

BASE PROSPECTUS DATED 17 MAY 2018



**Australia and New Zealand Banking Group Limited**

(Australian Business Number: 11 005 357 522)

**ANZ Bank New Zealand Limited**

**ANZ New Zealand (Int'l) Limited**

**US\$60,000,000,000**

**Euro Medium Term Note Programme**

**Arranger**

**Deutsche Bank**

**Dealers**

**ANZ**

**Barclays**

**BNP PARIBAS**

**BofA Merrill Lynch**

**Citigroup**

**Credit Suisse**

**Daiwa Capital Markets Europe**

**Deutsche Bank**

**Goldman Sachs International**

**HSBC**

**J.P. Morgan**

**Morgan Stanley**

**RBC Capital Markets**

**UBS Investment Bank**

AN INVESTMENT IN NOTES ISSUED UNDER THE PROGRAMME INVOLVES CERTAIN RISKS.

YOU SHOULD HAVE REGARD TO THE RISK FACTORS DESCRIBED IN SECTION 2 (*RISK FACTORS*) OF THIS BASE PROSPECTUS.

## ABOUT THIS DOCUMENT

### What is this document?

Pages (i) to 252 of this document (the "**Base Prospectus**") relate to the US\$60,000,000,000 Euro Medium Term Note Programme (the "**Programme**") of Australia and New Zealand Banking Group Limited ("**ANZBGL**"), ANZ Bank New Zealand Limited ("**ANZ New Zealand**") and ANZ New Zealand (Int'l) Limited ("**ANZNIL**") (each an "**Issuer**" and together the "**Issuers**"), under which each Issuer may from time to time issue notes ("**Notes**") denominated in any currency agreed between it and the relevant Dealer(s) (as defined below). This Base Prospectus comprises a separate base prospectus for each Issuer as further described on pages iv to vi. The payment of all amounts due in respect of any Notes issued by ANZNIL will be unconditionally and irrevocably guaranteed by ANZ New Zealand (in such capacity, the "**Guarantor**"). This Base Prospectus contains information describing business activities of the Issuers and the Guarantor, as well as certain financial information and material risks faced by the Issuers and the Guarantor, and is intended to provide investors with the information necessary to enable them to make an informed investment decision before purchasing any Notes.

This Base Prospectus is valid for one year from the date hereof and may be supplemented from time to time to reflect any significant new factor, material mistake or inaccuracy relating to the information included in it.

### What types of Notes does this Base Prospectus relate to?

This Base Prospectus relates to the issuance of five different types of Notes: *Fixed Rate Notes*, on which an Issuer will pay interest at a fixed rate; *Floating Rate Notes*, on which an Issuer will pay interest at a floating rate; *Inverse Floating Rate Notes*, on which an Issuer will pay a fixed rate minus an interest rate benchmark; *Range Accrual Notes*, on which an Issuer will pay interest equal to the product of (i) either a specified fixed rate or a floating rate; and (ii) a relevant fraction and *Zero Coupon Notes*, which do not bear interest. Notes may also be issued as a combination of these options.

### How do I use this Base Prospectus?

The contractual terms of any particular issuance of Notes will be comprised of the terms and conditions set out in Appendix B (*Terms and Conditions of the Notes*) at pages 202 to 243 of this Base Prospectus (the "**Conditions**"), as completed by a separate final terms document, which is specific to that issuance of Notes (the "**Final Terms**").

The Conditions are comprised of numbered provisions (1-16) including generic provisions that are applicable to Notes generally and certain optional provisions that will only apply to certain issuances of Notes.

The following provisions within the Conditions (together with the introductory wording appearing before Condition 1 on page 204) apply to Notes generally:

- Condition 1 (Form, Denomination and Title)
- Condition 2 (Exchange and Transfers of Notes)
- Condition 3 (Status and Guarantee)
- Condition 7 (Taxation)
- Condition 8 (Prescription)
- Condition 9 (Events of Default)
- Condition 10 (Meeting of Noteholders, Modifications and Waiver)
- Condition 11 (Replacement of Notes, Certificates, Receipts, Coupons and Talons)
- Condition 12 (Further Issues)

- Condition 13 (Notices)
- Condition 14 (Currency Indemnity)
- Condition 15 (Governing Law, Jurisdiction and Service of Process)
- Condition 16 (Third Parties)

The following Conditions contain certain optional provisions that will only apply to certain issuances of Notes:

- Condition 4 (Interest and other Calculations)
- Condition 5 (Redemption, Purchase and Options)
- Condition 6 (Payments and Talons)

The applicable Final Terms will specify which optional provisions apply to any particular issuance of Notes.

#### **What other documents should I read?**

This Base Prospectus contains all information which is necessary to enable investors to make an informed decision regarding the financial position and prospects of each of the Issuers and the Guarantor and the rights attaching to the Notes. Some of this information (such as the latest publicly available financial information relating to each of the Issuers and the Guarantor) is incorporated by reference into this Base Prospectus and some of this information is completed in the Final Terms. **Before making any investment decision in respect of any Notes, you should read this Base Prospectus, together with the documents incorporated by reference, as well as the Final Terms relating to such Notes.**

This Base Prospectus and the Final Terms relating to any Notes will be made available at the registered office of the relevant Issuer and will be published at: [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html).

#### **What information is included in the Final Terms?**

While this Base Prospectus includes general information about all Notes, the Final Terms is the document that sets out the specific details of each particular issuance of Notes.

The Final Terms will contain the relevant economic terms applicable to any particular issuance of Notes. The Final Terms will contain, for example:

- the issue date;
- the currency;
- the interest basis (i.e. fixed rate, floating rate, inverse floating rate or zero coupon) and the interest rate;
- the interest payment dates (if any);
- the scheduled maturity date and redemption amount; and
- any other information needed to complete the Conditions (identified in the Conditions by the words or "as specified in the applicable Final Terms" or other equivalent wording).

Wherever the Conditions provide optional provisions, the Final Terms will specify which of those provisions apply to a specific issuance of Notes.

### **Is any part of this Base Prospectus relevant to particular types of Notes only?**

This Base Prospectus includes information that is relevant to all types of Notes that may be issued under the Programme, however, certain sections of this Base Prospectus are relevant to particular types of Notes only.

The following sections are relevant to particular types of Notes only:

- the information in Section 14 (*Important Information Relating to Public Offers of Notes*) on pages 138 to 145 applies to Notes with a denomination of less than €100,000 (or its equivalent in any other currency) which may be resold, placed or otherwise offered by financial intermediaries, subject to the conditions described therein;
- the form of Final Terms set out in Section 16 (*Forms of Final Terms – Form of Retail Final Terms*) on pages 149 to 165 applies to Notes with a denomination of less than €100,000 (or its equivalent in any other currency); and
- the form of Final Terms set out in Section 16 (*Forms of Final Terms – Form of Wholesale Final Terms*) on pages 169 to 181 applies to Notes with a denomination of at least €100,000 (or its equivalent in any other currency).

As described above, certain of the Conditions provide optional provisions that will only apply to certain issuances of Notes. The Final Terms will specify which optional provisions within the Conditions will apply to a specific issuance of Notes.

### **What if I have further queries relating to this Base Prospectus and the Notes?**

Please refer to the section below starting on page (xiv) entitled "*How do I use this Base Prospectus?*". If you have any questions regarding the content of this Base Prospectus, any Final Terms, any Notes or the actions you should take, it is recommended that you seek professional advice from your broker, solicitor, accountant or other independent financial adviser before deciding whether or not to invest.

## IMPORTANT NOTICES

This Base Prospectus constitutes three base prospectuses, one for each Issuer, for the purposes of Article 5.4 of Directive 2003/71/EC as amended (the "**Prospectus Directive**") and has been prepared in accordance with the Prospectus Rules of the United Kingdom Financial Conduct Authority (the "**FCA**") in respect of Notes to be admitted to the official list (the "**Official List**") of the FCA in its capacity as competent authority under the Financial Services and Markets Act 2000, as amended (the "**FSMA**") (the "**UK Listing Authority**") and admitted to trading on the regulated market of the London Stock Exchange plc (the "**London Stock Exchange**"), the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") or the Luxembourg Stock Exchange and/or offered to the public in the United Kingdom, Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Sweden, Norway or The Netherlands.

### *ANZBGL Base Prospectus*

In respect of ANZBGL, the following sections (other than information in respect of ANZ New Zealand and ANZNIL) of this Base Prospectus will comprise a base prospectus for the purpose of giving information with regard to the Notes issued by ANZBGL (the "**ANZBGL Base Prospectus**"):

- (a) the section entitled "About this Document" on pages (i) to (iii);
- (b) this section entitled "Important Notices" on pages (iv) to (xii);
- (c) the section entitled "How do I use this Base Prospectus?" on pages (xiv) to (xv);
- (d) Section 1 (Summary);
- (e) Section 2 (Risk Factors);
- (f) Section 3 (Information About the Programme);
- (g) Section 4 (How the Return on Your Investment is Calculated);
- (h) Section 5 (Description of Australia and New Zealand Banking Group Limited and its subsidiaries);
- (i) Section 6 (Description of Supervision and Regulation of Australia and New Zealand Banking Group Limited);
- (j) Section 7 (Description of ANZ Bank New Zealand Limited);
- (k) Section 11 (Information Incorporated by Reference);
- (l) Section 12 (Subscription and Sale);
- (m) Section 13 (Taxation);
- (n) Section 14 (Important Information Relating to Public Offers of Notes);
- (o) Section 15 (Use of Proceeds);
- (p) Section 16 (Forms of Final Terms);
- (q) Paragraphs 1, 2, 3(i), 4, 5, 6, 7, 8, 10 and 11 of Section 17 (Additional Information);
- (r) Appendix A (Defined Terms);
- (s) Appendix B (Terms and Conditions of the Notes); and
- (t) Appendix C (Form of the Notes).

### ***ANZ New Zealand Base Prospectus***

In respect of ANZ New Zealand, the following sections (other than information in respect of ANZBGL and ANZNIL) of this Base Prospectus will comprise a base prospectus for the purpose of giving information with regard to the Notes issued by ANZ New Zealand (the "**ANZ New Zealand Base Prospectus**"):

- (a) the section entitled "About this Document" on pages (i) to (iii);
- (b) this section entitled "Important Notices" on pages (iv) to (xii);
- (c) the section entitled "How do I use this Base Prospectus?" on pages (xiv) to (xv);
- (d) Section 1 (Summary);
- (e) Section 2 (Risk Factors);
- (f) Section 3 (Information About the Programme);
- (g) Section 4 (How the Return on Your Investment is Calculated);
- (h) Section 7 (Description of ANZ Bank New Zealand Limited);
- (i) Section 10 (Description of Supervision and Regulation of ANZ Bank New Zealand Limited and ANZ New Zealand (Int'l) Limited);
- (j) Section 11 (Information Incorporated by Reference);
- (k) Section 12 (Subscription and Sale);
- (l) Section 13 (Taxation);
- (m) Section 14 (Important Information Relating to Public Offers of Notes);
- (n) Section 15 (Use of Proceeds);
- (o) Section 16 (Forms of Final Terms);
- (p) Paragraphs 1, 2, 3(ii), 4, 5, 6, 7, 9, 10 and 11 of Section 17 (Additional Information);
- (q) Appendix A (Defined Terms);
- (r) Appendix B (Terms and Conditions of the Notes); and
- (s) Appendix C (Form of the Notes).

### ***ANZNIL Base Prospectus***

In respect of ANZNIL, the following sections (other than information in respect of ANZBGL) of this Base Prospectus will comprise a base prospectus for the purpose of giving information with regard to the Notes issued by ANZNIL (the "**ANZNIL Base Prospectus**"):

- (a) the section entitled "About this Document" on pages (i) to (iii);
- (b) this section entitled "Important Notices" on pages (iv) to (xii);
- (c) the section entitled "How do I use this Base Prospectus?" on pages (xiv) to (xv);
- (d) Section 1 (Summary);
- (e) Section 2 (Risk Factors);
- (f) Section 3 (Information About the Programme);

- (g) Section 4 (How the Return on Your Investment is Calculated);
- (h) Section 7 (Description of ANZ Bank New Zealand Limited);
- (i) Section 8 (Description of ANZ New Zealand (Int'l) Limited);
- (j) Section 9 (Summary of Financial Statements of ANZ New Zealand (Int'l) Limited);
- (k) Section 10 (Description of Supervision and Regulation of ANZ Bank New Zealand Limited and ANZ New Zealand (Int'l) Limited);
- (l) Section 11 (Information Incorporated by Reference);
- (m) Section 12 (Subscription and Sale);
- (n) Section 13 (Taxation);
- (o) Section 14 (Important Information Relating to Public Offers of Notes);
- (p) Section 15 (Use of Proceeds);
- (q) Section 16 (Forms of Final Terms);
- (r) Paragraphs 1, 2, 3(ii), 3(iii), 4, 5, 6, 7, 9, 10 and 11 of Section 17 (Additional Information);
- (s) Appendix A (Defined Terms);
- (t) Appendix B (Terms and Conditions of the Notes); and
- (u) Appendix C (Form of the Notes).

Pages 253 to 360 of this document comprise an information memorandum (the "**Information Memorandum**") in respect of issues of notes which are not admitted to the Official List of the UK Listing Authority or any other European Economic Area regulated market or offered to the public in the European Economic Area ("**Non PD Notes**"). The Information Memorandum has not been reviewed or approved by the UK Listing Authority (as defined above) and does not constitute a prospectus for the purposes of the Prospectus Directive.

The principal amount (being the amount which is used to calculate payments made on each Note or Non PD Note) of all Notes and Non PD Notes outstanding at any time under the Programme will not exceed US\$60,000,000,000 (or its equivalent in other currencies), provided that the principal amount of all Notes and Non PD Notes issued by ANZBGL outstanding at any time will not exceed US\$50,000,000,000 and the principal amount of all Notes and Non PD Notes issued by ANZ New Zealand and ANZNIL, collectively, outstanding at any time will not exceed US\$10,000,000,000.

Application has been made to the UK Listing Authority for Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the Official List of the UK Listing Authority and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market. References in this Base Prospectus to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to the Official List and have been admitted to trading on the London Stock Exchange's regulated market. The London Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments (the "**Markets in Financial Instruments Directive**"). This Base Prospectus supersedes and replaces in its entirety the Base Prospectus dated 16 May 2017 (as supplemented) for each of ANZBGL, ANZ New Zealand and ANZNIL with regard to the Programme. Any Notes issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions described herein.

ANZNIL will issue Notes under the Programme acting through its London branch. ANZNIL issues Notes under the Programme through its London 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 the United Kingdom and other jurisdictions – see Section 13 (*Taxation*) on pages 128 to 137. 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 ANZNIL acting through its London branch are of ANZNIL only, and investors' claims under such Notes are only against ANZNIL (although, as noted above, the payment of all amounts due in respect of any Notes issued by ANZNIL will be unconditionally and irrevocably guaranteed by ANZ New Zealand). The Notes issued by ANZ New Zealand or ANZNIL are not guaranteed by, and do not represent deposit liabilities or protected accounts of, ANZBGL.

The Notes may be issued on a continuing basis to Australia and New Zealand Banking Group Limited, Barclays Bank PLC, Barclays Capital Asia Limited, BNP Paribas, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Daiwa Capital Markets Europe Limited, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC Bank plc, J.P. Morgan Securities plc, Merrill Lynch International, Morgan Stanley & Co. International plc, RBC Europe Limited and UBS Limited (as dealers 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 relevant Issuer (each a "**Dealer**" and together, the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus 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. References in this Base Prospectus to the "**Arranger**" shall be to Deutsche Bank AG, London Branch, in its capacity as arranger of the Programme.

### **Responsibility for the information contained in this Base Prospectus**

ANZBGL accepts responsibility for the information contained in the ANZBGL Base Prospectus and, in relation to each issue of Notes by ANZBGL, the applicable Final Terms for such issue, and to the best of the knowledge of ANZBGL (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

ANZ New Zealand accepts responsibility for the information contained in the ANZ New Zealand Base Prospectus and, in relation to each issue of Notes by ANZ New Zealand, the applicable Final Terms for such issue, and to the best of the knowledge of ANZ New Zealand (which has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of ANZNIL and the Guarantor accepts responsibility for the information contained in the ANZNIL Base Prospectus and, in relation to each issue of Notes by ANZNIL, the applicable Final Terms for such issue, and to the best of the knowledge of each of ANZNIL and the Guarantor (which have taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

### **Use of defined terms in this Base Prospectus**

Certain terms or phrases in this Base Prospectus are defined in double quotation marks and subsequent references to that term or phrase are designated with initial capital letters. The locations in this Base Prospectus where these terms are first defined are set out in Appendix A (*Defined Terms*) of this Base Prospectus.

In this Base Prospectus, all references to the "**Issuers**" are to ANZBGL, ANZ New Zealand and ANZNIL, which are the issuers 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 Issuers' and the Guarantor's businesses*", are to ANZBGL and its subsidiaries. References in the section titled "*Risks relating to the Issuers' and the Guarantor'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 Section 5 (*Description of Australia and New Zealand Banking Group Limited and its subsidiaries*) for more details.

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, 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.

The "Guarantee" means the guarantee by ANZ New Zealand in favour of ANZNIL (described on page 206 of this Base Prospectus).

In this Base Prospectus, unless otherwise specified, references to "Common Equity Tier 1 Capital", "Additional Tier 1 Capital", "Tier 1 Capital", "Tier 2 Capital" have the meaning given to them by the Australian Prudential Regulation Authority ("APRA") or, if the context requires, the Reserve Bank of New Zealand ("RBNZ") from time to time. The meanings given by APRA can be found under its Prudential Standard APS 111 (Capital Adequacy: Measurement of Capital) and the meaning given by RBNZ can be found under its Prudential Supervision Department Document BS2B (Capital Adequacy Framework (Internal Models Based Approach)). 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.

#### **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 relevant Issuer, the Guarantor or the Group as a whole. If the relevant Issuer and/or the Guarantor go out of business or become insolvent, you may lose all or part of your investment in any Notes.

#### **The Notes do not benefit from deposit protection under the Banking Act 1959 of Australia**

The Notes issued by an Issuer will not be deposit liabilities or protected accounts (as defined in the Banking Act 1959 of Australia (the "Banking Act")) of that Issuer. A "protected account" is broadly an account (i) kept with an authorised deposit-taking institution ("ADI") where the ADI is required to pay the account-holder, on demand or at an agreed time, the net credit balance of the account; or (ii) that is prescribed by regulation. Protected accounts include current accounts, savings accounts and term deposit accounts. 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. Notes issued by ANZ New Zealand and ANZNIL are not guaranteed by, and do not represent deposit liabilities or protected accounts of, ANZBGL. ANZ New Zealand and ANZNIL are not ADIs in Australia.

#### **Information incorporated by reference in this Base Prospectus**

This Base Prospectus, including the Appendices, must be read together with all information which is deemed to be incorporated in this Base Prospectus by reference (see Section 11 (*Information Incorporated by Reference*)).

#### **Third Party Information**

Information contained in this Base Prospectus which is sourced from a third party has been accurately reproduced and, as far as the relevant Issuer and, where applicable, the Guarantor 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 relevant Issuer has also identified the source(s) of such information.

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

The long-term, unsubordinated, unsecured debt obligations of ANZBGL under the Programme have been rated AA- by Standard & Poor's (Australia) Pty. Ltd ("**S&P**"), (P)Aa3 by Moody's Investors Service Pty Limited ("**Moody's**") and AA- by Fitch Australia Pty Ltd ("**Fitch**"). The long term, unsubordinated, unsecured debt obligations of each of ANZ New Zealand and ANZNIL under the Programme have been rated AA- by S&P, (P)A1 by Moody's and AA- by Fitch.

None of S&P, Moody's and Fitch is established in the European Union and none has applied for registration under Regulation (EC) No. 1060/2009 (as amended by Regulation (EC) No. 513/2011) (the "**CRA Regulation**") but their credit ratings are endorsed on an on-going basis by Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Service Ltd. and Fitch Ratings Ltd., respectively, pursuant to and in accordance with the CRA Regulation. Standard & Poor's Credit Market Services Europe Limited, Moody's Investors Service Ltd. and Fitch Ratings Ltd. are established in the European Union and are registered under the CRA Regulation.

Notes issued under the Programme may be rated or unrated and any applicable rating(s) of the Notes will be specified in the relevant Final Terms. 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 Issuers 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 Part 7.9 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 Base Prospectus and anyone who receives the Base Prospectus must not distribute it to any person who is not entitled to receive it.

### **Notice to potential investors**

The Notes may not be a suitable investment for all investors. Each potential investor in the 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 and 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 Base Prospectus (and any applicable supplement to this Base Prospectus) or the relevant Final Terms;
- (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 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; and
- (e) 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.

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 this Base Prospectus, any information or any document incorporated by reference herein, or any Final Terms constitute an offer of, or an invitation to subscribe for or purchase, any Notes by any of the Issuers, the Guarantor, the Dealers or the Arranger or is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuers, the Guarantor, the Dealers or any of them that any recipient of this Base Prospectus, any information or any document incorporated by reference herein, or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus, any information or any document incorporated by reference herein, or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the relevant Issuer and, where applicable, the Guarantor. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of any of the Issuers or the Guarantor during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

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

Neither the Notes nor the Guarantee have been, and neither will 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 Base Prospectus or any Final Terms, see Section 12 (*Subscription and Sale*).

**IMPORTANT – EEA RETAIL INVESTORS** - If the Final Terms (or Pricing Supplement, as the case may be) in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. 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 ("**MiFID II**"); or (ii) a customer within the meaning of the Insurance Mediation Directive (Directive 2002/92/EC (as amended)) ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

#### **MiFID Product Governance**

The Final Terms (or Pricing Supplement, as the case may be) in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the conclusion of the target market assessment completed by the relevant "manufacturer(s)" in respect of the Notes and which channels for

distribution of the Notes they consider 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 Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

Each 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 Notes).

### **Benchmark 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 "**Benchmark Regulation**"). If any such reference rate does constitute such a benchmark, the Final Terms (or Pricing Supplement, as the case may be) will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmark Regulation. Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the applicable Final Terms (or Pricing Supplement, as the case may be). The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuers do not intend to update the Final Terms (or Pricing Supplement, as the case may be) to reflect any change in the registration status of the administrator.

This Base Prospectus is based on English law in effect as of the date of issue of this Base Prospectus. Except to the extent required by laws and regulations, none of the Issuers and the Guarantor intend, and assume any obligation, to update this Base Prospectus in light of the impact of any judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

### **The Arranger and the Dealers**

The Dealers and the Arranger have not separately verified the information contained in this Base Prospectus. None of the Dealers nor the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of any of the Issuers or the Guarantor during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

### **No incorporation of websites**

In this Base Prospectus, 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 Base Prospectus.

### **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 not on any market in Australia).

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## HOW DO I USE THIS BASE PROSPECTUS?

You should read and understand fully the contents of this Base Prospectus, including any documents incorporated by reference, and the relevant Final Terms before making any investment decision in respect of any Notes. This Base Prospectus contains important information about the Issuers, the Guarantor, the Group, the terms of the Notes and the terms of the Guarantee; as well as describing certain risks relating to the Issuers, the Guarantor, the Group and their businesses and also other risks relating to an investment in the Notes generally. An overview of the various sections comprising this Base Prospectus is set out below.

Section 1 (*Summary*) sets out in tabular format standard information which is arranged under standard headings and which the Issuers and the Guarantor are required, for legal and regulatory reasons, to include in a prospectus summary for a base prospectus of this type. This section also provides the form of the "issue specific summary" information, which will be completed and attached to the Final Terms relating to any Notes which are to be offered under the Programme.

Section 2 (*Risk Factors*) describes the principal risks and uncertainties which may affect the ability of the Issuers and/or the Guarantor to fulfil their respective obligations under the Notes and/or the Guarantee.

Section 3 (*Information About the Programme*) provides an overview of the Programme.

Section 4 (*How the Return on Your Investment is Calculated*) sets out worked examples of how the interest amounts are calculated under a variety of scenarios and how the redemption provisions will affect the Notes.

Section 5 (*Description of Australia and New Zealand Banking Group Limited and its subsidiaries*) provides certain information about ANZBGL and the nature of the Group's business.

Section 6 (*Description of Supervision and Regulation of Australia and New Zealand Banking Group Limited*) provides a description of certain supervisory and regulatory bodies, as well as regulations to which ANZBGL is subject.

Section 7 (*Description of ANZ Bank New Zealand Limited*) provides certain information about ANZ New Zealand and the nature of ANZ New Zealand's business.

Section 8 (*Description of ANZ New Zealand (Int'l) Limited*) provides certain information about ANZNIL and the nature of ANZNIL's business. See also section 9 (*Summary of Financial Statements of ANZ New Zealand (Int'l) Limited*) for summary financial information relating to ANZNIL.

Section 10 (*Description of Supervision and Regulation of ANZ Bank New Zealand Limited and ANZ New Zealand (Int'l) Limited*) provides a description of certain supervisory and regulatory bodies, as well as regulations to which ANZ New Zealand and ANZNIL are subject.

Section 11 (*Information Incorporated by Reference*) sets out the information that is deemed to be incorporated by reference into this Base Prospectus. This Base Prospectus should be read together with all information which is deemed to be incorporated into this Base Prospectus by reference.

Section 12 (*Subscription and Sale*) contains a description of the material provisions of the Programme Agreement, which includes certain selling restrictions applicable to making offers of the Notes under the Programme.

Section 13 (*Taxation*) provides a brief outline of certain Australian, New Zealand, United Kingdom, European and US taxation implications regarding Notes that may be issued under the Programme, as well as certain other taxation considerations which may be relevant to the Notes.

Section 14 (*Important Information Relating to Public Offers of Notes*) contains important information regarding the basis on which this Base Prospectus may be used for the purpose of making public offers of Notes.

Section 15 (*Use of Proceeds*) describes the manner in which the Issuers intend to use the proceeds from issues of Notes under the Programme.

Section 16 (*Forms of Final Terms*) sets out the templates for the Final Terms that each Issuer will prepare and publish when offering any Notes under the Programme. Any such completed Final Terms will detail the relevant information applicable to each respective offer, relevant only to the specific Notes being offered.

Section 17 (*Additional Information*) sets out further information on the Issuers, the Guarantor and the Programme which the Issuers and the Guarantor are required to include under applicable rules. This includes the availability for inspection of certain documents relating to the Programme and certain confirmations from the Issuers and the Guarantor.

The section "*Appendix A (Defined Terms)*" provides an index of defined terms identifying the locations in this Base Prospectus where terms are defined.

The section "*Appendix B (Terms and Conditions of the Notes)*" sets out the terms and conditions which apply to any Notes that may be issued under the Programme. The relevant Final Terms relating to any offer of Notes will complete the terms and conditions of those Notes and should be read in conjunction with this section.

The section "*Appendix C (Form of the Notes)*" provides a description of the forms of the Notes that may be issued by the Issuers under the Programme, briefly sets out certain information relating to clearing systems and settlement of the Notes and provides a summary of certain terms which apply to the Notes while they are held in global form by the clearing systems, some of which include minor and/or technical modifications to the terms and conditions of the Notes as set out in this Base Prospectus.

A "*Table of Contents*" identifying each section of this Base Prospectus with corresponding page references is included at the beginning of this Base Prospectus.



1. **SUMMARY**

The following is a summary of information relating to Australia and New Zealand Banking Group Limited, ANZ Bank New Zealand Limited, ANZ New Zealand (Int'l) Limited, the Guarantor and the Programme.

## SUMMARY

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

Section A - Introduction and Warnings		
Element	Title	
A.1	<b>Introduction and warnings</b>	<p><i>This summary must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including any information incorporated by reference. Following the implementation of the Prospectus Directive (Directive 2003/71/EC) (as amended, the "<b>Prospectus Directive</b>") in each Member State of the European Economic Area, no civil liability will attach to the Issuer in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus, including any information incorporated by reference or it does not provide, when read together with the other parts of this Base Prospectus, key information in order to aid investors when considering whether to invest in the Notes. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.</i></p>
A.2	<b>Consents by the Issuer to the use of the Base Prospectus for subsequent resale or final placement of the Notes</b>	<p>Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as a "<b>Public Offer</b>".</p> <p><i>Issue-specific Summary:</i></p> <p>[Not Applicable; [the Notes are issued in denominations of at least €100,000 (or its equivalent in any other currency)] [the Notes are issued in denominations of less than €100,000 (or its equivalent in any other currency) but will be offered pursuant to one or more exemptions from the obligation under the Prospectus Directive to publish a prospectus]. There will be no Public Offer of the Notes.]</p>

		<p>[<b>Consent:</b> Subject to the conditions set out below, the Issuer consents to the use of this Base Prospectus in connection with a Public Offer of Notes by the Manager[s], [ ] [and] [each financial intermediary whose name is published on the Issuer's website (<a href="http://www.shareholder.anz.com/supplementary-disclosures-euro-medium-term-note-programme">http://www.shareholder.anz.com/supplementary-disclosures-euro-medium-term-note-programme</a>) and identified as an Authorised Offeror in respect of the relevant Public Offer] [and any financial intermediary which is authorised to make such offers under [the Financial Services and Markets Act 2000, as amended, or other] applicable legislation implementing the Markets in Financial Instruments Directive (Directive 2004/39/EC) and publishes on its website the following statement (with the information in square brackets being completed with the relevant information): "We, [ ], refer to the [ ] (the "<b>Notes</b>") described in the Final Terms dated [ ] (the "<b>Final Terms</b>") published by [Australia and New Zealand Banking Group Limited/ ANZ Bank New Zealand Limited/ANZ New Zealand (Int'l) Limited (the "<b>Issuer</b>").</p> <p>"We hereby accept the offer by the Issuer of its consent to our use of the Base Prospectus in connection with the offer of the Notes in accordance with the Authorised Offeror Terms and subject to the conditions to such consent, each as specified in the Base Prospectus, and we are using the Base Prospectus accordingly." (each an "<b>Authorised Offeror</b>").</p> <p><b>Offer period:</b> The Issuer's consent referred to above is given for Public Offers of Notes during [ ] (the "<b>Offer Period</b>").</p> <p><b>Conditions to consent:</b> The conditions to the Issuer's consent are that such consent (a) is only valid during the Offer Period; (b) only extends to the use of this Base Prospectus to make Public Offers of the relevant Tranche of Notes in the United Kingdom and [ ] [(c) [ ]].</p> <p><b>An Investor who intends to purchase any Notes in a public offer from an Authorised Offeror will do so, and offers and sales of such Notes to an investor by such Authorised Offeror will be made, in accordance with the terms and conditions of the offer including those in place between such Authorised Offeror and such Investor including arrangements in relation to price, allocations, expenses and settlement. The relevant information will be provided by the Authorised Offeror to the Investor at the time of such offer.]</b></p> <p>[Not applicable; the Issuer does not consent to the use of the Base Prospectus for subsequent resales or final placement of the Notes.]</p>
<b>Section B – Issuers and Guarantor</b>		
<b>B.1</b>	<b>Legal and commercial names of the Issuer</b>	<p>[Australia and New Zealand Banking Group Limited ("<b>ANZBGL</b>", and, together with its subsidiaries, the "<b>Group</b>" or "<b>ANZ</b>")]</p> <p>[ANZ Bank New Zealand Limited ("<b>ANZ New Zealand</b>")]</p> <p>[ANZ New Zealand (Int'l) Limited ("<b>ANZNIL</b>")]</p>
<b>B.2</b>	<b>Domicile and legal form of the Issuer, legislation under which they operate and countries of incorporation</b>	<p>[ANZBGL is a public company limited by shares incorporated in Australia and registered under the Corporations Act 2001 of Australia in the State of Victoria, where it also has its headquarters. It is the Group parent company, with Australian Business Number 11 005 357 522.]</p> <p>[ANZ New Zealand is a company limited by shares, incorporated in New Zealand and with its registered and executive offices in New Zealand.]</p> <p>[ANZNIL is a company limited by shares, incorporated in New Zealand and with its registered office in New Zealand and its executive office in the United Kingdom. ANZNIL is a wholly-owned subsidiary of ANZ New Zealand.]</p>

<b>B.4B</b>	<b>Known trends with respect to the Issuer and the industry in which it operates</b>	Not applicable; there are no known trends affecting [ANZBGL/ ANZ New Zealand/ANZNIL] or the industries in which it operates.																																																																																																				
<b>B.5</b>	<b>The Issuer's group</b>	<p>The Group is one of the four major global banking groups headquartered in Australia.</p> <p>[The Issuer (ANZBGL) is the Group's parent company. ANZBGL is one of the four major banking groups headquartered in Australia.]</p> <p>[The Issuer (ANZ New Zealand) is a wholly-owned subsidiary of ANZBGL, the Group's parent company. ANZ New Zealand is the largest bank by market share in New Zealand.]</p> <p>[The Issuer (ANZNIL) is a wholly-owned subsidiary of ANZ New Zealand, which in turn is a wholly-owned subsidiary of ANZBGL, the Group's parent company. ANZNIL is a funding vehicle for the ANZ New Zealand group.]</p>																																																																																																				
<b>B.9</b>	<b>Profit forecast or estimate</b>	Not applicable; no profit forecast or estimate is made.																																																																																																				
<b>B.10</b>	<b>Audit report qualifications</b>	Not applicable; there are no qualifications in the audit report.																																																																																																				
<b>B.12</b>	<b>Selected historical key financial information of the Issuer, no material adverse change statement and description of significant changes in financial or trading position of the Issuer</b>	<table border="1"> <thead> <tr> <th></th> <th><b>1H18</b></th> <th><b>1H17</b></th> <th><b>FY17</b></th> <th><b>FY16</b></th> </tr> <tr> <th></th> <th><b>(Unaudited)</b></th> <th><b>(Unaudited)</b></th> <th></th> <th></th> </tr> <tr> <th></th> <th><b>(A\$)</b></th> <th><b>(A\$)</b></th> <th><b>(A\$)</b></th> <th><b>(A\$)</b></th> </tr> </thead> <tbody> <tr> <td>[ANZBGL]</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Cash profit (\$b)<sup>1</sup></td> <td>2.9</td> <td>3.4</td> <td>6.9</td> <td>5.9</td> </tr> <tr> <td>Operating income (\$b)<sup>1</sup></td> <td>9.4</td> <td>10.3</td> <td>20.5</td> <td>20.6</td> </tr> <tr> <td>Operating expenses (\$b)<sup>1</sup></td> <td>4.7</td> <td>4.7</td> <td>9.4</td> <td>10.4</td> </tr> <tr> <td>Impairment charges (\$b)<sup>1</sup></td> <td>0.4</td> <td>0.7</td> <td>1.2</td> <td>2.0</td> </tr> <tr> <td>Statutory profit (\$b)</td> <td>3.3</td> <td>2.9</td> <td>6.4</td> <td>5.7</td> </tr> <tr> <td>Earnings per share (cents)</td> <td>114.2</td> <td>100.2</td> <td>220.1</td> <td>197.4</td> </tr> <tr> <td>Dividend payout ratio</td> <td>69.6%</td> <td>80.7%</td> <td>73.4%</td> <td>81.9%</td> </tr> <tr> <td>Net interest margin<sup>1,2</sup></td> <td>1.93%</td> <td>2.00%</td> <td>1.99%</td> <td>2.00%</td> </tr> <tr> <td>Customer deposits (\$b)<sup>3</sup></td> <td>472.8</td> <td>468.2<sup>2</sup></td> <td>467.6</td> <td>449.6</td> </tr> <tr> <td>Net loans and advances (including acceptances) (\$b)<sup>3,4</sup></td> <td>591.9</td> <td>576.3<sup>2</sup></td> <td>580.3</td> <td>575.9</td> </tr> </tbody> </table> <p>[The financial information above is selected historical key financial information of ANZBGL and its consolidated subsidiaries, inclusive of discontinued operations.<sup>5</sup>]</p> <p><sup>1</sup> This financial information is reported on a cash profit basis. Cash profit is not subject to review or audit by the external auditor.</p> <p><sup>2</sup> In the March 2017 half, the Group changed its calculation of net interest margin to net Australian home loan deposit offset balances against total interest earning assets. The revised calculation is in line with other major banks. Originally reported net interest margin for FY 2016 was restated accordingly in the Group's March 2017 half year reporting.</p> <p><sup>3</sup> Customer deposits and net loans and advances as at 31 March 2018, 30 September 2017 and 31 March 2017 include customer deposits and net loans and advances held for sale.</p> <p><sup>4</sup> Customer liability for acceptances has been recognised as other assets from 1 April 2017.</p> <p><sup>5</sup> In this context, "discontinued operations" refers to certain discontinued operations in connection with the sales agreements with IOOF Holdings Limited and Zurich Financial Services Australia Limited as outlined under the section headed "Description of Australia and New Zealand Banking Group Limited and its Subsidiaries – Principal Activities of Group – Wealth Australia" in the Base Prospectus.</p> <table border="1"> <thead> <tr> <th></th> <th><b>1H18</b></th> <th><b>1H17</b></th> <th><b>FY17</b></th> <th><b>FY16</b></th> </tr> <tr> <th></th> <th><b>(Unaudited)</b></th> <th><b>(Unaudited)</b></th> <th></th> <th></th> </tr> <tr> <th></th> <th><b>(NZ\$)</b></th> <th><b>(NZ\$)</b></th> <th><b>(NZ\$)</b></th> <th><b>(NZ\$)</b></th> </tr> </thead> <tbody> <tr> <td>[ANZ New Zealand]</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Operating Income (\$m)</td> <td>2,143</td> <td>1,948</td> <td>3,975</td> <td>3,854</td> </tr> <tr> <td>Operating expenses (\$m)</td> <td>747</td> <td>730</td> <td>1,468</td> <td>1,599</td> </tr> </tbody> </table>		<b>1H18</b>	<b>1H17</b>	<b>FY17</b>	<b>FY16</b>		<b>(Unaudited)</b>	<b>(Unaudited)</b>				<b>(A\$)</b>	<b>(A\$)</b>	<b>(A\$)</b>	<b>(A\$)</b>	[ANZBGL]					Cash profit (\$b) <sup>1</sup>	2.9	3.4	6.9	5.9	Operating income (\$b) <sup>1</sup>	9.4	10.3	20.5	20.6	Operating expenses (\$b) <sup>1</sup>	4.7	4.7	9.4	10.4	Impairment charges (\$b) <sup>1</sup>	0.4	0.7	1.2	2.0	Statutory profit (\$b)	3.3	2.9	6.4	5.7	Earnings per share (cents)	114.2	100.2	220.1	197.4	Dividend payout ratio	69.6%	80.7%	73.4%	81.9%	Net interest margin <sup>1,2</sup>	1.93%	2.00%	1.99%	2.00%	Customer deposits (\$b) <sup>3</sup>	472.8	468.2 <sup>2</sup>	467.6	449.6	Net loans and advances (including acceptances) (\$b) <sup>3,4</sup>	591.9	576.3 <sup>2</sup>	580.3	575.9		<b>1H18</b>	<b>1H17</b>	<b>FY17</b>	<b>FY16</b>		<b>(Unaudited)</b>	<b>(Unaudited)</b>				<b>(NZ\$)</b>	<b>(NZ\$)</b>	<b>(NZ\$)</b>	<b>(NZ\$)</b>	[ANZ New Zealand]					Operating Income (\$m)	2,143	1,948	3,975	3,854	Operating expenses (\$m)	747	730	1,468	1,599
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<b>B.13</b>	<b>Recent events material to the evaluation of the Issuer's solvency</b>	[Not applicable. There have been no recent events particular to [ANZBGL/ANZ New Zealand/ANZNIL] which are to a material extent relevant to the evaluation of [ANZBGL's/ANZ New Zealand's/ANZNIL's] solvency.]																																																																						
<b>B.14</b>	<b>Dependence upon other members of the Issuers' group</b>	<p>[Not applicable. ANZBGL is not dependent upon other entities within the Group.]</p> <p>[Not applicable. ANZ New Zealand is not dependent upon other Group entities.]</p> <p>[ANZNIL is largely dependent on its parent, ANZ New Zealand, as ANZ New Zealand fully guarantees all obligations under ANZNIL's funding programmes.]</p>																																																																						
<b>B.15</b>	<b>Principal activities</b>	<p>[ANZBGL is the parent company of the Group. The Group provides a broad range of banking and financial products and services to retail, small business, corporate and institutional clients. It conducts its operations primarily in Australia, New Zealand and the Asia Pacific region. The Group also operates in a number of other countries, including the United Kingdom and the United States.]</p> <p>[ANZ New Zealand's principal activities are providing banking products and services to personal customers, small and medium sized businesses and large corporates and financial institutions in New Zealand, and investment and insurance services to individuals.]</p> <p>[ANZNIL's principal activities include the provision of funding facilities and wholesale financing to ANZ New Zealand.]</p>																																																																						
<b>B.16</b>	<b>Ownership and control</b>	<p>[ANZBGL is not directly or indirectly owned and controlled by any other corporation or corporations or by any foreign government.]</p> <p>[ANZ New Zealand is a wholly-owned subsidiary of ANZBGL.]</p>																																																																						

		[ANZNIL is a wholly-owned subsidiary of ANZ New Zealand.]
<b>B.17</b>	<b>Rating</b>	<p>[ANZBGL has the following debt ratings for long-term unsubordinated unsecured obligations under the Programme:</p> <p>Standard &amp; Poor's (Australia) Pty. Ltd ("<b>S&amp;P</b>") : AA-  Moody's Investors Service Pty Limited ("<b>Moody's</b>") : (P)Aa3  Fitch Australia Pty Ltd ("<b>Fitch</b>") : AA-]</p> <p>[ANZ New Zealand has the following debt ratings for long-term unsubordinated unsecured obligations under the Programme:</p> <p>Standard &amp; Poor's (Australia) Pty. Ltd ("<b>S&amp;P</b>") : AA-  Moody's Investors Service Pty Limited ("<b>Moody's</b>") : (P)A1  Fitch Australia Pty Ltd ("<b>Fitch</b>") : AA-]</p> <p>[ANZNIL has the following debt ratings for long-term unsubordinated unsecured obligations under the Programme:</p> <p>Standard &amp; Poor's (Australia) Pty. Ltd ("<b>S&amp;P</b>") : AA-  Moody's Investors Service Pty Limited ("<b>Moody's</b>") : (P)A1  Fitch Australia Pty Ltd ("<b>Fitch</b>") : AA-]</p> <p><i>Issue-specific Summary:</i></p> <p>[The Notes [have been/are expected to be] rated [●] by [●]]</p> <p>[The Notes have not been specifically rated].</p>
<b>[B.18]</b>	<b>Nature and scope of the Guarantee</b>	<p>[Not applicable. Notes issued by ANZBGL are not guaranteed.]</p> <p>[Not applicable. Notes issued by ANZ New Zealand are not guaranteed.]</p> <p>[The payments of all amounts due in respect of any Notes issued by ANZNIL will be unconditionally and irrevocably guaranteed by ANZ New Zealand (the "<b>Guarantor</b>"). The Guarantee constitutes direct, unconditional and unsecured obligations of the Guarantor which (save for certain debts of the Guarantor required to be preferred by law) will at all times rank <i>pari passu</i> among themselves and equally with all other unsubordinated and unsecured obligations of the Guarantor.]</p>
<b>[B.19 B.1]</b>	<b>Legal and commercial names of the Guarantor</b>	ANZ Bank New Zealand Limited (" <b>ANZ New Zealand</b> ")
<b>B.19 B.2</b>	<b>Domicile and legal form of the Guarantor, legislation under which they operate and countries of incorporation</b>	ANZ New Zealand is a company limited by shares, incorporated in New Zealand under the New Zealand Companies Act 1993 and with its registered and principal executive offices also in New Zealand.
<b>B.19 B.4b</b>	<b>Known trends with respect to the Guarantor and the industry in which it operates</b>	Not applicable; there are no known trends affecting ANZ New Zealand or the industries in which it operates.
<b>B.19</b>	<b>The</b>	The Guarantor (ANZ New Zealand) is a wholly-owned subsidiary of

<b>B.5</b>	<b>Guarantor's group</b>	ANZBGL, the Group's parent company. ANZ New Zealand is the largest bank by market share in New Zealand.																																													
<b>B.19 B.9</b>	<b>Profit forecast or estimate</b>	Not applicable; no profit forecast or estimate is made.																																													
<b>B.19 B.10</b>	<b>Audit report qualifications</b>	Not applicable; there are no qualifications in the audit report.																																													
<b>B.19 B.12</b>	<b>Selected historical key financial information of the Guarantor, no material adverse change statement and description of significant changes in financial or trading position of the Guarantor</b>	<table border="1"> <thead> <tr> <th></th> <th><b>IH18 (Unaudited) (NZ\$)</b></th> <th><b>IH17 (Unaudited) (NZ\$)</b></th> <th><b>FY17 (NZ\$)</b></th> <th><b>FY16 (NZ\$)</b></th> </tr> </thead> <tbody> <tr> <td>Operating income (\$m)</td> <td>2,143</td> <td>1,948</td> <td>3,975</td> <td>3,854</td> </tr> <tr> <td>Operating expenses (\$m)</td> <td>747</td> <td>730</td> <td>1,468</td> <td>1,599</td> </tr> <tr> <td>Credit impairment charge (\$m)</td> <td>72</td> <td>42</td> <td>62</td> <td>150</td> </tr> <tr> <td>Income tax expense (\$m)</td> <td>366</td> <td>330</td> <td>680</td> <td>570</td> </tr> <tr> <td>Statutory Net Profit after Tax (\$m)</td> <td>958</td> <td>846</td> <td>1,765</td> <td>1,535</td> </tr> <tr> <td><b>Dividend per share (cents)</b></td> <td>24</td> <td>23</td> <td>50</td> <td>40</td> </tr> <tr> <td>Net loans and advances (\$m)</td> <td>122,719<sup>1</sup></td> <td>117,671<sup>1</sup></td> <td>120,539<sup>1</sup></td> <td>114,623</td> </tr> <tr> <td>Customer deposits (\$m)</td> <td>100,771<sup>1</sup></td> <td>96,259<sup>1</sup></td> <td>96,829<sup>1</sup></td> <td>91,360</td> </tr> </tbody> </table> <p>There has been no significant change in the financial position of ANZ New Zealand and its subsidiaries taken as a whole since 31 March 2018, and no material adverse change in the prospects of ANZ New Zealand since 30 September 2017, the date of its last published audited financial statements.</p> <p><sup>1</sup> Net loans and advances and customer deposits as at 31 March 2018, 31 March 2017 and 30 September 2017 include assets and liabilities held for sale.</p>		<b>IH18 (Unaudited) (NZ\$)</b>	<b>IH17 (Unaudited) (NZ\$)</b>	<b>FY17 (NZ\$)</b>	<b>FY16 (NZ\$)</b>	Operating income (\$m)	2,143	1,948	3,975	3,854	Operating expenses (\$m)	747	730	1,468	1,599	Credit impairment charge (\$m)	72	42	62	150	Income tax expense (\$m)	366	330	680	570	Statutory Net Profit after Tax (\$m)	958	846	1,765	1,535	<b>Dividend per share (cents)</b>	24	23	50	40	Net loans and advances (\$m)	122,719 <sup>1</sup>	117,671 <sup>1</sup>	120,539 <sup>1</sup>	114,623	Customer deposits (\$m)	100,771 <sup>1</sup>	96,259 <sup>1</sup>	96,829 <sup>1</sup>	91,360
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<b>Section C – The Notes</b>																																															
<b>C.1</b>	<b>Type and class of Notes including security identification number</b>	The Notes described in this Summary (the "Notes") will either pay fixed rate or floating rate interest, or be inverse floating rate, range accrual or zero coupon Notes (which do not pay interest).  Notes will be issued in one or more series (each a "Series") and each Series may be issued in tranches (each a "Tranche") on the same or different issue dates. The Notes of each Series are intended to be interchangeable with all																																													

		<p>other Notes of that Series. Each Series will be allocated a unique Series number and identification code.</p> <p><b>Denomination:</b> Notes will be issued in such denominations as may be specified as the Specified Denomination(s), subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.</p>
		<p><b>Interest:</b> The Notes may bear fixed, floating rate or inverse floating rate interest or may be non-interest bearing.</p> <p><b>Form:</b> The Notes may be (i) in bearer form, (ii) in registered form or (iii) in the case of VPS Notes, in uncertificated and dematerialised book entry form registered in the Norwegian Central Securities Depository, <i>Verdipapirsentralen ASA</i> or VPS ("<b>VPS Notes</b>" and the "<b>VPS</b>", respectively).</p> <p><b>Issue-specific Summary:</b></p> <p><b>Denomination:</b> [●]</p> <p><b>Interest:</b> [The Notes will not pay any interest.] [The interest payable in respect of the Notes will be determined by reference to [a fixed rate of interest] [a[n] [inverse] floating rate of interest] [The interest payable in respect of the Notes will be determined by reference to the performance of a reference rate within a predetermined range].</p> <p><b>Form:</b> [The Notes other than the VPS Notes will initially be issued in temporary global form][The Notes other than the VPS Notes will be issued in [permanent global form][definitive form][registered global form]]. [The VPS Notes will be issued in uncertificated and dematerialised book-entry form registered in the VPS.]</p> <p><b>Identification:</b> Series Number: [●] Tranche Number: [●]</p> <p><b>ISIN:</b> [●]</p> <p><b>Common Code:</b> [●]</p> <p>[CMU Instrument No: [●]]</p> <p>[FISN: [●]]</p> <p>[CFI code: [●]]</p> <p><b>Governing Law:</b> The Notes will be governed by English law, except that the registration of VPS Notes in the VPS as well as the recording and transfer of ownership to, and other interests in, VPS Notes and Condition 11(c) which will be governed by, and construed in accordance with, Norwegian law. The VPS Trustee Agreement is and the VPS Agency Agreement will be governed by, and construed in accordance with, Norwegian law.</p> <p>VPS Notes must comply with the relevant regulations of the VPS and the holders of VPS Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under the relevant Norwegian regulations and legislation.</p>
C.2	<b>Currency</b>	<p>Subject to compliance with all relevant laws, regulations and directives, Notes may be denominated in such currencies as the relevant Issuer and the relevant Dealer(s) agree.</p> <p><b>Issue-specific Summary:</b> [●]</p>
C.5	<b>Restrictions on free transferability</b>	<p>The Notes will be offered and sold outside the United States to non-U.S. persons in reliance on "Regulation S" under the Securities Act and all sales or transfers must comply with all applicable transfer restrictions.</p> <p>Interests in Notes traded in any clearing system will be transferred in accordance with the procedures and regulations of that clearing system.</p> <p>Other than as set out above, the Notes are freely transferable.</p>



C.8	<b>Rights attached to the Notes including ranking and any limitation to those rights</b>	<p>Notes will be issued at a price and in such denominations as may be agreed between the relevant Issuer and the relevant Dealer(s) at the time of issuance.</p> <p><b>Status:</b> The Notes constitute direct, unconditional and unsecured obligations of the Issuer ranking pari passu among themselves and (save for certain debts of the Issuer required to be preferred by the applicable law including (but not limited to), where the Issuer is ANZBGL, those in respect of protected accounts (as defined in the Banking Act 1959 of Australia) in Australia and various debts due to the Australian Prudential Regulation Authority and the Reserve Bank of Australia required to be preferred by Australian law) with all other present and future unsubordinated and unsecured obligations of the Issuer.</p> <p><b>Taxation:</b> All payments in respect of the Notes shall be made without withholding or deduction for any Taxes imposed by the relevant Issuer's country of incorporation (or any other authority or subdivision thereof or therein) or tax jurisdiction unless such withholding or deduction is required by law.</p>
		<p><b>Events of Default:</b> If any of the Events of Default occurs and is continuing then any Note will become due and payable immediately upon the serving of written notice to the Fiscal Agent by the holder.</p> <p><b>Negative Pledge:</b> The Notes are not subject to a negative pledge provision. This means that the Issuers are not restricted from granting security over assets for other comparable bond financings.</p>
		<p><b>Cross Default:</b> The Notes are not subject to a cross default provision. Therefore a default under any of the Issuers' or the Guarantor's other financing arrangements will not trigger an Event of Default under the Notes.</p> <p><b>Meetings:</b> The terms of the Notes contain provisions for calling meetings of holders of the Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p>
C.9	<b>Rights attached to the Notes including ranking and any limitation to those rights, details of the interest payable, indication of yield and representative of holders</b>	<p><b>Interest</b></p> <p>Notes may or may not bear interest. Interest-bearing Notes will either bear interest payable at a fixed rate, a floating rate or an inverse floating rate or by reference to the performance of a reference rate within a predetermined range.</p> <p><i>Issue-specific Summary:</i></p> <p><b>[Fixed Rate Notes:</b> [The Notes bear interest [from (and including) [●]/[their Issue Date] at the fixed rate of [●] per cent. per annum [from the Issue Date to the Maturity Date]. The yield of the Notes as at the Issue Date is [●] per cent. Interest will be paid [annually] [semi-annually] [quarterly] [monthly] on [●] in each year. The first interest payment will be made on [●].]</p> <p><b>[Floating Rate Notes:</b> [The Notes bear interest from (and including) [●] / [their Issue Date] at a floating rate calculated by reference to [●] [BBSW / BKBM / LIBOR / Federal Funds Effective Rate US / EURIBOR / CDOR / SHIBOR / HIBOR / SIBOR / STIBOR / NIBOR / JIBAR / TRYIBOR / MXN-TIEE-MEX06 / PRIBOR / [EUR/GBP/USD] CMS Rate / MosPrime / CNH HIBOR] multiplied by a rate multiplier of [●] [[plus/minus] a margin of [●] per cent.]. Interest will be paid [semi-annually] [annually] [quarterly] in arrear on [●] and [●] in each year. The first interest payment will be made on [●].]</p> <p>[The Maximum Rate of Interest is [●].] [The Minimum Rate of Interest is [●].]</p> <p><b>[Inverse Floating Rate Notes:</b> [The Notes bear interest from (and including) [●]/[their Issue Date] at a fixed rate of [●] per cent. minus a floating rate</p>

calculated by reference to [●] [BBSW / BKBM / LIBOR / Federal Funds Effective Rate US / EURIBOR / CDOR / SHIBOR / HIBOR / SIBOR / STIBOR / NIBOR / JIBAR / TRYIBOR / MXN-TIEE-MEX06 / PRIBOR / [EUR/GBP/USD] CMS Rate / MosPrime / CNH HIBOR].

