]
- [Currency Replacement]
- [Dual Exchange Rate]
- [[General Illiquidity:
- Illiquidity Valuation Date: [ ]
- [General Inconvertibility]
- [General Non-Transferability]
- [Governmental Authority Event]
- [Material Change in Circumstances]
- [Nationalisation]
- [Price Materiality]
- Price Materiality Percentage: [ ]
- Primary Rate: [ ]
- Secondary Rate: [ ]

		[Specific Inconvertibility]
		[Specific Non-Transferability]
		[Other ( <i>specify</i> )]
(xiii)	Other special terms or conditions:	[Not Applicable/( <i>give details</i> )]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

<b>32.</b>	<b>Form of Notes:</b>	[Bearer Notes/Registered Notes]  [ <i>If Bearer Notes:</i>  [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Bearer Notes in definitive form on 60 days' notice (or, following a failure to pay principal, on 30 days' notice) by the Issuer [or the holder as the case may be] <sup>5</sup> and ([in the limited circumstances specified in the Permanent Global Note].) [Temporary Global Note exchangeable for Bearer Notes in definitive form following the Exchange Date (as defined in the Temporary Global Note).] [Permanent Global Note exchangeable for Bearer Notes in definitive form on 60 days' notice (or, following a failure to pay principal, on 30 days' notice) by the Issuer [or the holder as the case may be] <sup>6</sup> [at any time/in the limited circumstances specified in the Permanent Global Note].]]  [ <i>If Registered Notes:</i> [Registered Global Note exchangeable for Certificates in definitive form in the limited circumstances specified in the Registered Global Note/Certificates in definitive form]
<b>33.</b>	<b>Payment Business Day Convention:</b>	[[Following/Modified Following]/[Not Applicable]]
<b>34.</b>	<b>Additional Financial Centre(s) or other special provisions relating to Payment Business Days:</b>	[•]/[Not Applicable] ( <i>Note that this item relates to the definition of "Payment Business Day" and the place of payment in General Condition 6(h), and not Additional Business Centres to which item 17(iv) relates</i> )  [For the avoidance of doubt, [in addition to the Additional Financial Centre[s] noted above,] [•] [is/are] financial centre[s] for the purposes of the definition of "Payment Business Day" in General Condition 6(h)]
<b>35.</b>	<b>Talons for future Coupons or Receipts to be attached to Notes in definitive form (and dates on which such Talons mature):</b>	[Yes ( <i>If yes, give details</i> )/No]
<b>36.</b>	<b>Details relating to Partly Paid Notes, including 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</b>	[Not Applicable/( <i>give details</i> )]

<sup>5</sup> If the Specified Denomination includes language to substantially the following effect: "€[100,000] + €[1,000] (or equivalent in another currency) in excess thereof", the holder's option to request Bearer Notes in definitive form should be disapplied.

<sup>6</sup> If the Specified Denomination includes language to substantially the following effect: "€[100,000] + €[1,000] (or equivalent in another currency) in excess thereof", the holder's option to request Bearer Notes in definitive form should be disapplied.

to forfeit the Notes and interest due on late payment:

- |     |   |  |
|-----|---|--|
| 37. | <b>Details relating to Instalment Notes, including Instalment Amount(s) and Instalment Date(s):</b> | [Not Applicable/(give details)]  |
| 38. | <b>Redenomination, renominatisation and reconventioning provisions:</b>                             | [Not Applicable/ <i>General Condition 6(i) applies</i> /The provisions scheduled to this Pricing Supplement apply] |
| 39. | <b>Consolidation provisions:</b>  | [Not Applicable/The provisions scheduled to this Pricing Supplement apply]   |
| 40. | <b>Governing Law:</b>   | English Law  |
| 41. | <b>Determination of Amounts Payable:</b>  | [As described in General Condition 6(n)]/[•]   |
| 42. | <b>Other terms and conditions:</b>  | [Not Applicable/ <i>give details of any other terms and conditions (Specify here or in a schedule)</i> ]           |

#### DISTRIBUTION

- |     |   |  |
|-----|---|--|
| 43. | (i) If syndicated, names of Managers:     | [Not Applicable/(give names)]  |
|     | (ii) Stabilising Manager (if any):        | [Not Applicable/(give name)]   |
| 44. | <b>If non-syndicated, name of Dealer:</b> | [Not Applicable/(give name)]   |
| 45. | <b>Additional selling restrictions:</b>   | [Not Applicable/(give details)]  |
| 46. | <b>US Selling Restrictions:</b>           | [TEFRA Not Applicable/C Rules/D Rules/(applicable to Bearer Notes only)/Reg S. Category 2] (in the absence of any specification, the D Rules will apply) |

**[RESPONSIBILITY**

[[Subject as provided below,] the Issuer accepts responsibility for the information contained in this Pricing Supplement.] [(Relevant third party information)] has been extracted from [specify sources]. 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.]] [The Issuer accepts responsibility for the accuracy of such extraction but accepts no further responsibility in respect of such information.]