[The Maximum Rate of Interest is [●].] [The Minimum Rate of Interest is [●].]

**[Zero Coupon Notes:** The Notes do not bear any interest [and will be offered and sold at a discount to their principal amount].]

**[Range Accrual Notes:**

**[Single Range Accrual Notes:** The Notes bear interest from (and including) [●]/[their Issue Date] at [a rate of [●] per cent. per annum] [at a floating rate calculated by reference to [●] [BBSW / BKBM / LIBOR / Federal Funds Effective Rate US / EURIBOR / CDOR / SHIBOR / HIBOR / SIBOR / STIBOR / NIBOR / JIBAR / TRYIBOR / MXN-TIEE-MEX06 / PRIBOR / [EUR/GBP/USD] CMS Rate / MosPrime / CNH HIBOR] [[plus/minus] a margin of [●] per cent.]] in respect of the number of days in an Interest Accrual Period that [BBSW / BKBM / LIBOR / Federal Funds Effective Rate US / EURIBOR / CDOR / SHIBOR / HIBOR / SIBOR / STIBOR / NIBOR / JIBAR / TRYIBOR / MXN-TIEE-MEX06 / PRIBOR / [EUR/GBP/USD] CMS Rate / MosPrime / CNH HIBOR] [[and][or]] [the difference between [●] [month[s]][year[s]][EUR/GBP/USD CMS] and [●] [month[s]][year[s]] [EUR/GBP/USD CMS] [is][are] [greater than or equal to][greater than] [●] [and][or][less than or equal to][less than] [●]]

**[Dual Range Accrual Notes:** The Notes bear interest from (and including) [●]/[their Issue Date] at [a rate of [●] per cent. per annum] [at a floating rate calculated by reference to [●] [BBSW / BKBM / LIBOR / Federal Funds Effective Rate US / EURIBOR / CDOR / SHIBOR / HIBOR / SIBOR / STIBOR / NIBOR / JIBAR / TRYIBOR / MXN-TIEE-MEX06 / PRIBOR / [EUR/GBP/USD] CMS Rate / MosPrime / CNH HIBOR] [[plus/minus] a margin of [●] per cent.]] in respect of the number of days in an Interest Accrual Period that [BBSW / BKBM / LIBOR / Federal Funds Effective Rate US / EURIBOR / CDOR / SHIBOR / HIBOR / SIBOR / STIBOR / NIBOR / JIBAR / TRYIBOR / MXN-TIEE-MEX06 / PRIBOR / [EUR/GBP/USD] CMS Rate / MosPrime / CNH HIBOR] is [greater than or equal to][greater than] [●][and][or][less than or equal to][less than] [●] and [BBSW / BKBM / LIBOR / Federal Funds Effective Rate US / EURIBOR / CDOR / SHIBOR / HIBOR / SIBOR / STIBOR / NIBOR / JIBAR / TRYIBOR / MXN-TIEE-MEX06 / PRIBOR / [EUR/GBP/USD] CMS Rate / MosPrime / CNH HIBOR] is [greater than or equal to][greater than] [●] [and][or][less than or equal to][less than] [●][and][or] [the difference between [●] [month[s]][year[s]] [EUR/GBP/USD CMS] and [●][month[s]][year[s]] [EUR/GBP/USD CMS] [is][are] [greater than or equal to][greater than] [●] [and][or][less than or equal to][less than] [●]]

[The Maximum Rate of Interest is [●].] [The Minimum Rate of Interest is [●].]

**Redemption**

The terms under which Notes may be redeemed (including redemption by instalments, the Maturity Date and the price at which they will be redeemed on the Maturity Date as well as any provisions relating to early redemption) will be agreed between the Issuer and the relevant Dealer(s) at the time of issue of the relevant Notes.

**Issue-specific Summary:**

Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on [[●]] [the Interest Payment Date falling on or nearest to [[●]]

		[the Maturity Date]] at 100 per cent. of their principal amount.
		[ <b>Instalment Notes:</b> subject to any purchase and cancellation or early redemption, the Notes will be redeemed in instalments:
		<p><b>Instalment Date:</b> [●]  <b>Instalment Amount:</b> [●] [[●] per cent. of principal amount]]</p> <p><b>Representative of holders</b>  [Not applicable. There is no representative of the Noteholders.] [The VPS Trustee.]</p> <p><b>Indication of yield</b>  [The yield for Fixed Rate Notes will be [●] on the Issue Date and will be calculated on the basis of the compound annual rate of return if the relevant Fixed Rate Notes were to be purchased at the Issue price on the Issue Date and held to maturity. This is not an indication of future yield.]</p> <p><b>[Optional Early Redemption</b>  <b>Call Option:</b> The Notes may be redeemed on [●] [and [●]] (the "<b>Optional Redemption Date(s)</b>") following the exercise of a call option by the Issuer on [[●]] [the [10th] [●] Business Day prior to [each] [the] Optional Redemption Date]. Any such redemption of the Notes will be at the optional redemption amount(s) which is equal to [●] per Calculation Amount.  [The Maximum Redemption Amount is [●].] [The Minimum Redemption Amount is [●].]</p> <p><b>Put Option:</b> The Notes may be redeemed on [●] [and [●]] (the "<b>Optional Redemption Date(s)</b>") following the exercise of a put option by the relevant holder(s) on [[●]] [the [10th] [●] Business Day prior to [each] [the] Optional Redemption Date]. Any such redemption of the Notes will be at the optional redemption amount(s) which is equal to [●] per Calculation Amount.]</p>
C.10	<b>Rights attached to the securities including ranking, any limitation to those rights, details of the interest payable, indication of yield, representative of holders and effect of underlying instrument on the value of the investment</b>	Not applicable. There is no derivative element to the interest payable.
C.11	<b>Admission to trading</b>	<p>[Application has been made to admit Notes issued during the period of 12 months from the date of the Base Prospectus to the Official List of the UK Listing Authority and to trading on the regulated market of the London Stock Exchange.</p> <p><b>Issue-specific Summary:</b>  [Application [has been] [is expected to be] made for the Notes to be admitted [to listing on the Official List of the UK Listing Authority and] to trading on</p>

		<p>the regulated market of the [London Stock Exchange]/[Euronext Dublin]/[Luxembourg Stock Exchange] with effect from or about [the Issue Date/ [●]].]</p> <p>[Not applicable.] [The Notes are not intended to be listed or admitted to trading.]</p>
<b>C.21</b>	<b>Markets where Notes will be traded</b>	<p>[Application has been made to admit Notes issued during the period of 12 months from the date of the Base Prospectus to trading on the regulated market of the London Stock Exchange.</p> <p><i>Issue-specific Summary:</i></p> <p>[Application [has been] [is expected to be] made for the Notes to be admitted to trading on the regulated market of the [London Stock Exchange]/[Euronext Dublin]/[Luxembourg Stock Exchange] with effect from or about [the Issue Date/ [●]].]</p> <p>[Not applicable.] [The Notes are not intended to be listed or admitted to trading.]</p>
<b>Section D – Risks</b>		
<b>D.2</b>	<b>Key risks that are specific to the Issuer</b>	<p>There are a number of factors which could cause [ANZBGL's/ANZ New Zealand's/ANZNIL's] actual results to differ, in some instances materially, from those anticipated. By investing in the Notes, an Investor is exposed to the risk that some or all of these factors could negatively affect [ANZBGL/ANZ New Zealand/ANZNIL] and, in turn, negatively impact the value of the Notes.</p> <p>As a [bank] [subsidiary of a bank], [ANZBGL's/ANZ New Zealand's/ANZNIL's] activities are exposed to a complex and varied set of risks. If any of these risks materialise, there is the potential they could adversely impact [ANZBGL's/ANZ New Zealand's/ANZNIL's] business, operations and financial condition.</p> <p>The key risks inherent in [ANZBGL's/ANZ New Zealand's/ANZNIL's] operations can be broadly grouped under the main categories of:</p> <p><b>capital adequacy risk</b> (being the risk of loss arising from [ANZBGL/ANZ New Zealand/ANZNIL] failing to maintain the level of capital required by prudential regulators and other key stakeholders (shareholders, debt investors, depositors, rating agencies) to support [ANZBGL's/ANZ New Zealand's/ANZNIL's] consolidated operations and risk appetite);</p> <p><b>credit risk</b> (being the risk of financial loss to [ANZBGL/ANZ New Zealand/ANZNIL] resulting from a counterparty failing to fulfil its obligations, or from a decrease in credit quality of a counterparty resulting in a loss in value);</p> <p><b>market risk</b> (being the risk to [ANZBGL's/ANZ New Zealand's] earnings arising from changes in interest rates, foreign exchange rates, credit spreads, volatility, correlations or from fluctuations in bond, commodity or equity prices);</p>
		<p><b>liquidity and funding risk</b> (being the risk that [ANZBGL/ANZ New Zealand/ANZNIL] is unable to meet its payment obligations as they fall due, including repaying depositors or maturing wholesale debt, or that [ANZBGL/ANZ New Zealand/ANZNIL] has insufficient capacity to fund increases in assets);</p> <p><b>operational risk</b> (being the risk of loss to [ANZBGL/ANZ New Zealand/ANZNIL] resulting from inadequate or failed internal processes, people and systems, or from external events, including technology risk, cyber risk, legal risk and conduct risk, or damage arising from inadequate or failed internal processes, people and systems, but excluding strategic risk);</p>

		<p><b>compliance risk</b> (being the probability and impact of an event that results in a failure to act in accordance with laws, regulations, industry standards and codes, internal policies and procedures and principles of good governance as applicable to [ANZBGL's/ANZ New Zealand's/ANZNIL's] businesses);</p> <p><b>reputational risk</b> (being the risk of loss caused by adverse perceptions of [ANZBGL/ANZ New Zealand/ANZNIL] held by the public, shareholders, investors, regulators, or rating agencies that directly or indirectly impact earnings, capital adequacy or value);</p> <p><b>insurance risk</b> (being the risk to [ANZBGL/ANZ New Zealand/ANZNIL] of unexpected losses resulting from worse than expected claims experience (variation in timing and amount of insurance claims due to incidence or non-incidence of death, sickness, disability or general insurance claims) and includes inadequate or inappropriate underwriting, claims management, reserving, insurance concentrations, reinsurance management, product design and pricing which will expose an insurer to financial loss and the consequent inability to meet its liabilities);</p> <p><b>reinsurance risk</b> (being the risk to [ANZBGL/ANZ New Zealand/ANZNIL] that a reinsurer fails to meet their contractual obligations, i.e. to pay reinsurance claims when due); and</p> <p><b>strategic risk</b> (being the risk that affects or is created by [ANZBGL's/ANZ New Zealand's/ANZNIL's] business strategy and strategic objectives).</p> <p>[ANZNIL is not directly exposed to all of the above risks. This is because ANZNIL on-lends to ANZ New Zealand on matching terms all funds raised by ANZNIL under its funding programmes and ANZ New Zealand fully guarantees all obligations under ANZNIL's funding programmes. As a result, ANZNIL is largely dependent on its parent, ANZ New Zealand and so all of the above risks indirectly impact ANZNIL.]</p> <p>If any of these key risks actually occurs, [ANZBGL's/ANZ New Zealand's/ANZNIL's] business, operations, financial condition or reputation could be materially adversely affected, with the result that the trading price of the Notes could decline and investors could lose all or part of their investment. Importantly, [ANZBGL's/ANZ New Zealand's/ANZNIL's] risk profile at any point in time, including the probability and impact of certain risks occurring, is heavily influenced by (and invariably changes over time according to) prevailing general business, economic and market conditions in the major countries and regions in which [ANZBGL/ANZ New Zealand/ANZNIL] operates or trades.</p>
<b>D.3</b>	<b>Key risks that are specific to the Notes</b>	Investing in Notes will be subject to risks and no bank deposit protection scheme applies to the Notes. These risks include the fact that a majority of Noteholders may bind the minority, that taxes may be withheld from the Notes and that no trading market exists for the Notes, so they may be illiquid.
		<p><b>Issue-specific Summary:</b></p> <p>Unlike a bank deposit, the Notes are not protected by the Banking Act 1959 of Australia or any deposit protection scheme in any other jurisdiction. As a result, no compensation will be paid to an investor in the Notes upon the failure of [ANZBGL/ANZ New Zealand/ANZNIL] [and/or the Guarantor]. If [ANZBGL/ANZ New Zealand/ANZNIL] [and/or the Guarantor] go[es] out of business or become insolvent, Noteholders may lose all or part of their investment in the Notes.</p> <p>[An investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes and the interest paid under Fixed Rate Notes will be less than the then applicable market interest rate.]</p>

		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.
		The holder may not receive payment of the full amounts due in respect of the Notes as a result of amounts being withheld by [ANZBGL/ANZ New Zealand/ANZNIL] [or the Guarantor] in order to comply with applicable law.  Notes may have no established trading market when issued, and one may never develop, or may be illiquid. In such case, investors may not be able to sell their Notes easily or at favourable prices.  Investors are exposed to the risk of changes in law or regulation affecting the value of Notes held by them.
<b>Section E – The Offer</b>		
<b>E.2b</b>	<b>Reasons for the offer and use of proceeds</b>	The net proceeds of the issue of the Notes will be used by the relevant Issuer (in the case of ANZBGL and ANZ New Zealand) for its general corporate purposes. Where ANZNIL is the Issuer, ANZNIL will on-lend the net proceeds of the issue of the Notes to ANZ New Zealand, for ANZ New Zealand's general corporate purposes.  <i>Issue-specific Summary:</i>  [[ANZBGL] [ANZ New Zealand] intends to use the net proceeds of the issue of the Notes for [its general corporate purposes] [●].]  [ANZNIL intends to on-lend the net proceeds of the issue of the Notes to ANZ New Zealand for ANZ New Zealand's [general corporate purposes] [●].]
<b>E.3</b>	<b>Terms and conditions of the offer</b>	The terms and conditions of each offer of Notes will be determined by agreement between the relevant Issuer and the relevant Dealer(s) at the time of each issue.  <i>Issue-specific Summary:</i>  [Not Applicable; [the Notes are issued in denominations of at least €100,000 (or its equivalent in any other currency)] [the Notes are issued in denominations of less than €100,000 (or its equivalent in any other currency) but will be offered pursuant to one or more exemptions from the obligation under the Prospectus Directive to publish a prospectus]. There will be no Public Offer of the Notes.]  [The Notes are offered subject to the following conditions:
		<b>Offer Price:</b> [●]  <b>Conditions to which the offer is subject:</b> [●]  <b>Description of the application process:</b> [●]  <b>Details of the minimum and/or maximum amount of application:</b> [●]  <b>Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:</b> [●]  <b>Details of the method and time limits for paying up and delivering the Notes:</b> [The period from [●] until [●]] [the Issue Date] [the date which falls [●] business days thereafter]  <b>Manner in and date on which results of the offer are to be made public:</b> [●]  <b>Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:</b> [●]

		<p>]</p> <p><b>Whether Tranche(s) have been reserved for certain countries: [●]</b></p> <p><b>Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [●]</b></p> <p><b>Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [None] [●]</b></p>
<b>E.4</b>	<b>Interests material to the issue/offer including conflicting interests</b>	<p>The relevant Dealers may be paid fees in relation to any issue of Notes under the Programme. Any such Dealer and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuers and (in the case of issues of Notes by ANZNIL) the Guarantor and their affiliates in the ordinary course of business.</p> <p><i>Issue-specific Summary:</i></p> <p>[Save for [●],] so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer, including conflicting interests.]</p>
<b>E.7</b>	<b>Estimated expenses charged to the investor by the issuer</b>	<p>Not applicable. No expenses will be charged to the Investor by the Issuer.</p>

## 2. **RISK FACTORS**

Before applying for the Notes, you should consider whether the Notes are a suitable investment for you.

The following is a description of the principal risks and uncertainties which may affect the ability of the relevant Issuer and/or the Guarantor to fulfil their respective obligations under the Notes and/or the Guarantee.



## RISK FACTORS

### Introduction

*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 Issuers and the Guarantor are included in this section. Prospective investors should carefully consider the following discussion of the risk factors and the other information in this Base Prospectus. 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 Issuers) and should carefully consider the following factors in addition to the matters set out elsewhere in this Base Prospectus before investing in the Notes offered under this Base Prospectus.*

*As at the date of this Base Prospectus, the Issuers and the Guarantor believe that the following risk factors may affect the Issuers' abilities to fulfil their obligations, or the Guarantor's ability to perform 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 relevant Issuer could decline and an investor could lose all or part of its investment. These factors are contingencies that may or may not occur and the Issuers are not in a position to express a view on the likelihood of any such contingency occurring.*

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

### Organisation of the Risk Factors

- 1. Risks relating to the Notes and the market generally**
- 2. Risks relating to Notes denominated in Renminbi**
- 3. Risks relating to the Issuers' and the Guarantor's businesses**

### Risks relating to the Notes and the market generally

#### *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 relevant Issuer, the Guarantor or the Group. If the relevant Issuer or the Guarantor goes out of business or becomes insolvent, investors may lose all or part of their investment in the Notes.

#### *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 relevant Issuer's operations;
- investor confidence and market liquidity; and
- the level, direction and volatility of market interest rates generally.

There may be a limited number of buyers when an investor decides to sell the Notes. This 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.

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

Any Notes that are listed on the London Stock Exchange or any other listing authority, stock exchange or quotation system may be de-listed. If any Notes are de-listed, the relevant 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 London Stock Exchange or any other 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.

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

The credit ratings of the 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, the Notes. In addition, real or anticipated changes in the credit rating of the relevant Issuer or any Notes will generally affect any trading market for, or trading value of, the Notes.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the "**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 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 CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the Issuers' ratings and the credit rating agencies which have assigned such ratings is set out under the heading "*Important Notices*" at the beginning of this Base Prospectus. Where an issue of Notes is rated, such rating will be specified in the relevant Final Terms and may not necessarily be the same as the rating assigned to the relevant Issuer.

***The Notes may be redeemed prior to maturity***

In the event that the relevant Issuer, or the Guarantor, if applicable, 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 relevant Issuer's taxing jurisdiction, or Guarantor's taxing jurisdiction, if applicable, or any authority therein or thereof having power to tax, the Issuer may redeem all of the relevant Notes in accordance with the Conditions.

If the relevant Issuer has the right to redeem any Notes at its option, this may limit the market value of the Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.

An optional redemption feature is likely to limit the market value of Notes. During any period when the relevant 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.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on those 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. Potential investors should consider reinvestment risk in light of other investments available at that time.

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

Notes issued under the Programme (other than VPS Notes) may be represented by one or more Global Notes (namely single notes representing all, or the relevant part, of the entire issue). Such Global Notes will be deposited with a common depository for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and/or a clearing system other than Euroclear or Clearstream, Luxembourg (an "**Alternative Clearing System**", which expression shall include the Central Moneymarkets Unit Service (or any lawful successor thereto (the "**CMU**" or "**CMU Service**") being the book-entry clearing system operated by the Hong Kong Monetary Authority (the "**HKMA**"), the government authority in Hong Kong with responsibility for maintaining currency and banking stability whenever the context permits). Apart from the circumstances described in the relevant Global Note, investors will not be entitled to Notes in definitive form (i.e. physical certificates of ownership). Euroclear, Clearstream, Luxembourg 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, Luxembourg and/or any relevant Alternative Clearing System.

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

So long as any Note is represented by a Global Note held through the CMU Service, each person for whose account interest in the Global Note is credited as being held in the CMU, as notified by the CMU Service to the CMU lodging agent appointed for such purpose in a relevant CMU instrument position report (which shows the aggregate nominal value of the instrument specified therein held by members of the CMU Service in CMU securities accounts), will be the only person entitled to receive payments on the Notes represented by the Global Note. Such person(s) must look solely to the CMU paying agent appointed for such purpose (the "**CMU Paying Agent**") for his share of each payment made by the relevant Issuer in respect of the Global Note, and in relation to all other rights arising under the Global Note, subject to and in accordance with the respective rules and procedures of the CMU Service. The relevant Issuer and the Guarantor, if applicable, will be discharged by payment to the CMU Paying Agent, and such person(s) shall have no claim directly against the relevant Issuer and the Guarantor in respect of payments due on the Notes for so long as the Notes are represented by the Global Note in respect of each amount so paid. Investors are exposed to the creditworthiness of the CMU Paying Agent and may suffer a loss in their investment if the CMU Paying Agent delays in making or fails to make the relevant payment to the aforesaid person(s) upon receiving the relevant payment from the Issuer.

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, Luxembourg 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 relevant Issuer, or the Guarantor, if

applicable, in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant.

Similarly, VPS Notes will be issued in uncertificated and dematerialised book-entry form registered in the VPS. The VPS will maintain records of the ownership of the VPS Notes. VPS Notes will not be evidenced by any physical note or document of title other than statements of account made by the VPS. Ownership of VPS Notes will be recorded and transfer effected only through the book-entry system and register maintained by the VPS.

The relevant Issuer will discharge its payment obligations under VPS Notes by making payments through the VPS and holders of VPS Notes must therefore rely on the procedures of the VPS to receive payments under VPS Notes. The relevant Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in VPS Notes. Investors with accounts in Euroclear and Clearstream, Luxembourg may hold VPS Notes in their accounts with such clearing systems and the relevant clearing system will be shown in the records of the VPS as the holder of the relevant amount of VPS Notes.

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

A withholding tax of as high as 30 per cent. may be imposed on payments made with respect to the Notes, but the rules for calculating the amount of such withholding tax are still undetermined. This withholding tax generally will only apply to payments made on or after 1 January 2019, at the earliest, and, in certain cases, only with respect to 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 holder 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 amount of the expected payment.

Prospective investors should consult their tax advisors and their banks or brokers regarding the possibility of this withholding. For more information, see Section 13 (*Taxation*) 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.

Under the €8 billion ANZ New Zealand covered bond programme, investors have full recourse to ANZNIL or ANZ New Zealand as issuer and ANZ New Zealand as guarantor and also to a cover pool of assets held by the ANZNZ Covered Bond Trust. The assets of the ANZNZ Covered Bond Trust are made up of certain housing loans and related securities originated by ANZ New Zealand and which are security for the guarantee by ANZNZ Covered Bond Trust Limited as trustee of the ANZNZ Covered Bond Trust of covered bonds issued by ANZ New Zealand or ANZNIL, from time to time.

The assets of the ANZNZ Covered Bond Trust do not qualify for derecognition as ANZ New Zealand retains substantially all of the risks and rewards of the transferred assets. Therefore, the covered bond programme and the ANZNZ Covered Bond Trust do not change ANZ New Zealand's financial statements. The covered bonds are guaranteed by ANZNZ Covered Bond Trust Limited as trustee of the ANZNZ Covered Bond Trust under the terms of the covered bond programme. The assets of the ANZNZ Covered Bond Trust are not available to creditors of ANZ New Zealand, including holders of Notes issued by ANZNIL or ANZ New Zealand, although ANZ New Zealand (or its liquidator or statutory manager) may have a claim against the residual assets of the ANZNZ Covered Bond Trust (if any) after all prior ranking creditors of the ANZNZ Covered Bond Trust have been satisfied.

### *Insolvency and similar proceedings*

In the event that an Issuer becomes insolvent, insolvency proceedings in respect of ANZBGL will be governed by Australian law, and insolvency proceedings in respect of ANZ New Zealand and ANZNIL will generally be governed by New Zealand law. Potential investors should be aware that Australian and New Zealand insolvency laws are different from the insolvency laws in other jurisdictions. In particular: (i) 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 re-organisation of an insolvent company; and (ii) in the case of insolvency proceedings against ANZ New Zealand and ANZNIL, the voluntary administration procedure under the New Zealand Companies Act 1993 and the statutory management regimes under the Corporations (Investigation and Management) Act 1989 ("**CIM Act**") and the Reserve Bank of New Zealand Act 1989 (the "**RBNZ Act**"), differ 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 "authorised deposit-taking institution" ("**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 holders of Notes 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 the risk factor entitled "*Notes subject to prior claims*").

On 18 September, 2017, the Treasury Laws Amendment (2017 Enterprise Incentives No. 2) Act 2017 of Australia was enacted in Australia. The legislation provides for a stay on enforcement of certain rights arising under a contract (such as a right entitling a creditor to terminate the contract or to accelerate payments or providing for automatic acceleration) for a certain period of time (and in some cases indefinitely) if the reason for enforcement is the occurrence of certain events relating to specified insolvency proceedings, namely the appointment of an administrator or managing controller or an application for a scheme of arrangement, or the company's financial position during those proceedings (known as "ipso facto" rights). The specified proceedings do not include a winding-up or liquidation.

The operation of the legislation introducing the stay is expected to commence on 1 July 2018. The stay will apply to "ipso facto" rights arising under contracts, agreements or arrangements entered into after the commencement date of the legislation, subject to certain exclusions. Rights exercised with the consent of the relevant administrator, receiver, scheme administrator or liquidator and the right to appoint controllers during the decision period following the appointment of administrators are excluded and rights prescribed by regulations or Ministerial declarations may also be excluded ("**subordinate legislation**"). Such subordinate legislation may also prescribe additional reasons for application of the stay on enforcement, or for extending the stay indefinitely. The legislation also gives the Federal Court of Australia the power to broaden or narrow the scope and duration of the stay.

The Australian Government proposes to make regulations setting out certain types of contracts and contractual rights that will be excluded from the stay and released an exposure draft of such regulations on 16 April 2018. However, it remains uncertain whether securities such as the Notes under the Programme will be excluded. If no regulations are made to exclude from the operation of the

legislation securities such as the Notes, this may render unenforceable in Australia provisions of the Notes conditioned merely on the occurrence of the events giving rise to the “ipso facto” rights. This would include the events of default in Conditions 9(vi) and 9(vii) (to the extent those provisions relate to the appointment of an administrator or the making of a compromise or arrangement under Part 5.1 of the Corporations Act. Until the regulations have been finalised, the scope of the stay on the exercise of “ipso facto” rights and the exclusions and the effect on any Notes issued after the commencement date of the legislation remains uncertain.

Pursuant to the RBNZ Act, the RBNZ may give a registered bank, which includes ANZ New Zealand, or an associated person a direction in writing and/or place the registered bank under statutory management in certain circumstances, including where the RBNZ has reasonable grounds to believe that the registered bank or the associated person is insolvent or is likely to become insolvent. As a corporation, ANZNIL may be placed into statutory management in similar circumstances under the CIM Act. A registered bank, such as ANZ New Zealand, can also be placed into statutory management if it fails to comply with a direction given by the RBNZ. Where a corporation is declared to be subject to statutory management, no person shall commence any action or other proceedings against that corporation. Accordingly, Noteholders may be prevented from enforcing rights in connection with the Notes where ANZ New Zealand and/or ANZNIL have been placed into statutory management.

If ANZ New Zealand were placed under statutory management, Noteholders may be further restricted in enforcing their rights against ANZ New Zealand due to Open Bank Resolution (“OBR”). OBR is an RBNZ policy option aimed at resolving a bank failure quickly, including by suspending payment of a portion of liabilities so the bank can be promptly reopened for business, consequently minimising stresses on the overall banking and payments system. Under the RBNZ's conditions of registration for registered banks, New Zealand incorporated banks with retail deposits over NZ\$1 billion (which includes ANZ New Zealand) are required to comply with the OBR Pre-positioning Requirements Policy (BS17), which describes the process and requirements on banks.

In addition, to the extent that the holders of the Notes are entitled to any recovery with respect to the Notes in any bankruptcy or certain other events in bankruptcy, insolvency, dissolution or reorganization relating to the Issuer, those holders might be entitled only to a recovery in Australian dollars (where ANZBGL is the Issuer) or New Zealand dollars (where ANZ New Zealand or ANZNIL is the Issuer).

#### ***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.

#### ***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 then 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 then prevailing rates on its 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, 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.

***Uncertainty relating to the LIBOR calculation process, including the potential phasing out of LIBOR after 2021, and proposals to reform EURIBOR, the BBSW and other benchmark indices***

The London Inter-Bank Offered Rate (LIBOR), the Euro Interbank Offered Rate (EURIBOR) and other benchmark indices (such as the Australian Bank Bill Swap Rate ("**BBSW**")) are the subject of recent national, international and other regulatory guidance and proposals for reform. Examples of reforms that are already effective include the replacement of the British Bankers' Association ("**BBA**") as LIBOR administrator with ICE Benchmark Administration Limited, the replacement of the Australian Financial Markets Association ("**AFMA**") as BBSW administrator with ASX Limited, the publication of the ASX BBSW Trade and Trade Reporting Guidelines, which allows for the benchmark indices to be calculated directly from a wider set of market transactions and the Treasury Laws Amendment (2017 Measures No. 5) Act 2018 of Australia, which, among other things, enables ASIC to make rules relating to the generation and administration of benchmark indices). The implementation of such reforms and consequential changes to benchmark indices may cause them to perform differently than in the past, which could have a material adverse effect on the value of any Floating Rate Notes where the interest rate is calculated with reference to benchmark indices or may have other consequences that cannot be predicted.

Key international proposals for reform of "benchmarks" include the International Organisation of Securities Commissions *Principles for Financial Market Benchmarks (July 2013)* (the "**IOSCO Benchmark Principles**") and *Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU* and the Benchmark Regulation, which was published on the Official Journal on 29 June, 2016 and has applied from 1 January 2018 with the exception of certain provisions that began to apply from 30 June 2016 and certain provisions that amend Regulation (EU) No 596/2014 on market abuse (the "**Market Abuse Regulation**") and therefore became effective on 3 July 2016, being the date on which the Market Abuse Regulation came into force.

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

The Benchmark Regulation applies to "contributors", "administrators" and "users" of "benchmarks" in the EU, and, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to have satisfied certain "equivalence" conditions in its local jurisdiction, to be "recognised" by the authorities of a Member State pending an equivalence decision or for the benchmark being provided to have been "endorsed" for such purpose by an EU competent authority) and to comply with requirements in relation to the administration of "benchmarks" and (ii) bans the use by supervised entities of "benchmarks" provided by unauthorised or unregistered benchmark administrators. The scope of the Benchmark Regulation is wide and, in addition to so-called "critical benchmark" indices such as LIBOR and EURIBOR, could also potentially apply to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including "proprietary" indices or strategies) which are referenced in certain financial instruments (securities or OTC derivatives listed on an EU regulated market, EU multilateral trading facility (MTF), EU organised trading facility (OTF) or "systematic internaliser"), certain financial contracts and investment funds. Different types of "benchmark" are subject to more or less stringent requirements, and in particular a lighter touch regime may apply where a "benchmark" is not based on interest rates or commodities and the value of financial instruments, financial contracts or investment funds referring to a benchmark is less than €50 billion, subject to further conditions.

The Benchmark 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 Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level.

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

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

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

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Terms and Conditions of the Notes (or the Terms and Conditions of the Non PD Notes as the case may be), or result in adverse consequences to holders of any securities linked to such benchmark (including but not limited to Floating Rate Notes, Range Accrual Notes and Inverse Floating Rate 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 Notes, the return on the relevant Notes and the trading market for securities based on the same benchmark.

The "Terms and Conditions of the Notes" (and the "Terms and Conditions of the Non PD Notes") provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR, (including any page on which such benchmark may be published (or any replacement service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a substitute or successor rate that the Calculation Agent has determined (acting in good faith and in a commercially reasonable manner) in its sole discretion after consultation with an independent advisor 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 Calculation Agent has determined a substitute or successor rate, that the Calculation Agent may determine (acting in good faith and in a commercially reasonable manner) after consultation with an independent advisor, 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. In certain circumstances the ultimate fallback 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 Floating Rate Notes, CMS Rate Notes or Inverse Floating Rate Notes (as applicable) based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of substitute or successor rate, the relevant fallback provisions may not operate as intended at the relevant time. 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 Terms and Conditions of the relevant Notes (and the "Terms and Conditions of the Non PD Notes") or other consequences, depending on the specific provisions of the relevant Notes and could have a material adverse effect on the value of and return on any Notes linked to a "benchmark".

#### ***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 general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

#### ***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 holder 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 holder 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, holders 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.

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

The Terms and Conditions of the Notes (see "Appendix B (*Terms and Conditions of the Notes*)" below) (and, in respect of VPS Notes, the VPS Trustee Agreement) 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.

In the case of VPS Notes, the VPS Trustee Agreement provides that:

- (i) the VPS Trustee may in certain circumstances, without the consent of the holders of the VPS Notes, make decisions binding on all holders relating to the Terms and Conditions of the relevant VPS Notes and the VPS Trustee Agreement, including amendments which are not, in the VPS Trustee's opinion, detrimental to the rights and benefits of the affected holders of the VPS Notes; and
- (ii) the VPS Trustee may reach other decisions binding for all holders of VPS Notes.

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

The Issuers 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.

#### ***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.

#### ***Yield***

Potential investors should note that any indication of yield (i.e. income return on the Notes) stated in the Final Terms 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 Final Terms. No indication of yield will be included in the relevant Final Terms in respect of any floating rate Notes.

#### ***Change of law***

The Terms and Conditions of the Notes are governed by the laws of England (and in the case of VPS Notes, also by the laws of Norway) which shall be in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of England (or Norway) or administrative practice after the date of this Base Prospectus.

#### ***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 outside the People's Republic of China (the "PRC") which may adversely affect the liquidity of Notes denominated in Renminbi***

Renminbi is not freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite significant reduction in control by it in recent years over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

Subject to the prior receipt of all necessary governmental approvals, the relevant 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. With effect from 1 October 2016, the International Monetary Fund ("**IMF**") has determined the Renminbi to be a freely usable currency and has accordingly added it to the IMF's Special Drawing Right valuation basket (along with the U.S. dollar, the euro, Japanese yen and pounds sterling).

Remittance of Renminbi by foreign investors into the PRC for purposes such as capital contributions, known as capital account items, is generally only permitted upon obtaining specific approvals from, 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 the PRC for settlement of capital account items are developing gradually. These regulations will be subject to interpretation and application by the relevant authorities in the PRC.

In the event that the relevant 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.

There is no assurance that the PRC Government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that any pilot 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 outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under 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. Since February 2004, in accordance with arrangements between the PRC central government and the Hong Kong government, licensed banks in Hong Kong may offer limited Renminbi denominated banking services to Hong Kong residents and designated business customers. The People's Bank of China ("**PBoC**") has also established a Renminbi clearing and settlement mechanism for participating banks in Hong Kong. On 19 July 2010, further amendments were made to the Settlement Agreement on the Clearing of Renminbi Business (the "**Settlement Agreement**") between the PBoC and the Bank of China (Hong Kong) Limited as the Renminbi clearing bank (the "**Renminbi Clearing Bank**") to further expand the scope of Renminbi business for participating banks in Hong Kong. Pursuant to the revised arrangements, all corporations are allowed to open Renminbi accounts in Hong Kong, there is no longer any limit on the ability of corporations to convert Renminbi and there is no longer any restriction on the transfer of Renminbi funds between different accounts in Hong Kong. In addition, the PBoC has now established Renminbi clearing and settlement systems with financial institutions in other major global financial centres (each also a "**Renminbi Clearing Bank**"), including London, Frankfurt and Singapore to further internationalise the Renminbi.

However, the current size of Renminbi denominated financial assets outside the PRC is limited. Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC. They are only allowed to square their open positions with the Renminbi Clearing Bank after consolidating the Renminbi trade position of banks outside Hong Kong that are in the same bank group of the participating banks concerned with their own trade position, and the Renminbi Clearing Bank only has access to onshore liquidity support from the PBoC for the purpose of squaring open positions of participating banks for limited types of transactions. The Renminbi Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that no new PRC regulations will be promulgated or current regulations will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of the CNY Notes. To the extent the relevant 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 value of Renminbi against the Hong Kong dollar and 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 relevant Issuer will make all payments of interest and principal with respect to CNY Notes in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. Any fluctuation in the exchange rate between the Renminbi and Hong Kong dollar, U.S. dollar, and other foreign currencies could result in foreign currency translation losses for financial reporting purposes. If the value of Renminbi depreciates against the Hong Kong dollar or other foreign currencies, the value of the investment made by a holder of CNY Notes in Hong Kong dollars or any other foreign currency terms will decline. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in the CNY Notes.

### ***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), the relevant 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 depository for Clearstream, Luxembourg 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 relevant 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, the PRC Individual 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 or individual holders may be subject to PRC enterprise income tax ("EIT") or PRC individual income tax ("IIT") 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 per cent. of the gains derived by such non-PRC resident enterprise or individual holder from the transfer of CNY Notes but its implementation rules have reduced the EIT rate to 10 per cent. The PRC Individual Income Tax Law levies IIT at a rate of 20 per cent. of the gains derived by such non-PRC resident or individual holder from the transfer of CNY Notes.

However, there remains uncertainty as to whether the gain realised from the transfer of CNY Notes by non-PRC resident enterprise or individual holders would be treated as income derived from sources within the PRC and become subject to the EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law, the PRC Individual 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 or IIT on capital gains derived from a sale or exchange of CNY Notes.

Therefore, if non-PRC resident enterprise or individual 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 or individual holders of CNY Notes reside that reduces or exempts the relevant EIT or IIT, the value of their investment in CNY Notes may be materially and adversely affected.

## **Risks relating to the Issuers' and the Guarantor's businesses**

### ***Introduction***

The Group's activities are subject to risks that can adversely impact its business, operations and financial condition. 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 listed or unlisted risks actually occurs, the Group's business, operations, financial condition, or reputation could be materially and adversely affected, with the result that the trading price of the Group's equity or debt securities could decline, and investors could lose all or part of their investment. References in this section to the "Group" or to "ANZ" are to ANZBGL and its subsidiaries or ANZ New Zealand and its subsidiaries as the context requires. All references in this section to "securities" include the Notes.

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

The Group's financial performance is primarily influenced by the political and economic conditions and the level of business activity in the major countries and regions in which the Group operates or trades, i.e., Australia, New Zealand, Asia Pacific, Europe and the United States.

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

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

The impact of the global financial crisis and its aftermath continue to affect regional and global economic activity, confidence and capital markets. Prudential authorities have implemented and continue to implement increased regulations in an attempt to mitigate the risk of such events recurring, although there can be no assurance that such regulations will be effective. The Group believes that the global financial crisis has also had a lasting effect on consumer and business behaviour in the advanced economies, including the major countries and regions in which the Group operates. Consumers in recent years have reduced their savings rates in the face of weak income growth, while businesses have been reluctant to invest and inflation has remained low. Monetary authorities responded to the global financial crisis by introducing zero or near-zero interest rates across most countries, and the major central banks took unconventional steps to support growth and raise inflation. While some economic factors have recently improved and some monetary authorities have begun to increase interest rates, lasting impacts from the global financial crisis and the potential for escalation in geopolitical risks suggest ongoing vulnerability and potential adjustment of consumer and business behaviour.

Changes in global political conditions, such as the "Brexit" referendum in the United Kingdom on 23 June 2016 (and the related negotiations with the European Union), the commencement of Donald Trump's presidency in January 2017, and global trade developments relating to, among other things, the imposition or threatened imposition of trade tariffs and levies by major countries have resulted in increased political and economic uncertainty and volatility in the global financial markets and may continue to do so. This is in part due to the unknown consequences for global trade, the broader global economy and financial markets. Political and economic uncertainty has in the past led to declines in market liquidity and activity levels, volatile market conditions, a contraction of available credit, lower or negative interest rates, weaker economic growth and reduced business confidence, each of which could adversely affect the Group's business, operations and financial condition. These conditions may also adversely affect the Group's ability to raise medium or long-term funding in the international capital markets.

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

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

The Group's financial performance could also be adversely affected if the Group were unable to adapt cost structures, products, pricing or activities in response to a drop in demand or lower than expected revenues. Similarly, higher than expected costs (including credit and funding costs) could be incurred

because of adverse changes in the economy, general business conditions or the operating environment in the countries or regions in which the Group operates.

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

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

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

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

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

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

- Changes in the financial services sector in Australia and New Zealand have made it possible for non-banks to offer products and services traditionally provided by banks, such as payments, home loans, and credit cards. Digital technologies and business models are changing customer behaviour and the competitive environment. Emerging competitors are increasingly utilising new technologies and seeking to disrupt existing business models in the financial services sector. Existing companies from outside of the traditional financial services sector may seek to directly compete with the Group by offering products and services traditionally provided by banks, including by obtaining banking licenses and/or by partnering with existing providers.
- Banks organised in jurisdictions outside Australia and New Zealand are subject to different levels of regulation and some of these banks may have lower cost structures that may make them more competitive in the markets where the Group operates.
- Consumers and businesses may choose to transact using, or to invest in, new forms of currency (such as cryptocurrencies) to which the Group may choose not to provide financial services.

Increasing competition for customers could also potentially lead to a compression in the Group's net interest margins or increased advertising and related expenses to attract and retain customers.

The Group relies on deposits to fund a significant portion of its balance sheet. The Group competes with banks and other financial services firms for such deposits. Increased competition for deposits

could increase the Group's cost of funding. To the extent that the Group is not able to successfully compete for deposits, the Group would be forced to rely more heavily on other, less stable or more expensive forms of funding, or to reduce lending. This could adversely affect the Group's business, operations or financial condition.

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

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

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

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

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

***The Group is exposed to liquidity and funding risk, which may adversely affect its financial performance, liquidity, capital resources, business, operations and financial condition***

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

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

The Group raises funding from a variety of sources, including customer deposits and wholesale funding in Australia and offshore markets to meet its funding obligations and to maintain or grow its business generally. In times of liquidity stress, if there is damage to market confidence in the Group or if funding inside or outside of Australia is not available or constrained, the Group's ability to access sources of funding and liquidity may be constrained and it will be exposed to liquidity risk. In any such cases, the Group may be forced to seek alternative funding. The availability of such alternative funding, and the terms on which it may be available, will depend on a variety of factors, including

prevailing market conditions and the Group's credit ratings (which are strongly influenced by Australia's sovereign credit rating). Even if available, the cost of these funding alternatives may be more expensive or on unfavourable terms, which could adversely affect the Group's financial performance, liquidity, capital resources, business, operations and financial condition.

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

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

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

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

Since May 2017, Fitch, Standard & Poor's and Moody's affirmed or revised their respective ratings and outlooks of the major Australian banks, including the Group, as follows:

- Fitch (February 2018): Affirmed the ratings of the major Australian banks, including ANZBGL, with a stable outlook;
- Moody's (January 2018): Affirmed the rating of ANZBGL, with a stable outlook;
- Standard & Poor's (May 2017): Lowered its assessment of Australia's Banking Industry Country Risk Assessment from 2 to 3 and subsequently lowered its assessment of the standalone credit profiles of almost all financial institutions operating in Australia including ANZBGL. This resulted in the downgrading of the ratings on hybrid and subordinated debt instruments issued by ANZBGL and ANZ New Zealand by one notch (Basel 2 subordinated debt: downgraded from A- to BBB+; Basel 3 subordinated debt: downgraded from BBB+ to BBB; hybrid debt: downgraded from BBB- to BB+). ANZBGL's and ANZ New Zealand's long term ratings remained at AA- with negative outlook; and
- Moody's (June 2017): Revised its outlook for Australia's macro profile from "Very Strong negative", to "Strong plus" and downgraded the long-term rating of ANZBGL (alongside the other three major Australian banks) from Aa2 to Aa3. In addition, ANZBGL's hybrid and subordinated debt were downgraded by one notch. Moody's also revised the outlook for ANZBGL (and the other major Australian banks) from negative to stable. The long-term rating of ANZ New Zealand was also downgraded one notch to A1 from Aa3, and the rating of its hybrid and subordinated debt downgraded by one notch. The outlook for ANZ New Zealand was revised from negative to stable.

The Group's credit ratings could be revised at any time in response to a change in the credit rating of the Commonwealth of Australia.

In addition, the ratings of individual securities (including, but not limited to, certain Tier 1 capital and Tier 2 capital securities and covered bonds) issued by the Group (and other banks globally) could be impacted from time to time by changes in the regulatory requirements for those instruments as well as the ratings methodologies used by rating agencies.



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

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

***The Group may experience challenges in managing its capital base, which could give rise to greater volatility in capital ratios***

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

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

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

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

***The Group is exposed to credit risk, which may adversely affect its business, operations and financial condition***

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

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

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

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

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

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

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

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

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

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

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

Since 2009, the world's major central banks have embarked upon unprecedented monetary policy stimulus. The resulting weight of funds searching for yield continues to drive underlying property markets in the Group's core property jurisdictions (Australia, New Zealand, Singapore and Hong

Kong). Values for completed tenanted properties and residential house prices, particularly in metro east coast Australian and New Zealand markets, have steadily risen although pace of growth is showing signs of slowing in 2018.

Should the Group's regulators impose supervisory measures impacting the Group's residential or commercial lending or if Australian housing price growth subsides or property valuations decline, the demand for the Group's home lending products may decrease which may adversely affect the Group's business, operations and financial condition. For example, in March 2017, prompted by ongoing Australian housing price appreciation and rising Australian household debt, APRA introduced a new supervisory measure instructing Australian banks, including ANZBGL, to limit new residential interest-only mortgages to 30% of total new residential mortgage lending.

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

The Group's portfolio of commercial property loans may be particularly susceptible to asset price deflation, tenancy risk and delivery risk which may result in higher credit losses, refinance risk and deteriorating security values. A significant decrease in commercial property valuations or a significant slowdown in the commercial real estate markets where the Group does business could result in a decrease in new lending opportunities which may in turn materially and adversely impact the Group's business, operations and financial condition.

***The Group is exposed to market risk, which may adversely affect its business, operations and financial condition***

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

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

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

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

***The Group is exposed to operational risk, which may adversely affect its business, operations and financial condition***

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

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

- (a) Internal Fraud: associated with the Group's employees acting outside their normal employment conditions/procedures to create a financial advantage for themselves or others;
- (b) External Fraud: fraudulent acts or attempts which originate from outside the Group, more commonly associated with digital banking, lending, and cards products. Specific threats include ATM skimming, malware and phishing attacks and fraudulent applications and transactions, where financial advantage is obtained;
- (c) Employment Practices and Workplace Safety: employee relations, diversity and discrimination, and health and safety risks to the Group's employees;
- (d) Loss of key staff or inadequate management of human resources including the Chief Executive Officer (CEO) and the management team of the CEO;
- (e) Clients, Products and Business Practices: risk of market manipulation, product defects, incorrect advice, money laundering and misuse or unauthorised disclosure of customer information;
- (f) Business Disruption (including systems failures): risk that the Group's banking operating systems are disrupted or fail;
- (g) Damage to Physical Assets: risk that a natural disaster or terrorist or vandalism attack damages the Group's buildings or property; and
- (h) Execution, Delivery and Process Management: is associated with losses resulting from, among other things, process errors made by the Group's employees caused by inadequate or poorly designed internal processes including those relating to the Group's mortgage business, or the poor execution of standard processes, vendor, supplier or outsource provider errors or failed mandatory reporting errors.

Loss from operational risk events could adversely affect the Group's business, operations and financial condition. Such losses can include fines, penalties, loss or theft of funds or assets, legal costs, customer compensation, loss of shareholder value, reputation loss, loss of life or injury to people, and loss of property and/or information.

***The Group is exposed to reputational risk events, which may adversely affect its business, operations and financial condition***

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

The Group may incur reputational damage where one of its practices fails to meet evolving 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.

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

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

The Group and its service offerings (including digital banking) are highly dependent on information systems applications and technology. Therefore, there is a risk that these information systems applications and technology, or the services the Group uses or is dependent upon, might fail, including because of unauthorised access or use.

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

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

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

***The Group is exposed to risks associated with information security including cyber-attacks, which may adversely affect its business, operations, financial condition and reputation***

Information security means protecting information and information systems from unauthorised access, use, disclosure, disruption, modification, perusal, inspection, recording or destruction. As a bank, the Group handles a considerable amount of personal and confidential information about its customers and its own internal operations, including in Australia, New Zealand, India, the United States, Europe, Singapore and China. The Group operates in multiple geographies and the risks to its systems are inherently higher in certain countries where, for example, political threats or targeted cyber-attacks by terrorist or criminal organisations are greater. The Group employs a team of information security experts who are responsible for the development and implementation of the Group's Information Security Policy. The Group also uses third parties to process and manage information on its behalf, and

any failure by such third parties could adversely affect the Group's business. The Group is conscious that threats to information systems are continuously evolving and that cyber threats, including but not limited to, cyber compromise, advanced persistent threats, distributed denial of service, malware and ransomware attacks, and the risk of such attacks are increasing, and as such the Group may be unable to develop policies and procedures to adequately address or mitigate such risks. Accordingly, information about the Group and/or its clients may be inadvertently accessed, inappropriately distributed or illegally accessed or stolen. The Group may not be able to anticipate or to implement effective measures to prevent or minimise damage that may be caused by all information security threats because the techniques used can be highly sophisticated and those perpetuating the attacks may be well resourced. Any unauthorised access of the Group's information systems or unauthorised use of its confidential information could potentially result in disruption of the Group's operations, breaches of privacy laws, regulatory sanctions, legal action, and claims for compensation or erosion to the Group's competitive market position, which could adversely affect the Group's business, operations, financial condition and reputation.

***The Group may be exposed to the impact of future climate change, geological events, plant, animal and human diseases, and other extrinsic events which may adversely affect its business, operations and financial condition***

The Group and its customers are exposed to climate related events, including climate change. These events include severe storms, drought, fires, cyclones (for example Cyclone Debbie in March 2017 and Cyclone Marcus in March 2018), hurricanes, floods and rising sea levels. The Group and its customers may also be exposed to other events such as geological events (including volcanic seismic activity or tsunamis), plant, animal and human diseases or a pandemic.

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

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

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

In Australia, these regulatory and supervisory authorities include, among others, APRA, the RBA, the Australian Securities and Investments Commission ("ASIC"), the Australian Securities Exchange ("ASX"), the Australian Competition and Consumer Commission ("ACCC"), the Australian Transaction Reports and Analysis Centre ("AUSTRAC") and the Australian Taxation Office ("ATO"). In New Zealand, the RBNZ, the New Zealand Financial Markets Authority ("FMA") and the New Zealand Commerce Commission have supervisory oversight of the Group's New Zealand businesses. Prudential regulatory and supervisory authorities such as APRA and RBNZ have extensive administrative, practical and investigative powers over the Group's businesses.

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

Changes to laws, regulations and policies in Australia and the other jurisdictions where the Group conducts business and/or raises funds may materially and adversely affect the Group's business, operations, financial condition and reputation. Such changes may impact the corporate structures, businesses, strategies, capital, liquidity, funding and profitability and the cost structures of the Group.

Examples of recent changes to laws, regulations and policies, or developments that may lead to future changes include, without limitation:

- *Royal Commission:* On 30 November 2017, the Australian Government publicly announced a Royal Commission into misconduct in the banking, superannuation and financial services industry. The final terms of reference for the Royal Commission dated 14 December 2017, among other things, require and authorise the Royal Commission to inquire into misconduct by financial services entities (including the Group). The Royal Commission must submit its final report, including the results of its inquiry and the Royal Commission's recommendations, not later than 1 February 2019. The Royal Commission may choose to give an interim report by no later than 30 September 2018.
- *Productivity Commission:* In May 2017, the Australian Government requested the Productivity Commission to undertake an inquiry into competition in Australia's financial system. The Productivity Commission commenced the inquiry on 1 July 2017. On 7 February 2018, the Productivity Commission released a draft report finding that Australia's regulation of the financial system has favoured stability over competition and making recommendations intended to reset the balance between stability and competition in Australia's financial system. The final report is expected to be provided to the Australian Government by 1 July 2018. The Australian Government's response to the final report of the Productivity Commission may lead to regulatory change, which could materially and adversely affect the Group's business, operations and financial condition.
- *Financial System Inquiry Report:* The FSI final report (released on 7 December 2014) concluded a comprehensive inquiry into Australia's financial system, which was established by the Australian Government in late 2013. The final report of the FSI included a wide-ranging set of recommendations. In Australia, APRA is responsible for implementing the final recommendations of the Australian Government's FSI that are aimed at strengthening the resilience of Australia's financial system including (among other things) setting capital standards to ensure that capital ratios of Australian ADIs are "unquestionably strong". For more information see the section entitled "*Description of Supervision and Regulation of Australia and New Zealand Banking Group Limited*".
- *Prudential Developments:* Consistent with the FSI's recommendation that the capital ratios of ADIs should be "unquestionably strong", effective from July 2016, APRA increased the capital requirements for Australian residential mortgage exposures for ADIs accredited to use the IRB approach to credit risk (including the Group). Subsequently, on 19 July 2017, APRA released an information paper outlining APRA's conclusions with respect to the quantum and timing of capital increases that will be required for ADIs to achieve "unquestionably strong" capital ratios. APRA indicated that, in the case of the four major Australian banks (including the Group), it expects that the increased capital requirements will translate into the need for an increase in Common Equity Tier-1 ("CET1") capital ratios, on average, of around 100 basis points above their December 2016 levels. In broad terms, that equates to a benchmark CET1 capital ratio, under the current capital adequacy framework, of at least 10.5 per cent. APRA also stated that ADIs should, where necessary, initiate strategies to increase their capital strength to be able to meet these capital benchmarks by 1 January 2020 at the latest.

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

- revisions to the capital framework that will produce "unquestionably strong" capital ratios. The discussion paper summarises APRA's proposal regarding risk-based capital approach for credit, market and operational risk following finalisation of these requirements by the Basel Committee on Banking Supervision ("BCBS") in December 2017. While the final forms of these proposals will only be determined later in 2020, the Group expects the implementation of any revisions to the current requirements will result in further changes to the risk weighting framework for certain asset classes and other risk types (such as market and operational risks). APRA has announced that it does not expect that the changes to the risk weights will necessitate further increases in capital for ADIs, although this could vary by ADI depending on the final requirements.

- the design and application of a minimum leverage ratio requirement as a complement to the risk-based capital framework proposal above. APRA has proposed, among other things, a minimum leverage ratio requirement of 4% (compared to the Basel minimum of 3%).

APRA's consultation for the above is currently taking place with final prudential standards planned to be made available by 2020. APRA has proposed an implementation date of 2021, which is one year earlier than the BCBS's equivalent, with no phase-in arrangements.

APRA's prudential standards may also be further supplemented by yet to be released proposals to implement other key FSI recommendations including:

- to implement a minimum total loss absorbing capacity requirement where certain senior debt could be "bailed in" to recapitalise a stressed financial institution.
- potential adjustments to the overall design of the capital framework to improve transparency, international comparability and flexibility.

Given the number of items that are currently open for consultation with APRA, the final outcome of the FSI including any further changes to APRA's prudential standards or other impacts on the Group remains uncertain. Further changes to APRA's prudential standards and the final outcome of the FSI could increase the level of regulatory capital that the Group is required to maintain, restrict the Group's flexibility, require it to incur substantial costs and impact the profitability of one or more business lines, which could adversely affect the Group's business, operations, financial condition and reputation.

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

- *Banking Executive Accountability Regime*: A Bank Executive Accountability Regime ("BEAR") was passed into law in February 2018. BEAR is a strengthened responsibility and accountability framework for the most senior and influential directors and executives in ADI groups. Potential risks to the Group from the BEAR legislation include the risk of penalties and the risk to its ability to attract and retain high-quality directors and senior executives.
- *ASIC Design and Product Intervention Powers*: The Australian Government is considering a proposal to introduce new legislation intended to enhance the regulation of the design and distribution of financial products in Australia and to provide ASIC with product intervention powers.
- *The Financial Sector Legislation Amendment (Crisis Resolution Powers and Other Measures) Act 2018* of Australia ("**Crisis Management Act**") was recently passed into law. The Crisis Management Act amends the Banking Act (among other statutes applicable to financial institutions in Australia) to further enhance APRA's powers to facilitate the orderly resolution of the entities it regulates (and their subsidiaries) in times of distress. Additional powers which could impact the Group, include greater oversight, management and directions powers in relation to 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.
- *Anti-Money Laundering and Counter-Terrorism Financing Compliance*: Scrutiny of banks has increased following the commencement by the AUSTRAC of civil penalty proceedings in 2017 against another major Australian bank relating to alleged past and ongoing contraventions of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Commonwealth) (the "**AML Act**") (see risk factor entitled "*The Group is exposed to the risk of significant fines and sanctions in the event of breaches of law or regulation relating to anti-money laundering, counter-terrorism financing and sanctions*").



- *Bank Levies:* As part of its 2017-18 federal budget, the Australian Government imposed a levy on liabilities for certain large banks, including the Group, with effect from 1 July 2017 (“**Major Bank Levy**”). The Major Bank Levy payable by the Group for the half year ended 31 March 2018 is A\$177 million. There is a risk that Australian State and Territory Governments may introduce similar levies. A bill to this effect was introduced into the South Australian Parliament in June 2017 but was not enacted.
- *Parliamentary Enquiries:* There are several on-going Australian Government inquiries including a House of Representatives inquiry into Australia’s four major banks (including the Group), which resulted in two committee reports, one in November 2016 and another in April 2017 that contain recommendations to improve the banking system for consumers, and a Senate inquiry focused on consumer protection and transparency in the banking, insurance and financial sectors, which could lead to legislative or regulatory changes or other regulatory or other measures that may adversely affect the Group.
- *New Zealand Developments:* The New Zealand Government and its agencies, including the RBNZ, the FMA and the Commerce Commission, have supervisory oversight of the Group's New Zealand businesses. There have been a series of regulatory releases from these and other authorities that have proposed significant regulatory changes for financial institutions. These changes include, among other things:
  - The RBNZ revised outsourcing policy on 19 September 2017 and ANZ New Zealand’s revised Conditions of Registration;
  - RBNZ review of capital requirements;
  - The New Zealand Ministry of Business, Innovation and Employment (“**MBIE**”) review of the Financial Advisers Act 2008;
  - The amendment to the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (the “**AML/CFT Act**”); and
  - The New Zealand Government review of the Reserve Bank Act.

See “*New Zealand Regulatory Developments*” for further discussion.

- *Offshore Developments:* In addition to the BCBS reforms described above, there have been a series of other regulatory releases from authorities in various jurisdictions outside of Australia where the Group operates and/or raises funds that have proposed significant regulatory changes for financial institutions. These changes include, among other things:
  - proposals for changes to financial regulations in the United States (including potential legislative changes to the Dodd-Frank Act and potential revision to its Volcker Rule);
  - changes to senior executive accountability in Singapore and Hong Kong;
  - introduction of greater data protection regulations in Europe, including the General Data Protection Regulations expected to come into effect on 25 May 2018;
  - the Markets in Financial Instruments Directive 2 in the European Economic Area; and
  - amendments to the United Kingdom’s Criminal Finances Bill (which has extraterritorial reach).

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

Any failure by the Group to comply with laws, regulations and policies in the jurisdictions in which it operates and/or obtains funds may result in a number of materially adverse effects for the Group. This may include regulatory investigations, legal or regulatory sanctions, financial or reputational loss, litigation, fines, penalties, restrictions on the Group's ability to do business, revocation, suspension or variation of conditions of relevant regulatory licenses or other enforcement or administrative action or

agreements (such as enforceable undertakings). Such failures also may result in the Group being exposed to the risk of litigation brought by third parties (including through class action proceedings). The outcome of any litigation (including class action proceedings) may result in the payment of compensation to third parties and/or further remediation activities. See "*Risk Factors - Litigation and contingent liabilities may adversely affect the Group's business, operations and financial condition*".

***The Group is exposed to the risk of significant fines and sanctions in the event of breaches of law or regulation relating to anti-money laundering, counter-terrorism financing and sanctions***

Anti-money laundering, counter-terrorist financing and sanctions compliance have been the subject of significant regulatory change and enforcement in recent years. The increasingly complicated environment in which the Group operates has heightened these operational and compliance risks. Furthermore, the upward trend in compliance breaches by global banks and the related fines and settlement sums mean that these risks continue to be an area of focus for the Group. Following the AUSTRAC civil penalty proceedings in 2017 against a major Australian bank relating to alleged past and ongoing contraventions of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Commonwealth), there may be increased regulatory scrutiny of other Australian banks, including the Group, and significant changes to the anti-money laundering regulatory framework. While the full scope of any changes, if any, is not known, the Group may incur additional costs associated with regulatory compliance that may adversely affect the Group's business, operations, financial condition and reputation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

***The Group is exposed to insurance risk, which may adversely affect its business, operations and financial condition***

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

***The Group may experience changes in the valuation of some of its assets and liabilities that may have a material adverse effect on its earnings and/or equity***

The Group applies accounting standards which require that various financial instruments, including derivative instruments, assets and liabilities classified as held for sale (where fair value is lower than the carrying values) and certain other assets and liabilities are recognised at fair value with changes in fair value recognised in earnings or equity.

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

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

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

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

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

The accounting policies that the Group applies are fundamental to how it records and reports its financial position and results of operations. Management must exercise judgment in selecting and applying many of these accounting policies so that they not only comply with the applicable accounting standards or interpretations but that they also reflect the most appropriate manner in which to record and report on the Group's financial position and results of operations. However, these accounting policies may be applied inaccurately, resulting in a misstatement of the Group's financial position and results of operations. In addition, the application of new or revised accounting standards or interpretations could have a material adverse effect on the Group's financial position and results of operations.

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

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

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

The Group had contingent liabilities as of 31 March 2018 in respect of the matters outlined in Note 19 to the 2018 Interim Financial Statements and in Note 10 to ANZ New Zealand's unaudited interim consolidated financial statements for the half year ended 31 March 2018 which are incorporated by reference in this Base Prospectus.

Note 19 of the 2018 Interim Financial Statements includes, among other things, descriptions of:

- (a) bank fees litigation;
- (b) benchmark/rate actions;

- (c) franchisee litigation;
- (d) regulatory and customer exposures;
- (e) the Royal Commission; and
- (f) security recovery actions.

In recent years there has been an increase in the number of matters on which the Group engages with its regulators. There have been significant increases in the nature and scale of regulatory investigations and reviews, enforcement actions (whether by court action or otherwise) and the quantum of fines issued by regulators, particularly against financial institutions both in Australia and globally. The Group also instigates engagement with its regulators. The nature of these interactions can be wide ranging and, for example, currently include a range of matters including responsible lending practices, product suitability, wealth advice, pricing and competition, conduct in financial markets and capital market transactions and product disclosure documentation. The Group has received various notices and requests for information from its regulators as part of both industry-wide and Group-specific reviews and has also made disclosures to its regulators at its own instigation. There may be exposures to customers which are additional to any regulatory exposures. These could include class actions, individual claims or customer remediation or compensation activities. The outcomes and total costs associated with such matters 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.

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

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

Divestments that the Group has recently announced but not yet completed include:

- OnePath Pensions and Investments ("**OnePath P&I**") and aligned dealer group businesses in Australia; and
- One Path life insurance business in Australia.

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

During the six months to 31 March 2018:

- The Group completed the divestment of a 20% interest in Metrobank Card Corporation (the Group also has a put option to sell the Group's remaining 20% interest exercisable in the fourth quarter of the 2018 financial year);
- The Group completed the divestment of its 20% interest in Shanghai Rural Commercial Bank;
- The Group finalised the sale of its retail and wealth businesses in Indonesia, Taiwan and Vietnam (in addition to China, Singapore and Hong Kong which completed during the preceding financial year); and
- The Group announced on 21 December 2017 that it had been informed that the New Zealand's Overseas Investment Office had declined HNA Group Co., Ltd's ("**HNA**") application to acquire UDC Finance Limited ("**UDC**") and the agreement with HNA was terminated in January 2018. On 20 March 2018, the Group announced that it was continuing to examine a broad range of options for UDC's future.

There can be no assurance that any acquisition (or divestment) would have the anticipated positive results, including results relating to the total cost of integration (or separation), the time required to complete the integration (or separation), the amount of longer-term cost savings, the overall

performance of the combined (or remaining) entity, or an improved price for the Group's securities. Additionally, there are risks relating to the completion of any particular transaction occurring, including counterparty and settlement risk, or the non-satisfaction of any completion conditions (for example, relevant regulatory or third party approvals). The Group's operating performance, risk profile and capital structure may be affected by these corporate opportunities and there is a risk that the Group's credit ratings may be placed on credit watch or downgraded if these opportunities are pursued.

Integration (or separation) of an acquired (or divested) business can be complex and costly, sometimes including combining (or separating) relevant accounting and data processing systems, and management controls, as well as managing relevant relationships with employees, customers, regulators, counterparties, suppliers and other business partners. Integration (or separation) efforts could create inconsistencies in standards, controls, procedures and policies, as well as diverting management attention and resources. This could adversely affect the Group's ability to conduct its business successfully and impact the Group's operations or results. Additionally, there can be no assurance that employees, customers, counterparties, suppliers and other business partners of newly acquired (or retained) businesses will remain post-acquisition (or post-divestment), and the loss of employees, customers, counterparties, suppliers and other business partners could adversely affect the Group's operations or results. Further, there is a risk that completion of an agreed transaction may not occur, including due to failure of the counterparty to satisfy its completion conditions or because other completion conditions such as obtaining relevant regulatory approvals are not satisfied.

***The Group may be exposed to conduct related risk events or behaviours that do not appropriately consider the interests of consumers, the integrity of financial markets and the expectations of the community, which may adversely affect its business, operations, financial condition and reputation***

Conduct-related risks can result from:

- (a) the provision of unsuitable or inappropriate advice (for example, advice that is not commensurate with a customer's needs and objectives or appetite for risk);
- (b) 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;
- (c) a failure to deliver product features and benefits in accordance with terms, disclosures, recommendations and/or advice;
- (d) a failure to appropriately avoid or manage conflicts of interest;
- (e) sales and/or promotion processes (including incentives and remuneration for staff engaged in promotion, sales and/or the provision of advice);
- (f) the provision of credit, outside of the Group's policies and standards; and
- (g) trading activities in financial markets, outside of the Group's policies and standards.

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

Since September 2014, the Australian Senate Economics References Committee has been conducting an inquiry into aspects of the financial advice industry, including unethical or misleading financial advice and compensation processes for consumers impacted by that advice. In June 2017 the final report from the Australian Senate Economic References Committee on the Scrutiny of Financial Advice was released and stated that the culture and practices of the financial advice industry “fall well short of the public’s expectations”. The current Royal Commission may have negative outcomes which could result in discoveries that may adversely affect the Group's business, operations, financial condition and reputation. Inappropriate advice about financial products and services may result in material litigation (and associated financial costs) and together with the failure to avoid or manage

conflicts of interest and/or inadequate improvement to culture and practices, may expose the Group to regulatory actions, restrictions or conditions on banking licences and/or reputational consequences which could adversely affect the Group's business, operations, financial condition and reputation.

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

During 2016 and 2017, there have been various events in Australia that have affected retail, commercial and industrial electricity and gas users. These events include the closure of the Hazelwood coal power station in Victoria, black-outs in South Australia, export demand for Queensland liquefied natural gas and announcements relating to energy policy and investment by the Australian federal government and the South Australian state government.

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

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

### 3. **INFORMATION ABOUT THE PROGRAMME**

The following is an overview of the Programme and the key terms of the Notes. The full text of the Terms and Conditions of the Notes are contained in Appendix B. It is important that you read the entirety of this Base Prospectus before you invest in any Notes. It is also recommended that you consult your financial adviser or any other professional adviser before you decide to invest in any Notes.



## INFORMATION ABOUT THE PROGRAMME

### What is the Programme?

The Programme is a debt issuance programme under which Australia and New Zealand Banking Group Limited, ANZ Bank New Zealand Limited and ANZ New Zealand (Int'l) Limited, as the Issuers under the Programme, may, from time to time, issue debt instruments. In this Base Prospectus these debt instruments are referred to as Notes. Notes are also commonly referred to as bonds.

The Programme is constituted by a set of master documents containing standard terms and conditions and other contractual provisions that can be used by the Issuers to undertake any number of issues of Notes from time to time in the future, subject to a maximum limit of US\$60,000,000,000 (or its equivalent in other currencies) in principal amount of debt instruments outstanding at any time under the Programme, provided that the principal amount of all debt instruments issued by Australia and New Zealand Banking Group Limited and outstanding at any time will not exceed US\$50,000,000,000 (or its equivalent in other currencies) and the principal amount of all debt instruments issued by ANZ Bank New Zealand Limited and ANZ New Zealand (Int'l) Limited will not exceed US\$10,000,000,000 (or its equivalent in other currencies).

The standard terms and conditions that can be used by each Issuer to undertake each issue of Notes are contained in a set of provisions referred to as the Terms and Conditions, as set out in this Base Prospectus in Appendix B (*Terms and Conditions of the Notes*).

The Programme was updated on 17 May 2018.

### How are Notes issued under the Programme?

Whenever an Issuer decides to issue Notes, it undertakes what is commonly referred to as a "drawdown". On a drawdown, documents which are supplementary to the Programme master documents are produced, indicating which provisions in the master documents are relevant to that particular drawdown and setting out the terms of the Notes to be issued under the drawdown. The key supplementary documents of which you will need to be aware when deciding whether to invest in Notes issued as part of a drawdown over the 12 month period from the date of this Base Prospectus are: (a) any supplement to this Base Prospectus published after the date of this Base Prospectus and (b) the applicable Final Terms for such Notes.

In the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes and whose inclusion or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of an Issuer and the Group, and the rights attaching to the Notes, an Issuer will prepare and publish a supplement to this Base Prospectus or prepare and publish a new base prospectus, in each case, for use in connection with such Notes and any subsequent issue of Notes.

The Terms and Conditions of the Notes cater for all the permutations of provisions that the Issuers envisage being likely to be applicable to issues under the Programme, with the final terms document for each issue (referred to herein as the Final Terms) setting out the specific commercial terms applicable to the issue and the extent to which the provisions in the Terms and Conditions of the Notes are applicable. Each Final Terms is intended to be read alongside the Terms and Conditions of the Notes, and the two together provide the specific terms of the Notes relevant to a specific drawdown.

### Refer to

Terms and Conditions of the Notes beginning on page 202

Terms and Conditions of the Notes beginning on page 202 and the Forms of Final Terms beginning on page 148

**What types  
of Notes may  
be issued  
under the  
Programme?**

Five types of Notes may be issued under this Base Prospectus: Fixed Rate Notes, Floating Rate Notes, Inverse Floating Rate Notes, Range Accrual Notes and Zero Coupon Notes, or any combination of these.

Fixed Rate Notes are Notes where the interest rate payable by the Issuer is determined prior to issue, and remains fixed throughout the life of the Notes. See Section 4 (*How the Return on Your Investment is Calculated*) for a worked example showing how the return on an issue of Fixed Rate Notes is calculated.

Floating Rate Notes are Notes where the interest rate is calculated by reference to a fluctuating benchmark rate. Under the Programme, that benchmark rate may be either an ISDA defined rate, a bank bill swap or reference rate, such as the Australian Bank Bill Swap Rate (BBSW) or the New Zealand Bank Bill Reference Rate (BKBM), a constant maturity swap rate, or an inter-bank offered rate, such as the Euro-Zone inter-bank offered rate (EURIBOR) or the London inter-bank offered rate (LIBOR). The floating interest rate is recalculated on or around the start of each new interest period and applies for the length of that interest period. Therefore, Floating Rate Notes in effect have a succession of fixed interest rates and may include a rate multiplier being a figure by which the rate will be multiplied. Although the floating interest rate will be based on the benchmark rate, it may also include a fixed percentage margin which is added to the benchmark rate. See Section 4 (*How the Return on Your Investment is Calculated*) for a worked example showing how the return on an issue of Floating Rate Notes is calculated.

Inverse Floating Rate Notes are Notes where the interest rate payable by the Issuer is determined by reference to a fixed rate of interest less a fluctuating benchmark rate (such as those described in the paragraph above in respect of Floating Rate Notes). For each interest period, the fixed rate of interest is determined prior to issue with the floating interest rate recalculated on or around the start of each new interest period and applying for the length of that interest period. See Section 4 (*How the Return on Your Investment is Calculated*) for a worked example showing how the return on an issue of Inverse Floating Rate Notes is calculated.

Range Accrual Notes are Notes where the interest rate is calculated by reference to the number of days in an interest accrual period that a specified reference rate or reference rates is/are (i) either "greater than or equal to" or "greater than" a specified floor rate; and (ii) either "less than or equal to" or "less than" a specified cap rate. In the case of Fixed Rate Range Accrual Notes, a fixed rate of interest is applied to the relevant number of days in an interest period when the reference rate(s) do not exceed the cap or fall below the floor to calculate the interest in respect of any interest period. In the case of Floating Rate Range Accrual Notes an interest rate calculated by reference to a fluctuating benchmark rate is applied to the relevant number of days in an interest period when the reference rate(s) do not exceed the cap or fall below the floor to calculate the interest in respect of any interest period. Under the Programme, that reference rate may be based on a bank bill swap or reference rate, such as the Australian Bank Bill Swap Rate (BBSW) or the New Zealand Bank Bill Reference Rate (BKBM), a constant maturity swap rate or the spread between two constant maturity swap rates, or an inter-bank offered rate, such as the Euro-Zone inter-bank offered rate (EURIBOR) or the London inter-bank offered rate (LIBOR). See Section 4 (*How the Return on Your Investment is Calculated*) for a worked example showing how the return on an issue of Range Accrual Notes is calculated.

Zero Coupon Notes are Notes which do not carry any interest but are generally issued at a deep discount to their principal amount. If held to maturity, Zero Coupon Notes are repaid at their principal amount. Therefore, if you purchase

Zero Coupon Notes on their issue date and hold them to maturity, your return will be the difference between the issue price and the principal amount of the Zero Coupon Notes paid on maturity. Alternatively, you might realise a return on Zero Coupon Notes through a sale prior to their maturity.

The specific details of each Note issued will be specified in the applicable Final Terms.

<b>How will the price of the Notes be determined?</b>	Notes may be issued at their principal amount or at a discount or premium to their principal amount. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer or Dealers at the time of "pricing" of the Notes in accordance with prevailing market conditions. The issue price for each Tranche will be specified in the applicable Final Terms.	N/A
<b>What is the yield on Fixed Rate Notes?</b>	The yield in respect of each issue of Fixed Rate Notes will be calculated on the basis of the issue price and specified in the applicable Final Terms. Yield is not an indication of future price. The Final Terms in respect of any Floating Rate Notes will not include any indication of yield.	N/A
<b>Will the Notes issued under the Programme have a credit rating?</b>	Issues of Notes issued under the Programme may be specifically rated. Any such ratings will not necessarily be the same as the rating assigned to the Issuer or to any other issues of Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the " <b>CRA Regulation</b> ").	N/A
<b>Will I be able to trade the Notes issued under the Programme?</b>	<p>Application has been made to admit Notes issued during the period of 12 months from the date of this Base Prospectus to the Official List of the UK Listing Authority and to admit them to trading on London Stock Exchange's regulated market.</p> <p>Once listed, the Notes may be purchased or sold through a broker. The market price of the Notes may be higher or lower than their issue price depending on, among other things, the level of supply and demand for the Notes, movements in interest rates and the financial performance of the Issuers and the Group. (See Section 2 (<i>Risk Factors - Risks relating to the Notes and the market generally</i>)). There is no prior or active trading market for the Notes and such trading market may not develop.</p>	Section 17 (Additional Information – paragraph 1) on page 183
<b>Who is issuing the Notes?</b>	The Notes will be issued by Australia and New Zealand Banking Group Limited, ANZ Bank New Zealand Limited or ANZ New Zealand (Int'l) Limited.	Terms and Conditions of the Notes beginning on page 202
<b>Who is guaranteeing the Notes issued by ANZ New Zealand (Int'l) Limited?</b>	The payment of all amounts due in respect of Notes issued by ANZ New Zealand (Int'l) Limited will be unconditionally and irrevocably guaranteed by ANZ Bank New Zealand Limited.	Terms and Conditions of the Notes beginning on page 202
<b>What is the relationship</b>	Australia and New Zealand Banking Group Limited is the parent company of	Section 5 (Description of Australia and New

**between each of the Issuers and the Group?**

the Group. It is not dependent upon other entities within the Group.

ANZ Bank New Zealand Limited is a wholly-owned subsidiary of Australia and New Zealand Banking Group Limited. It is not dependent on other Group entities.

ANZ New Zealand (Int'l) Limited is a subsidiary of ANZ Bank New Zealand Limited, on which it is largely dependent, as ANZ Bank New Zealand Limited fully guarantees all obligations under ANZ New Zealand (Int'l) Limited's funding programmes.


*Zealand Banking Group Limited and its subsidiaries)*  
beginning on page 65, Section 7  
*(Description of ANZ Bank New Zealand Limited)*  
beginning on page 83 and Section 8  
*(Description of ANZ New Zealand (Int'l) Limited)*  
beginning on page 90

**What will Noteholders receive in a winding-up of the Issuers and the Group?**


If an Issuer or the Guarantor (if applicable) becomes insolvent and is unable to pay its debts, an administrator or liquidator would be expected to make distributions to its creditors in accordance with a statutory order of priority. An investor's claim as a Noteholder would be expected to rank after the claims of any holders of the relevant Issuer's secured debt or other creditors that are given preferential treatment by applicable laws of mandatory application relating to creditors, but ahead of any shareholder of the Issuers or Guarantor, as applicable. Simplified diagrams illustrating the expected ranking of the Notes compared to other creditors of the Issuers, are set out below:

N/A

Australia and New Zealand Banking Group Limited

	Type of obligation	Examples of obligations/securities	
<p><b>Higher ranking/earlier priority/first to be repaid</b></p>  <p><b>Lower ranking/ later priority/ last to be repaid</b></p>	Secured debt and liabilities preferred by law	Senior ranking secured obligations (such as collateralised liabilities to central banks and clearing houses).  Liabilities which the Banking Act provides are to be paid out of ANZBGL's assets in Australia in priority to liabilities in respect of Notes, including protected accounts in Australia (such as current accounts, savings accounts and term deposit accounts and certain liabilities to APRA and debts to the RBA); other liabilities preferred in a winding up, such as debts due to the RBA, costs of the winding up and certain employee entitlements.	
	<b>The Notes</b>	Unsubordinated unsecured debt	The Notes, other bonds and notes, trade and general creditors.  (Note: covered bonds are an unsecured claim on ANZBGL but are secured over certain assets of the Group).
		Subordinated unsecured debt	Tier 2 Capital instruments, subordinated notes and other unsecured subordinated debt obligations ranking senior to preference shares.
		Preference shares and other equally ranked instruments	Additional Tier 1 Capital instruments (such as capital notes and convertible preference shares) and other obligations ranking senior only to ordinary shares.
		Ordinary shares	Ordinary shares.

ANZ Bank New Zealand Limited

	Types of obligation	Examples of obligations/securities	
<p><b>Higher ranking/earlier priority/first to be repaid</b></p> 	Secured debt and creditors preferred by law	Secured creditors such as money held with clearing systems.  Liabilities given preference by law including employee entitlements and taxes.	
	<b>The Notes</b>	Unsubordinated unsecured debt	Deposit accounts, covered bonds, senior bonds and notes and trade and general creditors.  (Note: covered bonds are an unsecured claim on ANZ New Zealand but are secured over certain assets shown on ANZ New Zealand's balance sheet).
		Term subordinated unsecured debt	None currently.
		Perpetual subordinated unsecured debt	Perpetual notes.
		Preference shares and other lower ranking instruments	Preference shares.  Perpetual subordinated notes that mandatorily convert into ordinary shares in ANZ New Zealand in certain circumstances.

		Capital notes that mandatorily convert into ordinary shares in ANZBGL in certain circumstances.
<b>Lower ranking/later priority/last to be repaid</b>	Ordinary shares	Ordinary shares.

### ANZ New Zealand (Int'l) Limited

	Types of obligation	Examples of obligations/securities
<b>Higher ranking/earlier priority/first to be repaid</b>	Secured debt and creditors preferred by law	Secured creditors such as money held with clearing systems.  Liabilities given preference by law including employee entitlements and taxes.
	<b>The Notes</b>	Covered bonds, senior bonds and notes and trade and general creditors.  (Note 1: covered bonds, senior bonds and notes are guaranteed by ANZ New Zealand).  (Note 2: covered bonds are also secured over certain assets shown on ANZ New Zealand's balance sheet)
<b>Lower ranking/later priority/last to be repaid</b>	Term subordinated unsecured debt	None currently.
	Perpetual subordinated unsecured debt	None currently.
	Preference shares and other lower ranking instruments	None currently.
	Ordinary shares	Ordinary shares.

<b>Are the Notes secured?</b>	No, as of the date the Notes are issued, the obligations of the Issuers to pay interest and principal on the Notes will not be secured either by any of the Issuers' or any other member of the Group's assets or otherwise.	N/A
<b>Do the Notes have voting rights?</b>	Noteholders have certain rights to vote at meetings of the Noteholders, but are not entitled to vote at any meeting of shareholders of the Issuers, the Guarantor or any other member of the Group.  The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit majorities of certain sizes to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a different manner than the majority did.	Terms and Conditions of the Notes (Condition 10 - Meeting of Noteholders, Modifications and Waiver) beginning on page 239
<b>Can the Terms and Conditions of the Notes be amended?</b>	The Terms and Conditions of the Notes and any applicable Final Terms may be modified or amended by the relevant Issuer without the consent of the Noteholders if, in the reasonable opinion of such Issuer, the modification or amendment is not materially prejudicial to the interests of the Noteholders, is of a formal, minor or technical nature, made to correct any manifest or proven error or omission, made to comply with mandatory provisions of the law or made to cure,	Terms and Conditions of the Notes (Condition 10 - Meeting of Noteholders, Modifications and Waiver)

correct or supplement any defective provision or ambiguity. Any such modification or amendment shall be binding on the Noteholders and notified to them in accordance with the Terms and Condition as soon as practicable thereafter.

beginning on  
page  
239

Noteholders may also sanction a modification of the Terms and Conditions of the Notes by passing an Extraordinary Resolution.

**What will  
the proceeds  
be used for?**

The net proceeds from the issue of any Notes will be used by the relevant Issuer (in case of Australia and New Zealand Banking Group Limited and ANZ Bank New Zealand Limited) for its general corporate purposes. Where ANZ New Zealand (Int'l) Limited is the Issuer, it will on-lend the net proceeds of the issue of Notes to ANZ Bank New Zealand Limited for its general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds this will be stated in the applicable Final Terms.

Section 15  
(Use of  
Proceeds) on  
pages 146 to  
147

**What if I  
have further  
questions?**

If you are unclear in relation to any matter, or uncertain if any Notes offered under the Programme are a suitable investment, you should seek professional advice from your broker, solicitor, accountant or other independent financial adviser before deciding whether or not to invest.

N/A

#### 4. **HOW THE RETURN ON YOUR INVESTMENT IS CALCULATED**

The following section sets out worked examples of how the interest amounts are calculated under a variety of scenarios and how the redemption provisions will affect the Notes.



## HOW THE RETURN ON YOUR INVESTMENT IS CALCULATED

**THE WORKED EXAMPLES PRESENTED BELOW ARE FOR ILLUSTRATIVE PURPOSES ONLY AND ARE IN NO WAY REPRESENTATIVE OF ACTUAL PRICING. THE WORKED EXAMPLES ARE INTENDED TO DEMONSTRATE HOW AMOUNTS PAYABLE UNDER THE NOTES ARE CALCULATED UNDER A VARIETY OF SCENARIOS. THE ACTUAL AMOUNTS PAYABLE (IF ANY) WILL BE CALCULATED IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF YOUR NOTES AS SET OUT IN APPENDIX B (*TERMS AND CONDITIONS OF THE NOTES*) AND THE FINAL TERMS RELATING TO THE NOTES.**

### Interest

**For the purposes of the scenarios below, the principal amount per Note is assumed to be £1,000 and the issue price is 100 per cent. (100%) of the aggregate principal amount.**

Five types of Notes may be issued pursuant to this Base Prospectus: Fixed Rate Notes which bear periodic fixed rate interest; Floating Rate Notes which bear periodic floating rate interest; Inverse Floating Rate Notes which bear periodic fixed rate interest less periodic floating rate interest; Range Accrual Notes which bear interest equal to the product of either a specified fixed rate or a floating rate and a relevant fraction and Zero Coupon Notes, which do not bear interest (or any combination of these, for example, a Fixed/Floating Rate Note that bears periodic fixed rate interest until a certain date and then bears periodic floating rate interest from such date until redemption). Upon maturity, the Notes will pay a fixed redemption amount. Notes may provide for early redemption at the option of the Issuer (a call option) or at your option (a put option). The Issuer may also elect to redeem the Notes early in certain circumstances for tax reasons.

The examples below are intended to demonstrate how the return on your investment will be calculated depending on the interest type and the relevant redemption provisions specified to be applicable for your Notes.

#### *Fixed Rate Notes*

Fixed Rate Notes pay a periodic and predetermined fixed rate of interest over the life of the Note.

Unless your Notes are redeemed early, in respect of each Note and on each interest payment date you will receive an amount calculated by applying the relevant fixed rate to the principal amount, and then multiplying such amount by the applicable 'day count' fraction (which is a fraction used to reflect the number of days over which interest has accrued).

#### **WORKED EXAMPLE: FIXED RATE NOTES**

**Assuming, for the purpose of this worked example only, that:**

- the principal amount is £1,000;
- the fixed rate is 3.00 per cent. (3.00%) per annum;
- the day count fraction is "Actual/365 (Fixed)", being the actual number of calendar days in the interest period, divided by a year (assumed under this convention to be 365 days); and
- the actual number of calendar days in the interest period is 183,

**the interest amount payable on the interest payment date will be £15.04 (rounded to two decimal places). This figure is calculated as fixed interest of 3.00%, or  $0.03 \times £1,000 \times \text{day count fraction of } 183/365$ .**

#### *Floating Rate Notes*

Floating Rate Notes pay interest that is calculated by reference to a fluctuating benchmark rate, either (i) a rate of interest determined in accordance with market standard definitions, published by the International Swaps and Derivatives Association, Inc ("**ISDA Definitions**"), (ii) a bank bill swap rate,

such as the Australian Bank Bill Swap Rate (BBSW) or the New Zealand Bank Bill Reference Rate (BKBM), (iii) a constant maturity swap rate, or (iv) an interest rate benchmark, such as the London inter-bank offered rate (LIBOR) or the Euro-zone inter-bank offered rate (EURIBOR), which may be plus or minus, in each case, a margin or multiplied by a rate multiplier and subject, in certain cases, to a maximum or minimum rate of interest. Interest rate benchmarks reflect the rate at which banks are willing to lend funds to each other in a particular market (for example, for LIBOR this is the London interbank market and for EURIBOR this is the Euro-zone interbank market). Interest rates determined in accordance with the ISDA Definitions reference hypothetical derivative contracts to determine a rate of interest.

If the benchmark rate is, for example, LIBOR or EURIBOR, this will commonly be taken as the rate appearing at the relevant time on a specified screen service. This is referred to in the Terms and Conditions of the Notes and the Final Terms as "**Screen Rate Determination**" and, in the case of such an issue of Floating Rate Notes, the Final Terms will specify the relevant benchmark (referred to in the Final Terms as the "**Reference Rate**"), the date on which the benchmark rate will be determined for each interest period (the "**Interest Determination Date**") and the screen from which the rate will be taken (the "**Relevant Screen Page**"). If the screen rate is not available, the Terms and Conditions of the Notes contain fallback provisions which allow the rate to be determined on the basis of the arithmetic mean of rates quoted by reference banks in the relevant market.

If the interest rate is to be determined using the ISDA Definitions, this is referred to in the Terms and Conditions of the Notes and the Final Terms as "**ISDA Determination**". In such a case, the interest rate will be equivalent to the floating rate which would be determined in a hypothetical interest rate swap transaction for which the Floating Rate Option, the Designated Maturity and the relevant Reset Date are specified in the Final Terms. In an interest rate swap, each counterparty agrees to pay either a fixed or floating rate denominated in a particular currency to the other counterparty. The relevant ISDA Definitions on which the hypothetical swap transaction will be based will also be specified in the Final Terms.

Unless your Notes are redeemed early, in respect of each Note and on each interest payment date you will receive an amount calculated by applying the rate of interest for that interest period to the principal amount, and then multiplying such amount by the applicable 'day count' fraction (which is a fraction used to reflect the number of days over which interest has accrued). The rate of interest for any interest period will be determined by adding the relevant margin to the level of the interest rate benchmark or rate determined using the ISDA Definitions, as applicable, for such interest period (or subtracting the relevant margin, if the margin is a negative number). The result will be subject to any maximum or minimum rate which may be specified in the Final Terms.

#### **WORKED EXAMPLE: FLOATING RATE NOTES - SCREEN RATE DETERMINATION**

**Assuming, for the purpose of this worked example only, that:**

- the principal amount is £1,000;
- the Reference Rate is 6 month GBP LIBOR;
- the margin is plus 2.00 per cent. (2.00%);
- the rate of interest is subject to a maximum rate of 7.00 per cent. (7.00%) per annum;
- the day count fraction is "Actual/365 (Fixed)", being the actual number of calendar days in the interest period, divided by a year (assumed under this convention to be 365 days); and
- the actual number of calendar days in the interest period is 181,
  - (i) **if the Reference Rate on the relevant Interest Determination Date is shown on the Relevant Screen Page as 2.10 per cent. (2.10%), the interest amount payable on the corresponding interest payment date will be equal to £20.33 (rounded to two decimal places). This figure is calculated as £1,000 × rate of interest of 4.10% (or 0.041) × day count fraction of 181/365. The rate of interest (4.10%) is calculated as the Reference Rate of 2.10% (or 0.021) plus 2.00% (or 0.02)**

margin, and is not affected by the maximum rate of interest; and

- (ii) if the Reference Rate on the relevant Interest Determination Date is shown on the Relevant Screen Page as 6.16 per cent. (6.16%), the interest amount payable on the corresponding interest payment date will be equal to £34.71 (rounded to two decimal places). This figure is calculated as  $£1,000 \times \text{rate of interest of } 7.00\% \text{ (or } 0.07) \times \text{day count fraction of } 181/365$ . The rate of interest (7.00%) is set as the maximum rate of interest because the Reference Rate of 6.16% (or 0.0616) plus 2.00% (or 0.02) margin, results in a rate of 8.16%. In this scenario, the rate of interest is capped at 7.00%.

#### WORKED EXAMPLE: FLOATING RATE NOTES - ISDA DETERMINATION

Assuming, for the purpose of this worked example only, that:

- the principal amount is £1,000;
  - the Floating Rate Option is GBP-LIBOR-BBA;
  - the Designated Maturity is 6 months;
  - the margin is plus 1.50 per cent. (1.50%);
  - the rate of interest is subject to a maximum rate of 6.00 per cent. (6.00%) per annum;
  - the ISDA Definitions on which the hypothetical swap transaction will be based are the 2006 ISDA Definitions;
  - the day count fraction is "Actual/365 (Fixed)", being the actual number of calendar days in the interest period, divided by a year (assumed under this convention to be 365 days); and
  - the actual number of calendar days in the interest period is 181,
- (i) if the floating rate for the hypothetical swap transaction would be determined on the relevant Reset Date as 2.40 per cent. (2.40%) on the basis of GBP-LIBOR-BBA (as defined in the 2006 ISDA Definitions) for the Designated Maturity, the interest amount payable on the corresponding interest payment date will be equal to £19.34 (rounded to two decimal places). This figure is calculated as  $£1,000 \times \text{rate of interest of } 3.90\% \text{ (or } 0.039) \times \text{day count fraction of } 181/365$ . The rate of interest (3.90%) is calculated as the floating rate of 2.40% (or 0.024) plus 1.50% (or 0.015) margin, and is not affected by the maximum rate of interest; and
- (ii) if the floating rate for the hypothetical swap transaction would be determined on the relevant Reset Date as 5.40 per cent. (5.40%) on the basis of GBP-LIBOR-BBA (as defined in the 2006 ISDA Definitions) for the Designated Maturity, the interest amount payable on the corresponding interest payment date will be equal to £29.75 (rounded to two decimal places). This figure is calculated as  $£1,000 \times \text{rate of interest of } 6.00\% \text{ (or } 0.06) \times \text{day count fraction of } 181/365$ . The rate of interest (6.00%) is set as the maximum rate of interest because the floating rate of 5.40% (or 0.054) plus 1.50% (or 0.015) margin, results in a rate of 6.90%. In this scenario, the rate of interest is capped at 6.00%.

#### *Inverse Floating Rate Note*

Inverse Floating Rate Notes pay interest that is equal to a predetermined fixed rate less a fluctuating interest rate benchmark (such as LIBOR or EURIBOR as described above under "*Floating Rate Notes*" above).

If the benchmark rate is, for example, LIBOR or EURIBOR, this will commonly be taken as the rate appearing at the relevant time on a specified screen service. This is referred to in the Terms and Conditions of the Notes and the Final Terms as "**Screen Rate Determination**" and, in the case of such an issue of Inverse Floating Rate Notes, the Final Terms will specify the relevant benchmark (referred to in the Final Terms as the "**Reference Rate**"), the date on which the benchmark rate will be determined for each interest period (the "**Interest Determination Date**") and the screen from which the rate will be taken (the "**Relevant Screen Page**"). If the screen rate is not available, the Terms and Conditions of the Notes contain fallback provisions which allow the rate to be determined on the basis of the arithmetic mean of rates quoted by reference banks in the relevant market.

Unless your Notes are redeemed early, in respect of each Note and on each interest payment date you will receive an amount calculated by applying the rate of interest for that interest period to the principal amount and then multiplying such amount by the applicable 'day count' fraction (which is the fraction used to reflect the number of days over which interest has accrued). The rate of interest for any interest period will be determined by subtracting the interest rate benchmark from the predetermined fixed rate for that interest period. The result will be subject to any maximum or minimum rate of interest which may be specified in the Final Terms.

#### **WORKED EXAMPLE: INVERSE FLOATING RATE NOTES**

**Assuming, for the purpose of this worked example only, that:**

- the principal amount is £1,000;
- the predetermined fixed rate for the interest period is 3.00 per cent. (3.00%) per annum;
- the Reference Rate is 6 month GBP LIBOR;
- the day count fraction is "Actual/365 (Fixed)", being the actual number of calendar days in the interest period, divided by a year (assumed under this convention to be 365 days); and
- the actual number of calendar days in the interest period is 183,

**if the Reference Rate on the relevant Interest Determination Rate is shown on the Relevant Screen Page as 2.10 per cent. (2.10%), the interest amount payable on the corresponding interest payment date will be equal to £4.51 (rounded to two decimal places). This figure is calculated as £1,000 × rate of interest of 0.90% (or 0.009) × day count fraction of 183/365. The rate of interest (0.90%) is calculated as the predetermined fixed rate of 3.00% (or 0.0300) less the Reference Rate of 2.10% (or 0.0210).**

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

Range Accrual Notes pay interest calculated by reference to the number of calculation days in an interest accrual period that a specified reference rate, referred to in the Conditions of the Notes as the "**Reference Rate**" or two Reference Rates (as the case may be) is/are (i) either "greater than or equal to" *or* "greater than" a specified rate per annum (the "**Floor**") and/or (ii) either "less than or equal to" or "less than" a specified rate per annum (the "**Cap**") divided by the total number of calculation days falling within such interest accrual period. This is referred to in the Terms and Conditions of the Notes as the "**Relevant Fraction**".

Range Accrual Notes may either be Fixed Rate Range Accrual Notes or Floating Rate Range Accrual Notes. Interest in respect of Fixed Rate Range Accrual Notes is calculated in respect of an interest accrual period by applying the Relevant Fraction to a rate per annum which will be specified in the applicable Final Terms and which is referred to in the Terms and Conditions of the Notes as the "**Specified Fixed Rate**". Interest in respect of Floating Rate Range Accrual Notes is calculated in respect of an interest accrual period by applying the Relevant Fraction to a rate of interest that is calculated by reference to a fluctuating benchmark rate which is referred to in the Terms and Conditions of the Notes as the "**Range Accrual Floating Rate**".

The Reference Rate may be based on (i) a bank bill swap rate, such as the Australian Bank Bill Swap Rate (BBSW) or the New Zealand Bank Bill Reference Rate (BKBM), (ii) a constant maturity swap rate or the spread between two constant maturity swap rates, or (iii) an interest rate benchmark, such as the London inter-bank offered rate (LIBOR) or the Euro-zone inter-bank offered rate (EURIBOR).

Range Accrual Notes can take one of two forms:

- **Single Range Accrual Notes.** The Relevant Fraction will be equal to (i) the number of calculation days in the interest accrual period that the Reference Rate is determined to be "greater than or equal to" *or* "greater than" the applicable Floor and/or "less than or equal to" *or* "less than" the applicable Cap, divided by (ii) the total number of calculation days in respect of such interest accrual period.

- **Dual Range Accrual Notes.** The Relevant Fraction will be equal to (i) the number of calculation days in an interest accrual period where both (x) one Reference Rate is determined to be "greater than or equal to" *or* "greater than" Floor 1 and/or "less than or equal to" *or* "less than" Cap 1 (as applicable) and (y) a second Reference Rate is determined to be "greater than or equal to" *or* "greater than" Floor 2 and/or "less than or equal to" *or* "less than" Cap 2 (as applicable) divided by (ii) the total number of calculation days in the interest accrual period.

Unless your Notes are redeemed early, in respect of each Note and on each interest payment date you will receive an amount calculated by applying (i) in respect of Fixed Rate Range Accrual Notes the Specified Fixed Rate and (ii) in respect of Floating Rate Range Accrual Notes, the Range Accrual Floating Rate plus any applicable margin, to the principal amount, and then multiplying such amount by the applicable 'day count' fraction (which is a fraction used to reflect the number of days over which interest has accrued) multiplied by the Relevant Fraction.