Signed on behalf of Australia and New Zealand Banking Group Limited:

By: .....  
Duly Authorised Signatory/Attorney

[By: .....  
Duly Authorised Signatory/Attorney ]

## PART B – OTHER INFORMATION

1. **LISTING**

[None, the Notes are not listed.] [Application [has been] [is expected to be] made by the Issuer for the Notes to be listed on the *[please specify]* with effect from [•].
2. **RATINGS**

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

[The Notes to be issued [have been]/[are expected to be] rated:

[Standard & Poor's (Australia) Pty Ltd: [•]]

[Moody's Investors Service Pty Limited: [•]]

[Fitch Australia Pty Ltd: [•]]

[[Other]: [•]]

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

A rating is not a recommendation by any rating organisation to buy, sell or hold Notes and may be subject to revision or withdrawal at any time by the assigning rating organisation.]
3. **OPERATIONAL INFORMATION**

ISIN Code: [•]

Common Code: [•]

Legal Entity Identifier (LEI): JHE42UYNWWTJB8YTTU19

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

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) or other Agent(s) (if any): [•]/[Not Applicable]

#### **[SCHEDULE – ADDITIONAL TERMS AND CONDITIONS**

The terms and conditions applicable to the Notes shall include the additional terms and conditions set out in this Schedule. In the event of any inconsistency between (i) the General Conditions and/or, if applicable, the applicable Additional Conditions and (ii) the additional terms and conditions in this Schedule, the additional terms and conditions in this Schedule shall prevail.

[include Schedule and additional terms and conditions as necessary]]

## ADDITIONAL INFORMATION

1. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes issued by it. The establishment of the Programme and the issue of the Notes 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.

2. Since 31 March 2021 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 2020 there has been no material adverse change in the prospects of the Issuer and its subsidiaries taken as a whole.
3. Notes have been accepted for clearance through Euroclear of 1 Boulevard du Roi Albert II, B1210 Brussels, Belgium and Clearstream of 42 Avenue JF Kennedy, L-1855, Luxembourg, Grand Duchy of Luxembourg. The Common Code and the International Securities Identification Number (ISIN) (and any other relevant identification number for any Alternative Clearing System) for each Series of Notes will be set out in the relevant Pricing Supplement.
4. The ANZBGL 2019 Audited Financial Statements and the ANZBGL 2020 Audited Financial Statements incorporated by reference in this Offering Circular have been audited by KPMG Australia of Tower Two, 727 Collins Street, Melbourne, Victoria 3008, Australia, independent auditors, as stated in their reports appearing therein.

KPMG Australia partners are members or affiliate members of Chartered Accountants Australia and New Zealand. The liability of KPMG Australia in relation to the performance of their professional services to the Group including, without limitation, KPMG Australia's audits of the Group's financial statements described above 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 of the State of New South Wales, including the Treasury Legislation Amendment (Professional Standards) Act 2004 of Australia (the "**Accountants Scheme**"). The Accountants Scheme limits the civil liability of KPMG Australia to a maximum amount of A\$75 million. The Accountants Scheme does not limit liability for breach of trust, fraud or dishonesty.

5. Copies of the most recent publicly available annual audited consolidated accounts and semi-annual unaudited financial statements of the Issuer, beginning with the annual audited consolidated and interim consolidated accounts for the financial years ended 30 September 2019 and 2020 are available (provided that the same has been made available to the Paying Agent) for inspection during normal business hours at the specified office of each of the Paying Agents, upon prior written request and proof of holding to the satisfaction of the Paying Agent. Copies of this Offering Circular together with any supplement to this Offering Circular or further Offering Circular, the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents upon prior written request and proof of holding satisfactory of the relevant Paying Agent. Copies of the applicable Pricing Supplement are obtainable during normal business hours at the specified office of each of the Paying Agents, the Registrar, in the case of Registered Notes, in the case of Bearer Notes, save that, if this Note is an unlisted Note of any Series, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity.
6. The Legal Entity Identifier of the Issuer is: JHE42UYNWWTJB8YTTU19.

## THE ISSUER

### **Australia and New Zealand Banking Group Limited**

ANZ Centre Melbourne  
Level 9, 833 Collins Street  
Docklands  
Victoria 3008  
Australia

## **ARRANGER AND INITIAL DEALER**

### **Australia and New Zealand Banking Group Limited**

ANZ Centre Melbourne  
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Docklands  
Victoria 3008  
Australia

## **FISCAL AGENT AND PAYING AGENT**

### **Deutsche Bank AG, Hong Kong Branch**

Level 60, International Commerce  
Centre  
1 Austin Road West, Kowloon  
Hong Kong

## **REGISTRAR AND TRANSFER AGENT**

### **Deutsche Bank Luxembourg S.A.**

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L-1115 Luxembourg  
Luxembourg

## **CALCULATION AGENT**

### **Australia and New Zealand Banking Group Limited**

ANZ Centre Melbourne  
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Docklands  
Victoria 3008  
Australia

## **LEGAL ADVISERS**

*To the Issuer as to Australian law*

### **Allens**

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Melbourne VIC 3000  
Australia

*To the Issuer as to English law*

### **Linklaters**

11th Floor  
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Chater Road  
Hong Kong

## **AUDITORS**

*Auditors to the Issuer*

### **KPMG**

Tower Two, 727 Collins Street  
Melbourne  
Victoria 3008  
Australia