#### **WORKED EXAMPLE: RANGE ACCRUAL NOTES**

**Assuming, for the purpose of this worked example only, that:**

- The principal amount is £1,000
- the fixed rate is 7.00 per cent. (7.00%) per annum;
- the day count fraction is "Actual/365 (Fixed)", being the actual number of calendar days in the interest period, divided by a year (assumed under this convention to be 365 days);
- the actual number of calculation days in the interest accrual period is 91; and
- the issue price is 100 per cent. (100%) of the aggregate principal amount.

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

**Where "Single Range Accrual Note" is specified as applicable**

**if for any given interest calculation period:**

- **the Reference Rate is 3m LIBOR**
- **the Floor is 0% and the Cap is 5%**
- **the number of calculation days in the interest accrual period where 3m LIBOR fixes at or above the Floor and at or below the Cap is 61,**

**then for each Note that you hold, the interest amount payable on the interest payment date relating to such interest accrual period will be £11.70 (rounded to two decimal places, (rounded to two decimal places, with £0.005 rounded upwards).**

**This figure is calculated as fixed interest of 7%, or  $0.07 \times £1,000 \times$  day count fraction of  $91/365$ , or 0.2493151 (rounded to the nearest seven decimal places)  $\times$  the Relevant Fraction of  $61/91$ , or 0.6703297 (rounded to the nearest seven decimal places). In this scenario you will therefore**

receive an interest return of £11.70 on the interest payment date

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

Where "Dual Range Accrual Note" is specified as applicable

if for any given calculation period

- Reference Rate 1 is 3m USD LIBOR
- Reference Rate 2 is 3m GBP LIBOR
- Floor 1 is not applicable and Cap 1 is equal to 4%
- Floor 2 is 2% and the Cap is not applicable
- the number of calculation days in the interest accrual period where Reference Rate 1 is at or below Cap 1 AND Reference Rate 2 is at or above Floor 2 is equal to 78,

then for each Note that you hold, the interest amount payable on the interest payment date relating to such interest accrual period will be £14.96 (rounded to two decimal places, with £0.005 rounded upwards).

This figure is calculated as fixed interest of 7%, or  $0.07 \times \text{£}1,000 \times \text{day count fraction of } 91/365$ , or 0.2493151 (rounded to the nearest seven decimal places) x the Relevant Fraction of 78/91, or 0.8571429 (rounded to the nearest seven decimal places). In this scenario you will therefore receive an interest return of £14.96 on the interest payment date.

#### **WORKED EXAMPLE: FLOATING RATE RANGE ACCRUAL NOTES**

Assuming, for the purpose of this worked example only, that:

- The principal amount is £1,000
- the margin is 3.25 per cent.;
- the Range Accrual Floating Rate is 6 month LIBOR;
- the day count fraction is "Actual/360", being the actual number of calendar days in the interest period, divided by a year (assumed under this convention to be 360 days);
- the actual number of calculation days in the interest accrual period is 183; and
- the issue price is 100 per cent. (100%) of the aggregate principal amount.

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

Where "Single Range Accrual Note" is specified as applicable and Range Accrual Floating Rate applies

if for any given interest calculation period:

- the Reference Rate is 3m GBP LIBOR
- the Floor is 0% and the Cap is 5%
- the number of calculation days in the interest accrual period where 3m GBP LIBOR fixes at or above the Floor and at or below the Cap is 133,
- the Range Accrual Floating Rate is set at 3.52 per cent.,

then for each Note you hold, the interest amount payable on the interest payment date relating to such interest accrual period will be £25.01 (rounded to two decimal places, with £ 0.005 rounded upwards). This

figure is calculated as a rate of interest of 6.77%, or  $0.0677 \times \text{£}1,000 \times \text{day count fraction of } 183/360$ , or 0.5083333 (rounded to the nearest seven decimal places)  $\times$  the Relevant Fraction of 133/183, or 0.7267760 (rounded to the nearest seven decimal places). In this scenario you will therefore receive a positive interest return of £25.01 on the interest payment date.

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

Where "Dual Range Accrual Note" is specified as applicable and Range Accrual Floating Rate applies

if for any given calculation period

- Reference Rate 1 is 3m EURIBOR
- Reference Rate 2 is 3m GBP LIBOR
- Floor 1 is not applicable and Cap 1 is equal to 4%
- Floor 2 is 2% and the Cap is not applicable
- the number of calculation days in the interest accrual period where Reference Rate 1 is at or below Cap 1 AND Reference Rate 2 is at or above Floor 2 is equal to 174,
- the Range Accrual Floating Rate is set at 3.52 per cent.,

then for each Note that you hold, the interest amount payable on the interest payment date relating to such interest accrual period will be £32.72 (rounded to two decimal places, with £0.005 rounded upwards). This figure is calculated as fixed interest of 6.77%, or  $0.0677 \times \text{£}1,000 \times \text{day count fraction of } 183/360$ , or 0.5083333 (rounded to the nearest seven decimal places)  $\times$  the Relevant Fraction of 174/183, or 0.9508197 (rounded to the nearest seven decimal places). In this scenario you will therefore receive an interest return of £32.72 on the interest payment date.

#### ***Zero Coupon Notes***

No amount of interest will accrue or become payable on Zero Coupon Notes. Zero Coupon Notes are generally issued at a discounted issue price (such as 95 per cent. (95%)) to their principal amount and then repaid at their principal amount (100 per cent. (100%)). Therefore, if you purchase Zero Coupon Notes on their issue date and hold them to maturity, your return will be the difference between the issue price and the principal amount of the Zero Coupon Notes paid on maturity.

#### **WORKED EXAMPLE: ZERO COUPON NOTES**

Assuming, for the purpose of this worked example only, that the Zero Coupon Notes are issued in a principal amount of £1,000 at a discounted issue price of 95 per cent. (95%). An investor will pay £950 to purchase a Note but on maturity will be repaid £1,000. The investor will not receive any interest on the Note but will earn £50 as a result of holding the Note to maturity.

#### **Redemption**

##### ***Redemption at maturity***

Other than in respect of Instalment Notes and Zero Coupon Notes, the Notes to be issued under the Programme will be redeemed at their principal amount on maturity. Unless your Notes are redeemed early (as described below) or are purchased and cancelled, if you purchased £1,000 in principal amount of the Notes, you will receive £1,000 from the Issuer on the maturity date of the Notes. This is known as redemption at par. In such circumstances, the "Final Redemption Amount of each Note" will be shown in the relevant Final Terms as "£1,000 per Calculation Amount". The Calculation Amount is a notional amount which is used to calculate interest and redemption amounts on the Notes. It is

identified in the Final Terms in paragraph 5 and, for the purposes of this example, is assumed to be £1,000.

Instalment Notes will be redeemed in instalments with the principal amount of the Notes being repaid in a series of periodic payments. On each Instalment Date specified in the Final Terms and on maturity, you will receive a certain portion of the principal amount, equal to the corresponding Instalment Amount specified in the Final Terms. This means that, provided you hold the Notes until maturity, the total of the Instalment Amounts you receive will equal their principal amount. This is known as redemption by instalments.

Zero Coupon Notes are Notes which do not carry any interest but are generally issued at a deep discount to their principal amount. If held to maturity, Zero Coupon Notes are repaid at their principal amount.

### ***Call Options***

A call option gives the Issuer a right (but not an obligation) to redeem the Notes before the final maturity date at a predetermined cash price on a specified date(s). If the Notes are redeemed, you will be paid the redemption amount specified in the Final Terms plus any accrued and unpaid interest. The Issuer is given a right (but not an obligation) to redeem the Notes in certain circumstances for tax reasons, as described in Condition 5(b) (tax call). The terms of any additional call options will be set out in the Final Terms.

Following the exercise by the Issuer of a call option, in respect of each Note, as well as any accrued but unpaid interest, you will receive an amount equal to the Early Redemption Amount specified in the Final Terms (in the case of a tax call) or the Optional Redemption Amount specified in the Final Terms (in the case of any other call option).

### ***Put Options***

A put option gives you a right (but not an obligation) to require the Issuer to redeem one or more of your Notes before the final maturity date at a predetermined cash price on a specified date(s). If you elect to exercise the put option in respect of one or more of your Notes, you will be paid the redemption amount specified in the Final Terms plus any accrued and unpaid interest. Notes that are not sold shall continue until the final maturity date.

Following the exercise by you of a put option, in respect of that Note, as well as any accrued but unpaid interest, you will receive an amount equal to the Optional Redemption Amount specified in the Final Terms.



**5. DESCRIPTION OF AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED AND ITS SUBSIDIARIES**

This section sets out information about Australia and New Zealand Banking Group Limited and its subsidiary companies.

## 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. Its Australian Business Number is ABN 11 005 357 522.

ANZBGL 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 of 31 March 2018, ANZBGL had total assets of \$935.1 billion and shareholders' equity excluding non-controlling interests of \$59.4 billion. In terms of total assets among banking groups, the Group ranked in the top two in Australia<sup>1</sup> as of 31 March 2018 and first in New Zealand<sup>2</sup> as of 31 December 2017. ANZBGL's principal ordinary share listing and quotation is on the Australian Securities Exchange ("**ASX**"). Its ordinary shares are also quoted on the New Zealand Stock Exchange ("**NZX**"). At the close of trading on 29 March 2018, ANZBGL had a market capitalisation of \$77.9 billion, which ranked among the top five largest companies listed on the ASX.<sup>3</sup>

### Business Model

ANZBGL'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 earns revenue from its Wealth activities through the provision of insurance, superannuation and funds management services, and its Markets business from sales, trading and risk management activities. The Group also provides payments and clearing solutions.

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;
- Net fee and commission income – represents fee income earned on lending and non-lending related financial products and services;
- Net funds management and insurance income – represents income earned from the provision of investment, insurance and superannuation solutions;
- Share of associates' profits – represents the Group's share of the profit of an entity over which the Group has significant influence but not control; and
- Other income – includes net foreign exchange earnings, gains and losses from economic and revenue hedges as well as revenues generated from sales, trading and risk management activities in the Markets business.

### Strategy

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<sup>1</sup> Sources: Commonwealth Bank of Australia results announcement for the half year ended 31 December 2017; National Australia Bank results announcement for the half year ended 31 March 2018; Westpac Banking Corporation results announcement for the half year ended 31 March 2018.

<sup>2</sup> Sources: ASB Bank disclosure statement for the 6 months ended 31 December 2017; Bank of New Zealand disclosure statement for the 3 months ended 31 December 2017; Westpac New Zealand disclosure statement for the 3 months ended 31 December 2017.

<sup>3</sup> Source: IRESS Limited.

The Group's strategy is focused on becoming simpler, better balanced and more service-oriented to help people and businesses respond to a changing world.

The Group believes that the execution of its strategy will deliver consistently strong results for its shareholders, achieving a balance between growth and return, short and long-term results and financial and social impact.

The strategic priorities of the Group are:

- **Create a simpler, better capitalised, better balanced and more agile bank.** Reduce operating costs and risks by removing product and management complexity, exiting low return and non-core businesses and reducing the Group's reliance on low-returning aspects of institutional banking in particular.
- **Focus the Group's efforts on areas where it can carve out a winning position.** Make buying and owning a home or starting, running and growing a small business in Australia and New Zealand easy. Be the best bank in the world for customers driven by the movement of goods and capital in the Group's region.
- **Drive a purpose and values led transformation of the bank.** Create a stronger sense of core purpose, ethics and fairness, investing in leaders who can help sense and navigate a rapidly changing environment.
- **Build a superior everyday experience for customers and the Group's people to compete in the digital age.** Build more convenient, engaging banking solutions to simplify the lives of customers and the Group's people.

#### **Principal activities of the Group**

The Group operates on a divisional structure with six divisions: Australia, Institutional, New Zealand, Wealth Australia, Asia Retail & Pacific, and TSO and Group Centre.

As part of the broader simplification strategy for the Group, there have been several structural changes during the March 2018 half. Prior period comparatives have been aligned with these changes, which include:

- the Corporate business, formerly part of the Corporate and Commercial Banking business within the Australia division, was transferred to the Institutional division;
- the residual Asia Retail and Wealth businesses in the Philippines, Japan and Cambodia not sold as part of the Asia Retail and Wealth divestment have been transferred to the Institutional division; and
- the Group made a further realignment by transferring Group Hub's (Service Centers) divisional specific operations in TSO and Group Centre to their respective divisions. As these costs were previously recharged, there is no change to previously reported divisional profit. Divisional full time equivalents have been restated to reflect this change.

Other than as described above, there were no significant structural changes in the March 2018 half. However, certain prior period comparatives contained in the Group's financial statements have been restated to align with the March 2018 half presentation. The divisions reported below are consistent with operating segments as defined in IFRS 8 *Operating Segments* and with internal reporting provided to the chief operating decision maker, being the Chief Executive Officer.

As of 31 March 2018, the principal activities of the six divisions were:

#### **Australia**

The Australia division comprises the Retail and Business & Private Banking ("**B&PB**") business units.

- (a) Retail provides products and services to consumer customers in Australia via the branch network, mortgage specialists, the contact centre and a variety of self-service channels (internet banking, phone banking, ATMs, website and digital banking) and third-party brokers.
- (b) B&PB provides a full range of banking products and financial services, including asset financing, across the following customer segments: medium to large commercial and agribusiness customers across regional Australia, small business owners and high net worth individuals and family groups.

### **Institutional**

The Institutional division services global institutional and business customers across three product sets: Transaction Banking, Loans & Specialised Finance and Markets.

- (a) Transaction Banking provides working capital and liquidity solutions including documentary trade, supply chain financing as well as cash management solutions, deposits, payments and clearing.
- (b) Loans & Specialised Finance provides loan products, loan syndication, specialised loan structuring and execution, project and export finance, debt structuring and acquisition finance, structured trade and asset finance, and corporate advisory.
- (c) Markets provide risk management services on foreign exchange, interest rates, credit, commodities and debt capital markets in addition to managing the Group's interest rate exposure and liquidity position.

### **New Zealand**

The New Zealand division comprises the Retail and Commercial business units.

- (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 and the agricultural business segment.

### **Wealth Australia**

The Wealth Australia division comprises certain discontinued business operations subject to sales agreements with IOOF and Zurich as described below.

On 17 October, 2017, the Group announced it had agreed to sell its OnePath P&I businesses and aligned dealer groups business to Australian Wealth Management Limited, a wholly owned subsidiary of IOOF Holdings Limited ("**IOOF**"). The aligned dealer groups business consists of aligned advice businesses that operate under their own Australian Financial Services licenses. Completion is expected to occur in the first half of the 2019 financial year, subject to the satisfaction of certain conditions including the receipt of certain regulatory approvals and completing the extraction of the OnePath P&I business from OnePath Life Insurance.

On 12 December 2017, the Group announced that it had agreed to sell its life insurance business in Australia to Zurich Financial Services Australia Limited ("**Zurich**") to further simplify the Group's Wealth Australia division. Completion is expected to occur in the first half of the 2019 financial year, subject to the satisfaction of certain conditions including the receipt of certain regulatory approvals.

The retained and continuing Wealth Australia business includes lenders mortgage insurance, share investing, financial planning and general insurance distribution.

## Asia Retail & Pacific

The Asia Retail & Pacific division comprises the Asia Retail & Wealth, and the Pacific business units, connecting customers to specialists for their banking needs.

- (a) Asia Retail & Wealth provides general banking and wealth management services to affluent and emerging affluent retail customers via relationship managers, branches, contact centres and a variety of self-service digital channels (internet and mobile banking, phone and ATMs). Core products offered include deposits, credit cards, loans, investments and insurance. The Group announced that it had agreed to sell Retail & Wealth businesses in Singapore, Hong Kong, China, Taiwan and Indonesia to DBS Bank Ltd on 31 October 2016, and its Retail business in Vietnam to Shinhan Bank Vietnam on 21 April 2017. The Group successfully completed the sales in China, Singapore and Hong Kong in the September 2017 half, and the sales in Vietnam, Taiwan, and Indonesia in the March 2018 half.
- (b) Pacific provides products and services to retail customers, small to medium-sized enterprises, institutional customers and Governments located in the Pacific Islands. Products and services include retail products provided to consumers, traditional relationship banking and sophisticated financial solutions provided to business customers through dedicated managers.

## Technology, Services & Operations and Group Centre

TSO and Group Centre provide support to the operating divisions, including technology, group operations, shared services, property, risk management, financial management, strategy, marketing, human resources and corporate affairs. The Group Centre includes Group Treasury, Shareholder Functions and minority investments in Asia. The sales of Shanghai Rural Commercial Bank and partial sale of the Group's interest in Metrobank Card Corporation, which are two of the Group's minority investments in Asia, were completed in the March 2018 half.

## Recent developments

### *Life Insurance Business*

On 8 May 2018, the Group announced it had finalised its reinsurance arrangements with Zurich and had received around A\$1 billion of reinsurance proceeds. This resulted in an increase of approximately 25 bps in the Group's APRA Common Equity Tier 1 capital<sup>4</sup>.

The sale of the Group's Australian life insurance business was announced on 12 December 2017. The sale is comprised of two transactions totalling A\$2.85 billion, including around A\$1 billion of upfront reinsurance commission, and the sale of 100% of the shares in each of One Path Life General Insurance Pty Limited and OnePath Life Australia Holdings Pty Limited.

Having received the reinsurance proceeds, the Group will continue to work through its capital management options, which may include an additional on-market buy-back of A\$1 billion to A\$1.5 billion<sup>5</sup>. The Group expects to confirm its plans once analysis of the various alternatives and requisite approvals are completed.

The purchase of shares associated with the dividend reinvestment plan ("DRP") is expected to commence on 18 May 2018 and continue until 31 May 2018. The Group will appoint a third party to purchase shares on-market to satisfy the Group's obligations under the DRP<sup>6</sup>. The Group does not intend to purchase shares in relation to the current A\$1.5 billion buy-back during this period.

### *Change to Deputy Chief Executive Officer*

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<sup>4</sup> The Group reported an APRA CET1 ratio of 11.0% at 31 March 2018.

<sup>5</sup> The Group announced an on-market buy-back of up to \$1.5 billion of shares on 18 December 2017.

<sup>6</sup> The Group expects to announce the size of the DRP neutralisation and the third party broker in advance of the on-market purchase of the DRP shares.

On 11 April 2018, the Group announced that its Deputy Chief Executive Officer Graham Hodges will retire in early May 2018 after a 27 year career with the Group. Mr. Hodges is expected to continue to represent the Group on the board of AMMB Holdings.

On 9 May 2018, the Group announced that Alexis George has been promoted to Deputy Chief Executive Officer in addition to her current role as Group Executive, Wealth Australia. Ms George will continue to lead the divestment of the Group's life insurance, superannuation and aligned dealer group businesses and maintain the senior relationship management of Wealth product partners in Australia. She will also take on responsibility for the Group's Group Service Centers as well as assisting Chief Executive Officer Shayne Elliott with Group-wide initiatives including its engagement with government, regulators and employees.

Other than the matters described above, there have been no other significant developments for ANZBGL since 31 March 2018 to the date of this Base Prospectus.

### **Credit Rating**

At the date of this Base Prospectus, ANZBGL has the following debt ratings for long-term unsubordinated unsecured obligations under the Programme:

- Standard & Poor's (Australia) Pty. Ltd: AA-;
- Moody's Investors Service Pty Limited: (P)Aa3; and
- Fitch Australia Pty Ltd: AA-

### **Directors**

As at the date of this Base Prospectus, there are nine 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 David Michael Gonski AC	Chairman Independent Non-Executive Director	Chairman, The University of New South Wales Foundation Limited. President, Art Gallery of NSW Trust. Director/Member, Australian Philanthropic Services Limited, ASIC External Advisory Panel, Lowy Institute for International Policy and Advisory Committee for Optus Limited. Chancellor, University of New South Wales Council.
Mr Shayne Cary Elliott	Chief Executive Officer Executive Director	Chairman, Australian Bankers' Association. Director, ANZ Bank New Zealand Limited, ANZ Holdings (New Zealand) Limited and the Financial Markets Foundation for Children. Member, Business Council of Australia.
Ms Ilana Rachel Atlas	Independent Non-Executive Director	Chairman, Coca-Cola Amatil Limited and Jawun. Director, Westfield Corporation Limited and Paul Ramsay Foundation. Member, Panel of Adara Partners. Fellow, Senate of the University of Sydney.
Ms Paula Jane Dwyer	Independent Non-Executive Director	Chairman, Tabcorp Holdings Limited, Kin Group Advisory Board and Healthscope Limited. Director, Lion Pty Ltd. Member, Kirin International Advisory Board.
Ms Sarah Jane Halton AO PSM	Independent Non-Executive Director	Chairman, Vault Systems, Coalition for Epidemic Preparedness Innovations (Norway) and Council on the Ageing Australia. Director, Clayton Utz. Member, Executive Board of the Institute of Health Metrics and Evaluation at the University of Washington. Adjunct Professor, University of Sydney and University of Canberra. Council Member, Australian Strategic Policy Institute.
Sir John Key GNZM AC	Independent Non-Executive Director	Chairman, ANZ Bank New Zealand Limited. Director, Air New Zealand Limited.
Mr Lee Hsien Yang	Independent Non-Executive Director	Chairman, The Islamic Bank of Asia Limited and Civil Aviation Authority of Singapore. Director, Rolls-Royce Holdings PLC, Caldecott Inc., and Cluny Lodge Pte Ltd. Special Advisor, General Atlantic. President, INSEAD South East Asia Council.
Mr Graeme Richard Liebelt	Independent Non-Executive Director	Chairman, Amcor Limited. Director, Australian Foundation Investment Company Limited, Carey Baptist Grammar School and DuluxGroup Limited.
Mr John Thomas Macfarlane	Independent Non-Executive Director	Director, AgInvest Holdings Ltd (MyFarm Ltd), St Vincent's Institute of Medical Research, Craig's Investment Partners Limited, Colmac Group Pty Ltd, Aikenhead Centre for Medical Discovery Limited, Balmoral Pastoral Investments and L1 Long Short Fund Ltd.

As at the date of this Base Prospectus, 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.

6. **DESCRIPTION OF SUPERVISION AND REGULATION OF AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED**

This section sets out information relating to certain supervisory and regulatory bodies, as well as regulations to which Australia and New Zealand Banking Group Limited is subject.



## **DESCRIPTION OF SUPERVISION AND REGULATION OF AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED**

As a major banking group, ANZBGL 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 and the United States. Refer to the section headed "Description of Supervision and Regulation of ANZ Bank New Zealand Limited and ANZ New Zealand (Int'l) Limited" for an overview of the regulatory landscape in New Zealand.

### **Australia**

#### ***Overview of APRA's Prudential and Regulatory Supervision***

Since 1 July 1998, APRA has been responsible for the prudential and regulatory supervision of Australian 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, 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 suspends payment (among other circumstances), APRA can take control of the ADI's business (including by appointment of a Banking Act statutory manager). APRA also has power to direct the ADI not to make payments in respect of its indebtedness. In addition, APRA has powers under the Financial Sector (Transfer and Restructure) Act 1999 to require the compulsory transfer of some or all of an ADI's assets and liabilities or its shares to another body specified by APRA (which need not in all cases be an ADI). Broadly, APRA may require such a transfer in circumstances including where the Minister requires the transfer, or APRA is satisfied that there has been a contravention of the Banking Act or regulations or instruments made under it or the ADI has informed APRA that it is likely to become unable to meet its obligations or is about to suspend payment, and certain other criteria are met, including that APRA is satisfied that the transfer is appropriate having regard to the interests of the financial sector as a whole. A counterparty to a contract with an ADI cannot rely solely on the fact that a Banking Act statutory manager is in control of the ADI's business or on the making of a direction or compulsory transfer order as a basis for denying any obligations to the ADI or for accelerating any debt under that contract or closing out any transaction relating to that contract.

In carrying out its supervisory role, APRA supplements its analysis of statistical data collected from each ADI with selective "on site" visits and formal meetings with the ADI's senior management and the external auditor. APRA has also formalised a consultative relationship with each ADI's external auditor, with the agreement of the ADIs. The external auditor provides additional assurance to APRA that the information sourced from an ADI's accounting records and included in the ADI's APRA reporting is, in all material respects, reliable and in accordance with the relevant APRA Prudential and Reporting Standards. The external auditor also undertakes targeted reviews of specific risk management areas as selected by APRA. In addition, an ADI's Chief Executive Officer attests to, and its directors endorse, the adequacy and operating effectiveness of the ADI's risk management systems to control exposures and limit risks to prudent levels.

## Capital Management and Adequacy and Liquidity within APRA's Regulations

For further details of the Group's capital management and adequacy, liquidity and APRA's regulatory environment, refer to the sections entitled "Capital management – including discontinued operations" and "Liquidity risk – including discontinued operations" set out in "Group Results" of "ANZBGL's Half Year 31 March 2018 Consolidated Financial Report, Dividend Announcement and Appendix 4D", which is incorporated by reference into this Base Prospectus.

### Capital

The common framework for determining the appropriate level of bank regulatory capital is set by the Basel Committee on Banking Supervision ("**BCBS**") under a framework that is commonly known as "Basel 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 Common Equity Tier 1 ("**CET1**") Capital, an increase in capitalisation rates (including prescribed minimum capital buffers, fully effective from 1 January 2016), tighter requirements around new Additional Tier 1 and Tier 2 securities and transitional arrangements for existing Additional Tier 1 and Tier 2 securities that do not conform to the new regulations. Other changes include capital requirements for counterparty credit risk and an increase in the asset value correlation with respect to exposures to large and unregulated financial institutions as well as changes that have resulted from the Financial System Inquiry as described 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, 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 annually by APRA. From 1 January 2018, ANZBGL's CLF is \$46.9 billion (2017 calendar year end: \$43.8 billion).

Additionally, ANZBGL has implemented APRA's Net Stable Funding Ratio ("**NSFR**") requirement from 1 January, 2018 following the release of the NSFR final standards in December 2016. The Group has been monitoring the NSFR in its internal reporting as part of managing future liquidity requirements and believes its current NSFR is well positioned relative to the minimum 100% requirement. The Group's NSFR was 114.9% as at 31 March 2018.

ANZBGL seeks to observe strictly its prudential obligations in relation to liquidity and funding risk as required by APRA Prudential Standard APS 210, as well as the prudential requirements of overseas regulators on ANZBGL's offshore operations.

### **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 Australian Securities and Investments Commission ("**ASIC**"), the Australian Competition and Consumer Commission ("**ACCC**"), the Australian Transaction Reports and Analysis Centre ("**AUSTRAC**") and various securities exchanges.

ASIC is Australia's corporate, markets, financial services and consumer credit regulator. It regulates Australian companies, financial markets, financial services organizations and professionals who deal in and advise on investments, superannuation, insurance, deposit-taking and credit. As the consumer credit regulator, ASIC licenses and regulates people and businesses engaging in consumer credit activities (including banks, credit unions, finance companies, and mortgage and finance brokers). ASIC ensures that licensees meet the standards, including those related to responsibilities to consumers – that are set out in the Australian National Consumer Credit Protection Act 2009. As the markets regulator, ASIC assesses how effectively authorized 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.

The Group is also required to comply with certain anti-money laundering and counterterrorism financing legislation and regulations under Australian law, including the AML Act. The AML Act is administered by AUSTRAC.

### **Australian Regulatory Developments**

#### ***Royal Commission***

The Royal Commission into misconduct in the banking, superannuation and financial services industry (the "**Royal Commission**") was established on 14 December 2017. The Royal Commission has been asked to submit its final report by 1 February 2019 (and may choose to give an interim report by 30 September 2018). The Royal Commission is likely to result in additional costs and may lead to further exposures, including exposures associated with further regulator activity or potential customer exposures such as class actions, individual claims or customer remediation or compensation activities. The outcomes and total costs associated with these possible exposures remain uncertain.

#### ***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.

### **Banking Executive Accountability Regime**

On 20 February 2018 the Treasury Laws Amendment (Banking Executive Accountability and Related Measures) Act 2018 came into effect, establishing a new “Banking Executive Accountability Regime”. ANZBGL’s obligations under the BEAR will commence 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:

- (a) ANZBGL will be required to register individuals with APRA before appointing them as senior executives or directors and maintain and provide APRA with a map of the roles and responsibilities of such persons across the ADI group, and to provide APRA with accountability statements for each senior executive or director, detailing that individual’s roles and responsibilities;
- (b) Where ANZBGL and its senior executives and directors do not meet accountability obligations, APRA will be empowered to disqualify individuals as senior executives or directors without a court order (but subject to a right of administrative review in accordance with Part VI of the Banking Act);
- (c) ANZBGL will be 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
- (d) ANZBGL may be liable for substantial penalties for failing to comply with its BEAR obligations.

### **Crisis Management**

On 5 March 2018, the Financial Sector Legislation Amendment (Crisis Resolution Powers and Other Measures) Act 2018 (the “**Crisis Management Act**”) came into effect. The Crisis Management Act amends the Banking Act (among other statutes applicable to financial institutions in Australia) and is intended to enhance APRA’s powers. Specifically, the Crisis Management Act enhances APRA’s powers to facilitate the orderly resolution of the entities it regulates (and their subsidiaries) in times of distress. Additional powers which could impact ANZBGL 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 is so despite any law (other than specified laws, currently those relating to the ability of a person to acquire interests in an Australian corporation or financial sector entity), the constitution of the issuer, any contract to which the issuer is a party, and any listing rules, operating rules or clearing settlement rules applicable to the instrument. In addition, the Banking Act includes a moratorium on the taking of certain actions on grounds relating to the operation of the Statutory Conversion and Write-Off Provisions.

### **Financial System Inquiry**

The Australian Government completed a comprehensive inquiry into Australia’s financial system in 2014 which included a number of key recommendations that may have an impact on regulatory capital levels that the Group is required to maintain. Recent initiatives by APRA in support of the FSI include:

- (a) In July 2017, APRA released an information paper outlining its assessment on the additional capital required for the Australian banking sector to be considered ‘unquestionably strong’ as originally outlined in the FSI final report in December 2014. APRA indicated that “in the case of the four major Australian banks (including the Group), this equated to a benchmark CET1 capital ratio, under the current capital adequacy framework, of at least 10.5 per cent. APRA also stated that ADIs should meet this benchmark by 1 January, 2020 at the latest.

- (b) In February 2018, APRA released two discussion papers that commenced APRA's consultation on:
- (1) Revisions to the capital framework that will produce "unquestionably strong" capital ratios. The discussion paper summarises APRA's proposal regarding risk-based capital approach for credit, market and operational risk following finalisation of these requirements by the BCBS in December 2017. While the final forms of these proposals will only be determined later in 2020, the Group expects the implementation of any revisions to the current requirements will result in further changes to the risk weighting framework for certain asset classes and other risk types (such as market and operational risks). APRA has announced that it does not expect that the changes to the risk weights will necessitate further increases in capital for ADIs, although this could vary by ADI depending on the final requirements. ANZBGL's current capital position is in excess of APRA's unquestionably strong CET1 benchmark of 10.5% and therefore the Group believes it will likely be in a strong position to meet future changes that will arise as a result of final revisions to the capital framework.
  - (2) The design and application of a minimum leverage ratio requirement as a complement to the risk-based capital framework proposal. APRA has proposed, among other things, a minimum leverage ratio requirement of 4% (compared to the Basel minimum of 3%). The Group believes it is well placed to meet the proposed changes in its current form based on its leverage ratio position at 31 March 2018.

APRA's consultation for the above is currently taking place with final prudential standards planned to be made available by 2020. APRA has proposed an implementation date of 2021, which is one year earlier than the BCBS's equivalent, with no phase-in arrangements.

APRA's prudential standards may also be further supplemented by yet to be released proposals to implement other key FSI recommendations including:

- (a) To implement a minimum total loss-absorbing capacity requirement where certain senior debt could be "bailed in" to recapitalize a stressed financial institution.
- (b) Potential adjustments to the overall design of the capital framework to improve transparency, international comparability and flexibility.

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

### **Level 3 Conglomerates ("Level 3") framework**

APRA is extending its prudential supervision framework to conglomerate groups via the Level 3 framework which will regulate a bancassurance group such as the Group as a single economic entity with minimum capital requirements and additional monitoring of risk exposure levels.

In August 2016, APRA confirmed the deferral of capital requirements for conglomerate groups until 2019 at the earliest, to allow for the final capital requirements arising from FSI recommendations as well as from international initiatives that are in progress.

The non-capital components of the Level 3 framework relating to group governance, risk exposures, intragroup transactions and other risk management and compliance requirements came into effect on 1 July 2017. These requirements have had no material impact on the Group's capital position. See the section entitled "*Restrictions on ANZBGL's ability to provide financial support to its New Zealand Operations*" for further discussion on the impact of the Level 3 framework on ANZBGL's ability to support ANZ New Zealand.

### **Restrictions on ANZBGL's ability to provide financial support to its New Zealand Operations**

#### *Effect of APRA's Prudential Standards*

ANZBGL is subject to extensive prudential regulation by APRA.

Under APRA's Prudential Standards, ANZBGL's ability to provide financial support to ANZ New Zealand is subject to certain requirements:

- (a) ANZBGL should not undertake any third party dealings with the primary purpose of supporting ANZ New Zealand's business;
- (b) ANZBGL should not hold unlimited exposures (i.e., should be limited to a specified time and amount) to ANZ New Zealand (e.g., not provide a general guarantee covering any of ANZ New Zealand's obligations);
- (c) ANZBGL should not enter into cross-default clauses whereby a default by ANZ New Zealand on an obligation (whether financial or otherwise) is deemed to trigger a default of ANZBGL on its obligations; and
- (d) the level of exposure of ANZBGL's Level 1 total capital base to ANZ New Zealand should not exceed:
  - (i) 50% on an individual exposure basis; or
  - (ii) 150% in aggregate (being exposures to all similar regulated entities related to ANZBGL).

In addition, APRA has reviewed the level of financial exposures that can be provided to the respective New Zealand banking subsidiaries and branches ("**New Zealand Operations**") of the four Australian parent banks, including ANZBGL. 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 during ordinary times. Exposures in excess of this limit as of 1 January 2016 must be reduced in equal percentages over the five year transition period and may not increase above the exposures as of 30 June 2015. This limit does not include holdings of capital instruments or eligible secured contingent funding support provided to ANZ New Zealand during times of financial stress.

ANZ New Zealand sells, from time to time, residential mortgages into the New Zealand branch of ANZBGL to provide funding for its New Zealand business. As at 31 March 2018, the New Zealand branch held approximately NZ\$3.5 billion of residential mortgages. To satisfy APRA's requirements described above, ANZ New Zealand is repurchasing these mortgages at approximately NZ\$1.6 billion per annum over the five year transition period ending 31 December 2020.

APRA has also stated that contingent funding support by ANZBGL to ANZ New Zealand during times of financial stress must be provided on terms that are acceptable to APRA and ANZBGL's exposures to its New Zealand Operations must not exceed 50% of ANZBGL's Level 1 Tier 1 Capital. At present, only covered bonds meet APRA's criteria for contingent funding. On this basis, ANZBGL believes it will be able to continue to provide financial support to ANZ New Zealand.

#### *Effect of the Level 3 framework*

In addition, certain requirements of APRA's Level 3 framework relating to, among other things, group governance and risk exposures became effective on 1 July 2017 (see "*Level 3 conglomerates ("Level 3") framework*" above). One of those requirements is that the Group must limit its financial and operational exposures to subsidiaries (including ANZ New Zealand).

In determining the acceptable level of exposure to a subsidiary, the Board of ANZBGL should have regard to:

- (a) the exposures that would be approved for third parties of broadly equivalent credit status;
- (b) the impact on ANZBGL's capital and liquidity position; and
- (c) ANZBGL's 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 ANZ New Zealand.

#### **Residential Mortgage Lending Practices**

In recent years APRA has closely monitored residential mortgage lending practices and taken a number of steps aimed at strengthening residential mortgage lending standards across the banking industry. For example:

- (a) on 9 December 2014, APRA outlined additional steps it may take to reinforce sound residential mortgage lending practices of ADIs, indicating that it will pay particular attention to certain areas of concern, including higher risk mortgage lending, growth in lending to property investors (particularly if the growth is materially above an annual benchmark of 10 per cent) and loan affordability tests for new borrowers; and
- (b) on 31 March 2017, APRA outlined that ADIs will be expected, among other things, to:
  - (1) limit the flow of new interest-only lending to 30 per cent of total new residential mortgage lending. Within this limit, ADIs are also expected to place strict internal limits on the volume of interest-only lending at loan-to-valuation ratios ("LVRs") above 80 per cent and ensure there is strong scrutiny and justification of any instances of interest-only lending at LVRs above 90 per cent; and
  - (2) manage lending to investors in such a manner so as to comfortably remain below the previously advised benchmark of 10 per cent annual growth in lending to property investors.

The Group has applied a number of levers to meet the above expectations and manage portfolio risk, including adjustment of lending criteria and implementation of differentiated pricing between owner occupier and investor lending. Within these categories, differentiated pricing applies between customers making interest-only repayments and principal and interest repayments.

On 26 April 2018 APRA outlined that the 10 per cent benchmark will no longer apply to an ADI from 1 July 2018 where the ADI's Board has provided APRA with certain confirmations (including that the ADI has been operating below the 10 per cent benchmark for at least the past 6 months) and certain assurances in relation to the ADI's lending policies and practices. APRA has stated that despite the removal of the benchmark for individual ADIs, a return to more rapid rates of investor loan growth at an aggregate level would nevertheless raise systemic concerns and that such an environment could lead APRA to consider, for example, the need to apply the counter-cyclical capital buffer or some other industry-wide measure.

### **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; and
- **Regulatory or other changes:** The criteria for loan classifications, and their interpretation, may change in the future for one or more reporting purposes, which may affect the classification of certain loans. For example, APRA and the RBA have announced that they plan to implement changes in the reporting of data including the classification of loans to reflect guidelines specified in "Reporting Practice Guide RPG 701.0 ABS/RBA Reporting Concepts for the EFS Collection".

Incorrect classification or re-classification of loans may affect a customer's ability to meet required repayments, such as when owner-occupied property loans are later re-classified as investment property loans, which currently attract a higher interest rate. As of the date of this Base Prospectus, in Australia ANZBGL's standard variable rate is 5.2% for owner-occupied property loans and 5.8% for investment

property loans. 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 business, operations and financial condition.

## **Other**

For further information on regulatory developments, including the risks they pose to the Group, refer to the section entitled "*Risk factors – Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group's business, operations, financial condition and reputation*".

## **Sections 102.6 and 102.7 of the Australian Criminal Code**

Under Sections 102.6 and 102.7 of the Australian Criminal Code (contained in the Criminal Code Act 1995 of Australia), a person commits a criminal offence if the person intentionally receives funds from, makes funds available to, collects funds for or on behalf of, or provides support or resources to a terrorist organisation in circumstances where the person knows, or is reckless as to whether, the organisation is a terrorist organisation. Certain organisations are prescribed as terrorist organisations in regulations under the Criminal Code Act 1995 of Australia.

Under the Autonomous Sanctions Act 2011 of Australia and the Autonomous Sanctions Regulations 2011 of Australia, sanctions are imposed against certain specifically identified persons, entities and vessels associated with particular countries, and certain transactions involving the named persons or entities may only be conducted with specific approval from the Minister of Foreign Affairs. Contravention of these sanctions constitutes a criminal offence.

## **United States**

ANZBGL has elected to be treated as a Financial Holding Company (a "**FHC**") by the Board of Governors of the Federal Reserve System (the "**FRB**"). A FHC is allowed to engage, or acquire companies engaged, in the U.S. in activities that are determined by the FRB and the Secretary of the Treasury to be financial in nature or incidental thereto, and activities that are determined by the FRB to be complementary to financial activities.

Under the Bank Holding Company Act of 1956 (the "**BHC Act**"), the activities of a FHC are subject to restrictions if it is determined that the FHC (in the case of 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. 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**") the Group's New York branch can engage in activities permissible for national banks, with the exception that the Group's New York branch may not accept retail deposits. The Group's 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 Group's New York branch, are subject to reserve requirements on deposits pursuant to regulations of the FRB. The Group's New York branch must maintain its accounts and records separate from those of the Group generally and must comply with such additional requirements as may be prescribed by the OCC. The IBA and the BHC Act also affect the Group's ability to engage in non-banking activities in the United States.

Under the IBA, a federal branch of a non-U.S. bank is subject to receivership by the OCC to the same extent as a national bank. The Comptroller may take possession of the business and property of a federal branch. The Comptroller has at its disposal a wide range of supervisory and enforcement tools for addressing violations of laws and regulations, and breaches of safety and soundness, which can be imposed upon federal branches. The Comptroller may remove federal branch management and assess



civil money penalties. In certain circumstances, the Comptroller may also terminate a federal branch licence at its own initiative or at the recommendation of the FRB.

The Group is subject to certain provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("**Dodd-Frank**"). Dodd-Frank regulates many aspects of the business of banking in the United States and internationally.

The "**Volcker Rule**" adopted under Dodd-Frank, among other things, prohibits banks and their affiliates from engaging in certain "proprietary trading" (but allows certain activities such as underwriting, market making-related and risk-mitigating hedging activities) and limits the sponsorship of, and investment in, private equity funds and hedge funds, subject to certain important exceptions and exemptions, including those listed above as well as exemptions applicable to certain transactions and investments occurring solely outside of the United States.

Other Dodd-Frank regulations impose minimum margin requirements on uncleared swaps, require the central execution and clearing of standardised over-the-counter ("**OTC**") derivatives on regulated trading platforms and clearing houses and provide for heightened supervision of OTC derivatives dealers and major market participants. ANZBGL is a registered swap dealer under the Commodity Futures Trading Commission ("**CFTC**") regulations, and therefore the Group is subject to these CFTC requirements as well as certain additional business conduct and record keeping and reporting rules that apply to the Group's swap transactions with counterparties that are U.S. persons.

The CFTC has issued Cross-Border Guidance which, among other things, establishes a framework for the CFTC to permit "substituted compliance" by swap dealers located in non-U.S. jurisdictions with regulatory schemes determined by the CFTC to be comparable to its own. The CFTC has made such a determination with respect to certain aspects of Australian law and regulation and ANZBGL is able to rely on substituted compliance with respect to certain aspects of CFTC rules in connection with transactions with non-U.S. counterparties. The CFTC may issue further guidance in the future that could expand or limit the existing substituted compliance regime.

U.S. prudential regulators and the CFTC have implemented rules imposing initial and variation margin requirements on transactions in uncleared swaps and security-based swaps. The requirement for swap dealers to collect and post variation margin with all counterparties became effective for ANZBGL and certain other institutions on 1 September 2017 through guidance issued by the regulators.

Dodd-Frank also requires ANZBGL to submit an annual U.S. resolution plan to the FRB and the FDIC for approval. ANZBGL submitted its most recent U.S. resolution plan in December 2016 and is next scheduled to be submitted 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.

The U.S. Foreign Account Tax Compliance Act ("**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 ("**IRS**"), either directly or via local tax authorities. If the required customer due diligence and provision of account holder information is not undertaken and provided in a manner and form meeting the applicable requirements, the Group and/or persons owning assets in accounts with Group members may be subjected to a 30 percent withholding tax on certain amounts. While such withholding tax may currently apply only to certain payments derived from sources within the United States (and, beginning on 1 January 2019, certain gross proceeds from the disposition of assets that can give rise to such U.S. source payments), no such withholding tax will be imposed on any payments derived from sources outside the United States that are made prior to 1 January 2019, at the earliest. In the event that any country in which ANZBGL operates does not finalize and 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.

In addition to FATCA, the U.S. may require the Group in certain circumstances to provide certain information to U.S. payers (withholding agents, custodians, etc.), and the Group and/or its customers

may face withholding tax if the Group does not provide such information in compliance with the applicable rules and regulations.

A major focus of U.S. governmental policies affecting financial institutions has been combating money laundering and terrorist financing. The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**Patriot Act**") substantially broadened the scope of U.S. anti-money laundering laws by imposing significant compliance and due diligence obligations, identifying crimes and stipulating penalties and expanding the extra-territorial jurisdiction of the U.S. The U.S. Treasury Department has issued a number of regulations implementing various requirements of the Patriot Act that apply to U.S. financial institutions, including subsidiaries and branches of foreign banks such as 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. In addition, the U.S. bank regulatory agencies have imposed heightened standards and U.S. law enforcement authorities have been taking a more active role, resulting in intensified enforcement of such matters. Failure of a financial institution to maintain and implement adequate policies and procedures to combat money laundering and terrorist financing could have serious legal and reputational consequences for the financial institution, as well as result in the imposition of civil, monetary and criminal penalties.

### **Other Regulators**

The Group has ordinary shares listed on the ASX and the NZX and has other equity securities and debt securities listed on these and certain other overseas securities exchanges. As a result, the Group must comply with a range of listing and corporate governance requirements in Australia, New Zealand and overseas.

In addition to the prudential capital oversight that APRA conducts over 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 Regulatory Commission (expected to be replaced by the China Banking and Insurance Regulatory Commission) and other financial regulatory bodies in those countries and in other relevant countries. In addition, the Group's presence in the Asia Pacific region has given rise to a requirement to comply with a number of different legal and regulatory regimes across that region. These regulators, among other things, may impose minimum capitalization 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.

**7. DESCRIPTION OF ANZ BANK NEW ZEALAND LIMITED**

This section sets out information about ANZ Bank New Zealand Limited.

## DESCRIPTION OF ANZ BANK NEW ZEALAND LIMITED

### Background

ANZ New Zealand was incorporated under the New Zealand Companies Act 1955 on 23 October 1979, was re-registered under the New Zealand Companies Act 1993 on 13 June 1997 and is a company limited by shares. ANZ New Zealand's principal executive offices and registered office are located at ANZ Centre, 23-29 Albert Street, Auckland 1010, New Zealand. Its New Zealand company number is 35976 and its telephone number is +64 (9) 252 2974. ANZ New Zealand is a wholly-owned subsidiary of ANZBGL. ANZ New Zealand is a registered bank under the RBNZ Act.

ANZ's New Zealand Operations (including ANZ New Zealand and ANZBGL's New Zealand Branch) are the largest full-service banking group in New Zealand, according to the KPMG Financial Institutions Performance Survey Review, released by KPMG New Zealand in February 2018. As at 31 March 2018, ANZ New Zealand and its subsidiaries had total assets of \$156,362 million, and held the largest market share measured by total assets as at 31 December 2017, compared to other registered banks in New Zealand.<sup>1</sup>

As at 31 March 2018, ANZ Bank New Zealand held approximately 30 per cent. and the New Zealand Branch of ANZBGL held approximately 1 per cent. of the total assets held by registered banks in New Zealand, based on the RBNZ data series "S10 Banks: Balance Sheet for registered banks". ANZ New Zealand is supported by 188 branches with a customer base of over 2 million customers.

### Business Lines and Executive Team

The business of ANZ New Zealand is organised into three major business segments for segment reporting purposes: 1) Retail (comprising personal, Business Banking and ANZ Wealth, 2) Commercial and 3) Institutional. Centralised back office and corporate functions support these segments. Life insurance and fund management products are developed and procured through ANZ Wealth's group of companies, which are wholly-owned subsidiaries of ANZ New Zealand. ANZ Wealth's products are distributed through the Retail segment.

As of the date of this Base Prospectus, the ANZ New Zealand executive team is comprised of the following roles:

- Chief Executive Officer;
- Managing Director, Retail and Business Banking;
- Managing Director, Wealth;
- Managing Director, Commercial and Agri;
- Managing Director, Institutional;
- Chief Operating Officer;
- Chief Financial Officer;
- Chief Risk Officer;
- General Manager, Talent & Culture;
- General Counsel & Company Secretary;
- Head of Corporate Affairs;
- Head of Marketing; and

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<sup>1</sup> Source: ASB Bank disclosure statement for the half year ended 31 December 2017; Bank of New Zealand disclosure statement for the 3 months ended 31 December 2017; Westpac New Zealand Limited disclosure statement for the 3 months ended 31 December 2017.

- Head of Digital & Transformation.

### ***Retail***

Retail provides a full range of banking and wealth management services to consumer, Private Banking and small Business Banking customers via its internet and app-based digital solutions and network of branches, mortgage specialists, relationship managers and contact centres.

### ***Commercial***

Commercial provides a full range of banking services, including traditional relationship banking and sophisticated financial solutions (including asset financing) through dedicated managers focusing on privately-owned medium to large enterprises and the agriculture business segment.

### ***Institutional***

The Institutional division services global institutional and business customers across three product sets: 1) Transaction Banking, 2) Loans & Specialised Finance and 3) Markets.

- Transaction Banking provides working capital and liquidity solutions including documentary trade, supply chain financing as well as cash management solutions, deposits, payments and clearing.
- Loans & Specialised Finance provides loan products, loan syndication, specialised loan structuring and execution, project and export finance, debt structuring and acquisition finance, structured trade and asset finance, and corporate advisory.
- Markets provide risk management services on foreign exchange, interest rates, credit, commodities, debt capital markets and wealth solutions in addition to managing ANZ New Zealand's interest rate exposure and liquidity position.

### ***Other***

Other includes treasury and back office support functions, none of which constitutes a separately reportable segment.

### **ANZ New Zealand's Strategic Priorities**

ANZ New Zealand aspires to be New Zealand's best bank by helping New Zealanders become more successful. To that end, ANZ New Zealand has four strategic priorities:

1. attract, develop and retain world class service and sales teams;
2. modernise service through improved digital and data capabilities;
3. simplify products and processes; and
4. improve its connections between frontline channels to support customer interactions.

### **Branding Strategy**

ANZ New Zealand continues to simplify its brand portfolio.

The Retail, Commercial and Institutional segments all operate under the ANZ brand except in specialised markets.

In specialised markets, ANZ New Zealand and its subsidiaries are further represented by the following brands:

- UDC (asset finance);
- ANZ Securities (online share and fixed-rate instrument trading);

- ANZ Investments (superannuation and investment products);
- OnePath Life (insurance); and
- Bonus Bonds.

### Credit Rating

At the date of this Base Prospectus, ANZ New Zealand has the following debt ratings for long-term unsecured obligations under the Programme:

- Standard & Poor's (Australia) Pty. Ltd: AA-;
- Moody's Investors Service Pty Limited: (P)A1; and
- Fitch Australia Pty Ltd: AA-.

### Directors

As at the date of this Base Prospectus, the current directors of ANZ New Zealand, the business address of each of whom should be regarded for the purposes of this Base Prospectus as being ANZ Centre, 23-29 Albert Street, Auckland 1010, New Zealand, and their principal outside activities, where significant, are as follows:

<b>Name of Director</b>	<b>Position</b>	<b>Principal Outside Activities</b>
Mr D D Hisco	Director and Chief Executive Officer, ANZ New Zealand	Group Executive, Pacific and Asia Retail & Wealth. Director, ANZNIL.
Sir J P Key GNZMA	Independent Non-Executive Director and Chairman	Director, ANZBGL and Air New Zealand Limited.
Mr S C Elliott	Non-Executive Director	Chief Executive Officer, ANZBGL. Director, ANZBGL, ANZ Holdings (New Zealand) Limited and the Financial Markets Foundation for Children. Chair, Australian Banker's Association. Member, Business Council of Australia.
Ms M N Jablko	Non-Executive Director	Chief Financial Officer, ANZBGL.
Mr A J Carter	Independent Non-Executive Director	Chair, Air New Zealand Limited, Blues Management Limited and Fisher & Paykel Healthcare Corporation Limited. Director, Fletcher Building Limited and Fletcher Building Industries Limited.
Mrs J Withers	Independent Non-Executive Director	Chair of Mercury NZ Limited and Warehouse Group Limited. Trustee, Louise Perkins Foundation. Member, Advisory Board of The Treasury.
Mr M J Verbiest	Independent Non-Executive Director	Chair, Willis Bond Capital Partners Limited and Willis Bond General Partner Limited. Director, Meridian Energy Limited, The Treasury and Freightways Limited.

As at the date of this Base Prospectus, no conflicts of interest and, other than in respect of any dealings between ANZ New Zealand and any of the companies listed above under "Principal Outside Activities" which may arise in the future and be referred to the board of directors of ANZ New Zealand, no potential conflicts of interest exist between any duties owed to ANZ New Zealand by members of its board of directors listed above and their private interests and/or other duties. In respect of potential conflicts of interest that may arise in the future, ANZ New Zealand has processes for the management of such conflicts such that it does not expect that any actual conflict of interest would arise.

The board of directors of ANZ New Zealand has adopted a Board Charter which sets out the board of directors of ANZ New Zealand's purpose, powers and responsibilities.

### **Board Committees**

To assist in the execution of its responsibilities, the board of directors of ANZ New Zealand has established committees, including an Audit Committee, a Human Resources Committee and a Risk Committee, each with a charter, to assist and support the board of directors of ANZ New Zealand in the conduct of its duties and obligations. The Chair of the ANZ New Zealand Board is a member of each committee.

**Audit Committee** — The purpose of the Audit Committee is to assist the board of directors of ANZ New Zealand in its review and approval of:

- (a) the financial reporting principles and policies, controls, systems and procedures of ANZ New Zealand;
- (b) the compliance of ANZ New Zealand with applicable local financial reporting, prudential reporting and audit requirements as well as those of the Group;
- (c) the effectiveness of ANZ New Zealand's internal control and risk management framework;
- (d) the work and internal audit standards of Internal Audit;
- (e) the integrity of ANZ New Zealand and its subsidiaries' financial statements and the independent audit thereof and compliance with relevant legal and regulatory requirements thereof;
- (f) any due diligence procedures; and
- (g) prudential supervision procedures required by regulatory bodies to the extent relating to financial reporting.

In carrying out its responsibilities and duties, the Committee will aim to seek fair customer outcomes and financial market integrity in its deliberations.

The current members of the Audit Committee are Mr Verbiest (Chair), Mrs Withers, Mr Carter, Sir John Key and Ms Jablko.

**Human Resources Committee** — This Committee is responsible for reviewing and, where necessary, making recommendations to the board of directors of ANZ New Zealand in respect of remuneration policies and practices, including the remuneration arrangements relating to the Chair, Directors, Chief Executive, and nominated senior management and executive officers, and the remuneration structure of all other classes of persons covered by the ANZ Remuneration Policy.

The current members of the Human Resources Committee are Mrs Withers (Chair), Mr Carter, Mr Verbiest, Sir John Key and Mr Elliott.

**Risk Committee** — The purpose of the Risk Committee is to:

- (a) assist the board of directors of ANZ New Zealand in the effective discharge of its responsibilities for business, market, credit, capital, financial, operational, compliance, liquidity funding, insurance and reputation risk;

- (b) liaise and consult with the Group Risk Committee to assist it to discharge its responsibilities;
- (c) assist the board of directors of ANZ New Zealand by providing an objective non-executive oversight of the implementation by management of ANZ New Zealand's risk and compliance management frameworks and its related operation and by enabling an institution-wide view of ANZ New Zealand's current and future risk position relative to its risk appetite and capital strength; and
- (d) oversee compliance with ANZ New Zealand's licence obligations under the Financial Markets Conduct Act 2013.

The current members of the Risk Committee are Mr Carter (Chair), Mr Verbiest, Mrs Withers, Sir John Key and Ms Jablko.

### **Significant Subsidiaries**

ANZNIL is ANZ New Zealand's only significant subsidiary. It is incorporated in New Zealand and is 100% owned directly by ANZ New Zealand.

As at 31 March 2018, ANZNIL did not account for 10% or more of any of ANZ New Zealand's investments, operating surplus or assets for the most recent fiscal period, but it is considered by management to be of importance to ANZ New Zealand. In addition, as at 31 March 2018, ANZNIL accounts for more than 10% of ANZ New Zealand's consolidated total liabilities.

### **Recent Developments**

#### *Changes to ANZ New Zealand's Board of Directors*

On 31 December 2017, John Judge retired from the Board of ANZ New Zealand. On 18 October 2017, former New Zealand Prime Minister, the Rt Hon Sir John Key, was appointed to the Board of ANZ New Zealand and became the Board's Chair on 1 January 2018. Sir John was also appointed to the Board of ANZBGL on 28 February 2018. The RBNZ has confirmed that this appointment does not affect Sir John's ability to act as an independent non-executive director of ANZ New Zealand.

Michelle Jablko, Chief Financial Officer of ANZBGL, was appointed to the Board of ANZ New Zealand as a non-executive director on 29 March 2018, following the retirement of Nigel Williams. Mr Williams also retired from his roles as ANZBGL's Chief Risk Officer and as a member of the Group Executive Committee.

#### *The Group's Strategic Review of its Wealth Businesses*

The strategic review of the Group's Wealth businesses in Australia and New Zealand concluded that while the distribution of high quality wealth products and services should remain a core component of the Group's overall customer proposition, the Group does not need to be a manufacturer of life and investments products.

On 17 October 2017, the Group announced it had agreed to sell its OnePath P&I businesses and aligned dealer groups businesses to IOOF. On 12 December 2017, the Group announced that it had agreed to sell its life insurance business in Australia to Zurich. These sales do not materially impact the ANZ New Zealand Group's financial condition or business strategy.

ANZ New Zealand's funds management business, including KiwiSaver, will be retained as it is considered core to ANZ New Zealand's retail business. Insurance is also an important product for ANZ New Zealand's customers. A decision has not been made on whether ANZ New Zealand will continue to manufacture life insurance.

#### *UDC*

ANZ New Zealand announced on 12 January 2018 that the agreement to sell UDC to HNA had been terminated and that the proposed divestment would not be completed following ANZ New Zealand's previous announcement on 21 December 2017 that New Zealand's Overseas Investment Office had declined HNA's application to acquire UDC. On 20 March 2018, ANZ New Zealand announced that it



was continuing to examine a broad range of options for UDC's future. As a result of the ongoing process, the assets and liabilities of UDC meet the criteria to be classified as held for sale as at 31 March 2018.

*Loan Calculator Remediation*

ANZ New Zealand identified a problem in a loan calculator, which affected some ANZ New Zealand customers' loans from March 2015 to May 2016. When ANZ New Zealand made changes to these loans during this period, some interest those customers were due to be charged after their loan was changed was left out. ANZ New Zealand fixed the calculator in May 2016 and expects to begin contacting customers affected by the error in June 2018. ANZ New Zealand self-reported this issue to the Commerce Commission in June 2017.

Other than the matters described above, there have been no other significant developments for ANZ New Zealand since 31 March 2018 to the date of this Base Prospectus.

**8. DESCRIPTION OF ANZ NEW ZEALAND (INT'L) LIMITED**

This section sets out information about ANZ New Zealand (Int'l) Limited.

## DESCRIPTION OF ANZ NEW ZEALAND (INT'L) LIMITED

ANZNIL was incorporated under the New Zealand Companies Act 1955 on 8 December 1986, was re-registered under the New Zealand Companies Act 1993 on 27 May 1996 and is a company limited by shares. The registered office of ANZNIL is located at ANZ Centre, 23-29 Albert Street, Auckland 1010, New Zealand. ANZNIL's London branch is located at 28th Floor, 40 Bank Street, Canary Wharf, London E14 5EJ United Kingdom, and the telephone number is +44 20 3229 2017. The New Zealand company number of ANZNIL is 328154.

ANZNIL is a wholly-owned subsidiary of ANZ New Zealand (see Section 7 (*Description of ANZ Bank New Zealand Limited*) for details of ANZ New Zealand).

The principal activities of ANZNIL include the provision of funding facilities and wholesale financing to the ANZ New Zealand group, including issuance of US Commercial Paper, Euro-Commercial Paper, Covered Bonds, US Medium-Term Notes and Euro Medium-Term Notes.

ANZNIL's overseas activities, including the issue of Notes, are currently conducted through its London branch.

ANZNIL has no subsidiary companies. ANZNIL is largely dependent on its parent, ANZ New Zealand, as ANZ New Zealand fully guarantees all obligations under ANZNIL's funding programmes. ANZNIL has not made any principal investments since the date of its last audited financial statements, and there are no principal future investments on which the management has given a firm commitment.

### Credit Rating

At the date of this Base Prospectus, ANZNIL has the following debt ratings for long-term unsubordinated unsecured obligations under the Programme:

- Standard & Poor's (Australia) Pty. Ltd: AA-;
- Moody's Investors Service Pty Limited: (P)A1; and
- Fitch Australia Pty Ltd: AA-.

### Directors

As at the date of this Base Prospectus the directors of ANZNIL, the business address of each of whom should be regarded for the purposes of this Base Prospectus as being ANZ Centre, 23-29 Albert Street, Auckland 1010, New Zealand, and their principal outside activities, where significant, are as follows:

Name of Director	Position	Principal Outside Activities
Mr D D Hisco	Director	Chief Executive Officer and Director, ANZ New Zealand and Group Executive for Pacific and Asia Retail & Wealth
Mr S I Taylor	Director	Chief Financial Officer, ANZ New Zealand
Mrs P L Dell	Director	Managing Director of the New Zealand Branch of ANZBGL and Head of Asset and Liability Management, ANZ New Zealand

As at the date of this Base Prospectus, no potential conflict or conflicts of interest exist between any duties owed to ANZNIL by the members of its board of directors listed above and their private interests and/or other duties in respect of their management roles.

### Board Practices

ANZNIL does not have an audit committee. The audit committee function is fulfilled by the ANZ New Zealand Audit Committee which is more fully described in the section entitled "Board Committees" in Section 7 (*Description of ANZ Bank New Zealand Limited*) on page 87 of the Base Prospectus.

## **Corporate Governance**

ANZNIL must comply with all relevant provisions of the New Zealand Companies Act 1993. ANZNIL is not listed on the NZX and is not an issuer of securities to the public in New Zealand. Accordingly, ANZNIL is not subject to the various corporate governance regimes promulgated in New Zealand, including the NZX Corporate Governance Code and the handbook published by the FMA entitled Corporate Governance in New Zealand Principles and Guidelines.

ANZNIL's share capital consists of 500,000 ordinary shares which are issued and fully paid amounting to NZ\$500,000.

9. **SUMMARY OF FINANCIAL STATEMENTS OF ANZ NEW ZEALAND (INT'L)  
LIMITED**

This section sets out selected financial statements relating to ANZ New Zealand (Int'l) Limited.

## SUMMARY OF FINANCIAL STATEMENTS OF ANZ NEW ZEALAND (INT'L) LIMITED

The amounts included in this summary have been extracted from the audited annual financial statements of ANZNIL (see Section 11 (*Information Incorporated by Reference*)) with the exception of the amounts for the six months ended 31 March 2018 and six months ended 31 March 2017 which have been taken from the unaudited interim financial statements of ANZNIL (see Section 11 (*Information Incorporated by Reference*)).

	Unaudited 6 months to 31/03/2018 NZ\$ (million)	Unaudited 6 months to 31/03/2017 NZ\$ (million)	Audited Year to 30/09/2017 NZ\$ (million)	Audited Year to 30/09/2016 NZ\$ (million)
<b>Income Statements</b>				
Interest income.....	183	155	315	281
Interest expense.....	180	152	308	275
Net interest income .....	3	3	7	6
Operating expenses .....	-	-	-	-
Profit before income tax.....	3	3	7	6
Income tax expense.....	1	1	2	2
Profit after income tax .....	2	2	5	4

	Unaudited 31/03/2018 NZ\$ (million)	Unaudited 31/03/2017 NZ\$ (million)	Audited 30/09/2017 NZ\$ (million)	Audited 30/09/2016 NZ\$ (million)
<b>Balance Sheets</b>				
<i>Assets</i>				
Amounts due from ANZ New Zealand .....	20,147	19,627	21,263	21,317
Total assets.....	20,147	19,627	21,263	21,317
<i>Liabilities</i>				
Accrued interest payable.....	12	10	36	60
Commercial paper.....	2,555	2,948	3,719	5,358
Current tax liabilities.....	2	1	1	1
Debt issuances .....	17,571	16,661	17,502	15,893
Total liabilities .....	20,140	19,620	21,258	21,312
Net assets .....	7	7	5	5
<i>Equity</i>				
Retained profits.....	7	7	5	5
Total Equity .....	7	7	5	5

10. **DESCRIPTION OF SUPERVISION AND REGULATION OF ANZ BANK NEW ZEALAND LIMITED AND ANZ NEW ZEALAND (INT'L) LIMITED**

This section sets out information relating to certain supervisory and regulatory bodies, as well as regulations to which ANZ Bank New Zealand Limited and ANZ New Zealand (Int'l) Limited.

## **DESCRIPTION OF SUPERVISION AND REGULATION OF ANZ BANK NEW ZEALAND LIMITED AND ANZ NEW ZEALAND (INT'L) LIMITED**

ANZ New Zealand and ANZNIL are subject to extensive regulation by regulatory agencies and security exchanges in each of the major markets where they operate. This section provides an overview of the regulatory landscape applicable to the ANZ New Zealand and ANZNIL in their key market of New Zealand.

### **New Zealand**

The RBNZ Act requires the RBNZ to exercise its powers of registration of banks and prudential supervision of registered banks for the purposes of:

- (a) promoting the maintenance of a sound and efficient financial system; or
- (b) 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:

- (a) 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;
- (b) 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;
- (c) consulting with the senior management of registered banks;
- (d) using crisis management powers available to it under the RBNZ Act to intervene where a bank distress or failure situation threatens the soundness of the financial system;
- (e) assessing whether a bank is carrying on business prudently;
- (f) issuing guidelines on overseeing banks' compliance with anti-money laundering and countering financing of terrorism requirements;
- (g) monitoring banks' outsourcing arrangements to determine whether a registered bank's management of risks associated with outsourcing are appropriately managed;
- (h) issuing guidelines on banks' internal capital adequacy process and liquidity policy;



- (i) issuing guidelines on corporate governance; and
- (j) maintaining close working relationships with parent bank supervisors (such as APRA in Australia) on bank-specific issues, policy issues and general matters relating to the condition of the financial system in New Zealand and in the countries where parent banks are domiciled.

New Zealand registered banks are required to issue half-yearly disclosure statements that contain comprehensive details, together with full financial statements at the full-year, and unaudited interim financial statements at the half-year. The financial statements are subject to full external audit at the end of each financial year and a limited scope review at the end of each financial half-year. Each bank director is required to sign his or her bank's disclosure statements and to make certain attestations. A bank and its directors may incur criminal and civil penalties if the bank's disclosure statement contains information that is held to be false or misleading.

From May 2018, the RBNZ will publish a quarterly “dashboard” of key information on banks incorporated in New Zealand on the RBNZ's website. The quarterly dashboard will replace the requirement for banks registered in New Zealand to issue disclosure statements for off-quarters of the financial year. See “*New Zealand Regulatory Developments – Financial reporting*” for further discussion.

New Zealand registered banks are required to comply with the Basel 3 capital adequacy requirements, as modified to reflect New Zealand conditions. From 1 January 2014, the RBNZ has also required most banks incorporated in New Zealand, including ANZ New Zealand, to maintain a conservation buffer of 2.5 per cent. above the minimum ratios or face restrictions on distributions. The RBNZ also has the discretion (effective from 1 January 2014) to apply a countercyclical buffer of common equity with an indicative range of between 0 and 2.5 per cent., although there is no formal upper limit. Counterparty credit risk requirements and additional disclosure requirements to incorporate Basel 3 changes have been in effect since 31 March 2013.

New Zealand incorporated banks (including ANZ New Zealand) are required to comply with the RBNZ's Liquidity Policy (“**BS13**”). The Liquidity Policy requires banks to meet a minimum core-funding ratio of 75 per cent., ensuring that a greater proportion of bank funding is met through retail deposits and term wholesale funding. Basel 3 proposes a liquidity policy which the RBNZ considers very similar to the intent of BS13. However, the RBNZ considers that certain aspects of the new liquidity standards are not suitable for adoption in New Zealand. The RBNZ has previously stated that it will be reviewing its liquidity policy in 2017 or 2018 in light of BCBS's new liquidity requirements.

The RBNZ currently also requires all registered banks to obtain and maintain a credit rating from an approved organisation and publish that rating in the disclosure statements.

In addition, the RBNZ has wide reaching powers to obtain further information, data and forecasts in connection with its supervisory functions, and to require that information, data, and forecasts be audited.

It also possesses a number of crisis management powers. Those powers include recommending that a bank's registration be cancelled, investigating the affairs of a registered bank, requiring that a registered bank consults with the RBNZ, giving directions to a registered bank, removing, replacing or appointing a director of a registered bank or recommending that a registered bank be subject to statutory management.

If a registered bank is declared to be subject to statutory management, no person may, among other things:

- (a) commence or continue any action or other proceedings including proceedings by way of counterclaim against that bank;
- (b) issue any execution, attach any debt, or otherwise enforce or seek to enforce any judgment or order obtained in respect of that bank;
- (c) take any steps to put that bank into liquidation; or
- (d) exercise any right of set off against that bank.

As part of the RBNZ's supervisory powers, a person must obtain the written consent of the RBNZ before giving effect to a transaction resulting in that person acquiring or increasing a "significant influence" over a registered bank. "Significant influence" means the ability to appoint 25 per cent. or more of the Board of Directors of a registered bank or a qualifying interest (e.g., legal or beneficial ownership) in 10 per cent. or more of its voting securities.

In assessing applications for consent to acquire a significant influence over a registered bank, the RBNZ has stated that it will have regard to the same matters as are relevant in assessing an application for registration as a registered bank. In giving its consent, the RBNZ may impose such terms and conditions as it thinks fit.

#### *FATCA*

FATCA imposes significant U.S. withholding taxes on non-U.S. financial institutions (such as ANZ New Zealand and many of its subsidiaries and affiliates) that fail to provide the IRS with information on certain non-U.S. accounts held by U.S. persons or, in some cases, held by non-U.S. entities with substantial U.S. owners. In the case of New Zealand institutions and branches, such information is to be furnished to the New Zealand Inland Revenue Department which would then forward the information to the IRS pursuant to the intergovernmental agreement ("**IGA**") between the United States and New Zealand as discussed below (see "*Taxation- FATCA Withholding*"). The ANZ New Zealand group has made and is expected to make significant investments in order to comply with FATCA and its reporting requirements. New Zealand has enacted legislation to implement the IGA with the United States. It is possible that ANZ New Zealand and/or ANZNIL may become subject to U.S. withholding taxes under FATCA. Further, it is also possible that ANZ New Zealand and/or ANZNIL may be required to make gross-up payments to others in respect of FATCA withholding under existing or future transaction documentation.

#### *CRS*

The OECD's CRS provides for the automatic exchange of financial account information in tax matters. New Zealand gave effect to the CRS from 1 July 2017.

Certain New Zealand financial institutions are required to conduct customer on-boarding requirements and due diligence in respect of certain financial accounts and report information to the New Zealand Inland Revenue Department. The Inland Revenue Department may then provide this information to the tax authorities of other jurisdictions, with the first government-to-government exchange of information to take place by 30 September 2018. Holders of Notes may be required to provide certain information and certifications to ensure compliance with the CRS.

New Zealand financial institutions that do not fully comply with the CRS may be subject to administrative penalties.

### **New Zealand Regulatory Developments**

#### *RBNZ prudential credit controls*

The RBNZ imposes restrictions on high loan-to-value ratio ("**LVR**") residential mortgage lending. Revised conditions of registration came into force on 1 January 2018, requiring New Zealand banks to restrict new non property investment residential mortgage lending (i.e. a standard residential mortgage loan secured over only owner-occupied residential property) over 80 per cent. LVR to no more than 15 per cent. of the dollar value of a bank's new non property-investment residential mortgage lending. New Zealand banks must also restrict property investment residential mortgage lending (i.e. a standard residential mortgage loan that is not a non-property investment residential mortgage loan) over 65 per cent. LVR to no more than 5 per cent. of the dollar value of a bank's new property investment residential mortgage lending.

#### *Financial reporting*

The RBNZ has removed the requirement that banks registered in New Zealand publish 'off-quarter' disclosure statements, with effect for the quarter ending 31 March 2018. Instead, from late May 2018, the RBNZ will publish a quarterly 'dashboard' of key information on banks incorporated in New Zealand on the RBNZ's website. The information will be sourced from private reporting that such

banks will provide to the RBNZ. All banks registered in New Zealand will still be required to publish disclosure statements for the half-year and full-year periods.

#### *RBNZ review of capital requirements*

In May 2017 the RBNZ published an issues paper that outlined the comprehensive review of the capital adequacy framework applying to New Zealand locally incorporated registered banks that the RBNZ is undertaking during 2017 and 2018. The aim of the review is to identify the most appropriate framework for setting capital requirements for New Zealand banks, taking into account how the current framework has operated and international developments in bank capital requirements. The review focuses on the three key components of the current framework:

- (a) the definition of eligible capital instruments;
- (b) the measurement of risk; and
- (c) the minimum capital ratios and buffers.

In July 2017, the RBNZ released a consultation paper on what types of financial instruments should qualify as eligible regulatory capital. In December 2017, the RBNZ published its response to submissions on this paper, including its in-principle decisions to:

- (a) remove contingent debt and contingent preference shares from the definition of eligible regulatory capital;
- (b) accept non-redeemable, non-contingent, perpetual preference shares as Additional Tier 1 capital;
- (c) accept redeemable, non-contingent preference shares and long term subordinated debt as Tier 2 capital; and
- (d) retain the option of including in the regime a Tier 1 instrument able to be issued by mutual societies.

The RBNZ advised that further in-principle decisions on the definition of eligible regulatory capital will be announced in due course. A work programme aimed at giving effect to these decisions will be released for public consultation.

The RBNZ also released a consultation paper on the calculation of risk weighted assets for credit risk, operational risk and market risk. Submissions on this paper closed in March 2018. The paper advised that a Quantitative Impact Study will be conducted later in 2018.

The RBNZ is also continuing to work on an exercise with New Zealand's four largest banks, including ANZ New Zealand to investigate differences in risk weights across internal bank models of housing and rural lending portfolios.

#### *RBNZ's revised outsourcing policy*

In September 2017, the RBNZ released its updated outsourcing policy (“**BS11**”). BS11 applies to all new outsourcing arrangements entered into from 1 October 2017. Existing outsourcing arrangements have until 1 October 2022 to transition to compliance with BS11. Since 1 October 2017, ANZ New Zealand's conditions of registration have included BS11 requirements.

The key features of BS11 as it applies to ANZ New Zealand are:

- (a) all new outsourcing arrangements to or through a related party, including ANZ (in the case of ANZ New Zealand), require RBNZ non-objection, unless the service or function is on the “pre-approved services and functions list” or on the “white list” (each of which will be maintained by the RBNZ);
- (b) defined risk mitigants must be in place for all outsourcing arrangements. This includes ensuring mandatory contractual terms are included in the outsourcing agreement, maintaining evidence that the provider has appropriate disaster recovery or business continuity arrangements in place and, for related party outsourcing, robust back-up arrangements which are within the legal and practical

control of ANZ New Zealand, and which can be deployed within 6 hours of a failure event occurring (or by the start of the next business day for some functions). At its discretion, the RBNZ may provide non-objection where there are “alternative arrangements” in place, instead of robust back-up;

- (c) where outsourcing arrangements relate to ‘basic banking services’, the backup arrangements must be capable of operating indefinitely on a fully automated basis. Where this is not the case, the backup arrangements must be sufficiently robust to close out and manage the wind down of those products on a standalone basis;
- (d) ANZ New Zealand must have a compendium of all outsourcing arrangements by 1 October 2019. The compendium must be embedded in compliance systems and form part of board and senior management oversight and governance reviews. All new outsourcing arrangements must be entered into the compendium within 20 working days of becoming effective;
- (e) ANZ New Zealand must have a separation plan that describes how ANZ New Zealand will operate services or functions that are outsourced to a related party in the event of the appointment of a statutory manager to ANZ New Zealand, or separation from ANZBGL. The separation plan must assume an abrupt loss of access to services or functions provided by related parties. A final separation plan, fully compliant with BS11, must be in place by 1 October 2022 and will be subject to annual testing; and
- (f) an independent review is required on an annual basis during the five year transition period which will assess progress and compliance of transitioned arrangements.

ANZ New Zealand is required to agree a Path to Compliance Plan (“**Plan**”) with the RBNZ. ANZ New Zealand expects the RBNZ will provide feedback on, or approval of, its draft Plan by 31 May 2018. Once the Plan is approved, ANZ New Zealand will implement a formal programme to carry out the Plan.

#### *Review of foreign margin requirements for over-the-counter (“OTC”) derivatives*

Since late 2016, the RBNZ and MBIE have, in co-ordination with the New Zealand Treasury, been engaging with industry and overseas regulators to assess the likely domestic impact of new offshore derivative margin requirements. Although New Zealand has no legislative margin requirements for OTC derivatives, the OTC activities of several registered banks (including ANZ New Zealand) are impacted by margin rules being implemented in foreign jurisdictions. On 13 July 2017, MBIE and the RBNZ released a consultation paper which describes potential impediments in New Zealand legislation to compliance with foreign margin requirements (in particular, statutory moratoria on creditors' claims under insolvency or restructuring regimes, and the ranking of creditors in certain circumstances) and suggests several high level options for reform, including a preferred option which is to enact targeted legislative amendments to address those impediments. The New Zealand Bankers' Association co-ordinated an industry response to the consultation paper which was submitted on 24 August 2017. The appropriate form of any necessary amendments to existing legislation is being considered. The New Zealand legislative impediments described above have resulted in a reduction of the number of counterparties with which ANZ New Zealand is able to enter into uncleared OTC derivative transactions.

#### *FMA guidance on the Bank Bill Benchmark (“**BKBM**”)*

In October 2017, the FMA released a guidance note clarifying its expectations about the trading conduct and controls for firms participating in the trading that sets BKBM and closing rates in the New Zealand market. Although the note aims to reduce regulatory uncertainty (and does not create any new legal obligations), market participants remain responsible for ensuring that trading conduct of their staff is legal and appropriate. Where the FMA identifies inappropriate trading conduct, its response will take into account the measures participants take to try to ensure good trading conduct.

#### *MBIE review of the Financial Advisers Act 2008*

Since 2015, MBIE has been conducting a review of the Financial Advisers Act 2008, which is the primary legislation governing the provision of financial advice in New Zealand. Following that review the New Zealand Government announced in 2016 its intention to amend the existing regime and an

exposure draft of the Financial Services Legislation Amendment Bill (the "**Bill**") was released for submissions in early 2017. The Bill proposes a revision of the existing legislative regime and, among other things, will simplify the financial adviser types and services they can provide, will impose a duty on all financial advisers to put the interests of clients first and a duty to take reasonable steps to ensure clients understand any limitations on the nature and scope of advice, will remove the requirement for advice to be given by a natural person (enabling robo-advice), and will introduce more meaningful disclosure requirements. The provisions for the new financial advice regime will be placed in the Financial Markets Conducts Act 2013 ("**FMCA**") and will introduce a licensing regime at the firm level. The Bill also amends the Financial Service Providers (Registration and Dispute Resolution) Act 2008 ("**FSP Act**"). Submissions on the draft Bill closed on 31 March 2017. The Bill had its first reading in Parliament on 7 December 2017, with the report of the Select Committee due on 7 June 2018.

#### *Anti-Money Laundering and Countering Financing of Terrorism Act 2009*

On 10 August 2017, the Anti-Money Laundering and Countering Financing of Terrorism Act Amendment Bill (the "**AML/CFT Amendment Act** ") received Royal Assent in New Zealand, extending the scope of the AML/CFT Act. The AML/CFT Amendment Act expands the AML/CFT Act to include some additional non-financial institution business sectors as "reporting entities", aligning with best practice recommendations set down by the Financial Action Task Force. The AML/CFT Amendment Act also extends the current suspicious transaction reporting obligation to include an obligation to report suspicious activity, expands the scope of the provisions in the AML/CFT Act that enable a reporting entity to rely on customer due diligence carried out by other persons and creates some additional simplified customer due diligence categories.

In addition, new regulations made in 2016 obligate reporting entities (including ANZ New Zealand) to report all international funds transfers exceeding NZ\$1,000 along with all cash transactions exceeding NZ\$10,000 to the Financial Intelligence Unit of the New Zealand Police (irrespective of any suspicion that may or may not exist relating to the underlying transaction). The new regulations came into force on 1 November, 2017, but a transitional compliance period applies until 1 July 2018 for reporting entities that intend to comply with the regulations by submitting automated reports. These regulations sit alongside existing obligations on reporting entities to report suspicious transactions / activity.

#### *RBNZ consultation on Debt-to-Income ("**DTI**") rules*

On 8 June 2017, the RBNZ released a consultation paper seeking feedback on serviceability restrictions such as DTI limits being added to its macro prudential toolkit. The RBNZ stated that the purpose of the consultation was to gather feedback from the public on the prospect of including DTI limits in the Memorandum of Understanding ("**MOU**") on macro-prudential policy between the Minister of Finance and Governor of the RBNZ. The MOU determines the set of macro-prudential tools available to the RBNZ and how those tools should be used. The consultation paper outlines the RBNZ's view on these issues and states that the RBNZ would not implement a DTI policy in current market conditions, but that the DTI limits could be a useful option in the future. Submissions closed on 18 August 2017, and the feedback will be used by the RBNZ and New Zealand Government Treasury in discussing potential amendment of the MOU with the Minister of Finance.

On 23 November 2017, the RBNZ published the submissions it received as part of the consultation and a paper outlining its response. Given the RBNZ's perception of a slowdown in the housing market, it does not consider a serviceability restriction would be appropriate at the present time, but believes that it could still have a role to play in the future. If the MOU is amended to incorporate serviceability restrictions, the RBNZ considers that these restrictions should be written in such a way as to admit a range of possible formulations (not limited to DTI). The RBNZ expects to discuss the results of the consultation with the New Zealand Minister of Finance in due course. The RBNZ considers that the potential future use of serviceability restrictions could be reconsidered as part of the wider review and reform of the Reserve Bank Act (see "*Review of the Reserve Bank Act*" below).

### *Review of the Reserve Bank Act*

On 7 November 2017, New Zealand's Minister of Finance announced that the New Zealand Government will review and reform the Reserve Bank Act, and released the Terms of Reference for the review. The goal of the review is to modernize New Zealand's monetary and financial stability policy frameworks and the RBNZ's governance and accountability settings.

The review will be undertaken in two phases:

- Phase one includes reviewing and reforming the Reserve Bank Act to include maximum sustainable employment alongside inflation targeting as an objective of monetary policy; and require that monetary policy decisions be made by a Monetary Policy Committee of 5-7 members. The majority of members of the Monetary Policy Committee will be RBNZ staff, and a minority will be outside experts not employed by the RBNZ. Members of the Monetary Policy Committee will be appointed by the Minister of Finance following a nomination by the RBNZ Board. However, the RBNZ will retain its operational independence which enables it to make monetary policy decisions to achieve its monetary policy objectives independent of direction from the New Zealand Government. A Select Committee is expected to be established in the second half of calendar year 2018 to consider draft legislation giving effect to the phase one policy decisions.
- Phase two will involve the RBNZ and the New Zealand Treasury working together to produce a list of areas where further investigations of the RBNZ's activities (including financial stability and other policy) are desirable. The terms of reference for phase 2, and the next steps for the review, are expected to be communicated in the first half of 2018. Phase two will also include the review of the macroprudential framework that had already been scheduled for 2018.

### *RBNZ review of mortgage bond collateral standards*

On 17 November 2017, the RBNZ released a consultation paper on its review of mortgage bond collateral standards. The consultation focused on the terms under which the RBNZ would be prepared to accept mortgage bonds (such as residential mortgage-backed securities or covered bonds) as collateral for the RBNZ's lending operations, and proposed a new Residential Mortgage Obligations ("**RMO**") standard. The RBNZ proposed to gradually phase in RMO to replace internal residential mortgage backed securities under a 12-month transition period, beginning 1 July 2018 and ending 30 June 2019. Consultation on the initial RBNZ proposals closed on 9 March 2018. The RBNZ intends to undertake further industry consultation on the proposals in the near future.

### *New Zealand Banks' response to the Australian Royal Commission*

On 3 May 2018, the FMA and RBNZ asked New Zealand banks to provide them with specific information to give assurance that the type of misconduct highlighted in the Australian Royal Commission is not taking place in New Zealand. By 18 May 2018, each New Zealand bank must provide a summary of work it has undertaken to identify and address conduct and culture issues in its business. The FMA and RBNZ will then assess this information, and meet the management and the board of directors of each bank, to agree the next steps.

### **Conditions of registration: ANZ Bank New Zealand Limited**

These conditions apply on and after 1 January 2018. For the purposes of this section references to "\$" are to New Zealand dollars.

The registration of ANZ Bank New Zealand Limited (the "**bank**") as a registered bank is subject to the following conditions:

1. That:
  - (a) the Total capital ratio of the banking group is not less than 8 per cent.;
  - (b) the Tier 1 capital ratio of the banking group is not less than 6 per cent.;
  - (c) the Common Equity Tier 1 capital ratio of the banking group is not less than 4.5 per cent.;
  - (d) the Total capital of the banking group is not less than \$30 million; and

- (e) the bank must not include the amount of an Additional Tier 1 capital instrument or Tier 2 capital instrument issued after 1 January 2013 in the calculation of its capital ratios unless it has received a notice of non-objection to the instrument from the Reserve Bank; and
- (f) the bank meets the requirements of Part 3 of the Reserve Bank of New Zealand document: "Application requirements for capital recognition or repayment and notification requirements in respect of capital" (BS16) dated November 2015 in respect of regulatory capital instruments.

For the purposes of this condition of registration,—

the scalar referred to in the Reserve Bank of New Zealand document "Capital Adequacy Framework (Internal Models Based Approach)" (BS2B) dated November 2015 is 1.06.

"**Total capital ratio**", "**Tier 1 capital ratio**", "**Common Equity Tier 1 capital ratio**", and "**Total capital**" must be calculated in accordance with the Reserve Bank of New Zealand document "Capital Adequacy Framework (Internal Models Based Approach)" (BS2B) dated November 2015.

an Additional Tier 1 capital instrument is an instrument that meets the requirements of subsection 2.13(a) or (c) of the Reserve Bank of New Zealand document "Capital Adequacy Framework (Internal Models Based Approach)" (BS2B) dated November 2015.

a Tier 2 capital instrument is an instrument that meets the requirements of subsection 2.16(a) or (c) of the Reserve Bank of New Zealand document "Capital Adequacy Framework (Internal Models Based Approach)" (BS2B) dated November 2015.

1A. That:

- (a) the bank has an internal capital adequacy assessment process ("**ICAAP**") that accords with the requirements set out in the document "Guidelines on a bank's internal capital adequacy assessment process" (ICAAP) (BS12) dated December 2007;
- (b) under its ICAAP the bank identifies and measures its "other material risks" defined as all material risks of the banking group that are not explicitly captured in the calculation of the Common Equity Tier 1 capital ratio, the Tier 1 capital ratio and the Total capital ratio under the requirements set out in the document "Capital Adequacy Framework (Internal Models Based Approach)" (BS2B) dated November 2015; and
- (c) the bank determines an internal capital allocation for each identified and measured "other material risk".

1B. That the banking group complies with all requirements set out in the Reserve Bank of New Zealand document "Capital Adequacy Framework (Internal Models Based Approach)" (BS2B) dated November 2015.

1C. That, if the buffer ratio of the banking group is 2.5 per cent. or less, the bank must:

- (a) according to the following table, limit the aggregate distributions of the bank's earnings to the percentage limit to distributions that corresponds to the banking group's buffer ratio:

<b>Banking group's buffer ratio</b>	<b>Percentage limit to distributions of the bank's earnings</b>
<b>0% – 0.625%</b>	<b>0%</b>
<b>&gt;0.625 – 1.25%</b>	<b>20%</b>
<b>&gt;1.25 – 1.875%</b>	<b>40%</b>
<b>&gt;1.875 – 2.5%</b>	<b>60%</b>

- (b) prepare a capital plan to restore the banking group's buffer ratio to above 2.5 per cent. within any timeframe determined by the Reserve Bank for restoring the buffer ratio; and
- (c) have the capital plan approved by the Reserve Bank.

For the purposes of this condition of registration,—

"**buffer ratio**", "**distributions**", and "**earnings**" have the same meaning as in Part 3 of the Reserve Bank of New Zealand document: "Capital Adequacy Framework (Internal Models Based Approach)" (BS2B) dated November 2015.

the scalar referred to in the Reserve Bank of New Zealand document "Capital Adequacy Framework (Internal Models Based Approach)" (BS2B) dated November 2015 is 1.06.

2. That the banking group does not conduct any non-financial activities that in aggregate are material relative to its total activities.

In this condition of registration, the meaning of "material" is based on generally accepted accounting practice.

3. That the banking group's insurance business is not greater than 1 per cent. of its total consolidated assets.

For the purposes of this condition of registration, the banking group's insurance business is the sum of the following amounts for entities in the banking group:

- (a) if the business of an entity predominantly consists of insurance business and the entity is not a subsidiary of another entity in the banking group whose business predominantly consists of insurance business, the amount of the insurance business to sum is the total consolidated assets of the group headed by the entity; and
- (b) if the entity conducts insurance business and its business does not predominantly consist of insurance business and the entity is not a subsidiary of another entity in the banking group whose business predominantly consists of insurance business, the amount of the insurance business to sum is the total liabilities relating to the entity's insurance business plus the equity retained by the entity to meet the solvency or financial soundness needs of its insurance business.

In determining the total amount of the banking group's insurance business—

- (a) all amounts must relate to on balance sheet items only, and must comply with generally accepted accounting practice; and
- (b) if products or assets of which an insurance business is comprised also contain a non-insurance component, the whole of such products or assets must be considered part of the insurance business.

For the purposes of this condition of registration,

"**insurance business**" means the undertaking or assumption of liability as an insurer under a contract of insurance;

"**insurer**" and "**contract of insurance**" have the same meaning as provided in sections 6 and 7 of the Insurance (Prudential Supervision) Act 2010.

4. That the aggregate credit exposures (of a non-capital nature and net of any allowances for impairment) of the banking group to all connected persons do not exceed the rating-contingent limit outlined in the following matrix:

Credit rating of the bank <sup>(1)</sup>	Connected exposure limit (% of the banking group's Tier 1 capital)
AA/Aa2 and above	75
AA-/Aa3	70
A+/A1	60
A/A2	40



Credit rating of the bank <sup>(1)</sup>	Connected exposure limit (% of the banking group's Tier 1 capital)
A-/A3	30
BBB+/Baa1 and below	15

(1) This table uses the rating scales of S&P, Fitch and Moody's. (Fitch's scale is identical to S&P.)

Within the rating-contingent limit, credit exposures (of a non-capital nature and net of any allowances for **impairment**) to non-bank connected persons shall not exceed 15 per cent. of the banking group's Tier 1 capital.

For the purposes of this condition of registration, compliance with the rating-contingent connected exposure limit is determined in accordance with the Reserve Bank of New Zealand document entitled "Connected Exposures Policy" (BS8) dated November 2015.

5. That exposures to connected persons are not on more favourable terms (e.g. as relates to such matters as credit assessment, tenor, interest rates, amortisation schedules and requirement for collateral) than corresponding exposures to non-connected persons.
6. That the bank complies with the following corporate governance requirements:
  - (a) the board of the bank must have at least five directors;
  - (b) the majority of the board members must be non-executive directors;
  - (c) at least half of the board members must be independent directors;
  - (d) an alternate director:
    - (i) for a non-executive director must be non-executive; and
    - (ii) for an independent director must be independent;
  - (e) at least half of the independent directors of the bank must be ordinarily resident in New Zealand;
  - (f) the chairperson of the board of the bank must be independent; and
  - (g) the bank's constitution must not include any provision permitting a director, when exercising powers or performing duties as a director, to act other than in what he or she believes is the best interests of the company (i.e. the bank).

For the purposes of this condition of registration, "**non-executive**" and "**independent**" have the same meaning as in the Reserve Bank of New Zealand document entitled "Corporate Governance" (BS14) dated July 2014.

7. That no appointment of any director, chief executive officer, or executive who reports or is accountable directly to the chief executive officer, is made in respect of the bank unless:
  - (a) the Reserve Bank has been supplied with a copy of the curriculum vitae of the proposed appointee; and
  - (b) the Reserve Bank has advised that it has no objection to that appointment.
8. That a person must not be appointed as chairperson of the board of the bank unless:
  - (a) the Reserve Bank has been supplied with a copy of the curriculum vitae of the proposed appointee; and
  - (b) the Reserve Bank has advised that it has no objection to that appointment.
9. That the bank has a board audit committee, or other separate board committee covering audit matters, that meets the following requirements:

- (a) the mandate of the committee must include: ensuring the integrity of the bank's financial controls, reporting systems and internal audit standards;
- (b) the committee must have at least three members;
- (c) every member of the committee must be a non-executive director of the bank;
- (d) the majority of the members of the committee must be independent; and
- (e) the chairperson of the committee must be independent and must not be the chairperson of the bank.

For the purposes of this condition of registration, "**non-executive**" and "**independent**" have the same meaning as in the Reserve Bank of New Zealand document entitled Corporate Governance (BS14) dated July 2014.

- 10. That a substantial proportion of the bank's business is conducted in and from New Zealand.
- 11. That the bank has legal and practical ability to control and execute any business, and any functions relating to any business, of the bank that are carried on by a person other than the bank, sufficient to achieve, under normal business conditions and in the event of stress or failure of the bank or of a service provider to the bank, the following outcomes:
  - (a) that the bank's clearing and settlement obligations due on a day can be met on that day;
  - (b) that the bank's financial risk positions on a day can be identified on that day;
  - (c) that the bank's financial risk positions can be monitored and managed on the day following any failure and on subsequent days; and
  - (d) that the bank's existing customers can be given access to payments facilities on the day following any failure and on subsequent days.

This condition ceases to apply in respect of an existing outsourcing arrangement on the earlier of either 1 October 2022 or when the existing outsourcing arrangement becomes compliant with condition 24, from which point in time condition 24 will apply to that outsourcing arrangement.

For the purposes of this condition of registration:

- (a) the term "legal and practical ability to control and execute" is explained in the Reserve Bank of New Zealand document entitled "Outsourcing Policy" (BS11) dated January 2006; and
  - (b) the term "existing outsourcing arrangement" is defined in the Reserve Bank of New Zealand document entitled "Outsourcing Policy (BS11)" dated September 2017.
- 12. That:
    - (a) the business and affairs of the bank are managed by, or under the direction or supervision of, the board of the bank;
    - (b) the employment contract of the chief executive officer of the bank or person in an equivalent position (together "**CEO**") is with the bank, and the terms and conditions of the CEO's employment agreement are determined by, and any decisions relating to the employment or termination of employment of the CEO are made by, the board of the bank; and
    - (c) all staff employed by the bank shall have their remuneration determined by (or under the delegated authority of) the board or the CEO of the bank and be accountable (directly or indirectly) to the CEO of the bank.
  - 13. That the banking group complies with the following quantitative requirements for liquidity-risk management:

- (a) the one-week mismatch ratio of the banking group is not less than zero per cent. at the end of each business day;
- (b) the one-month mismatch ratio of the banking group is not less than zero per cent. at the end of each business day; and
- (c) the one-year core funding ratio of the banking group is not less than 75 per cent. at the end of each business day.

For the purposes of this condition of registration, the ratios identified must be calculated in accordance with the Reserve Bank of New Zealand documents entitled "Liquidity Policy" (BS13) dated January 2018 and "Liquidity Policy Annex: Liquid Assets" (BS13A) dated December 2011.

14. That the bank has an internal framework for liquidity risk management that is adequate in the bank's view for managing the bank's liquidity risk at a prudent level, and that, in particular:
- (a) is clearly documented and communicated to all those in the organisation with responsibility for managing liquidity and liquidity risk;
  - (b) identifies responsibility for approval, oversight and implementation of the framework and policies for liquidity risk management;
  - (c) identifies the principal methods that the bank will use for measuring, monitoring and controlling liquidity risk; and
  - (d) considers the material sources of stress that the bank might face, and prepares the bank to manage stress through a contingency funding plan.
15. That no more than 10 per cent. of total assets may be beneficially owned by a SPV.

For the purposes of this condition:

"**total assets**" means all assets of the banking group plus any assets held by any SPV that are not included in the banking group's assets:

"**SPV**" means a person:

- (a) to whom any member of the banking group has sold, assigned, or otherwise transferred any asset;
- (b) who has granted, or may grant, a security interest in its assets for the benefit of any holder of any covered bond; and
- (c) who carries on no other business except for that necessary or incidental to guarantee the obligations of any member of the banking group under a covered bond:

"**covered bond**" means a debt security issued by any member of the banking group, for which repayment to holders is guaranteed by a SPV, and investors retain an unsecured claim on the issuer.

16. That:
- (a) no member of the banking group may give effect to a qualifying acquisition or business combination that meets the notification threshold, and does not meet the non-objection threshold, unless:
    - (i) the bank has notified the Reserve Bank in writing of the intended acquisition or business combination and at least 10 working days have passed; and
    - (ii) at the time of notifying the Reserve Bank of the intended acquisition or business combination, the bank provided the Reserve Bank with the information required under

the Reserve Bank of New Zealand Banking Supervision Handbook document "Significant Acquisitions Policy" (BS15) dated December 2011; and

- (b) no member of the banking group may give effect to a qualifying acquisition or business combination that meets the non-objection threshold unless:
  - (i) the bank has notified the Reserve Bank in writing of the intended acquisition or business combination;
  - (ii) at the time of notifying the Reserve Bank of the intended acquisition or business combination, the bank provided the Reserve Bank with the information required under the Reserve Bank of New Zealand Banking Supervision Handbook document "Significant Acquisitions Policy" (BS15) dated December 2011; and
  - (iii) the Reserve Bank has given the bank a notice of non-objection to the significant acquisition or business combination.

For the purposes of this condition of registration, "**qualifying acquisition or business combination**", "**notification threshold**" and "**non-objection threshold**" have the same meaning as in the Reserve Bank of New Zealand Banking Supervision Handbook document "Significant Acquisitions Policy" (BS15) dated December 2011.

17. That the bank is pre-positioned for Open Bank Resolution and in accordance with a direction from the Reserve Bank, the bank can:
- (a) close promptly at any time of the day and on any day of the week and that effective upon the appointment of the statutory manager:
    - (i) all liabilities are frozen in full; and
    - (ii) no further access by customers and counterparties to their accounts (deposits, liabilities or other obligations) is possible;
  - (b) apply a *de minimis* to relevant customer liability accounts;
  - (c) apply a partial freeze to the customer liability account balances;
  - (d) reopen by no later than 9am the next business day following the appointment of a statutory manager and provide customers access to their unfrozen funds;
  - (e) maintain a full freeze on liabilities not pre-positioned for open bank resolution; and
  - (f) reinstate customers' access to some or all of their residual frozen funds.

For the purposes of this condition of registration, "*de minimis*", "**partial freeze**", "**customer liability account**", and "**frozen and unfrozen funds**" have the same meaning as in the Reserve Bank of New Zealand document entitled "Open Bank Resolution (OBR) Pre-positioning Requirements Policy" (BS17) dated September 2013.

18. That the bank has an Implementation Plan that:
- (a) is up-to-date; and
  - (b) demonstrates that the bank's prepositioning for Open Bank Resolution meets the requirements set out in the Reserve Bank document: "Open Bank Resolution Pre-positioning Requirements Policy" (BS17) dated September 2013.

For the purposes of this condition of registration, "**Implementation Plan**" has the same meaning as in the Reserve Bank of New Zealand document "Open Bank Resolution (OBR) Pre-positioning Requirements Policy" (BS17) dated September 2013.

19. That the bank has a compendium of liabilities that:
- (a) at the product-class level lists all liabilities, indicating which are:
    - (i) pre-positioned for Open Bank Resolution; and
    - (ii) not pre-positioned for Open Bank Resolution;
  - (b) is agreed to by the Reserve Bank; and
  - (c) if the Reserve Bank's agreement is conditional, meets the Reserve Bank's conditions.

For the purposes of this condition of registration, "**compendium of liabilities**", and "**pre-positioned and non prepositioned liabilities**" have the same meaning as in the Reserve Bank of New Zealand document "Open Bank Resolution (OBR) Prepositioning Requirements Policy" (BS17) dated September 2013.

20. That on an annual basis the bank tests all the component parts of its Open Bank Resolution solution that demonstrates the bank's prepositioning for Open Bank Resolution as specified in the bank's Implementation Plan.

For the purposes of this condition of registration, "**Implementation Plan**" has the same meaning as in the Reserve Bank of New Zealand document "Open Bank Resolution (OBR) Pre-positioning Requirements Policy" (BS17) dated September 2013.

21. That, for a loan-to-valuation measurement period, the total of the bank's qualifying new mortgage lending amount in respect of property-investment residential mortgage loans with a loan-to-valuation ratio of more than 65 per cent., must not exceed 5 per cent. of the total of the qualifying new mortgage lending amount in respect of property-investment residential mortgage loans arising in the loan-to-valuation measurement period.
22. That, for a loan-to-valuation measurement period, the total of the bank's qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans with a loan-to-valuation ratio of more than 80 per cent., must not exceed 15 per cent. of the total of the qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans arising in the loan-to-valuation measurement period.
23. That the bank must not make a residential mortgage loan unless the terms and conditions of the loan contract or the terms and conditions for an associated mortgage require that a borrower obtain the registered bank's agreement before the borrower can grant to another person a charge over the residential property used as security for the loan.
24. That the bank must comply with the Reserve Bank of New Zealand document "Outsourcing Policy" (BS11) dated September 2017.

In these conditions of registration:

"**banking group**" means ANZ Bank New Zealand Limited (as reporting entity) and all other entities included in the group as defined in section 6(1) of the Financial Markets Conduct Act 2013 for the purposes of Part 7 of that Act.

"**generally accepted accounting practice**" has the same meaning as in section 8 of the Financial Reporting Act 2013.

In conditions of registration 21 to 23:

"**loan-to-valuation ratio**", "**non- property-investment residential mortgage loan**", "**property-investment residential mortgage loan**", "**qualifying new mortgage lending amount in respect of property-investment residential mortgage loans**", "**qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans**" and "**residential mortgage loan**" have the same meaning as in the Reserve Bank of

New Zealand document entitled "Framework for Restrictions on High-LVR Residential Mortgage Lending" (BS19) dated January 2018:

**"loan-to-valuation measurement period"** means:

- (a) the three calendar month period ending on the last day of March 2018; and
- (b) thereafter a period of three calendar months ending on the last day of the third calendar month, the first of which ends on the last day of April 2018.

11. **INFORMATION INCORPORATED BY REFERENCE**

This section contains a description of the information that is deemed to be incorporated by reference into this Base Prospectus.

## INFORMATION INCORPORATED BY REFERENCE

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

In respect of ANZBGL, ANZ New Zealand and ANZNIL, for the purpose of any issues of Notes under this Base Prospectus which are to be consolidated and form a single Series with an existing Tranche or Series of Notes, the terms and conditions of the Notes as set out in:

1. the section entitled "Appendix B (*Terms and Conditions of the Notes*)" on pages 179 to 214 of the Base Prospectus dated 16 May 2017; and
2. the section entitled "Conditions of the Notes" on the following specified pages of the base prospectuses and supplementary prospectus of ANZBGL, ANZ New Zealand and ANZNIL:
  - (a) pages 172 to 206 of the Base Prospectus dated 16 May 2016;
  - (b) pages 168 to 203 of the Base Prospectus dated 15 May 2015;
  - (c) pages 57 to 91 of the Base Prospectus dated 16 May 2014;
  - (d) pages 62 to 107 of the Base Prospectus dated 16 May 2013;
  - (e) pages 37 to 76 of the Base Prospectus dated 18 May 2012;
  - (f) pages 36 to 75 of the Base Prospectus dated 25 May 2011;
  - (g) pages 34 to 73 of the Base Prospectus dated 2 June 2010;
  - (h) pages 38 to 78 of the Base Prospectus dated 21 July 2009;
  - (i) pages 25 to 57 of the Base Prospectus dated 18 July 2008;
  - (j) pages 24 to 56 of the Base Prospectus dated 25 September 2007;
  - (k) pages 10 to 56 of the Supplemental Base Prospectus dated 23 March 2007 (supplementing and amending the Base Prospectus dated 25 September 2006); and
  - (l) pages 19 to 46 of the Base Prospectus dated 25 September 2006.

In respect of ANZBGL:

1. the audited annual consolidated financial statements (including the auditor's report thereon and notes thereto) in respect of the years ended 30 September 2016 and 2017 (set out on pages 62 to 175 and pages 65 to 160, respectively of the 2016 and 2017 Annual Reports of ANZBGL);
2. the unaudited interim consolidated financial statements (including the auditor's report thereon and notes thereto) in respect of the half-year ended 31 March 2018 (set out on pages 73 to 108 of ANZBGL's Half Year 31 March 2018 Consolidated Financial Report, Dividend Announcement and Appendix 4D);
3. the section entitled "Capital Management – including discontinued operations" set out on pages 110 to 113 of ANZBGL's Half Year 31 March 2018 Consolidated Financial Report, Dividend Announcement and Appendix 4D;
4. the sections entitled "Liquidity Risk – including discontinued operations", "Funding – including discontinued operations", "Capital Management – including discontinued operations", "Leverage Ratio – including discontinued operations" and "Other Regulatory Developments" set out on pages 36 to 41 of ANZBGL's Half Year 31 March 2018 Consolidated Financial Report, Dividend Announcement and Appendix 4D; and
5. ANZBGL's Basel III Pillar 3 Disclosure dated 31 March 2018 (APS 330: Public Disclosure).



In respect of ANZ New Zealand:

1. the audited annual consolidated financial statements (including the auditor's report thereon and notes thereto) in respect of the year ended 30 September 2016 (set out on pages 3 to 66 and 77 to 78 of the ANZ Bank New Zealand Limited Disclosure Statement for the year ended 30 September 2016) and the audited annual consolidated financial statements (including the auditor's report thereon and notes thereto) in respect of the year ended 30 September 2017 (set out on pages 3 to 67 and 79 to 86 of the ANZ Bank New Zealand Limited Disclosure Statement for the year ended 30 September 2017); and
2. the unaudited interim consolidated financial statements (including the auditor's review report thereon and notes thereto) in respect of the six months ended 31 March 2018 (set out on pages 2 to 10 and 27 to 28 of the ANZ Bank New Zealand Limited Disclosure Statement for the six months ended 31 March 2018).

In respect of ANZNIL:

1. the audited annual financial statements (including the auditor's report thereon and notes thereto) in respect of the years ended 30 September 2016 and 2017 (set out on pages 2 to 11 and 2 to 10, respectively of the 2016 and 2017 Annual Reports of ANZNIL); and
2. the unaudited interim financial statements in respect of the six months ended 31 March 2018 (set out on pages 2 to 6 of the ANZ New Zealand (Int'l) Limited Interim Financial Statements for the six months ended 31 March 2018).

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

Copies of the documents incorporated by reference into this Base Prospectus 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 Agents, Deutsche Bank AG at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom and at <http://www.shareholder.anz.com/supplementary-disclosures-euro-medium-term-note-programme>.

12. **SUBSCRIPTION AND SALE**

This section contains a description of the material provisions of the Programme Agreement and certain selling restrictions applicable to making offers of the Notes under the Programme.

## SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in an Amended and Restated Programme Agreement dated 17 May 2018 (as further amended, restated, supplemented and/or updated from time to time, the "**Programme Agreement**") between the Issuers, the Guarantor and the Dealers, the Notes will be offered from time to time by the relevant Issuer to the Dealers. However, each Issuer reserves the right to issue Notes directly on its own behalf to Dealers who are appointed as Dealers in respect of specified Tranches only or to other subscribers procured by it. 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. The Notes may also be issued by an Issuer through the Dealers, acting as agents of the relevant Issuer. The Programme Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The relevant Issuer will pay each relevant Dealer a commission as agreed between such Issuer and the Dealer, which commission may be deducted from the net proceeds payable to such Issuer on the closing of any series of Notes.

Each Issuer has severally agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes issued by such Issuer. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the relevant Issuer.

The Issuers have agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme.

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuers and their affiliates in the ordinary course of business. In addition, in the ordinary course of business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities may involve securities and/or instruments of the Issuers or Issuers' affiliates. Certain of the Dealers or their affiliates that have a lending relationship with an Issuer routinely hedge their credit exposure to the relevant Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of such Notes. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

### **United States**

Neither the Notes nor the Guarantee have been, and neither will 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. Each 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 Programme 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 relevant 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 relevant 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, each 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. Each 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:

"Neither the Notes covered hereby nor the Guarantee have been, and neither will 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."

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, to notify the Fiscal Agent and the relevant 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 Final Terms or the subscription agreement relating to one or more Tranches specifies that the applicable Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**") exemption is either "C Rules" or "not applicable", each 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 US 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 US 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 relevant 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 Final Terms or the subscription agreement relating to one or more Tranches of Notes in bearer form specifies that the applicable TEFRA exemption is C Rules under US Treasury Regulation §1.163-5(c)(2)(i)(I) (the "**C Rules**") (provided that such transaction is in accordance and compliance with applicable laws), Notes in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance. In relation to each such Tranche, each 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, 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 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 US office in the offer or sale of Notes in bearer form. Terms used in this paragraph have the meanings given to them by the US International Revenue Code and regulations thereunder, including the C Rules.

#### **Public Offer Selling Restriction Under the Prospectus Directive**

If the Final Terms (or Pricing Supplement, as the case may be) in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus which is not a Drawdown Prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable, and the relevant Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor

to decide to purchase or subscribe for the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

### **Prohibition of Sales to EEA Retail Investors**

Unless the Final Terms (or Pricing Supplement, as the case may be) in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", 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, 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 Base Prospectus as completed by the Final Terms (or Pricing Supplement, as the case may be) in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - (ii) a customer within the meaning of the Insurance Mediation Directive (Directive 2002/92/EC, as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Directive; 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 the Notes.

### **Belgium**

For selling restrictions in respect of Belgium, please see "Public Offer Selling Restriction Under the Prospectus Directive" and "Prohibition of Sales to EEA Retail Investors" above and in addition:

This Base Prospectus has not been submitted for approval to the Financial Services and Markets Authority. Accordingly, Notes that have a maturity of less than 12 months and qualify as money market instruments (and that therefore fall outside the scope of the Prospectus Directive) may not be distributed in Belgium by way of a public offering, as defined for the purposes of the law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets, as amended or replaced from time to time.

Any offeror of Notes will be required to represent and agree that it will not offer for sale, sell or market Notes to any person qualifying as a consumer within the meaning of Article I.1.2 of the Belgian Code of Economic Law, as amended from time to time, unless such offer, sale or marketing is made in compliance with this Code and its implementing regulation.

### **Denmark**

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, sell or deliver any of the Notes directly or indirectly in the Kingdom of Denmark by way of public offering, unless in compliance with the Capital Markets Act (*Kapitalmarkedsloven*), as amended from time to time, and Executive Orders issued thereto.

### **Finland**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not publicly offer the Notes or bring the Notes into general circulation in Finland other than in compliance with all applicable provisions of the laws of Finland and especially in compliance with the Finnish Securities Market Act (14 December 2012/746,

Fi. *Arvopaperimarkkinalaki* or Sw. *Värdepappersmarknadslag*) and any regulation or rule made thereunder, as supplemented and amended from time to time.

## France

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, directly or indirectly, Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, other than individuals, all as defined in, and in accordance with, articles L.411-1, L.411-2, D.411-1, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the offer of Notes to the public in France will be made only in compliance with the Prospectus Directive and the applicable laws, regulations and procedures in France as set out below. The direct or indirect resale of Notes to the public in France may be made only as provided by, and in accordance with, articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French *Code monétaire et financier*. This Base Prospectus prepared in connection with the Notes has not been submitted to the clearance procedures of the French *Autorité des marchés financiers* (the "AMF").

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, unless the approval of this Base Prospectus by the UK Listing Authority has been notified to the AMF in accordance with Article 18 of the Prospectus Directive, as implemented in France, and all the other procedures and formalities required by French laws and regulations to permit the offering (and in which case only for a period of 12 months from the date of such approval) and sale of Notes in France have been carried out, it has not and will not make an offer of Notes to the public in France.

## Ireland

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent agree, that:

- (a) it will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (as amended, the "**MiFID II Regulations**"), including, without limitation, Regulation 5 (*Requirement for authorisation (and certain provisions concerning MTFs and OTFs)*) thereof, or any rules or any codes of conduct made under the MiFID II Regulations, and the provisions of the Investor Compensation Act 1998 (as amended);
- (b) it will not underwrite the issue of, or place, the Notes, otherwise than in conformity with the provisions of the Companies Act 2014 (as amended), the Central Bank Acts 1942 to 2017 and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989 (as amended);
- (c) it will not underwrite the issue of, or place, or do anything in Ireland in respect of the Notes otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any rules issued by the Central Bank of Ireland under section 1363 of the Companies Act 2014 (as amended); and
- (d) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Notes, otherwise than in conformity with the Market Abuse Regulation (EU 596/2014)) and any rules issued by the Central Bank of Ireland under section 1370 of the Companies Act 2014 (as amended).

## Republic of Italy

The offering of the Notes has not been registered with the Commissione Nazionale per le Società e la Borsa ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed that, save as set out below, it has not offered or sold, and will not offer or sell, any Notes in the Republic of Italy in an offer to the public and that sales of the Notes in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Accordingly, each of the Dealer has represented and agreed that it will not offer, sell or deliver any Notes or distribute copies of this Base Prospectus and any other document relating to the Notes in the Republic of Italy except:

- (1) to "qualified investors", as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Decree No. 58**") and defined in Article 34-ter, paragraph 1, let. b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**") or
- (2) that it may offer, sell or deliver Notes or distribute copies of any prospectus relating to such Notes in an offer to the public in the period commencing on the date of publication of such prospectus, provided that such prospectus has been approved in another Relevant Member State and notified to CONSOB, all in accordance with the Directive 2003/71/EC of 4 November 2003 (the "**Prospectus Directive**" as amended, including by Directive 2010/73/EU), as implemented in Italy under Decree No. 58 and Regulation No. 11971, and ending on the date which is 12 months after the date of approval of such prospectus; or
- (3) in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under Decree No. 58 or Regulation No. 11971.

Any such offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, Decree No. 58, CONSOB Regulation No. 20307 of 15 February 2018, as amended and any other applicable laws and regulations;
- (b) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016); and
- (c) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

### *Provisions relating to the secondary market in the Republic of Italy*

Investors should also note that, in any subsequent distribution of the Notes in the Republic of Italy, Article 100-*bis* of Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, where the Notes are placed solely with "qualified investors" and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under Decree No. 58 applies.

## Luxembourg

The Notes may not be offered or sold to the public within the territory of the Grand Duchy of Luxembourg ("**Luxembourg**") unless:



- (a) a prospectus has been duly approved by the Commission de Surveillance du Secteur Financier (the "CSSF") pursuant to part II of the Luxembourg law dated 10 July 2005 on prospectuses for securities, as amended, which implements the Prospectus Directive (the "**Luxembourg Prospectus Law**"), if Luxembourg is the home Member State as defined under the Luxembourg Prospectus Law; or
- (b) if Luxembourg is not the home Member State as defined under the Luxembourg Prospectus Law, the CSSF and the European Securities and Markets Authority have been provided by the competent authority in the home Member State with a certificate of approval attesting that a prospectus in relation to the Notes has been duly approved in accordance with the Prospectus Directive and with a copy of that prospectus; or
- (c) the offer of Notes benefits from an exemption from, or constitutes a transaction not subject to, the requirement to publish a prospectus under the Luxembourg Prospectus Law.

### **The Netherlands**

#### *In relation to Australia and New Zealand Banking Group Limited:*

For selling restrictions in respect of The Netherlands, see "Public Offer Selling Restriction Under the Prospectus Directive" and "Prohibition of Sales to EEA Retail Investors" and 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 will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in The Netherlands in reliance on Article 3(2) of the Prospectus Directive unless such offer is made exclusively to persons or legal entities which are qualified investors (as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the "FSA") and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in The Netherlands.

For the purposes of this provision, the expressions (i) an "offer of Notes to the public" in relation to any Notes in The Netherlands and (ii) "Prospectus Directive" have the meaning given to them above in the paragraph headed "Public Offer Selling Restriction Under the Prospectus Directive".

Zero Coupon Notes (as defined below) in definitive form of the relevant Issuer may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the relevant Issuer or a member firm of Euronext Amsterdam N.V. admitted on one or more systems held or operated by Euronext Amsterdam N.V. in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (b) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter. As used herein "Zero Coupon Notes" are Notes that are in bearer form and that constitute a claim for a fixed sum against the relevant Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

#### *In relation to ANZ Bank New Zealand Limited and ANZ New Zealand (Int'l) Limited:*

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in The Netherlands unless such offer is made exclusively to persons or legal entities which are qualified investors (as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the "FSA") and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in The Netherlands.

For the purposes of this provision, the expressions (i) an "offer of Notes to the public" in relation to any Notes in The Netherlands and (ii) "Prospectus Directive" have the meaning given to them above in the paragraph headed "Public Offer Selling Restriction Under the Prospectus Directive".

Zero Coupon Notes (as defined below) in definitive form of the relevant Issuer may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the relevant Issuer or a member firm of Euronext Amsterdam N.V. admitted on one or more systems held or operated by Euronext Amsterdam N.V. in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in global form, or (b) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes (either in definitive form or as rights representing an interest in a Zero Coupon Note in global form) of any particular Series are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter. As used herein "**Zero Coupon Notes**" are Notes that are in bearer form and that constitute a claim for a fixed sum against the relevant Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

### **Sweden**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no Notes will be offered to the public in Sweden nor admitted to trading on a regulated market in Sweden unless and until (A) a prospectus in relation to those Notes has been approved by the competent authority in Sweden or, where appropriate, approved in another Relevant Member State and such competent authority has notified the competent authority in Sweden, all in accordance with the Prospectus Directive and the Swedish Financial Instruments Trading Act; or (B) an exemption from the requirement to prepare a prospectus is available under the Swedish Financial Instruments Trading Act.

### **United Kingdom**

Each 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 and issued by ANZ New Zealand and/or ANZNIL:
  - (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:
    - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
    - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by ANZ New Zealand and/or ANZNIL;

- (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 ANZ New Zealand and/or ANZNIL, or, in the case of ANZBGL would not, if ANZBGL was not an authorised person, apply to ANZBGL; 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 or other disclosure document (as defined in the Corporations Act) in relation to the Programme or any Notes (including this Base Prospectus) has been or will be lodged with or registered by the Australian Securities and Investments Commission ("**ASIC**") or the Australian Securities Exchange Limited. 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 (unless a supplement to this Base Prospectus 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 (as described in Division 2 of Part 1.2 in Chapter 1 of the Corporations Act) or the offer otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act and does not constitute an offer to a "retail client" as defined for the purposes of section 761G of the Corporations Act; and
- (ii) such action complies with all applicable laws, directives and regulations and does not require any document to be lodged with, or registered by, ASIC.

Each 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 ANZBGL 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 Final Terms only, a resident of Australia, or a non-resident who is engaged in carrying on business in Australia at or through a permanent establishment of that non-resident in Australia (the expressions "**resident of Australia**", "**non-resident**" and "**permanent establishment**" having the meanings given to them by the Australian Tax Act); or
- (b) in respect of any Note issued by ANZBGL, an Offshore Associate of ANZBGL 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 ANZBGL 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 of Australia.

### **Hong Kong**

Each 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, each Dealer has represented and undertaken, and each further Dealer appointed under the Programme will be required to represent and undertake, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to 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 any Issuer, the Guarantor 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.

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, 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, in relation to Note issues by ANZ New Zealand or ANZNIL, 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 hold a valid certificate of exemption for New Zealand resident withholding tax purposes and provide a New Zealand tax file number to such Dealer (in which event the Dealer shall provide details thereof to the relevant Issuer or to a Paying Agent).

### **Singapore**

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A(1)(c) of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1), 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 the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person who is:

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

securities (as defined in Section 239(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 (under Section 274 of the SFA) or to a relevant person as defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

### **South Korea**

The Notes have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea ("FSCMA"). Each Dealer has represented and agreed each further Dealer appointed under the Programme will be required to represent and agree that the Notes have not been and will not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as defined in the Foreign Exchange Transactions Law of Korea and its Enforcement Decree), or to any other person for reoffering, resale or re-delivery, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea, except as otherwise permitted by applicable Korean laws and regulations. In addition, each Dealer has represented and agreed that, until the expiration of one year after the issuance of the Notes, a holder of Notes will be prohibited from offering, delivering or selling any Notes, directly or indirectly, in Korea or to any

Korean resident except (i) in the case where the Notes are not issued as convertible bonds, bonds with warrants and exchangeable bonds, the Notes may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified institutional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure, provided that (x) the Notes are registered with the Korea Financial Investment Association ("**KOFIA**") by the Issuer and (y) the qualified institutional investors are registered with the KOFIA in advance and complies with the requirement for monthly reports to the KOFIA of their holding of the Notes, and further provided that all of the following requirements are satisfied: (1) the Notes shall be issued in a currency other than Korean Won and the principal and interest shall be paid in a currency other than Korean Won, (2) at least 80 per cent. of the Notes shall be allocated to non-residents of Korea (which applies only to the Notes acquired from the Issuer or any underwriter at the time of issuance), (3) the Notes shall be those listed on a major overseas securities market specified by the governor of the Financial Supervisory Service of Korea (the "**FSS**"), those registered with or reported to a foreign financial investment supervisory agency of the country in which a major overseas market is established, or those for which any other procedure that may be deemed a public offering is completed, (4) measures shall be taken to state the condition that the Notes shall not be transferred to any Korean resident other than qualified institutional investors at the time of issuance or within one year from the issuance date on the face of such Notes (limited to cases where any physical instrument is issued), the underwriting agreement, subscription agreement or offering document and (5) the Issuer and the relevant Dealers shall take measures under foregoing items (1) through (4) and the Issuer and the relevant Dealers shall severally or jointly preserve evidential documents in relation thereto; or (ii) as otherwise permitted under applicable Korean laws and regulations.

### **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 relevant Issuer or the relevant Dealer outside Taiwan and shall be deemed a contract entered into in the jurisdiction of incorporation of the relevant Issuer or relevant Dealer, as the case may be.

### **The Kingdom of Norway**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, unless the Issuer has confirmed in writing to each Dealer that the Notes (if required) and this Base Prospectus have been approved by the Financial Supervisory Authority of Norway, it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Norway or to residents of Norway, other than to "professional investors" as defined in Section 7-1 cf. Sections 10-2 to 10-5 in the Norwegian Securities Regulation of 29 June 2007 No. 876 or pursuant to another exemption from the obligation to prepare an offering prospectus as described in the Norwegian Securities Trading Act of 29 June 2007 No. 75. Notes denominated in Norwegian Kroner may not be offered or sold in the Norwegian market without the Notes prior thereto having been registered in the VPS.

### **General**

These selling restrictions may be modified by the agreement of the relevant 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 Base Prospectus. With the exception of the approval by the UK Listing Authority of this Base Prospectus as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom, no action has been taken in any country or jurisdiction by any Issuer, the Guarantor or the Dealers 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 Programme Agreement provides that each Dealer will (to the best of its knowledge and belief) 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 Base Prospectus, any Drawdown Prospectus, any Final Terms or any other offering material, in all cases at its own expense.

The Programme 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 paragraph headed "General" above.

Persons into whose hands the Base Prospectus or any Final Terms comes are, and each Noteholder is, required by the Issuers, the Guarantor 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.

### 13. **TAXATION**

If you are considering applying for Notes, it is important that you understand the taxation consequences of investing in the Notes. It is recommended that you read this section and discuss the taxation consequences with your tax adviser, financial adviser or other professional adviser before deciding whether to invest in the Notes.



## TAXATION

### *General*

Neither ANZBGL, ANZ New Zealand nor ANZNIL 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.

### **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 ANZBGL (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 ANZBGL 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 ANZBGL or through foreign branches of ANZBGL.

To the extent the Notes are issued out of a foreign branch of ANZBGL under the Programme in the course of carrying on business at or through a permanent establishment outside of Australia, any interest paid on the Notes by ANZBGL should not be subject to Australian interest withholding tax.

Interest or an amount that is included in the extended definition of interest in section 128A on the Notes issued by ANZBGL is exempt from Australian interest withholding tax under section 128F of the Australian Tax Act if the following conditions are met:

- (a) ANZBGL 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 ANZBGL 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 ANZBGL in a manner which satisfies the public offer test.

The public offer test is satisfied if the Notes are issued by ANZBGL as a result of being offered for issue:

- (a) to at least 10 persons each of whom:
  - (i) is carrying on a 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 ANZBGL 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 ANZBGL 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 ANZBGL had previously entered into an agreement with a dealer, manager or underwriter in relation to the placement of the Notes, requiring ANZBGL 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 ANZBGL, 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 ANZBGL, the "**public offer**" test will be satisfied if the Global Note falls within the definition of "**global bond**" set out in section 128F(10). Broadly speaking, this will be the case if the following requirements are satisfied:

- (a) the Global Note describes itself as a global bond or a global note; and
- (b) it is issued to a clearing house (as defined in section 128F(9)) or to a person as trustee or agent for, or otherwise on behalf of, one or more clearing houses; and
- (c) in connection with the issue of the Global Note, the clearing house or houses confer rights in relation to the Global Note on other persons and will record the existence of the rights; and
- (d) before the issue of the Global Note, ANZBGL or a dealer, manager or underwriter in relation to the placement of debentures, on behalf of ANZBGL, announces that, as a result of the issue, such rights will be able to be created; and
- (e) the announcement is made in a way or ways covered by any of paragraphs (a) to (e) of section 128F(3) (reading a reference in those paragraphs to "**debenture**" as if it were a reference to the rights referred to in paragraph (d) above and a reference to the "**company**" as if it included a reference to the dealer, manager or underwriter); and
- (f) under the terms of the Global Note, interests in the Global Note are able to be surrendered, whether or not in particular circumstances, in exchange for other debentures issued by ANZBGL, that are not themselves Global Notes.

The public offer test is not satisfied if at the time of issue, ANZBGL knows, or had reasonable grounds to suspect, that the Notes, or an interest in the Notes, issued by ANZBGL was being, or would later be, acquired directly or indirectly by an Offshore Associate (as defined in Section 12 (*Subscription and Sale – Australia*)) of ANZBGL 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 exemption under section 128F does not apply to interest paid by ANZBGL in respect of a Note if, at the time of payment, ANZBGL knows, or has reasonable grounds to suspect, that the investor is an Offshore Associate (as defined in Section 12 (*Subscription and Sale – Australia*)) of ANZBGL (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).

ANZBGL proposes to issue Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

***Interest withholding tax – Exemptions under recent tax treaties***

The Australian Government has signed a number of new or amended double tax conventions ("**New Treaties**") with foreign jurisdictions (each a "**Specified Country**").

The New Treaties effectively prevent interest withholding tax applying to interest derived by:

- governments of the Specified Countries and certain governmental authorities and agencies in a Specified Country; and
- certain unrelated (1) banks, and (2) other financial institutions which substantially derive their profits by carrying on a business of raising and providing finance and which are resident in the Specified Country (interest paid under a back-to-back loan or economically equivalent arrangement will not qualify for this exemption),

by reducing the interest withholding tax rate to zero.

The New Treaties are in force in a number of jurisdictions including, for example, the United States and the United Kingdom.

***Withholding tax in respect of Notes in bearer form***

Section 126 of the Australian Tax Act imposes a type of withholding tax on the payment of interest on bearer Notes issued by ANZBGL if ANZBGL fails to disclose the names and addresses of the holders to the Australian Taxation Office. A withholding rate of 45 per cent. currently applies. 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. Additionally, section 126 does not apply where interest withholding tax is payable. In limited circumstances, where ANZBGL fails to disclose the relevant details of Holders of bearer Notes to the Australian Taxation Office, interest withholding tax may apply pursuant to section 128B(9C) rather than section 126. The Australian Taxation Office has confirmed that it considers "the holder of the 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 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). The rate of withholding tax is currently 47%. Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes issued by ANZBGL, 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 ANZBGL 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, where ANZBGL is the Issuer, ANZBGL 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 Condition 7 (*Taxation*) (Appendix B (*Terms and Conditions of the Notes*)), 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.

ANZBGL 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 Condition 7 (*Taxation*) (Appendix B (*Terms and Conditions of the Notes*))) for further details), the investor being an Offshore Associate (as defined in Section 12 (*Subscription and Sale – Australia*)) of ANZBGL (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 ANZBGL neither was a party to nor participated in.

## 2. Other tax matters

ANZBGL has been advised by its Australian counsel that, under current Australian law:

- (a) subject to compliance with the requirements of the Australian Tax Act referred to above, payments of:
  - (i) principal;
  - (ii) interest; or
  - (iii) amounts included in the extended definition of interest in section 128A(1AB),

to a holder of a Note or Coupon issued by ANZBGL 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 ANZBGL 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 ANZBGL 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. ANZBGL has been advised by its Australian counsel that they do not expect the regulations to apply to repayments of principal under the Notes, as such amounts are not generally income or gains. The possible application of any regulations to the proceeds of any sale of the Notes will need to be monitored;

- (d) the Notes issued by ANZBGL will not be subject to death, estate or succession duties imposed by Australia or by any instrumentality thereof or therein, if held outside Australia at the time of death; and
- (e) no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue of the Notes by ANZBGL or the transfer of the Notes issued by ANZBGL outside Australia.

### *Taxation of Financial Arrangements*

The Australian Government has enacted a specific regime for the taxation of financial arrangements (referred to as "TOFA") which can affect the taxation of financial instruments such as Notes. ANZBGL has elected for the TOFA regime to apply to certain financial arrangements, such as the Notes, acquired on or after 1 July 2009. Alternative taxation rules will continue to apply to Notes held by taxpayers that are not subject to the TOFA regime because they do not meet certain threshold requirements. 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.

### **New Zealand**

The following is a summary of the New Zealand withholding tax treatment at the date of this Base Prospectus in relation to payments of interest in respect of Notes issued on or after 30 March 2017. The

comments do not deal with other New Zealand tax aspects of acquiring, holding or disposing of Notes. The comments are based on the current New Zealand tax law and published practice, which law or practice may be subject to subsequent change (potentially with retrospective effect). Each investor contemplating acquiring Notes is advised to consult a professional adviser in connection with the consequences relating to the acquisition, retention and disposition of Notes.

### ***Resident Withholding Tax***

ANZ New Zealand and ANZNIL are required by law to deduct New Zealand resident withholding tax from the payment of interest, including amounts deemed to be interest, to the Holder of any Note on any interest payment date or the maturity date, and, similarly, ANZ New Zealand is required to make such deductions from payments under the guarantee to the extent such payments constitute interest for New Zealand tax purposes where:

- (a) the Holder is (i) a resident of New Zealand for New Zealand income tax purposes, or (ii) the Holder holds the Notes for the purposes of a business the Holder carries on in New Zealand, through a fixed establishment (as defined in the Income Tax Act 2007 (New Zealand)) in New Zealand, or (iii) the Holder is a registered bank engaged in business in New Zealand through a fixed establishment (as defined in the Income Tax Act 2007 (New Zealand)) in New Zealand and is not associated with ANZ New Zealand or ANZNIL (as applicable) (each a "**New Zealand Holder**"); and
- (b) at the time of such payment the New Zealand Holder does not hold a valid certificate of exemption for New Zealand resident withholding tax purposes.

Prior to any interest payment date or the maturity date, any New Zealand Holder:

- (a) must notify ANZ New Zealand or ANZNIL, as the case may be, that the New Zealand Holder is the Holder of a Note; and
- (b) must notify ANZ New Zealand or ANZNIL, as the case may be, of any circumstances, and provide ANZ New Zealand or ANZNIL, as the case may be, with any information, that may enable ANZ New Zealand or ANZNIL, as the case may be, to make the payment of interest to the New Zealand Holder without deduction on account of New Zealand resident withholding tax.

The New Zealand Holder must notify ANZ New Zealand or ANZNIL, as the case may be, prior to any interest payment date or the maturity date, of any change in the New Zealand Holder's circumstances from those previously notified that could affect ANZ New Zealand's or ANZNIL's, as the case may be, payment or withholding obligations in respect of any Note. By accepting payment of the full face amount of a Note or any interest thereon on any interest payment date or the maturity date, the New Zealand Holder will be deemed to have indemnified ANZ New Zealand or ANZNIL, as the case may be, for all purposes in respect of any liability which ANZ New Zealand or ANZNIL, as the case may be, may incur for not deducting any amount from such payment on account of New Zealand resident withholding tax.

### ***Non-Resident Withholding Tax***

New Zealand law requires a deduction on account of non-resident withholding tax to be made from the payment of interest to any Holder who is not a New Zealand Holder. Where such deduction is required, ANZ New Zealand and ANZNIL intend (for so long as they do not incur any increased cost or detriment from so doing and are legally able to do so) to reduce the applicable rate of non-resident withholding tax to zero per cent. by registering the Programme with the New Zealand Inland Revenue Department and paying, on its own account, a levy equal to two per cent. of the relevant interest payment.

### ***Other taxes***

No ad valorem stamp, issue, registration or similar taxes are payable in New Zealand in connection with the issue of the Notes or the Guarantee. Furthermore, a transfer of or agreement to transfer the Notes or the Guarantee executed outside of New Zealand will not be subject to New Zealand stamp duty.

## United Kingdom

### A. Introduction

The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. It is based on current law and the practice of H.M. Revenue and Customs ("**HMRC**") which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes and related Coupons and Talons (if any). Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other series of Notes. The following is a general guide and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

### B. UK Withholding Tax on UK Source Interest

B.1 Interest on Notes may be paid by the relevant Issuer without withholding or deduction for or on account of United Kingdom income tax except in circumstances where such interest has a United Kingdom source ("**UK Interest**"). Interest on Notes may have a United Kingdom source where, for example, the Notes are issued by an Issuer acting through a branch or permanent establishment in the United Kingdom, the Notes are secured on assets situated in the United Kingdom or the interest is paid out of funds maintained in the United Kingdom. Notes which carry a right to UK Interest are referred to in this United Kingdom taxation section as "**UK Notes**".

B.2 UK Notes which carry a right to interest will constitute "quoted Eurobonds" provided they are and continue to be "listed on a recognised stock exchange" (within the meaning of section 1005 of the Income Tax Act 2007 (the "**Income Tax Act**")) or admitted to trading on a "multilateral trading facility (within the meaning of section 987 of the Income Tax Act). Provided that the UK Notes are and continue to be quoted Eurobonds, payments of interest on the UK Notes may be made without withholding or deduction for or on account of United Kingdom Income Tax.

The London Stock Exchange is a recognised stock exchange for these purposes. In the case of UK Notes to be traded on the London Stock Exchange, the UK Notes will be treated as "listed on a recognised stock exchange" if the UK Notes are included in the Official List of the UK Listing Authority (within the meaning of Part 6 of the FSMA) and admitted to trading on the London Stock Exchange.

Euronext Dublin is a recognised Stock Exchange. The Issuers' understanding of current HMRC practice is that securities which are officially listed and admitted to trading on the main market of that Exchange may be regarded as "listed on a recognised stock exchange" for these purposes.

The Luxembourg Stock Exchange is a recognised stock exchange. The Issuers' understanding of current HMRC practice is that securities which are officially listed and admitted to trading on the Main Market of that Exchange may be regarded as "listed on a recognised stock exchange" for these purposes.

B.3 In addition to the exemption set out in B.2 above, interest on UK Notes may be paid without withholding or deduction for or on account of United Kingdom income tax if the relevant

Issuer is a "bank" for the purposes of section 878 of the Income Tax Act 2007 and so long as such payments are made by the relevant Issuer in the ordinary course of its business. Neither ANZ New Zealand nor ANZNIL qualifies as a bank for these purposes. However, ANZBGL has confirmed that, when acting through its London branch, it is a bank for these purposes.

- B.4 In cases falling outside the exemptions described in B.2 and B.3 above, interest on UK Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to such relief as may be available. However, this withholding will not apply if the relevant interest is paid on Notes with a maturity date of less than one year from the date of issue and which are not issued under arrangements the effect of which is to render such Notes part of a borrowing with a total term of a year or more.

#### **C. Payments by Guarantor**

If the Guarantor makes any payments in respect of interest on UK Notes (or other amounts due under UK Notes other than the repayment of amounts subscribed for such UK Notes) such payments may be subject to United Kingdom withholding tax at the basic rate (currently 20 per cent.) subject to such relief as may be available. Such payments by the Guarantor may not be eligible for the exemptions described in B above.

#### **D. Payments under Deed of Covenant**

Any payments made by an Issuer under the Deed of Covenant may not qualify for the exemptions from UK withholding tax described in B above.

#### **E. Other Rules Relating to United Kingdom Withholding Tax**

1. Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Notes may, depending on a number of other factors (including whether or not the payment is considered to be a UK source), be subject to any United Kingdom withholding tax pursuant to the provisions mentioned in B above, subject to the potential exemptions mentioned in B above.
2. Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax.
3. Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.
4. The references to **interest** in this United Kingdom taxation section mean "interest" as understood in United Kingdom tax law. The statements do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation (e.g. see Condition 7 (*Taxation*) of the Notes).
5. Where a payment on a Note does not constitute (or is not treated as) interest for United Kingdom tax purposes and the payment has a United Kingdom source, it may be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment, a manufactured payment, rent or royalties for United Kingdom tax purposes. Where a payment is subject to United Kingdom withholding tax, depending on the nature of the payment (which will be determined by, among other things, the terms and conditions specified by the Final Terms of the Note), the payment may fall to be made under deduction of United Kingdom tax (the rate of withholding generally being 20 per cent.), subject to any exemption from withholding which may apply and to such relief as may be available.
6. The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an Issuer and does not consider the tax consequences of any such substitution.

## **The Proposed European Financial Transactions Tax ("FTT")**

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a directive for a common FTT in the participating Member States. The participating Member States are currently Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The European Commission was expected to present draft legislation for consideration by the participating Member States by the end of 2016, but as at the date of this Base Prospectus this has not yet been published. The FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

## **FATCA Withholding**

A 30 per cent. withholding tax may be imposed on certain payments to certain non-U.S. financial institutions that fail to comply with information reporting requirements or certification requirements in respect of their direct and indirect U.S. shareholders and/or U.S. accountholders. U.S. accountholders subject to such information 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. Such withholding may be imposed at any point in a chain of payments if a non-U.S. payee fails to comply with U.S. information reporting, certification and related requirements. Accordingly, Notes held through a non-compliant institution may be subject to withholding even if the holder of the Note otherwise would not be subject to withholding. Under U.S. Treasury regulations, such withholding will generally not apply to payments made before 1 January 2019 other than in respect of certain payments from sources within the U.S. Moreover, in certain cases, such withholding will only apply to Notes issued at least six months after the date on which final regulations implementing such rules are published in final form. It is impossible to determine at this time what impact, if any, these rules will have on holders of the Notes.

Under the United Kingdom-U.S., Australia-U.S. and New Zealand-U.S. intergovernmental agreements (each, an "**IGA**") and implementing legislation, United Kingdom, Australian and New Zealand financial institutions will generally be able to be treated as "deemed compliant" with FATCA. A Reporting United Kingdom, Australian or New Zealand Financial Institution that complies with its obligations under the relevant IGA will not generally 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.

Prospective investors should consult their tax advisors and their banks or brokers regarding the possibility of this withholding.

## **CRS**

The CRS will require certain financial institutions to report information regarding certain accounts (which may include the Notes) to their local tax authority and follow related 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 CRS came into effect in Australia and New Zealand from 1 July 2017. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS. The New Zealand Government also has enacted legislation to give effect to the CRS. The UK Government gave effect to the EU's implementation of CRS (contained in certain EU Council Directives) from 1 January 2016.

14. **IMPORTANT INFORMATION RELATING TO PUBLIC OFFERS OF NOTES**

The following section contains important information regarding the basis on which this Base Prospectus may be used for the purpose of making public offers of Notes.

## IMPORTANT INFORMATION RELATING TO PUBLIC OFFERS OF NOTES

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

- named as an "Initial Authorised Offeror" in the relevant Final Terms; or
- named on the Issuer's website (<http://www.shareholder.anz.com/supplementary-disclosures-euro-medium-term-note-programme>) as an Authorised Offeror in respect of the relevant Public Offer (if the entity has been appointed after the relevant Final Terms were published); or
- if so specified in Section A-2 of the Issue Specific Summary attached to the Final Terms, authorised to make such offers under the Markets in Financial Instruments Directive (as defined below) and have published on its website that it is using this Base Prospectus for the purposes of such Public Offer in accordance with the consent of the Issuers and the Guarantor.

Valid offers of Notes may only be made by an Authorised Offeror in the context of a Public Offer if the offer is made in the United Kingdom, Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Sweden, Norway and the Netherlands, as specified in the relevant Final Terms and within the time period referred to in the Final Terms as the "**Offer Period**". Other than as set out above, none of the Issuers, the Guarantor or any Dealer has authorised the making of any Public Offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

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

### **Restrictions on Public Offers of Notes in Relevant Member States where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus**

Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under Article 3.2 of Directive 2003/71/EC (as amended) (the "**Prospectus Directive**") to publish a prospectus. Any such offer is referred to as a "**Public Offer**". Notes may only be offered, sold or otherwise made available pursuant to a Public Offer if the "Prohibition of Sales to EEA Retail Investors" selling restriction is specified to be "Not Applicable" in the Final Terms in respect of such Notes and either (i) such Notes do not constitute a "packaged" product for the purposes of Regulation (EU) No. 1286/2014 (the "**PRIIPs Regulation**") or (ii) the relevant Issuer has drawn up a key information document in accordance with the requirements of the PRIIPs Regulation. This Base Prospectus has been prepared on a basis that permits Public Offers of Notes. However, any person making or intending to make a Public Offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") may only do so if this Base Prospectus has been approved by the competent authority in that Relevant Member State (or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State) and published in accordance with the Prospectus Directive, provided that the Issuer has consented to the use of this Base Prospectus in connection with such offer as provided under "*Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)*" and the conditions attached to that consent are complied with by the person making the Public Offer of such Notes.

Save as provided above, none of the Issuers, the Guarantor or any Dealer has authorised, nor do they authorise, the making of any Public Offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

### **Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)**

In the context of a Public Offer of Notes, the Issuers and the Guarantor accept responsibility in the United Kingdom, Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Sweden, Norway and The Netherlands for the content of this Base Prospectus under section 90 of the Financial Services and Markets Act 2000, as amended ("**FSMA**") in relation to any person (an "**Investor**") who purchases any Notes in a Public Offer, including with respect to any subsequent resale or final placement of the Notes, made by any person, including any financial intermediary, to whom the Issuer has given consent to the use of this Base Prospectus (an "**Authorised Offeror**") in that connection, provided that the conditions attached to that consent are complied with by the Authorised Offeror. The consent and conditions attached to it are set out under "*Consent*" and "*Common Conditions to Consent*" below.

None of the Issuers, the Guarantor or any Dealer makes any representation as to the compliance by an Authorised Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Public Offer and none of the Issuers or any Dealer has any responsibility or liability for the actions of that Authorised Offeror.

**Except for the circumstances set out in the following paragraphs, none of the Issuers, any Guarantor or any Dealer has authorised the making of any Public Offer by any offeror and the Issuer has not consented to the use of this Base Prospectus by any other person in connection with any Public Offer of Notes. Any Public Offer made without the consent of the Issuer is unauthorised and none of the Issuers, the Guarantor or any Dealer accepts any responsibility or liability for the actions of the persons making any such unauthorised offer.** If, in the context of a Public Offer, an Investor is offered Notes by a person which is not an Authorised Offeror, the Investor should check with that person whether anyone is responsible for this Base Prospectus as required by United Kingdom securities laws and regulations in the context of the Public Offer and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice.

#### ***Consent***

In connection with each Tranche of Notes and subject to the conditions set out below under "*Common Conditions to Consent*":

- (a) each Issuer consents to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Public Offer of such Notes during the relevant Offer Period stated in the relevant Final Terms by the relevant Dealer(s) and by:
  - (i) any financial intermediary named as an Initial Authorised Offeror in the relevant Final Terms; and
  - (ii) any financial intermediary appointed after the date of the relevant Final Terms and whose name is published on the Issuer's website (<http://www.debtinvestors.anz.com/>) and identified as an Authorised Offeror in respect of the relevant Public Offer;
- (b) if (and only if) so specified in Section A.2 of the Issue Specific Summary attached to the relevant Final Terms, the relevant Issuer hereby offers to grant its consent to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with a Public Offer of Notes during the relevant Offer Period stated in the relevant Final Terms by any financial intermediary which satisfies the following conditions:
  - (i) it is an authorised person and therefore authorised to make such offers under FSMA or other applicable legislation implementing Directive 2004/39 (EC of the European Parliament and of the Council on markets in financial instruments (the "**Markets in Financial Instruments Directive**" or "**MIFID**") (in which regard, Investors should consult the register maintained by the Financial Conduct Authority at: [www.fca.org.uk/register](http://www.fca.org.uk/register)); and
  - (ii) it accepts the relevant Issuer's offer to grant consent to the use of this Base Prospectus by publishing on its website the following statement (with the information in square brackets completed with the relevant information):

"We, [insert legal name of financial intermediary], refer to the [insert title of relevant Notes] (the "**Notes**") described in the Final Terms dated [insert date] (the "**Final Terms**") published by [Australia and New Zealand Banking Group Limited/ANZ Bank New Zealand Limited/ANZ New Zealand (Int'l) Limited] (the "**Issuer**"). We hereby accept the offer by the Issuer of its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in accordance with the Authorised Offeror Terms and subject to the conditions to such consent, each as specified in the Base Prospectus, and we are using the Base Prospectus accordingly."

The "**Authorised Offeror Terms**", being the terms to which the relevant financial intermediary agrees in connection with using this Base Prospectus, are that the relevant financial intermediary:

- (A) will, and it agrees, represents, warrants and undertakes for the benefit of the relevant Issuer and the relevant Dealer(s) that it will, at all times in connection with the relevant Public Offer:
  - I. act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**") from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential Investor, and will immediately inform the relevant Issuer and the relevant Dealer(s) if at any time such financial intermediary becomes aware or suspects that it is or may be in violation of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all respects;
  - II. comply with the restrictions set out under "*Subscription and Sale*" in this Base Prospectus which would apply as if it were a Dealer;
  - III. ensure that any fee (and any other commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Notes does not violate the Rules and, to the extent required by the Rules, is fully and clearly disclosed to Investors or potential Investors;
  - IV. comply with the target market and distribution channels identified under any "*MiFID II product governance*" legend set out in the applicable Final Terms;
  - V. hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules;
  - VI. comply with applicable anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules (including, without limitation, taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential Investor prior to initial investment in any Notes by the Investor), and will not permit any application for Notes in circumstances where the financial intermediary has any suspicions as to the source of the application monies;
  - VII. retain Investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested and to the extent permitted by the Rules, make such records available to the relevant Dealer(s), the relevant Issuer or directly to the appropriate authorities with jurisdiction over the relevant Issuer and/or the relevant Dealer(s) in order to enable the relevant Issuer and/or the relevant Dealer(s) to comply with anti-money laundering, anti-bribery, anti-

corruption and "know your client" Rules applying to the relevant Issuer and/or the relevant Dealer(s);

VIII. ensure that no holder of Notes or potential Investor in Notes shall become an indirect or direct client of the relevant Issuer or the relevant Dealer(s) for the purposes of any applicable Rules from time to time, and to the extent that any client obligations are created by the relevant financial intermediary under any applicable Rules, then such financial intermediary shall perform any such obligations so arising;

IX. co-operate with the relevant Issuer and the relevant Dealer(s) in providing such information (including, without limitation, documents and records maintained pursuant to paragraph (VI) above) upon written request from the relevant Issuer or the relevant Dealer(s) as is available to such financial intermediary or which is within its power and control from time to time, together with such further assistance as is reasonably requested by the relevant Issuer or the relevant Dealer(s):

(i) in connection with any request or investigation by any regulator in relation to the Notes, the relevant Issuer or the relevant Dealer(s); and/or

(ii) in connection with any complaints received by the relevant Issuer and/or the relevant Dealer(s) relating to the relevant Issuer and/or the relevant Dealer(s) or another Authorised Offeror including, without limitation, complaints as defined in rules published by any regulator of competent jurisdiction from time to time; and/or

(iii) which the relevant Issuer or the relevant Dealer(s) may reasonably require from time to time in relation to the Notes and/or as to allow the relevant Issuer or the relevant Dealer(s) fully to comply with its own legal, tax and regulatory requirements,

in each case, as soon as is reasonably practicable and, in any event, within any time frame set by any such regulator or regulatory process;

X. during the Offer Period: (i) only sell the Notes at the Offer Price specified in the applicable Final Terms (unless otherwise agreed with the relevant Dealer(s)); (ii) only sell the Notes for settlement on the Issue Date specified in the relevant Final Terms; (iii) not appoint any sub-distributors (unless otherwise agreed with the relevant Dealer(s)); (iv) not pay any fee or remuneration or commissions or benefits to any third parties in relation to the offering or sale of the Notes (unless otherwise agreed with the relevant Dealer(s)); and (v) comply with such other rules of conduct as may be reasonably required and specified by the relevant Dealer(s);

XI. either (i) obtain from each potential Investor an executed application for the Notes, or (ii) keep a record of all requests such financial intermediary (x) makes for its discretionary management clients, (y) receives from its advisory clients and (z) receives from its execution-only clients, in each case prior to making any order for the Notes on their behalf, and in each case maintain the same on its files for so long as is required by any applicable Rules;

XII. ensure that it does not, directly or indirectly, cause the relevant Issuer or the relevant Dealer(s) to breach any Rule or subject the relevant Issuer or the relevant Dealer(s) to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;

- XIII. comply with the conditions to the consent referred to under "*Common Conditions to Consent*" below and any further requirements relevant to the Public Offer as specified in the applicable Final Terms;
  - XIV. make available to each potential Investor in the Notes the Base Prospectus (as supplemented as at the relevant time, if applicable), the applicable Final Terms and any applicable information booklet provided by the relevant Issuer for such purpose, and not convey or publish any information that is not contained in or entirely consistent with the Base Prospectus; and
  - XV. if it conveys or publishes any communication (other than the Base Prospectus or any other materials provided to such financial intermediary by or on behalf of the relevant Issuer for the purposes of the relevant Public Offer) in connection with the relevant Public Offer, it will ensure that such communication (A) is fair, clear and not misleading and complies with the Rules, (B) states that such financial intermediary has provided such communication independently of the relevant Issuer, that such financial intermediary is solely responsible for such communication and that none of the relevant Issuer and the relevant Dealer(s) accepts any responsibility for such communication and (C) does not, without the prior written consent of the relevant Issuer or the relevant Dealer(s) (as applicable), use the legal or publicity names of the relevant Issuer or the relevant Dealer(s) or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest, except to describe the relevant Issuer as issuer of the relevant Notes on the basis set out in the Base Prospectus;
- (B) agrees and undertakes to indemnify each of the relevant Issuer and the relevant Dealer(s) (in each case on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the relevant Issuer or the relevant Dealer(s); and
- (C) agrees and accepts that:
- I. the contract between the relevant Issuer and the financial intermediary formed upon acceptance by the financial intermediary of the relevant Issuer's offer to use the Base Prospectus with its consent in connection with the relevant Public Offer (the "**Authorised Offeror Contract**"), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, English law;
  - II. subject to (IV) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Authorised Offeror Contract (including any dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) (a "**Dispute**") and the relevant Issuer and the financial intermediary submit to the exclusive jurisdiction of the English courts;

- III. for the purposes of (C)(II) and (IV), the relevant Issuer and the financial intermediary waive any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any dispute;
- IV. this paragraph (IV) is for the benefit of the relevant Issuer and each relevant Dealer. To the extent allowed by law, the relevant Issuer and each relevant Dealer may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions; and
- V. each relevant Dealer will, pursuant to the Contracts (Rights of Third Parties) Act 1999, be entitled to enforce those provisions of the Authorised Offeror Contract which are, or are expressed to be, for their benefit, including the agreements, representations, warranties, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms.

**Any financial intermediary who is an Authorised Offeror falling within (b) above who meets all of the conditions set out in (b) and the other conditions stated in "*Common Conditions to Consent*" below and who wishes to use this Base Prospectus in connection with a Public Offer is required, for the duration of the relevant Offer Period, to publish on its website the statement (duly completed) specified at paragraph (b)(ii) above, which states that it is using this Base Prospectus for such Public Offer in accordance with the consent of the Issuer and the conditions attached thereto.**

#### *Common Conditions to Consent*

The conditions to the Issuer's consent to the use of this Base Prospectus in the context of the relevant Public Offer are (in addition to the conditions described in paragraph (b) above if Part B of the relevant Final Terms specifies "*General Consent*" as "*Applicable*") that such consent:

- (i) is only valid during the Offer Period specified in the relevant Final Terms;
- (ii) only extends to the use of this Base Prospectus to make Public Offers of the relevant Tranche of Notes in the United Kingdom or Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Sweden, Norway and The Netherlands, as specified in the relevant Final Terms; and
- (iii) the consent is subject to any other conditions set out in Section A.2 of the Issue Specific Summary attached to the Final Terms.

The consent referred to above relates only to Offer Periods occurring within 12 months from the date of this Base Prospectus.

The only Relevant Member States which may, in respect of any Tranche of Notes, be specified in the relevant Final Terms (if any Relevant Member States are so specified) as indicated in (ii) above will be the United Kingdom and accordingly each Tranche of Notes may only be offered to Investors as part of a Public Offer in the United Kingdom, Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Sweden, Norway and The Netherlands, as specified in the relevant Final Terms, or otherwise in circumstances in which no obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

#### **ARRANGEMENTS BETWEEN INVESTORS AND AUTHORISED OFFERORS**

**An Investor who intends to purchase any Notes in a Public Offer from an Authorised Offeror will do so, and offers and sales of such Notes to an investor by such Authorised Offeror will be made, in accordance with the Terms and Conditions of the Offer including those in place between such Authorised Offeror and such investor including arrangements in relation to price, allocations, expenses and settlement. The relevant Issuer will not be a party to any such arrangements with such Investors in connection with the Public Offer or sale of the Notes concerned and, accordingly, this Base Prospectus and any Final Terms will not contain such information. The relevant information will be provided by the Authorised Offeror at the time of**



**such offer. None of the relevant Issuer, the Guarantor (in the case of Notes issued by ANZNIL) and any Dealer (except where such Dealer is the relevant Authorised Offeror) has any responsibility or liability to an Investor in respect of the Information described above including information on the arrangements in relation to price allocations, expenses and settlement.**

**Public Offers: Issue Price and Offer Price**

Notes to be offered pursuant to a Public Offer will be issued by the Issuer at the Issue Price specified in the relevant Final Terms. The Issue Price will be determined by the Issuer in consultation with the relevant Dealer at the time of the relevant Public Offer and will depend, amongst other things, on prevailing market conditions at that time. The offer price of such Notes will be the Issue Price or such other price as may be agreed between an Investor and the Authorised Offeror making the offer of the Notes to such Investor. Neither the Issuer nor any Guarantor will be party to arrangements between an Investor and an Authorised Offeror, and the Investor will need to look to the relevant Authorised Offeror to confirm the price at which such Authorised Offeror is offering the Notes to such Investor.

**15. USE OF PROCEEDS**

The following section describes the manner in which the Issuer intends to use the proceeds from issues of Notes under the Programme.

## **USE OF PROCEEDS**

The net proceeds from the issue of any Notes will be used by the relevant Issuer (in the case of ANZBGL and ANZ New Zealand) for its general corporate purposes. Where ANZNIL is the Issuer, ANZNIL will on-lend the net proceeds of the issue of the Notes to ANZ New Zealand, for ANZ New Zealand's general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## 16. FORMS OF FINAL TERMS

This section contains the forms of Final Terms that the Issuer will complete when offering any Notes under the Programme. There is a form of Final Terms (Form of Retail Final Terms) for Notes issued with a denomination of less than €100,000 (or its equivalent in any other currency) and a separate form of Final Terms (Form of Wholesale Final Terms) for Notes issued with a denomination of €100,000 (or its equivalent in any other currency) or more.

## FORM OF RETAIL FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme which have a minimum denomination of less than €100,000 (or its equivalent in another currency).

**[SALES TO EEA RETAIL INVESTORS:** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") without a key information document being provided to such investor in accordance with Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**"). 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 ("**MiFID II**"); (ii) a customer within the meaning of the Insurance Mediation Directive (Directive 2002/92/EC (as amended)) ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently offering or selling the Notes or otherwise making them available to any retail investor in the EEA without providing the key information document to such investor may be unlawful under the PRIIPs Regulation]<sup>1</sup>

**[MiFID II product governance / Retail investors, professional investors and eligible counterparties target market –** Solely for the purposes of [the Dealer's/the Managers'/each relevant Manager's] product approval process as [a] MiFID II [(as defined below)] "manufacturer[s]", the target market assessment completed by the relevant [Dealer/Managers/Manager] in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**)] [MiFID II]; **EITHER** [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]<sup>2</sup>] **OR**<sup>3</sup> [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[, and] portfolio management[, and] [non-advised sales ] [and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [*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[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable].] 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 the foregoing target market assessment for the Notes described in this legend).]



### **[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)]

### **[ANZ Bank New Zealand Limited**

(Incorporated with limited liability in New Zealand)]

### **[ANZ New Zealand (Int'l) Limited**

(Incorporated with limited liability in New Zealand)]

(the "**Issuer**")

US\$60,000,000,000

<sup>1</sup> Delete legend if the Notes do not constitute "packaged" products, in which case, insert "Not Applicable" in paragraph 29 of Part A below. Include legend if the Notes may constitute "packaged" products and the Issuer intends to prohibit the Notes being offered, sold or otherwise made available to EEA retail investors. In this case, insert "Applicable" in paragraph 29 of Part A below.

<sup>2</sup> This list may not be necessary, especially where all channels of distribution may be appropriate.

<sup>3</sup> Include, and amend, if appropriate for the Notes being issued.

Euro Medium Term Note Programme

Series No: [ ]

Tranche No: [ ]

[*Brief Description and Amount of Notes*]

Issue Price: [ ] per cent.

[Guaranteed by ANZ Bank New Zealand Limited]

**The date of these Final Terms is [ ]**

**PART A — CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 17 May 2018 [and the Supplemental Base Prospectus(es) dated [●] [and [●]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus.]

Full information on the Issuer [, the Guarantor] and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus. A summary of the Notes (which comprises the summary in the Base Prospectus as completed to reflect the provisions of these Final Terms) is attached to these Final Terms. The Base Prospectus is available for viewing on the website of [the Issuer at <http://www.shareholder.anz.com/supplementary-disclosures-euro-medium-term-note-programme>] [and] [the Regulatory News Service operated by the London Stock Exchange at [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html)] and during normal business hours at the offices of the Paying Agents and copies may be obtained from Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [●] [and the Supplemental Base Prospectus(es) dated [●] [and [●]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated 17 May 2018 [and the Supplemental Base Prospectus(es) dated [●] and [●], which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [●] [and the Supplemental Base Prospectus(es) dated [●] and [●]].

Full information on the Issuer [, the Guarantor] and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus. A summary of the Notes (which comprises the summary in the Base Prospectus as completed to reflect the provisions of these Final Terms) is attached to these Final Terms. The Base Prospectus (which includes the Supplemental Base Prospectus(es) referred to above) is available for viewing on the website of the Issuer at <http://www.shareholder.anz.com/supplementary-disclosures-euro-medium-term-note-programme> [and] [the Regulatory News Service operated by the London Stock Exchange at [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html)] and during normal business hours at the offices of the Paying Agents and copies may be obtained from Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB.]

1 (i) Series Number: [ ]

- (ii) Tranche Number: [ ]
- (iii) Date on which the Notes will be consolidated and form a single Series: [The Notes will be consolidated and form a single Series with [ ] on [the Issue Date]/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referenced to in paragraph [21] below[, which is expected to occur on or about [ ]/[Not Applicable]
- 2 (i) Specified Currency or Currencies: [ ]
- (ii) Exotic Currency Payments: [Applicable]/[Not Applicable]
- (iii) Exotic Currency Relevant Time: [ ]/[Not Applicable]
- (iv) Exotic Currency Thomson Reuters Screen Page: [ ]/[Not Applicable]
- 3 Aggregate Principal Amount: [ ]
- (i) Series: [ ]
- (ii) Tranche: [ ]
- 4 Issue Price: [ ] per cent. of the Aggregate Principal Amount [plus accrued interest from [ ]]
- 5 (i) Specified Denomination(s): [ ]
- (ii) Calculation Amount: [ ]
- 6 (i) Issue Date: [ ]
- (ii) Interest Commencement Date: [Issue Date/[ ]/Not Applicable]
- 7 Maturity Date: [[ ]/Interest Payment Date falling on or nearest to [ ]]
- 8 Interest Basis: [Fixed Rate] [Floating Rate] [Inverse Floating Rate] [CMS Rate] [Zero Coupon]
- 9 Redemption/Payment Basis: [Redemption at [Par]/[ ] per cent. of the Aggregate Principal Amount]] [Instalment]
- 10 Change of Interest or Redemption/Payment Basis: [ ]/[Not Applicable]

**PROVISIONS RELATING TO INTEREST (IF ANY)  
PAYABLE**

- 11 Fixed Rate Note Provisions [Applicable [in respect of the period from, and including, [ ] to, but excluding, [ ]]/[Not Applicable]

- (i) Rate(s) of Interest: [ ] per cent. per annum [payable annually/semi-annually/quarterly/monthly] 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]]/Not Applicable]
- (b) Interest Period(s): [[ ]/Not Applicable]
- (c) Interest Period Date: [[ ]/Not Applicable]
- (iii) Fixed Coupon Amount(s): [[ ] per Calculation Amount/Not Applicable]
- (iv) Broken Amount(s): [[ ] per Calculation Amount payable on [ ]/Not Applicable]
- (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)]
- (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]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): [The Fiscal Agent/[ ] shall be the Calculation Agent]
- 12 Floating Rate Note Provisions [Applicable [in respect of the period from, and including, [ ] to, but excluding, [ ]/Not Applicable]
- (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]]/Not Applicable]
- (b) Interest Period(s): [[ ]/Not Applicable]
- (c) Interest Period Date [[ ]/Not Applicable]
- (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 [ ]/[Not Applicable]



	Centre(s):		
(v)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/ BBSW Notes/BKBM Notes]	
(vi)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	[The Fiscal Agent/ [ ] shall be the Calculation Agent]	
(vii)	Screen Rate Determination:	[Applicable/Not Applicable]	
—	Reference Rate:	[BBSW/BKBM/LIBOR/EURIBOR/Federal Effective US/CDOR/SHIBOR/HIBOR/SIBOR/STIBOR/NIBOR/JIBAR/TRYIBOR/MXN-TIIE-MEX06/PRIBOR/MosPrime/CNH HIBOR]	Funds Rate
—	Specified Maturity:	[ ]	
—	Interest Determination Date(s):	[ ]	
—	Relevant Screen Page:	[ ]	
—	Reference Banks:	[ ]	
—	Relevant Time:	[ ]	
—	Relevant Financial Centre:	[ ]	
(viii)	ISDA Determination:	[Applicable/Not Applicable]	
—	Floating Rate Option:	[ ]	
—	Designated Maturity:	[ ]	
—	Reset Date:	[ ]	
(ix)	Margin(s):	[[+/-] [ ] per cent. per annum/Not Applicable]	
(x)	Rate Multiplier:	[ [ ]/Not Applicable]	
(xi)	Minimum Rate of Interest:	[[ ] per cent. per annum/Not Applicable]	
(xii)	Maximum Rate of Interest:	[[ ] per cent. 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)]	
(xiv)	Linear Interpolation:	[Not Applicable]/[Applicable – the Rate of Interest for the [long]/[short] [first/last] Interest Period shall be calculated using Linear Interpolation]	
13	CMS Rate Note Provisions	[Applicable [in respect of the period from, and including,	

- [ ] to, but excluding, [ ]/Not Applicable]
- (i) CMS Rate: [EUR CMS Rate] / [GBP CMS Rate] / [USD CMS Rate]
- (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 specified below]]/Not Applicable]
- (b) Interest Period(s): [[ ]/Not Applicable]
- (c) Interest Period Date: [[ ]/Not Applicable]
- (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]
- (vi) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): [The Fiscal Agent/ [ ] shall be the Calculation Agent]
- (vii) Specified Maturity: [ ]
- (viii) Reset Date: [ ]
- (ix) Representative Amount [ ]
- (x) Margin(s): [[+/-] [ ] per cent. per annum/Not Applicable]
- (xi) Rate Multiplier: [[ ]/Not Applicable]
- (xii) Minimum Rate of Interest: [[ ] per cent. per annum/Not Applicable]
- (xiii) Maximum Rate of Interest: [[ ] per cent. 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) Linear Interpolation: [Not Applicable]/[Applicable – the Rate of Interest for the [long]/[short] [first/last] Interest Period shall be calculated using Linear Interpolation]
- 14 Inverse Floating Rate Note Provisions [Applicable/Not Applicable]
- (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]]/Not Applicable]
- (b) Interest Period(s): [[ ]/Not Applicable]

- (c) Interest Period Date [ ]/Not Applicable]
- (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]
- (v) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): [The Fiscal Agent/ [ ] shall be the Calculation Agent]

(vi) Specified Fixed Rate:

Interest Payment Date	Specified Fixed Rate (per cent. per annum)
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]

- (vii) Relevant Floating Rate:
- Reference Rate: [BBSW / BKBM / LIBOR / EURIBOR / Federal Funds Effective Rate US / CDOR / SHIBOR / HIBOR / SIBOR / STIBOR / NIBOR / JIBAR / TRYIBOR / MXN-TIIE-MEX06 / PRIBOR / MosPrime / CNH HIBOR]
  - Specified Maturity: [ ]
  - Interest Determination Date(s): [ ]
  - Relevant Screen Page: [ ]
  - Reference Banks: [ ]
  - Relevant Time: [ ]
  - Relevant Financial Centre: [ ]
- (viii) Minimum Rate of Interest: [[ ] per cent. per annum/Not Applicable]
- (ix) Maximum Rate of Interest: [[ ] per cent. 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]

15. Range Accrual Note Provisions: [Applicable] [Not Applicable]
- (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): [[ ]/Not Applicable]
- (iii) Interest Period Date: [[ ]/Not Applicable]
- (iv) No Adjustment of Interest Amounts: [Applicable/Not Applicable]
- (v) Business Day Convention: [Floating Rate Business Day Convention][Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [Not Applicable]
- (vi) Additional Business Centre(s): [ ] [Not Applicable]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): [The Fiscal Agent/ [ ] shall be the Calculation Agent]
- (viii) Fixed Rate Range Accrual Note: [Applicable] [Not Applicable]
- Specified Fixed Rate: [[ ] per cent. per annum]]
- (ix) Floating Rate Range Accrual Note: [Applicable/Not Applicable]
- Range Accrual Floating Rate: [BBSW/BKBM/LIBOR/EURIBOR/Federal Funds Effective Rate US/CDOR/SHIBOR/HIBOR/SIBOR/STIBOR/NIBOR/JIBAR/TRYIBOR/MXN-TIE-MEX06/PRIBOR/MosPrime/CNH HIBOR]
- Margin: [[+/-] [ ] per cent. per annum/Not Applicable]
- Specified Maturity: [ ]
- Interest Determination Date: [ ]
- Specified Currency: [ ]
- Relevant Screen Page: [ ]
- Relevant Time: [ ]
- Relevant Financial Centre: [ ]
- Linear Interpolation: [Not Applicable]/[Applicable – the Rate of Interest for the [long]/[short] [first/last] Interest Period shall be calculated using Linear Interpolation]
- (x) Single Range Accrual Note: [Applicable] [Not Applicable]

- Reference Rate: [BBSW/BKBM/LIBOR/EURIBOR/Federal Funds Effective Rate US/CDOR/SHIBOR/HIBOR/SIBOR/STIBOR/NIBOR/JIBAR/TRYIBOR/MXN-TIE-MEX06/PRIBOR/MosPrime/CNH HIBOR/EUR CMS/GBP CMS/USD CMS/Other (*specify*)] [Not Applicable]
- Specified Maturity: [ ] [month[s]] [year[s]]
- [- Specified Currency: [ ]]
- [- Relevant Screen Page: [ ]]
- [- Relevant Time:] [[ ] [As specified in Condition 4(n)]]
- [- Relevant Financial Centre:] [[ ]]
- Constant Maturity Swap Spread: [Applicable] [Not Applicable]
- [- 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 cent. per annum] [Not Applicable]  
[For the purposes of the definition of "N1" in Condition 4(g), [less than or equal to][less than] shall apply.]
- Floor: [[ ] per cent. per annum] [Not Applicable]  
[For the purposes of the definition of "N1" in Condition 4(g), [greater than or equal to][greater than] shall apply.]
- (xi) Dual Range Accrual Note: [Applicable][Not Applicable]
- Reference Rate: [BBSW/BKBM/LIBOR/EURIBOR/Federal Funds Effective Rate US/CDOR/SHIBOR/HIBOR/SIBOR/STIBOR/NIBOR/JIBAR/TRYIBOR/MXN-TIE-MEX06/PRIBOR/MosPrime/CNH HIBOR/EUR CMS/GBP CMS/USD CMS/Other (*specify*)] [Not Applicable]
- Specified Maturity: [ ] [month[s]] [year[s]]
- [- Specified Currency: [ ]]
- [- Relevant Screen Page: [ ]]
- [- Relevant Time:] [[ ] [As specified in Condition 4(n)]]
- [- Relevant Financial Centre:] [[ ]]

- Cap:  per cent. per annum] [Not Applicable]  
 [For the purposes of the definition of "N1" in Condition 4(g), [less than or equal to][less than] shall apply.]
- Floor:  per cent. per annum] [Not Applicable]  
 [For the purposes of the definition of "N1" in Condition 4(g), [greater than or equal to][greater than] shall apply.]
- Reference Rate: [BBSW/BKBM/LIBOR/EURIBOR/Federal Funds Effective Rate  
 US/CDOR/SHIBOR/HIBOR/SIBOR/STIBOR/NIBOR/JIBAR/TRYIBOR/MXN-TIE-MEX06/PRIBOR/MosPrime/CNH HIBOR/EUR CMS/GBP CMS/USD CMS/Other (*specify*)]  
 [Not Applicable]
- Specified Maturity: [        ] [month[s]] [year[s]]
- [- Specified Currency: [        ]]
- [- Relevant Screen Page: [        ]]
- [- Relevant Time:] [        ]]
- [- Relevant Financial Centre:] [        ]]
- Constant Maturity Swap Spread: [Applicable] [Not Applicable]
- [- 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 cent. per annum] [Not Applicable]  
 [For the purposes of the definition of "N1" in Condition 4(g), [less than or equal to][less than] shall apply.]
- Floor:  per cent. per annum] [Not Applicable]  
 [For the purposes of the definition of "N1" in Condition 4(g), [greater than or equal to][greater than] shall apply.]
- (xii) Cut-Off Period: [    ]
- (xiii) Minimum Interest Rate:  per cent. per annum] [Not Applicable]
- (xiv) Maximum Interest Rate:  per cent. per annum] [Not Applicable]

- (xv) 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)]
- 16 Zero Coupon Note Provisions: [Applicable [in respect of the period from, and including, [ ] to, but excluding, [ ]]/Not Applicable]
- (i) Compound Interest: [Applicable/Not Applicable]
- (A) Amortisation Yield: [[ ] per cent. per annum/Not Applicable]
- (ii) Linear Interest: [Applicable/Not Applicable]
- (A) Amortisation Yield [[ ] per cent. per annum/Not Applicable]
- (B) Accreting Payment Amount: [ ] per Calculation Amount
- (C) Accreting Payment Period: [ ] [the 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: [ ]

#### PROVISIONS RELATING TO REDEMPTION

- 17 Call Option [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [ ] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [[ ]/Not Applicable]
- (b) Maximum Redemption Amount: [[ ]/Not Applicable]
- (iv) Option Exercise Dates: [ ] [The [10<sup>th</sup>]/[ ] Business Day prior to [each] Optional Redemption Date] [Not Applicable]

- 18 Put Option [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [ ] per Calculation Amount
- (iii) Option Exercise Dates: [ ] [The [10th]/[ ] Business Day prior to [each] Optional Redemption Date] [Not Applicable]
- 19 Final Redemption Amount of each Note: [[ ] per Calculation Amount]/[Not Applicable]
- 20 Early Redemption Amount payable on redemption for taxation reasons or on an Event of Default or other early redemption: [[ ] per Calculation Amount]/[Not Applicable]/[Amortised Face Amount]/ [Condition 5(c) applies]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 21 Form of Notes: [Bearer Notes/Registered Notes/ VPS Notes]
- [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] 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] [at any time/in the limited circumstances specified in the Permanent Global Note].]
- [Registered Global Note/Definitive Certificates]
- [VPS Notes issued in uncertificated and dematerialised book entry form. See further item [7] of Part B below]
- 22 Payment Business Day Convention: [Following/Modified Following]
- 23 Additional Financial Centre(s): [[ ]/Not Applicable]
- 24 Details relating to Instalment Notes, including Instalment Amount(s) and Instalment Date(s): [[ ]/Not Applicable]
- 25 Redenomination, renominatisation and reconventioning provisions: [Applicable/Not Applicable]

#### DISTRIBUTION



- 26 (i) If syndicated, names [and addresses] of Managers [and underwriting commitments]: /Not Applicable
- [(ii)] [Date of Subscription Agreement:]
- (iii) Names and addresses of secondary market trading intermediaries and main terms of commitment: /Not Applicable
- 27 If non-syndicated, name [and address] of Dealer: /Not Applicable
- 28 U.S. Selling Restrictions: TEFRA Not Applicable/C Rules/D Rules; Regulation S Category 2
- 29 Prohibition of Sales to EEA Retail Investors:  [Applicable/Not Applicable]
- (If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)*
- 30 Public Offer:  [Not Applicable][An offer of the Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in [the]  [United Kingdom]  [Austria]  [Belgium]  [Denmark]  [Finland]  [France]  [Germany]  [Ireland]  [Italy]  [Luxembourg]  [Norway]  [Netherlands]  [Sweden] ("**Public Offer Jurisdiction[s]**") during the period from [(and including)]  to [(and including)]  ("**Offer Period**") by [the/each]  [Dealer/Manager] [and the following financial intermediary(ies):].]
- [Name and address of financial intermediary(ies):
- (together, [with the  [Dealer[s]/Manager[s]], the "**Initial Authorised Offerors**")]
- See further Paragraph [9] of Part B below.

Signed on behalf of [Australia and New Zealand Banking Group Limited/ANZ Bank New Zealand Limited/ANZ New Zealand (Int'l) Limited]:

By: ..... [By:  
[Duly Authorised Signatory/Attorney] Duly Authorised Signatory]

[Signed on behalf of ANZ Bank New Zealand Limited:

By: ..... [By:  
[Duly Authorised Signatory/Attorney] Duly Authorised Signatory]

## PART B — OTHER INFORMATION

### 1 LISTING AND ADMISSION TO TRADING

[Application [has been]/[is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [London Stock Exchange's/Euronext Dublin's/Luxembourg Stock Exchange's] Regulated Market and admitted to the Official List of the [Euronext Dublin/UK Listing Authority/Luxembourg Stock Exchange] with effect from [ ].]

[The Notes shall not be consolidated and form a single Series with the Tranche [ ] Notes until such time as the Notes are listed and admitted to trading as indicated above.]

### 2 RATINGS

[The Notes to be issued [have been]/[have not been]/[are expected to be] rated:

[Standard & Poor's: [ ]]

[Moody's: [ ]]

[Fitch: [ ]]

[Not Applicable]

### 3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

[Save for the fees payable to [ ] as [Managers] [Dealer], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer, including conflicting interests.]

### 4 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS, ESTIMATED TOTAL EXPENSES AND USE OF PROCEEDS

(i) Reasons for the offer/Use of [ ] proceeds:

(ii) Estimated net proceeds: [ ]

(iii) Estimated total expenses: [ ]

### 5 (*Fixed Rate Notes only*) YIELD

Indication of yield: [The yield for the Notes will be [ ] on the Issue Date and will be calculated on the basis of the compound annual rate of return as if the Notes were to be purchased at the Issue Price on the Issue Date and held to maturity. This is not an indication of future yield.]

[Not Applicable]

### 6 (*Floating Rate Notes only*) HISTORIC INTEREST RATES

[Details of historic [BBSW / BKBM / LIBOR / EURIBOR / Federal Funds Effective Rate US / CDOR / SHIBOR / HIBOR / SIBOR / STIBOR / NIBOR / JIBAR / TRYIBOR / MXN-TIE-MEX06 / PRIBOR / CMS Rate / MosPrime / CNH HIBOR] rates can be obtained from [ ]/Not Applicable.]

## 7 BENCHMARKS

Relevant Benchmark[s]: [[BBSW / BKBM / LIBOR / EURIBOR / Federal Funds Effective Rate US / CDOR / SHIBOR / HIBOR / SIBOR / STIBOR / NIBOR / JIBAR / TRYIBOR / MXN-TIIE- MEX06 / PRIBOR / MosPrime / CNH HIBOR] is provided by [administrator legal name][repeat as necessary]. [As at the date hereof, [[administrator legal name][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of Regulation (EU) 2016/1011, as amended]/[As far as the Issuer is aware, as at the date hereof, the [specify benchmark] does not fall within the scope of Regulation (EU) 2016/1011, as amended] / [Not Applicable]

## 8 OPERATIONAL INFORMATION

ISIN: [ ]

Common Code: [ ]

[FISN: [ ]]

[CFI code: [ ]]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable/[Central Moneymarkets Unit Service/give name(s) and number(s)]]

[CMU Instrument No: [ ]]

[CMU Lodging Agent: [ ]]

[CMU Paying Agent: [ ]]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any) or, in the case of VPS Notes, the VPS Agent and the VPS Trustee: [ ]/Not Applicable.]

## 9 TERMS AND CONDITIONS OF THE OFFER

[Not Applicable]

Offer Price: [Issue Price/Not Applicable[ ]]

Offer Period: [ ]

Conditions to which the offer is subject: [Not Applicable[ ]]

Description of the application process: [Not Applicable[ ]]

Details of the minimum and/or maximum amount of application: [Not Applicable[ ]]

Description of the possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable[ ]]
Details of the method and time limits for paying up and delivering the Notes:	[Not Applicable[ ]]
Manner in and date on which results of the offer are to be made public:	[Not Applicable[ ]]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable[ ]]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable[ ]]
Amounts of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable[ ]]
Name(s) and address(es), to the extent known to the Issuer of the placers in the various countries where the offer takes place:	[Not Applicable[ ]]

**ANNEX TO FINAL TERMS - SUMMARY OF THE NOTES**

*[Base Prospectus "Summary" to be inserted and the options given as placeholders in the "Summary" to be completed in respect of the Notes being issued]*

## FORM OF WHOLESALE FINAL TERMS

Set out below is the Form of Final Terms which will be completed for each Tranche of Notes issued under the Programme which have a minimum denomination of at least €100,000 (or its equivalent in another currency).

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS:** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of the Insurance Mediation Directive (Directive 2002/92/EC (as amended)) ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPS Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.]<sup>1</sup>

**[MiFID II product governance / Professional investors and eligible counterparties only target market –** Solely for the purposes of [the Dealer's/the Managers'/each relevant Manager's] product approval process as [a MiFID II [(as defined below)] "manufacturer[s]"], the target market assessment completed by the relevant [Dealer/Managers/Manager] 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 the foregoing target market assessment for the Notes described in this legend).]



### **[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)]

### **[ANZ Bank New Zealand Limited**

(Incorporated with limited liability in New Zealand)]

### **[ANZ New Zealand (Int'l) Limited**

(Incorporated with limited liability in New Zealand)]

(the "**Issuer**")

US\$60,000,000,000

Euro Medium Term Note Programme

<sup>1</sup> Legend to be retained on front of Final Terms: (i) if the Notes may constitute "packaged" products and no key information document will be prepared; or (ii) the Issuer wishes to prohibit offers to EEA retail investors for any other reason, and, in each case, insert "Applicable" in paragraph 28 of Part A below.

Series No: [ ]

Tranche No: [ ]

[*Brief Description and Amount of Notes*]

Issue Price: [ ] per cent.

[Guaranteed by ANZ Bank New Zealand Limited]

[Name(s) of Dealer(s)]

**The date of these Final Terms is [ ]**

## **PART A — CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 17 May 2018 [and the Supplemental Base Prospectus[es] dated [●] [and [●]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus.

Full information on the Issuer [, the Guarantor] and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing on the website of [the Issuer at <http://www.shareholder.anz.com/supplementary-disclosures-euro-medium-term-note-programme>] [and] [the Regulatory News Service operated by the London Stock Exchange at [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html)] and during normal business hours at the offices of the Paying Agents and copies may be obtained from Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [●] [and the Supplemental Base Prospectus[es] dated [●] [and [●]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus dated 17 May 2018 [and the Supplemental Base Prospectus[es] dated [●] and [●], which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [●] [and the Supplemental Base Prospectus[es] dated [●] and [●]].

Full information on the Issuer [, the Guarantor] and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus (which includes the Supplemental Base Prospectus[es] referred to above) is available for viewing on the website of [the Issuer at <http://www.shareholder.anz.com/supplementary-disclosures-euro-medium-term-note-programme>] [and] [the Regulatory News Service operated by the London Stock Exchange at [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html)] and during normal business hours at the offices of the Paying Agents and copies may be obtained from Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB.]

- |   |       |  |  |
|---|-------|--|--|
| 1 | (i)   | Series Number:   | [ ]  |
|   | (ii)  | Tranche Number:  | [ ]  |
|   | (iii) | Date on which the Notes will be consolidated and form a single Series: | [[The Notes will be consolidated and form a single Series with [ ] on [the Issue Date]/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referenced to in paragraph [22] below[, which is expected to occur on or about [ ]]/[Not Applicable] |

- 2 (i) Specified Currency or Currencies: [ ]
- (ii) Exotic Currency Payments: [Applicable]/[Not Applicable]
- (iii) Exotic Currency Relevant Time: [ ]/[Not Applicable]
- (iv) Exotic Currency Thomson Reuters Screen Page: [ ]/[Not Applicable]
- 3 Aggregate Principal Amount: [ ]
- (i) Series: [ ]
- (ii) Tranche: [ ]
- 4 Issue Price: [ ] per cent. of the Aggregate Principal Amount [plus accrued interest from [ ]]
- 5 Specified Denomination(s): [ ]
- 6 Calculation Amount: [ ]
- 7 (i) Issue Date: [ ]
- (ii) Interest Commencement Date: [Issue Date/[ ]/Not Applicable]
- 8 Maturity Date: [[ ]/Interest Payment Date falling on or nearest to [ ]]
- 9 Interest Basis: [Fixed Rate] [Floating Rate] [Inverse Floating Rate] [CMS Rate] [Zero Coupon]
- 10 Redemption/Payment Basis: [Redemption at [Par]/[[ ] per cent. of the Aggregate Principal Amount]] [Instalment]
- 11 Change of Interest or Redemption/Payment Basis: [ ]/[Not Applicable]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- 12 Fixed Rate Note Provisions [Applicable [in respect of the period from, and including, [ ] to, but excluding, [ ]] [Not Applicable]
- (i) Rate(s) of Interest: [ ] per cent. per annum [payable annually/semi-annually/quarterly/monthly] 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]]/Not Applicable]
- (b) Interest Period(s): [[ ]/Not Applicable]



	(c) Interest Period Date:	[[ ]/Not Applicable]
	(iii) Fixed Coupon Amount(s):	[[ ] per Calculation Amount/Not Applicable]
	(iv) Broken Amount(s):	[[ ] per Calculation Amount payable on [ ]/Not Applicable]
	(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)]
	(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]
	(viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	[The Fiscal Agent[ ] shall be the Calculation Agent]
13	Floating Rate Note Provisions	[Applicable [in respect of the period from, and including, [ ] to, but excluding, [ ]/Not Applicable]
	(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]]/Not Applicable]
	(b) Interest Period(s):	[[ ]/Not Applicable]
	(c) Interest Period Date:	[[ ]/Not Applicable]
	(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]
	(v) Manner in which the Rate(s) of Interest is/are to be	[Screen Rate Determination/ISDA Determination/BBSW Notes/BKBM Notes]

determined:

- (vi) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): [Fiscal Agent/[ ] shall be the Calculation Agent]
- (vii) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: [BBSW / BKBM / LIBOR / EURIBOR / Federal Funds Effective Rate US / CDOR / SHIBOR / HIBOR / SIBOR / STIBOR / NIBOR / JIBAR / TRYIBOR / MXN-TIIE-MEX06 / PRIBOR / MosPrime / CNH HIBOR]
  - Specified Maturity: [ ]
  - Interest Determination Date(s): [ ]
  - Relevant Screen Page: [ ]
  - Reference Banks: [ ]
  - Relevant Time: [ ]
  - Relevant Financial Centre: [ ]
- (viii) ISDA Determination: [Applicable/Not Applicable]
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (ix) Margin(s): [[+/-] [ ] per cent. per annum/Not Applicable]
- (x) Rate Multiplier: [[ ]/Not Applicable]
- (xi) Minimum Rate of Interest: [[ ] per cent. per annum/Not Applicable]
- (xii) Maximum Rate of Interest: [[ ] per cent. 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)]
- (xiv) Linear Interpolation: [Not Applicable]/[Applicable – the Rate of Interest for the [long]/[short [first/last] Interest Period shall be calculated using Linear Interpolation]
- 14 CMS Rate Note Provisions [Applicable [in respect of the period from, and including, [ ] to, but excluding, [ ]/Not Applicable]
- (i) CMS Rate: [EUR CMS Rate] / [GBP CMS Rate] / [USD CMS Rate]
  - (ii) (a) Interest Payment [[ ] in each year [commencing on [ ]] [in each

- Dates: case subject to adjustment [for payment purposes only] in accordance with the Business Day Convention specified below]/Not Applicable]
- (b) Interest Period(s): [[ ]/Not Applicable]
- (c) Interest Period Date: [[ ]/Not Applicable]
- (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]
- (vi) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): [The Fiscal Agent/ [ ] shall be the Calculation Agent]
- (vii) Specified Maturity: [ ]
- (viii) Interest Reset Date: [ ]
- (ix) Representative Amount: [ ]
- (x) Margin(s): [[+/-] [ ] per cent. per annum/Not Applicable]
- (xi) Rate Multiplier: [[ ]/Not Applicable]
- (xii) Minimum Rate of Interest: [[ ] per cent. per annum/Not Applicable]
- (xiii) Maximum Rate of Interest: [[ ] per cent. 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) Linear Interpolation: [Not Applicable]/[Applicable – the Rate of Interest for the [long]/[short] [first/last] Interest Period shall be calculated using Linear Interpolation]
- 15 Inverse Floating Rate Note Provisions [Applicable/Not Applicable]
- (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]/Not Applicable]
- (b) Interest Period(s): [[ ]/Not Applicable]
- (c) Interest Period Date: [[ ]/Not Applicable]
- (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]

(v) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): [The Fiscal Agent[ ] shall be the Calculation Agent]

Interest Payment Date	Specified Fixed Rate (per cent. per annum)
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]

(vii) Relevant Floating Rate:

- Reference Rate: [BBSW / BKBM / LIBOR / EURIBOR / Federal Funds Effective Rate US / CDOR / SHIBOR / HIBOR / SIBOR / STIBOR / NIBOR / JIBAR / TRYIBOR /MXN-TIIE-MEX06 / PRIBOR / MosPrime / CNH HIBOR / Other (specify)]

- Interest Determination Date(s): [ ]

- Relevant Screen Page: [ ]

- Reference Banks: [ ]

- Relevant Time: [ ]

- Relevant Financial Centre: [ ]

(viii) Minimum Rate of Interest: [[ ] per cent. per annum/Not Applicable]

(ix) Maximum Rate of Interest: [[ ] per cent. 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]

16. Range Accrual Note Provisions: [Applicable] [Not Applicable]

- (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): [[ ]/Not Applicable]
- (iii) Interest Period Date: [[ ]/Not Applicable]
- (iv) No Adjustment of Interest Amounts: [Applicable/Not Applicable]
- (v) Business Day Convention: [Floating Rate Business Day Convention][Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [Not Applicable]
- (vi) Additional Business Centre(s): [ ] [Not Applicable]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): [The Fiscal Agent/ [ ] shall be the Calculation Agent]
- (viii) Fixed Rate Range Accrual Note: [Applicable] [Not Applicable]  
 [-Specified Fixed Rate: [[ ] per cent. per annum]]
- (ix) Floating Rate Range Accrual Note: [Applicable/Not Applicable]
- Range Accrual Floating Rate: [BBSW/BKBM/LIBOR/EURIBOR/Federal Funds Effective US/CDOR/SHIBOR/HIBOR/SIBOR/STIBOR/NIBOR/JIBAR/TRYIBOR/MXN-TIIE-MEX06/PRIBOR/MosPrime/CNH HIBOR] Funds Rate
  - Margin: [[+/-] [ ] per cent. per annum/Not Applicable]
  - Specified Maturity: [ ]
  - Interest Determination Date: [ ]
  - Specified Currency: [ ]
  - Relevant Screen Page: [ ]
  - Relevant Time: [ ]
  - Relevant Financial Centre: [ ]
  - Linear Interpolation: [Not Applicable]/[Applicable – the Rate of Interest for the [long]/[short] [first/last] Interest Period shall be calculated using Linear Interpolation]

- (x) Single Range Accrual [Applicable] [Not Applicable]  
Note:
- Reference Rate: [BBSW/BKBM/LIBOR/EURIBOR/Federal Funds Effective Rate  
US/CDOR/SHIBOR/HIBOR/SIBOR/STIBOR/  
NIBOR/JIBAR/TRYIBOR/MXN-TIIE-  
MEX06/PRIBOR/MosPrime/CNH HIBOR/EUR  
CMS/GBP CMS/USD CMS/Other (specify)] [Not Applicable]
  - Specified Maturity: [ ] [month[s]] [year[s]]
  - [- Specified Currency: [ ]]
  - [- Relevant Screen Page: [ ]]
  - [- Relevant Time:] [[ ] [As specified in Condition 4(n)]]
  - [- Relevant Financial Centre:] [[ ]]
  - Constant Maturity Swap Spread: [Applicable] [Not Applicable]
  - [- 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 cent. per annum] [Not Applicable]  
[For the purposes of the definition of "N1" in Condition 4(g), [less than or equal to][less than] shall apply.]
  - Floor: [[ ] per cent. per annum] [Not Applicable]  
[For the purposes of the definition of "N1" in Condition 4(g), [greater than or equal to][greater than] shall apply.]
- (xi) Dual Range Accrual Note: [Applicable][Not Applicable]
- Reference Rate: [BBSW/BKBM/LIBOR/EURIBOR/Federal Funds Effective Rate  
US/CDOR/SHIBOR/HIBOR/SIBOR/STIBOR/  
NIBOR/JIBAR/TRYIBOR/MXN-TIIE-  
MEX06/PRIBOR/MosPrime/CNH HIBOR/EUR  
CMS/GBP CMS/USD CMS/Other (specify)] [Not Applicable]

- Specified Maturity: [ ] [month[s]] [year[s]]
- [- Specified Currency: [[ ]]]
- [- Relevant Screen Page: [ ]]
- [- Relevant Time:] [[ ]] [As specified in Condition 4(n)]
- [- Relevant Financial Centre:] [[ ]]
- Cap: [[ ] per cent. per annum] [Not Applicable]  
[For the purposes of the definition of "N1" in Condition 4(g), [less than or equal to][less than] shall apply.]
- Floor: [[ ] per cent. per annum] [Not Applicable]  
[For the purposes of the definition of "N1" in Condition 4(g), [greater than or equal to][greater than] shall apply.]
- Reference Rate: [BBSW/BKBM/LIBOR/EURIBOR/Federal Funds Effective Rate  
US/CDOR/SHIBOR/HIBOR/SIBOR/STIBOR/  
NIBOR/JIBAR/TRYIBOR/MXN-TIIE-  
MEX06/PRIBOR/MosPrime/CNH HIBOR/EUR  
CMS/GBP CMS/USD CMS/Other (specify)] [Not Applicable]
- Specified Maturity: [ ] [month[s]] [year[s]]
- [- Specified Currency: [[ ]]]
- [- Relevant Screen Page: [ ]]
- [- Relevant Time:] [[ ]]
- [- Relevant Financial Centre:] [[ ]]
- Constant Maturity Swap Spread: [Applicable] [Not Applicable]
- [- 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 cent. per annum] [Not Applicable]  
[For the purposes of the definition of "N1" in Condition 4(g), [less than or equal to][less than] shall apply.]
  - Floor:  per cent. per annum] [Not Applicable]  
[For the purposes of the definition of "N1" in Condition 4(g), [greater than or equal to][greater than] shall apply.]
  - (xii) Cut-Off Period: [            ]
  - (xiii) Minimum Interest Rate:  per cent. per annum] [Not Applicable]
  - (xiv) Maximum Interest Rate:  per cent. per annum] [Not Applicable]
  - (xv) 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)]
- 17 Zero Coupon Note Provisions: [Applicable [in respect of the period from, and including, [            ] to, but excluding, [            ]]/Not Applicable]
- (i) Compound Interest: [Applicable/Not Applicable]
    - (A) Amortisation Yield:  per cent. per annum/Not Applicable]
  - (ii) Linear Interest: [Applicable/Not Applicable]
    - (A) Amortisation Yield:  per cent. 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: [            ]

#### PROVISIONS RELATING TO REDEMPTION

- 18 Call Option [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [            ]
  - (ii) Optional Redemption Amount(s) and method, if [            ] per Calculation Amount



any, of calculation of such amount(s):

- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [[ ]/Not Applicable]
- (b) Maximum Redemption Amount: [[ ]/Not Applicable]
- (iv) Option Exercise Dates: [ ] [The [10th]/[ ] Business Day prior to [each] Optional Redemption Date] [Not Applicable]
- 19 Put Option [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [ ] per Calculation Amount
- (iii) Option Exercise Dates: [ ] [The [10th]/[ ] Business Day prior to [each] Optional Redemption Date] [Not Applicable]
- 20 Final Redemption Amount of each Note: [[ ] per Calculation Amount]/[Not Applicable]
- 21 Early Redemption Amount payable on redemption for taxation reasons or on an Event of Default or other early redemption: [[ ] per Calculation Amount]/[Not Applicable]/[Amortised Face Amount]/ Condition 5(c) applies]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 22 Form of Notes: [Bearer Notes/Registered Notes/VPS Notes]
- [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] 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] [at any time/in the limited circumstances specified in the Permanent Global Note].]
- [Registered Global Note]
- [VPS Notes issued in uncertificated and dematerialised book entry form. See further item [6] of Part B below]

- 23 Payment Business Day Convention: [Following/Modified Following]
- 24 Additional Financial Centre(s): [[ ]/Not Applicable]
- 25 Details relating to Instalment Notes, including Instalment Amount(s) and Instalment Date(s): [[ ]/Not Applicable]
- 26 Redenomination, renominatisation and reconventioning provisions: [Applicable/Not Applicable]

**DISTRIBUTION**

- 27 US Selling Restrictions: [TEFRA Not Applicable/C Rules/D Rules; Regulation S Category 2]
- 28 Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]

*(If the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)*

Signed on behalf of [Australia and New Zealand Banking Group Limited/ANZ Bank New Zealand Limited/ANZ New Zealand (Int'l) Limited]:

By: ..... [By: Duly Authorised Signatory]  
 [Duly Authorised Signatory/Attorney] Duly Authorised Signatory]

[Signed on behalf of ANZ Bank New Zealand Limited:

By: ..... [By: Duly Authorised Signatory]  
 [Duly Authorised Signatory/Attorney] Duly Authorised Signatory]

## PART B — OTHER INFORMATION

### 1 LISTING

- (i) Listing and Admission to trading:

[Application [has been] [is expected to be] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the [London Stock Exchange's/Euronext Dublin's/Luxembourg Stock Exchange's] Regulated Market and admitted to the Official List of the [Euronext Dublin/UK Listing Authority/Luxembourg Stock Exchange] with effect from [ ].]

[The Notes shall not be consolidated and form a single Series with the Tranche [ ] Notes until such time as the Notes are listed and admitted to trading as indicated above.]

- (ii) Estimate of total [ ] expenses related to admission to trading:

### 2 RATINGS

[The Notes to be issued [have been]/[have not been]/[are expected to be] rated:

[Standard & Poor's: [ ]]

[Moody's: [ ]]

[Fitch: [ ]]

[Not Applicable]

### 3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

[Save for the fees payable to [ ] ([the "**Manager**"] [the "**Dealer**"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer, including conflicting interests.]

### 4 (*Fixed Rate Notes only*) YIELD

Indication of yield: [The yield for the Notes will be [ ] on the Issue Date and will be calculated on the basis of the compound annual rate of return as if the Notes were to be purchased at the Issue Price on the Issue Date and held to maturity. This is not an indication of future yield.]

[Not Applicable]

## 5 BENCHMARKS

Relevant Benchmark[s]: [[BBSW / BKBM / LIBOR / EURIBOR / Federal Funds Effective Rate US / CDOR / SHIBOR / HIBOR / SIBOR / STIBOR / NIBOR / JIBAR / TRYIBOR / MXN-TIIE-MEX06 / PRIBOR / MosPrime / CNH HIBOR] is provided by [administrator legal name]][repeat as necessary]. [As at the date hereof, [[administrator legal name][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of Regulation (EU) 2016/1011, as amended]/[As far as the Issuer is aware, as at the date hereof, the [specify benchmark] does not fall within the scope of Regulation (EU) 2016/1011, as amended] / [Not Applicable]

## 6 OPERATIONAL INFORMATION

ISIN: [ ]

Temporary ISIN: [ ] [Not Applicable]

Common Code: [ ]

[FISN: [ ]]

[CFI code: [ ]]

Temporary Common Code: [ ] [Not Applicable]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable/ [Central Moneymarkets Unit Service/gives name(s) and number(s)]]

CMU Instrument No: [ ]

CMU Lodging Agent: [ ]

CMU Paying Agent: [ ]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any) or, in the case of VPS Notes, the VPS Agent and the VPS Trustee: [ ]/Not Applicable.]

**ANNEX TO FINAL TERMS - SUMMARY OF THE NOTES**

*[Base Prospectus "Summary" to be inserted and the options given as placeholders in the "Summary" to be completed in respect of the Notes being issued]*

17. **ADDITIONAL INFORMATION**

You should be aware of a number of other matters that may not have been addressed in detail elsewhere in this Base Prospectus.

## ADDITIONAL INFORMATION

1. The admission of the Programme to listing on the Official List of the UK Listing Authority and to trading on the regulated market of the London Stock Exchange is expected to take effect on or around 22 May 2018. The price of the Notes on the price list of the London Stock Exchange will be expressed as a percentage of their principal amount (exclusive of accrued interest). Any Tranche of Notes intended to be admitted to trading on the regulated market of the London Stock Exchange will be so admitted to trading upon submission to the London Stock Exchange of the relevant Final Terms and any other information required by the London Stock Exchange, subject to the issue of the relevant Notes. Prior to admission to trading, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day in London after the day of the transaction.
2. Each 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 (i) by resolutions of the board of directors of ANZBGL on 22 and 23 October 2002 and 23 and 24 April 2013; (ii) by resolutions of the board of directors of ANZ New Zealand on 5 January 2000, 16 June 2004, 9 August 2007, 19 June 2008, 2 December 2008 and 15 April 2010; (iii) by resolutions of the board of directors of ANZNIL on 22 June 2004, 29 August 2007, 28 November 2008, 23 December 2008, 2 September 2010 and 23 November 2011 and (iv) by resolutions of the shareholder of ANZNIL on 22 June 2004 and 21 August 2007.

The update of the Programme does not require further authorisation of the board of directors of ANZBGL, ANZ New Zealand or ANZNIL.

3.
  - (i) Since 31 March 2018 there has been no significant change in the financial or trading position of ANZBGL and its subsidiaries taken as a whole. Since 30 September 2017 there has been no material adverse change in the prospects of ANZBGL and its subsidiaries taken as a whole.
  - (ii) Since 31 March 2018 there has been no significant change in the financial or trading position of ANZ New Zealand and its subsidiaries taken as a whole. Since 30 September 2017 there has been no material adverse change in the prospects of ANZ New Zealand and its subsidiaries taken as a whole.
  - (iii) Since 31 March 2018, there has been no significant change in the financial or trading position of ANZNIL. Since 30 September 2017, there has been no material adverse change in the prospects of ANZNIL.
4. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which any of the Issuers or the Guarantor is aware) during the last 12 months which may have, or have had in the recent past, a significant effect on the financial position or profitability of any of the Issuers or the Guarantor or, in respect of ANZBGL and ANZ New Zealand only, ANZBGL, ANZ New Zealand and their subsidiaries taken as a whole, except in the case of:
  - (i) ANZBGL only, as set out in Note 19 to ANZBGL's unaudited interim consolidated financial statements for the half-year ended 31 March 2018 and under the sections entitled "Other Contingent Liabilities" and "Contingent Assets" in Note 33 to ANZBGL's audited annual consolidated financial statements for the year ended 30 September 2017, which are incorporated by reference into this Base Prospectus; and
  - (ii) ANZ New Zealand only, as set out in Note 10 to ANZ New Zealand's unaudited interim consolidated financial statements for the half-year ended 31 March 2018 and Note 23 "Credit Related Commitments, Guarantees and Contingent Liabilities" to ANZ New Zealand's audited annual consolidated financial statements for the year ended 30 September 2017, which are incorporated by reference into this Base Prospectus.

5. There are no material contracts having been entered into outside the ordinary course of each of the Issuer's businesses, which could result in any group member of that Issuer being under an obligation or entitlement that is material to that Issuer's ability to meet its obligation to Noteholders in respect of the Notes being issued.

6. Notes have been accepted for clearance through Euroclear of 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and Clearstream, Luxembourg 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 Final Terms.

VPS Notes will be registered with Verdipapirsentralen ASA (VPS), Fred. Olsens gate 1, P.O. Box 1174 Sentrum, NO-0107, Oslo, Norway. Investors with accounts in Euroclear and/or Clearstream, Luxembourg may hold VPS Notes in their accounts with such clearing systems and the relevant clearing system will be shown in the records of the VPS as the holder of the relevant amount of VPS Notes.

7. ANZBGL is authorised by the UK Prudential Regulation Authority to accept deposits through a branch in the United Kingdom. ANZ New Zealand and ANZNIL are not so authorised in the United Kingdom.

8. The consolidated financial statements of the Group as at and for the fiscal years ended 30 September 2017 and 2016 incorporated by reference in this Base Prospectus 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.

9. The financial statements of ANZ New Zealand and its subsidiaries have been audited for the years ended 30 September 2017 and 2016 by KPMG of 10 Customhouse Quay, P.O. Box 996, Wellington, New Zealand, independent auditors of ANZ New Zealand and its subsidiaries, for that period, and unqualified opinions have been reported thereon. KPMG has no material interest in ANZ New Zealand.

The financial statements of ANZNIL have been audited for the years ended 30 September 2017 and 2016 by KPMG of 10 Customhouse Quay, P.O. Box 996, Wellington, New Zealand, independent auditors of ANZNIL, for that period, and unqualified opinions have been reported thereon. KPMG has no material interest in ANZNIL.

KPMG partners are members or affiliate members of Chartered Accountants Australia and New Zealand.

10. For the life of this Base Prospectus or whilst any Notes are outstanding, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Fiscal Agent and the relevant Issuer:

- (i) the constitutive documents of the relevant Issuer;
- (ii) the Agency Agreement (which includes the form of the Bearer Global Notes, the Registered Global Notes, the Bearer Notes in definitive form, the Certificates, the Coupons, the Receipts and the Talons);



- (iii) the Deed of Covenant and the Deed of Guarantee;
- (iv) any Final Terms relating to Notes of the relevant Issuer which are admitted to listing by Euronext Dublin/UK Listing Authority/Luxembourg Stock Exchange or to trading by the London Stock Exchange/Euronext Dublin/Luxembourg Stock Exchange;
- (v) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus; and
- (vi) copies of the most recent publicly available annual audited consolidated and/or non-consolidated (as applicable) accounts and semi-annual unaudited financial statements of each of the Issuers and their subsidiaries incorporated by reference into this Base Prospectus, beginning with the annual audited consolidated and/or non-consolidated (as applicable) and interim consolidated and/or non-consolidated (as applicable) accounts of ANZBGL, ANZ New Zealand and ANZNIL for the financial years ended 30 September 2016 and 2017 and the half-year ended 31 March 2018 (see Section 11 (*Information Incorporated by Reference*) above for further details).

Copies of the VPS Trustee Agreement and each VPS Agency Agreement will be available for inspection at the registered office of the Issuer, the specified office of each respective VPS Agent and at the registered office of the VPS Trustee.

11. **The yield specified in the relevant Final Terms in relation to any Fixed Rate Notes has been calculated as at the Issue Date and at the Issue Price in each case specified in the relevant Final Terms, and will not reflect the yield of Fixed Rate Notes purchased on a different date at a different price. It is not an indication of future yield.**
12. The Legal Entity Identifier of each Issuer is as follows:
  - (i) Australia and New Zealand Banking Group Limited: JHE42UYNWWTJB8YTTU19;
  - (ii) ANZ Bank New Zealand Limited: HZSN7FQBPO5IEWYIGC72; and
  - (iii) ANZ New Zealand (Int'l) Limited: 213800VD256NU2D97H12.

## **APPENDIX A – DEFINED TERMS**

This section contains an index of defined terms used in this Base Prospectus.

## INDEX OF DEFINED TERMS

The following is an index that indicates the location in this Base Prospectus where certain capitalised terms have been defined.

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## **APPENDIX B – TERMS AND CONDITIONS OF THE NOTES**

This section sets out the text of the terms and conditions of the Notes.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion by the relevant Final Terms, 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 Final Terms or (ii) these conditions as so completed (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. The following are also the Terms and Conditions of the Notes which will be applicable to each VPS Note. VPS Notes will not be evidenced by any physical note or document of title other than statements of account made by the VPS. Ownership of VPS Notes will be recorded and transfer effected only through the book entry system and register maintained by the VPS. The applicable Final Terms (or the relevant provisions thereof) will be in the case of VPS Notes, deemed to apply to any such Notes. Wording which appears in italics in the text does not form part of the terms and conditions.*

This Note is one of a Series (as defined below) of Notes issued by either Australia and New Zealand Banking Group Limited ("**ANZBGL**"), ANZ Bank New Zealand Limited ("**ANZ New Zealand**") or ANZ New Zealand (Int'l) Limited ("**ANZNIL**"), as specified in the relevant Final Terms. Notes issued by ANZNIL will be issued by it acting through its London branch. References herein to the "**Issuer**" shall be references to the party specified as "**Issuer**" in the Final Terms for this Note, and references to "**Issuers**" shall be to ANZBGL, ANZ New Zealand and ANZNIL. References herein to "**Notes**" shall be references to the Notes of this Series.

The Notes (other than VPS Notes (as defined below)) are issued pursuant to an Amended and Restated Agency Agreement dated 17 May 2018 (as further amended and/or supplemented and/or restated as at the Issue Date of the Notes, the "**Agency Agreement**") between the Issuers, ANZ New Zealand as guarantor of the Notes issued by ANZNIL (the "**Guarantor**"), Deutsche Bank AG, London Branch as fiscal agent, calculation agent, paying agent and transfer agent and Deutsche Bank Trust Company Americas and Deutsche Bank Luxembourg S.A. as registrar and transfer agent and with the benefit of a Deed of Covenant dated 17 May 2018 (the "**Deed of Covenant**") executed by the Issuers in relation to the Notes. VPS Notes will be issued in accordance with and subject to a trust agreement (such trust agreement as amended and/or supplemented and/or restated from time to time, the "**VPS Trustee Agreement**") dated 17 May 2018 made between the Issuer and Nordic Trustee AS (the "**VPS Trustee**", which expression shall include any successor as VPS Trustee). The VPS Trustee acts for the benefit of the holders for the time being of the VPS Notes, in accordance with the provisions of the VPS Trustee Agreement and these Terms and Conditions. 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 CMU Lodging Agent and the CMU Paying Agent for the time being appointed under Condition 6(e)), the "**Registrar**", the "**Transfer Agents**" and the "**Calculation Agent(s)**". The Guarantor has, for the benefit of the holders from time to time of the Notes issued by ANZNIL, executed and delivered a Deed of Guarantee dated 17 May 2018 (as amended and/or supplemented and/or restated from time to time, the "**Deed of Guarantee**") under which it has unconditionally and irrevocably guaranteed the due and punctual payment of all amounts due by ANZNIL under or in respect of the Notes issued by ANZNIL as and when the same shall become due and payable. Copies of the Agency Agreement, the Deed of Covenant and the Deed of Guarantee are available for inspection at the specified offices of each of the Paying Agents (if more than one), the Registrar and the Transfer Agents. Copies of the VPS Agency Agreement and the VPS Trustee Agreement will be available for inspection during normal business hours at the specified office of the VPS Agent and at the registered office for the time being of the VPS Trustee.

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, the Deed of Covenant, the relevant VPS Agency Agreement as defined below, the VPS Trustee Agreement and the Deed of Guarantee applicable to them.

Each issue of VPS Notes will have the benefit of a VPS Agency Agreement (such VPS Agency Agreement as amended and/or supplemented and/or restated from time to time, the (the "**VPS**

**Agency Agreement**") between the Issuer and an agent (the "**VPS Agent**") who will act as agent of the Issuer in respect of all dealings with the VPS in respect of VPS Notes as provided in the relevant VPS Agency Agreement. References herein to the VPS Agency Agreement shall be to the relevant VPS Agency Agreement entered into in respect of each issue of VPS Notes.

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.

Except in the case of a VPS Note, the Final Terms for this Note (or the relevant provisions thereof) is endorsed on this Note and completes these Conditions and specifies which of these Conditions are applicable to this Note. References herein to the "Final Terms" are, except in the case of a VPS Note, to the Final Terms (or the relevant provisions thereof) endorsed on this Note. In the case of a VPS Note, references herein to the "Final Terms" are to the Final Terms (or the relevant provisions thereof) provided to the VPS Agent, the VPS Trustee and the VPS in connection with such VPS Notes.

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

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

The Notes are issued in (i) bearer form ("**Bearer Notes**"), (ii) in registered form ("**Registered Notes**") or (iii) in uncertificated and dematerialised book entry form registered in the Norwegian Central Securities Depository, *Verdipapirsentralen* ASA or VPS ("**VPS Notes**" and the "**VPS**", respectively), in each case in the Specified Currency and the Specified Denomination(s). All Registered Notes shall have the same Specified Denomination.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Inverse Floating Rate Note, a Range Accrual Note or an Instalment 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 Final Terms.

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

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

Title to the Bearer Notes and the 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.

Title to VPS Notes will pass by registration in the registers between the direct or indirect accountholders at the VPS in accordance with the Norwegian Securities Registry Act of 5th July, 2002 (No. *verdipapirregisterloven*) (the "**VPS Act**") and the rules and procedures of the VPS. The holder of a VPS Note will be the person evidenced as such by a book entry in the records of the VPS. The person evidenced (including any nominee) as a holder of the VPS Notes shall be treated as the holder of such

VPS Notes for the purposes of payment of principal or interest on such Notes and for all other purposes. The expressions “*Noteholders*” and “*holder of Notes*” and related expressions shall, in each case, be construed accordingly. Any references in these Terms and Conditions to Coupons, Talons, Couponholders, Global Notes, Bearer Notes, Certificates, Receipts, Receiptholders, Registered Global Notes, Registered Notes, Bearer Global Notes, Permanent Global Notes, Temporary Global Notes and Notes in definitive form (or, in each case, similar expressions) shall not apply to VPS Notes.

In these 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 or in relation to any VPS Notes, is to be construed as provided above in this Condition 1 (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, the person in whose name a Registered Note is registered or in relation to any VPS Notes, is to be construed as provided above in this Condition 1 (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. Notes (other than VPS Notes) may not be exchanged for VPS Notes and *vice versa*.

### (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 an 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 Condition 2(b) or (c) 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 Condition 2(d), “**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 Condition 5(d), (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 and Guarantee**

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

(a) *Status of the Notes*

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, where the Issuer is ANZBGL, 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 Condition 3, will be substantial and are not limited by the Conditions of the Notes. Without limitation to other applicable laws, in the case of Notes issued by ANZBGL, section 13A of the Banking Act provides that, in the event ANZBGL becomes unable to meet its obligations or suspends payment, its assets in Australia are to be available to meet ANZBGL's liabilities in the following order: (i) liabilities to the Australian Prudential Regulation Authority ("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) ANZBGL's liabilities in Australia in relation to protected accounts (as defined in the Banking Act) kept with ANZBGL, (iv) debts due to the Reserve Bank of Australia ("RBA"), (v) liabilities under certain certified industry support contracts; and (vi) all other liabilities of ANZBGL in their order of priority apart from section 13A(3). Changes to applicable law may extend the debts required to be preferred by law.*

(b) *Guarantee — by ANZ New Zealand (in respect of Notes issued by ANZNIL)*

Where the relevant Issuer is ANZNIL, the Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all amounts due by ANZNIL under or in respect of the Notes as and when the same shall become due and payable. This Guarantee of the Notes constitutes direct, unconditional and unsecured obligations of the Guarantor which (save for certain debts of the Guarantor required to be preferred by law) will at all times rank *pari passu* among themselves and equally with all other unsubordinated, unsecured obligations of the Guarantor. The Notes issued by ANZ New Zealand and ANZNIL are not guaranteed by ANZBGL.

### 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 Final Terms as specified Interest Payment

Dates or, if no Interest Payment Date(s) is/are specified in the Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the Final Terms 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 Final Terms, 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 Final Terms.
  - (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 Final Terms 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 Final Terms, (a) any Interest Payment Date otherwise falling on a day which is not a Business Day (as defined in Condition 4(n) below) will be postponed or brought forward (as applicable) in accordance with the Business Day Convention set out in the relevant Final Terms (as described below) and (b) the amount of interest payable on such Interest Payment Date will be adjusted accordingly and the provisions of subparagraphs (g) and (h) (excluding the determination and notification of the Rate of Interest) below shall apply, *mutatis mutandis*, as though references to "Floating Rate Notes" were to "Fixed Rate Notes" and references to "Interest Amounts" were to amounts of interest payable in respect of Fixed Rate Notes. If "Business Day Convention – No Adjustment" is specified to be applicable in the relevant Final Terms, 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 Final Terms (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*
- (i) *Interest Payment Dates:* Each Floating 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 Final Terms as specified Interest Payment Dates or, if no Interest Payment Date(s) is/are specified in the Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the Final Terms 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 Condition 4(n) below), then that date will be adjusted in accordance with the Business Day Convention specified in the relevant Final Terms. If "No Adjustment of Interest Amounts" is specified to be applicable in the relevant Final Terms 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 Final Terms, 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 (x) BBSW Notes or BKBM Notes, provisions in respect of which are set out in Condition 4(c) and Condition 4(d) below, (y) CMS Rate Notes, provisions in respect of which are set out in Condition 4(e) below and (z) Inverse Floating Rate Notes, provisions in respect of which are set out in Condition 4(f) below, for each Interest Accrual Period shall be determined in the manner specified in the Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply depending upon which is specified in the Final Terms.

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the Final Terms 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 Final Terms;
- (y) the Designated Maturity is a period specified in the Final Terms; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the Final Terms. 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*

- (x) If Screen Rate Determination is specified in the Final Terms 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 Condition 4(m) (*Benchmark Replacement*)) (as determined by the Calculation Agent) on the following basis:
  - (I) if the Reference Rate is a composite quotation or a quotation customarily supplied by one entity, the Calculation Agent will determine the Reference Rate for the Specified Maturity and the Specified Currency which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date; or
  - (II) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates for the Specified Maturity and the Specified Currency which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (y) if sub-paragraph (x)(I) applies and no Reference Rate for the Specified Maturity and the Specified Currency appears on the Relevant Screen Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (x)(II) applies and fewer than two Reference Rates appear on the Relevant Screen Page at the Relevant Time on the 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 to provide a quotation of the Reference Rate for the Specified Maturity and the Specified Currency at approximately the Relevant Time on the Interest Determination Date to leading banks in the Relevant Financial Centre interbank market in an amount that is representative for a single



transaction in that market at that time and will provide such responses to the Calculation Agent; and

- (B) the Calculation Agent will determine the arithmetic mean of such 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 for the Specified Maturity and the Specified Currency, subject as provided below, the Calculation Agent shall determine the arithmetic mean of the rates per annum (expressed as a percentage) quoted by 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 and in an amount that is representative for a single transaction in that market at that time, in each case as selected by the Reference Banks Agent (after consultation with the Issuer), at or about the Relevant Time for a period commencing on the Effective Date equivalent to the relevant Interest Accrual Period, for loans in the Specified Currency 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; provided, however, that if fewer than two of such banks are so quoting to such leading banks or the Reference Banks Agent or the Calculation Agent (as the case may be) is unable to determine a rate or (as the case may be) the Calculation Agent is unable to determine an arithmetic mean in accordance with the above provisions on any Interest Determination Date, 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) *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 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" on the Thomson Reuters Screen "BBSW" Page (or its successor or replacement page) ("**BBSW 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 10.30 a.m. Sydney 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 BBSW Reuters Page, the Rate of Interest means the rate determined by the Calculation Agent on the Interest Determination Date in good faith, having regard, to the extent possible, to:
  - (A) the rates otherwise bid and offered at or around 10.30 a.m. Sydney time (or such other time that is 15 minutes after the then prevailing Publication Time) on the Interest Determination Date for prime bank eligible securities having a tenor approximately equal to the relevant Interest Accrual Period; and
  - (B) if bid and offer rates at or around 10.30 a.m. Sydney time (or such other time that is 15 minutes after the then prevailing Publication Time) on the Interest Determination Date for prime bank eligible securities having a tenor approximately equal to the relevant Interest Accrual Period are not otherwise available, the rates otherwise bid and offered at or around 10.30 a.m. Sydney time (or such other time that is 15 minutes after the

then prevailing Publication Time) on the Interest Determination Date for funds 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).
- (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 determined by the Calculation Agent on the 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 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 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
- (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 Condition 4(b)(i) 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 Final Terms.

The following procedures will apply if the rate cannot be set as described above (other than in the circumstances provided for in Condition 4(m) (*Benchmark Replacement*)):

- (i) 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 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.

- (ii) 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).
- (iii) 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 Reset Period.
- (iv) 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 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.
- (v) 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).
- (vi) 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 Reset Period.
- (vii) 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 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.
- (viii) 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).
- (ix) 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 Reset 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) *Inverse Floating Rate Notes*

(i) Each Inverse Floating Rate Note, will bear interest on its outstanding Principal Amount in accordance with the provisions set out in Condition 4(b)(i) above. 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 Final Terms.

"**Relevant Floating Rate**" means:

- (A) the offered quotation; or
  - (B) 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 at the Relevant Time on the Interest Determination Date;
- (ii) if sub-paragraph (i)(A) applies and (other than in the circumstances provided for in Condition 4(m) (*Benchmark Replacement*)) no Reference Rate for the Specified Maturity and the Specified Currency appears on the Relevant Screen Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (i)(B) applies and fewer than two offered quotations appear on the Relevant Screen Page at the Relevant Time on the 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 at the Relevant Time on the 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
- (iii) if paragraph (ii) 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 (A) Europe, or (B) 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).

(g) *Rate of Interest on Range Accrual Notes*

Each Range Accrual Note will bear interest on its outstanding Principal Amount in accordance with the provisions set out in Condition 4(b)(i) above and shall be subject to Condition 4(b)(ii). 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 (A) or (B) below:

- (A) if Fixed Rate Range Accrual Note is specified as applicable in the Final Terms, 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 in the Final Terms, 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 Final Terms, the Margin for such Interest Accrual Period (whether positive or negative); and
  - (2) the Relevant Fraction.

In this Condition 4(g):

**"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 Final Terms.

**"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 Final Terms,

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 Final Terms) 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 Final Terms and determined in accordance with these Conditions.

**"Floor"** means the per annum rate specified in the applicable Final Terms which shall not be less than zero.

**"Margin"** means the margin specified in the applicable Final Terms.

**"Range Accrual Floating Rate"** means the rate specified in the applicable Final Terms which Rate of Interest for each Interest Accrual Period shall be determined in accordance with Condition 4(b)(iii)(B) (*Screen Rate/Reference Bank Determination for Floating Rate Notes*).

**"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 Condition 4(b)(iii)(B) as specified in the applicable Final Terms;
- (B) the interest rate for BBSW Notes (excluding the Margin) on that day notionally determined in accordance Condition 4(c) as specified in the applicable Final Terms;
- (C) the interest rate for BKBM Notes (excluding the Margin) on that day notionally determined in accordance with Condition 4(d) as specified in the applicable Final Terms;
- (D) the EUR CMS swap rate on that day notionally determined in accordance with Condition 4(e) as specified in the applicable Final Terms;
- (E) the GBP CMS swap rate on that day notionally determined in accordance with Condition 4(e) as specified in the applicable Final Terms; and
- (F) the USD CMS swap rate on that day notionally determined in accordance with Condition 4(e) as specified in the applicable Final Terms;

save that, in determining a notional interest rate or swap rate for the purposes of paragraphs (A)-(F) above, references in Condition 4(b)(iii)(B), Condition 4(c), Condition 4(d) and Condition 4(e) 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 Final Terms, 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 Final Terms, then each Reference Rate or the Reference Rate and a Constant Maturity Swap Spread if applicable, in each case, as specified in the applicable Final Terms is or are:

- (A) in respect of the Floor,
  - (1) if the relevant Final Terms specify that "greater than or equal to" shall apply, then greater than or equal to the applicable Floor; or
  - (2) if the relevant Final Terms specify that "greater than" shall apply, then greater than the applicable Floor;and
- (B) in respect of the Cap,
  - (1) if the relevant Final Terms specify that "less than or equal to" shall apply, then less than or equal to the applicable Cap; or
  - (2) if the relevant Final Terms specify 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 Final Terms and determined in accordance with the Conditions.

"**Specified Fixed Rate**" means the per annum rate specified in the applicable Final Terms.

(h) *Zero Coupon Notes*

Where a Note, the Interest Basis of which is specified in the Final Terms 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.

(i) *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 Condition 4 to the Relevant Date.

(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 Final Terms (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 Condition 4(b), Condition 4(c), Condition 4(d) or Condition 4(e) above, by adding (if a positive

number) or subtracting the absolute value (if a negative number) 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 Final Terms, then any Rate of Interest, Instalment Amount or Final Redemption Amount shall be subject to such maximum or minimum, as the case may be; and
- (iii) Subject to the requirements of applicable law, for the purposes of any calculations required pursuant to these 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) *Calculations*

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 is specified in the Final Terms 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. 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.

(l) *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, the Guarantor (if applicable), 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 and, in the case of VPS Notes, the VPS Trustee and the VPS Agent 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. The notification of any rate or amount, if applicable, shall be made to the VPS in accordance with and subject to the rules and regulations of the VPS for the time being in effect. Where any Interest Payment Date or Interest Accrual Period is subject to adjustment pursuant to Condition 4(a)(iv) or Condition 4(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest 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 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 Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(m) *Benchmark Replacement*

In addition, notwithstanding the provisions above in Conditions 4(b), (e) and (f), if the Issuer (in consultation with the Calculation Agent (or the person specified in the applicable Final Terms 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 thereof) remains to be determined by reference to such Reference Rate affected by the Benchmark Disruption Event, then the following provisions shall apply:

- (i) the Calculation Agent shall use as the Reference Rate for the relevant Interest Period or Interest Accrual Period a substitute or successor rate that it has determined (acting in good faith and in a commercially reasonable manner) in its sole discretion, after consulting an Independent Adviser or any other source it deems reasonable, 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
- (ii) if the Calculation Agent has determined a substitute or successor rate in accordance with the foregoing, the Calculation Agent may determine (acting in good faith and in a commercially reasonable manner) in its sole discretion, after consulting an Independent Adviser or any other source it deems reasonable, the Business Day Convention, the definitions of Business Day, Day Count Fraction, Relevant Screen Page, Relevant Time, Reference Rate and Interest Determination Date and any other 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; and
- (iii) if the Calculation Agent is unable to determine a substitute or successor rate in accordance with Condition 4(m)(i), the Rate of Interest applicable to the next succeeding Interest Period or Interest Accrual Period (as applicable) shall be the Rate of Interest determined in relation to the Notes on the previous Interest Determination Date or in effect for the last preceding Interest Accrual Period (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); for the avoidance of doubt, this Condition 4(m)(iii) shall apply to the relevant Interest Period or Interest Accrual Period (as applicable) only and any subsequent Interest Periods or Interest Accrual Periods (as applicable) are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(m) (*Benchmark Replacement*)).

For the purposes of this Condition 4(m) (*Benchmark Replacement*):

**"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 Final Terms has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or

- (ii) if so determined by the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest) after consulting with an Independent Adviser, 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, 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 Rates, despite the continued existence of the applicable Reference Rate; and

**"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 supervising the administrator of the Reference Rate; or
- (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 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.

(n) *Definitions*

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

**"Amortisation Yield"** has the meaning given in Condition 5(c)(ii).

**"Amortised Face Amount"** has the meaning given in Condition 5(c)(ii).

**"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.

**"Business Day"** means:

- (i) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments generally in London and, where ANZBGL is the Issuer, Sydney or, where ANZ New Zealand or ANZNIL is the Issuer, Auckland and Wellington; and
- (ii) 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 Final Terms (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 Final Terms.

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

- (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 Amount**" has the meaning given in the relevant Final Terms.

"**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 Final Terms:
  - (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 Final Terms, 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 Final Terms, the actual number of days in the Calculation Period divided by 365;
- (iv) if "**Actual/360**" is specified in the Final Terms, the actual number of days in the Calculation Period divided by 360;
- (v) if "**30/360 (ICMA)**" is specified in the Final Terms, 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 Final Terms, 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 Final Terms, 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 Final Terms, 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**" means, in relation to a Note other than a Zero Coupon Note, its Principal Amount or, in relation to a Zero Coupon Note, as specified in Condition 5(c).

"**Effective Date**" means, with respect to any Floating Rate to be determined on an Interest Determination Date, unless otherwise specified in the Final Terms, 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 Condition 9.

"**Exercise Notice**" has the meaning given in Condition 5(e).

"**Extraordinary Resolution**" has the meaning given in Condition 10(a).

"**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 Federal Reserve to other depository institutions.

"**Final Redemption Amount**" means, in relation to a Note, its Principal Amount.

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

"**Initial Call Date**" means the first occurring Optional Redemption Date (if any).

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

"**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 Condition 4(a)(iii) 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 Final Terms.

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

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the Final Terms 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 Final Terms and, unless otherwise specified in the Final Terms, 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 Final Terms, 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 Final Terms.

**"ISDA Definitions"** means, the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) as published by the International Swaps and Derivatives Association, Inc.

**"Issue Date"** means the date of issue of the Notes as specified in the Final Terms.

**"JIBAR"** means the Johannesburg inter-bank offered rate.

**"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 Final Terms.

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

**"MosPrime"** means the Moscow inter-bank offered rate.

**"MXN-TIIE-MEX06"** means the Tasa de Interés Interbancaria de Equilibrio ("**TIIE**") for MXN for a period of 28 days published by the Banco de México (Mexican Central Bank).

**"NIBOR"** means the Norwegian inter-bank offered rate.

**"Offshore Associate"** has the meaning given in Condition 5(f).

**"PRIBOR"** means the Prague inter-bank offered rate.

**"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.

**"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 Final Terms or calculated in accordance with these Conditions.

**"Record Date"** has the meaning given in 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 Final Terms 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 Final Terms 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, STIBOR, NIBOR, JIBAR, TRYIBOR, MXN-TIIE-MEX06, PRIBOR, MosPrime or CNH HIBOR as specified in the relevant Final Terms.

"**Relevant Date**" has the meaning given in 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 Final Terms; and
- (ii) in all other cases, the financial centre specified as such in the Final Terms 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 Final Terms.

"**Relevant Time**" with respect to any Interest Determination Date, unless otherwise specified in the Final Terms, in the case of BBSW Notes is 10.15 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, in the case of STIBOR is 11.00 a.m. Stockholm time, in the case of NIBOR is 12.00 p.m. Oslo time, in the case of JIBAR is 11.00 a.m. Johannesburg time, in the case of TRYIBOR is 11.15 a.m. Istanbul time, in the case of MXN-TIE-MEX06 is 2.00 p.m. Mexico City time, in the case of PRIBOR is 11.00 a.m. Prague time and in the case of MosPrime is 12.30 p.m. Moscow 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 Final Terms. If a substitute or successor screen page is used for the purposes of calculating a Screen Rate as provided in Condition 4(r), 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.

"**Solvent**" means at any time in respect of ANZBGL:

- (i) it is able to pay all its debts as and when they become due and payable; and
- (ii) its assets exceed its liabilities, in each case determined on an unconsolidated stand-alone basis.

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

"**Specified Maturity**" has the meaning given in the relevant Final Terms.

"**STIBOR**" means the Stockholm inter-bank offered rate.

"**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.

"**TRYIBOR**" means the Turkish inter-bank offered rate.

- (o) *Calculation Agent and Reference Banks*

The Issuer and, if applicable, the Guarantor 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 Final Terms 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 or,



failing which and if applicable, the Guarantor 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 these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount or Optional Redemption Amount or to comply with any other requirement, the Issuer or, failing which and if applicable, the Guarantor 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.

(p) *Linear Interpolation*

Where Linear Interpolation is specified as being applicable in respect of an Interest Period in the applicable Final Terms, 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 Final Terms, 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.

(q) *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 Condition 4 (*Interest and other Calculations*) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor (if applicable), the Calculation Agent, the Fiscal Agent, the other Paying Agents (if any), the Registrar, the VPS Agent, the VPS Trustee and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Calculation Agent, the VPS Agent or the VPS Trustee, as the case may be, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(r) *Substitute or Successor Screen Page*

Any reference in these Conditions or in the Final Terms 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.

(s) *VPS Notes – Calculation Agent*

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in respect of the VPS Notes and for so long as any such VPS Note is outstanding. Where more than one Calculation Agent is appointed in respect of the VPS Notes, references in these Terms and Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Terms and 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 Period or to calculate any Interest Amount or to comply with any other requirement, the Issuer shall (with the prior approval of the VPS Trustee) appoint a leading bank or investment banking firm engaged in the inter-bank 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.

## 5. **Redemption, Purchase and Options**

(a) *Redemption by Instalments and Final Redemption*

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5 or unless the relevant Instalment Date (being one of the dates so specified in the Final Terms) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5(d) or 5(e), 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 Final Terms. 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 Condition 5(d) or 5(e), each Note shall be finally redeemed on the Maturity Date specified in the Final Terms at its Final Redemption Amount 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 and/or, if applicable, the jurisdiction of incorporation of the Guarantor, 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 or, if applicable, the Guarantor (if the Guarantor was or is obliged to make a payment under the Guarantee) has or will become obliged to pay additional amounts as provided in Condition 7 (*Taxation*), the Issuer may at its option, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (in the case of Floating Rate Notes), 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 or, if applicable, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due or (as the case may be) an obligation to make a payment under the Guarantee were then made. Prior to the publication of any notice of redemption pursuant to this Condition 5(b), the Issuer shall deliver to the Fiscal Agent and, with respect to VPS Notes, the VPS Trustee 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) *Early Redemption of Zero Coupon Notes*

- (i) The Early Redemption Amount payable in respect of any 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 Condition 5(b) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*), shall be the Amortised Face Amount (calculated as provided below) of such Note.
- (ii) Subject to the provisions of sub-paragraph (iii) 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 (A) where Compound Interest is specified in the Final Terms, the "**Amortisation Yield**" (which, if none is set out in the Final Terms, 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 (B) where Linear Interest is specified in the Final Terms, an amount per Calculation Amount calculated in accordance with the following formula:

$$\text{Amortised Face Amount} = \text{Calculation Amount} + (\text{Accreting Payment Amount} \times A) + B$$

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 Final Terms;

"**Accreting Payment Period**" means a period specified in the Final Terms;

"**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 Condition 5(c) the date on which the Notes are redeemed prior to the Maturity Date; and

"**Final Accreting Payment Period**" means a period specified in the Final Terms.

Where such calculation referred to in sub-paragraph (A) of this sub-paragraph (ii) 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 Final Terms.

- (iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(b) or upon it becoming due and payable as provided in 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), to the date on which the Note becomes due and payable or, in the case of sub-paragraph (B), 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 Condition 4(i).

(d) *Redemption at the Option of the Issuer and Exercise of Issuer's Options*

If a Call Option is included in the Final Terms, 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 Final Terms under "Option Exercise Date(s)") to the Noteholders redeem, or exercise any Issuer's option (as may be described in the Final Terms) 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 Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the Final Terms.

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 this Condition.

In the case of a partial redemption or a partial exercise of an 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, including in accordance with the rules of the VPS in the case of VPS Notes. So long as the Notes are listed on the Official List of the UK Listing Authority and admitted to trading on the Regulated Market of the London 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 the relevant listing authority, stock exchange and/or quotation system so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper of general circulation in London (which is expected to be the *Financial Times*), or as specified by such other listing authority, stock exchange and/or quotation system, a notice specifying the aggregate principal amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

(e) *Redemption at the Option of Noteholders and Exercise of Noteholders' Options*

If Put Option is specified in the Final Terms, 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 Final Terms, 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 Final Terms the holder (other than a holder of VPS Notes) 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. In the case of a VPS Note, within the notice period, a holder of any VPS Note may exercise its right to require redemption of its VPS Notes by giving written notice to its account manager for the VPS, who will notify the VPS Agent of the exercise of such option. 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.

(f) *Purchases*

Where ANZBGL is the Issuer of this Note, ANZBGL 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 ANZBGL (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 ANZBGL that is either a non-resident of the Commonwealth of Australia which does not acquire the Notes in carrying on a business at or through a permanent establishment in Australia or, alternatively, a resident of Australia that acquires the Notes in carrying on business at or through a permanent establishment outside of Australia.

The Issuer, the Guarantor and any of their respective 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 other than VPS Notes purchased by the Issuer, the Guarantor or any of their respective 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, the Guarantor or the relevant subsidiary be held or resold. VPS Notes purchased by the Issuer, the Guarantor or any of their respective subsidiaries may be cancelled in accordance with the procedures of the VPS and the VPS Agency Agreement or may at the option of the Issuer, the Guarantor or the relevant subsidiary be held or resold.

(g) *Cancellation*

All Notes other than VPS Notes redeemed by the Issuer or surrendered by the purchaser through the Issuer for cancellation pursuant to Condition 5(f) 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.

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 Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 6(f)(ii)), 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; provided that where ANZNIL is the Issuer such account and bank shall be located outside of New Zealand, (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; provided that where ANZNIL is the Issuer such euro account or bank on which such euro cheque is drawn shall be located outside of New Zealand.

(b) *Registered Notes*

- (i) Payments of principal (which for the purposes of this Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant 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 Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the 15th day before the due date for payment thereof (the "**Record Date**"). Payments of interest 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 provided that where ANZNIL is the Issuer such account and bank shall be located outside of New Zealand, 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 paragraph 6(a) above, 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 (x) if the Specified Currency is New Zealand dollars shall be Wellington and Auckland; provided that where ANZNIL is the Issuer such account and bank shall be located outside of New Zealand, and (y) if the Specified Currency is Australian dollars, shall be Sydney and (C) 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 US 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 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 these 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, the VPS Agent and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Fiscal Agent, the other Paying Agents (if any), the Registrar, Transfer Agents, the VPS Agent and the Calculation Agent act solely as agents of the Issuer and, if applicable, the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and, if applicable, the Guarantor 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, the VPS Agent or the Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer and, if applicable, the Guarantor 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 (including a Transfer Agent having its specified office in London so long as any Registered Notes are listed on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange), (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities (including London so long as the Notes are listed on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange), (vi) 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, (vii) so long as any Notes are held in the CMU Service, there will at all times be appointed a CMU lodging agent (the "**CMU Lodging Agent**") and a paying agent with a specified office in such place as required by the CMU Service (the "**CMU Paying Agent**") and (viii) a VPS Agent authorised to act as an account holding institution with the VPS and one or more Calculation Agent(s) where the Terms and Conditions of the relevant VPS Notes so require.

In addition, the Issuer and, if applicable, the Guarantor 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 Condition 6(c).

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

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

- (i) In the case of Fixed Rate Notes, Bearer Notes should be surrendered for payment together with all unexpired Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon 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 Condition 8 (*Prescription*)).
- (ii) In the case of Floating Rate Notes and Range Accrual Notes upon the due date for redemption of any Bearer Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any 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 unexpired Coupons and any unexpired 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 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 Final Terms, the next following Payment Business Day or (ii), if "Modified Following" is specified as the Payment Business Day Convention in the applicable Final Terms, 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 Final Terms, in London and Sydney where ANZBGL is the Issuer, in London, Auckland and Wellington where ANZ New Zealand or ANZNIL is the Issuer and, where relevant, in the relevant place of presentation; and
- (ii) (in the case of a payment in a currency other than euro or Australian dollars where ANZBGL is the Issuer, or New Zealand dollars where ANZ New Zealand or, as the case may be, ANZNIL is the Issuer, 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 Final Terms, 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 Condition 13 (*Notices*).

(j) *Payment of US Dollar Equivalent in respect of CNY Notes*

Notwithstanding the foregoing, if by reason of Inconvertibility, Non transferability or Illiquidity, 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 Conditions, "**US Dollar Equivalent**" means the Renminbi amount converted into US dollars using the Spot Rate for the relevant Determination Date.

For this purpose:

"**Calculation Agent**" means Deutsche Bank AG, London Branch;

"**CNY**" means the lawful currency of the PRC;

"**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 in 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 these Conditions;

"**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;

"**Hong Kong**" means the Hong Kong Special Administrative Region of the PRC;

"**Illiquidity**" means that the general Renminbi exchange market in Hong Kong has become illiquid and, as a result of which, the Issuer 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;

"**Inconvertibility**" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the CNY Notes in the general Renminbi exchange market in Hong Kong, 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 Governmental Authority (unless such law, rule or regulation is enacted after 8 August 2012 and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**Non transferability**" means the occurrence of any event that makes it impossible for the Issuer 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, 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 Governmental Authority (unless such law, rule or regulation is enacted after 8 August 2012 and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**PRC**" means the People's Republic of China which, for the purpose of these 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 CNY/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 CNY/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) *Payment of US Dollar equivalent in respect of Exotic Currencies*

If Exotic Currency Payments is specified to be applicable in the relevant Final Terms then, in the event that the Issuer is due to make a payment in an Exotic Currency in respect of any Note and the Exotic Currency is not available or it is impracticable to make the payment in the Exotic Currency due to circumstances beyond the Issuer's control as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, the Issuer will be entitled to satisfy in full its obligations in respect of such payment by making payment as soon as practicable in US dollars on the basis of the spot exchange rate of US dollars against the Exotic Currency offered in the London foreign exchange market as determined by the Calculation Agent referencing the Exotic Currency Reuters Screen Page at or around the Exotic Currency Relevant Time on the fifth London Business Day prior to such payment or, if such rate is not available on that day, the rate most recently available prior to such day.

Any payment made in US dollars in accordance with the foregoing paragraph will not constitute an Event of Default (as defined in Condition 9 (*Events of Default*)).

For this purpose:

"**Exotic Currency**" means the Specified Currency, being either Mexican peso, Turkish lira or South African rand, as specified in the Final Terms.

"**Exotic Currency Relevant Time**" means the time specified in the Final Terms.

"**Exotic Currency Reuters Screen Page**" means the Reuters screen page specified in the Final Terms.

"**London Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments generally in London.

(l) *VPS Notes*

Payments of principal and interest in respect of VPS Notes shall be made to the holders shown in the relevant records of the VPS in accordance with and subject to the VPS Act and the rules and regulations from time to time governing the VPS.

(m) *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 Condition 6 (*Payments and Talons*) by the Calculation Agent will (in the absence of a manifest error) be binding on the Issuer, the Paying Agents and the holders of the Notes or Coupons and (in the absence of negligence, wilful default, bad faith 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.

## 7. **Taxation**

(a) *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 or, if applicable, the Guarantor 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 outside its country of incorporation, the jurisdiction, country or territory in which the branch through which the Issuer is acting is located and/or, if applicable, the jurisdiction of incorporation of the Guarantor or by any authority therein or thereof having power to tax (together, "**Taxes**"), unless such withholding or deduction is required by law or made for or on account of FATCA. Any amounts withheld pursuant to an agreement with a taxing authority will be treated as required by law. In that event, the Issuer or (as the case may be) the Guarantor 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 outside its country of incorporation, the jurisdiction, country or territory in which the branch through which the Issuer is acting is located and/or, if applicable, the jurisdiction of incorporation of the Guarantor, other than the mere holding of such Note, Receipt or Coupon or the receipt of the relevant payment in respect thereof; or
- (ii) where ANZBGL is the Issuer, held 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 ANZBGL (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), where ANZBGL is the Issuer; 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 which ANZBGL, where ANZBGL is the Issuer, was neither a party to 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 ANZBGL, where ANZBGL is 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; or
- (vii) where such withholding or deduction is for or on account of New Zealand resident withholding tax, where either ANZ New Zealand or ANZNIL is the Issuer or ANZ New Zealand is the Guarantor; or
- (viii) presented for payment by, or a third party on behalf of, a holder if such withholding or deduction may be avoided by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to any authority of or in New Zealand, unless the holder proves that he is not entitled so to comply or to make such declaration or claim, where either ANZ New Zealand or ANZNIL is the Issuer or ANZ New Zealand is the Guarantor; or
- (ix) presented to, or to a third party on behalf of, a holder that is a partnership, or a holder that is not the sole beneficial owner of the Note, Receipt or Coupon, or which holds the Note, Receipt or Coupon, in a fiduciary capacity, to the extent that any of the members of the partnership, the beneficial owner or the settlor or beneficiary with respect to the fiduciary would not have been entitled to the payment of an additional amount had each of the members of the partnership, the beneficial owner, settlor or beneficiary (as the case may be) received directly his beneficial or distributive share of the payment, where either ANZ New Zealand or ANZNIL is the Issuer or ANZ New Zealand is the Guarantor; or
- (x) presented for payment in New Zealand, where either ANZ New Zealand or ANZNIL is the Issuer or ANZ New Zealand is the Guarantor; or

- (xi) in respect of which the Taxes have been imposed or levied as a result of the holder of such Note, Receipt or Coupon being party to or participating in a scheme to avoid such Taxes, being a scheme which either ANZ New Zealand or ANZNIL, where ANZ New Zealand or ANZNIL is the Issuer, or ANZ New Zealand, where ANZ New Zealand is the Guarantor, was neither a party to nor participated in; or
- (xii) where such withholding or deduction is made for or on account of FATCA on payments to a Noteholder, Couponholder, Receiptholder, beneficial owner, or any agent having custody or control over a payment made by the Issuer, Guarantor or any agent in the chain of payment, including due to the failure of the Noteholder, Couponholder, Receiptholder, beneficial owner, or any agent having custody or control over a payment to comply with any requests for tax certifications or other identifying information regarding such Noteholder, Couponholder, Receiptholder, beneficial owner, or agent, or due to the failure to provide a waiver of any laws prohibiting the disclosure of such certifications, identifying information and other information in respect of the Notes to a taxing authority.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (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 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 Condition 4 (*Interest and other Calculations*) 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 Condition or any undertaking given in addition to or substitution for it under the Agency Agreement or, in respect of the VPS Notes, the VPS Agency Agreement and the VPS Trustee Agreement.

The remaining provisions of this Condition only apply to ANZNIL where ANZNIL is the Issuer and to ANZ New Zealand where ANZ New Zealand is the Issuer or the Guarantor. Where used in the remaining provisions of this Condition, "**interest**" means interest (as defined under New Zealand taxation legislation) for withholding tax purposes, which under current legislation includes the excess of the redemption amount over the issue price of any Note as well as coupon interest paid on such Note.

Where (i) ANZNIL is the Issuer or (ii) ANZ New Zealand is the Issuer or the Guarantor, and ANZ New Zealand or ANZNIL, as the case may be, is required to deduct New Zealand non-resident withholding tax in the case of any payments of interest to a holder of a Note or Coupon, ANZ New Zealand or ANZNIL, as the case may be, may, and intend to (for so long as they do not incur any increased cost or detriment from so doing), relieve themselves of such obligation by using a procedure which permits borrowers such as ANZ New Zealand or ANZNIL, as the case may be, to reduce the applicable rate of non-resident withholding tax to zero per cent. Under the current law, that procedure involves ANZ New Zealand or ANZNIL, as the case may be, paying on their own respective accounts a levy to the New Zealand revenue authorities (which is currently equal to two per cent. of such payments of interest).

ANZ New Zealand and ANZNIL are required by law to deduct New Zealand resident withholding tax from the payment of interest to the holder of any Note on any Interest Payment Date or the Maturity Date, where:

- (A) the Holder is (i) a resident of New Zealand for New Zealand income tax purposes, or (ii) the Holder holds the notes for the purposes of a business the Holder carries on in New Zealand, through a fixed establishment (as defined in the Income Tax Act 2007 (New Zealand)) in New Zealand, or (iii) the Holder is a registered bank engaged in business in New Zealand through a fixed establishment (as defined in the Income Tax

Act 2007 (New Zealand)) in New Zealand and is not associated with ANZ New Zealand or ANZNIL (as applicable) (each a "**New Zealand Holder**"); and

- (B) at the time of such payment the New Zealand Holder does not hold a valid certificate of exemption for New Zealand resident withholding tax purposes.

Prior to any Interest Payment Date or the Maturity Date, any New Zealand Holder:

- (A) must notify ANZ New Zealand or ANZNIL, as the case may be, that the New Zealand Holder is the holder of a Note; and
- (B) must notify ANZ New Zealand or ANZNIL, as the case may be, of any circumstances, and provide ANZ New Zealand or ANZNIL, as the case may be, with any information that may enable ANZ New Zealand or ANZNIL, as the case may be, to make payment of interest to the New Zealand Holder without deduction on account of New Zealand resident withholding tax.

The New Zealand Holder must notify ANZ New Zealand or ANZNIL, as the case may be, prior to any Interest Payment Date or the Maturity Date, of any change in the New Zealand Holder's circumstances from those previously notified that could affect the payment or withholding obligations of ANZ New Zealand or ANZNIL, as the case may be, in respect of this Note. By accepting payment of the full face amount of a Note or any interest thereon on any Interest Payment Date or the Maturity Date, the New Zealand Holder indemnifies ANZ New Zealand or ANZNIL, as the case may be, for all purposes in respect of any liability ANZ New Zealand or ANZNIL, as the case may be, may incur for not deducting any amount from such payment on account of New Zealand resident withholding tax.

Only a New Zealand Holder will be obliged to make the notification referred to above.

(b) *Taxing Jurisdiction*

If the Issuer or, if applicable, the Guarantor is, or becomes, subject at any time to any taxing jurisdiction(s) other than or in addition to its own jurisdiction of incorporation or the jurisdiction, country or territory in which the branch (if any) is located, references in Condition 5(b) and this Condition 7 shall be read and construed as including references to such other taxing jurisdiction(s).

## 8. **Prescription**

Claims against the Issuer and, if applicable, the Guarantor 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 (or, in the case of VPS Notes, the VPS Trustee) 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 and/or, if applicable, the Guarantor 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 or, if applicable, the Guarantor fails to perform or observe any of its obligations under the Deed of Guarantee, in either case 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 (or, in the case of VPS Notes, the VPS Trustee) on the Issuer, the Guarantor (if applicable) 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 or, if applicable, the Guarantor's country of incorporation or, where ANZNIL is the Issuer, the United Kingdom, a resolution is passed that the Issuer or, as the case may be, the Guarantor be wound up or dissolved; or
- (iv) the Issuer or, if applicable, the Guarantor 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 or, if applicable, the Guarantor and any such event is continuing for 45 days after its occurrence and would materially prejudice the performance by the Issuer or, as the case may be, the Guarantor 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 or, as the case may be, the Guarantor which would materially prejudice the performance of (i) the Issuer of its obligations under the Notes of such Series or, (ii) if applicable, the Guarantor of its obligations under the Deed of Guarantee, and in each case is not discharged within 60 days thereof; or
- (vi) proceedings shall have been initiated against the Issuer or, if applicable, the Guarantor 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 or, if applicable, the Guarantor 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 or, if applicable, the Guarantor's incorporation or, where ANZNIL is the Issuer, the United Kingdom) and such proceedings would materially prejudice the performance by (A) the Issuer of its obligations under the Notes of such Series or (B), if applicable, the Guarantor of its obligations under the Deed of Guarantee); or
- (viii) in respect of Notes issued by ANZNIL only, the Deed of Guarantee of the Notes is (A) not in full force and effect and, where capable of remedy, the Deed of Guarantee is not in full force and effect within seven days of the date the defect is first discovered or (B) claimed by the Guarantor not to be in full force and effect.

Any such notice by a holder of Notes (or, in the case of VPS Notes, the VPS Trustee) to the Fiscal Agent shall specify the serial number(s) of the Notes concerned.

Notwithstanding any other provision of this Condition 9, no Event of Default in respect of any Notes shall occur solely on account of any failure by ANZBGL 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 (as defined by APRA from time to time).

#### 10. Meeting of Noteholders, Modifications and Waiver

##### (a) Meetings of Noteholders – Notes other than VPS Notes

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 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 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 Final Terms, 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 Final Terms 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, Deed of Guarantee, Conditions and Final Terms*

The Agency Agreement, the Deed of Covenant, the Deed of Guarantee, the Conditions and any applicable Final Terms may be modified or amended by the Issuer and, in the case of the Deed of Guarantee, by ANZNIL and the Guarantor, in each case without the consent of the holders if, in the reasonable opinion of the Issuer (and in the case of the Deed of Guarantee, ANZNIL and the Guarantor), the modification or amendment is:

- (a) not materially prejudicial to the interests of the holders;
- (b) of a formal, minor or technical nature;
- (c) made to correct any manifest or proven error or omission;
- (d) made to comply with mandatory provisions of the law; or
- (e) 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 Condition 13 as soon as practicable thereafter.

(c) *VPS Notes*

The VPS Trustee Agreement contains provisions for convening meetings of the holders of VPS Notes (including meetings to be held by written (or electronic) solution for decision making) to consider any matter affecting their interests, including sanctioning by a majority of votes (as more fully set out in the VPS Trustee Agreement) a modification of the VPS Notes or any of the provisions of the VPS Trustee Agreement (or, in certain cases, sanctioning by a majority of two thirds of votes). Such a meeting may be convened by the Issuer, the VPS Trustee, by the holders of not less than 10 per cent. of the Voting VPS Notes or, if the VPS Notes are listed, by the relevant securities exchange/market place. For the purpose of this Condition, "Voting VPS Notes" means the aggregate nominal amount of the total number of VPS Notes not redeemed or otherwise discharged, less the VPS Notes owned by the Issuer, any party who has decisive influence over the Issuer or any party over whom the Issuer has decisive influence.



The quorum at a meeting for passing a resolution is one or more persons holding at least one half of the Voting VPS Notes or at any adjourned meeting one or more persons being or representing holders of Voting VPS Notes whatever the nominal amount of the VPS Notes so held or represented. A resolution passed at any meeting of the holders of VPS Notes shall be binding on all the holders, whether or not they are present at such meeting.

The VPS Trustee Agreement provides that:

- (i) the VPS Trustee may in certain circumstances, without the consent of the holders of the VPS Notes, make decisions binding on all holders relating to the Terms and Conditions of the relevant VPS Notes and the VPS Trustee Agreement, including amendments which are not, in the VPS Trustee's opinion, detrimental to the rights and benefits of the affected holders of the VPS Notes; and
- (ii) the VPS Trustee may reach other decisions binding for all holders of VPS Notes.

#### 11. Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note other than a VPS 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

Any Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and 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 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 these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single Series with the Notes.

#### 13. Notices

- (a) *Notes other than VPS Notes*

Notices to the holders of Registered Notes shall be (a) mailed to them (or, in the case of joint holders, to the first named) at their respective addresses in the Register and (b) published at <http://www.shareholder.anz.com/supplementary-disclosures-euro-medium-term-note-programme;>

Notices to the holders of Registered Notes shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the later of the date of mailing and the date of first publication online;

Notices to the holders of Bearer Notes shall be, save where another means of effective communication has been specified herein or in the Final Terms, published at <http://www.shareholder.anz.com/supplementary-disclosures-euro-medium-term-note-programme;>

Notices to the holders of Bearer Notes shall be deemed to have been given on the date of first publication online. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 13.

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 Condition 13.*

(b) *VPS Notes*

Notices to holders of VPS Notes shall be valid if the relevant notice is given to the VPS for communication by it to the holders and, so long as the VPS Notes are listed on a stock exchange, the Issuer shall ensure that notices are duly published in a manner which complies with the rules of such exchange. Any such notice shall be deemed to have been given to the holders of the VPS Notes on the date of delivery of such notice by the VPS.

**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 these 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 Condition 14, 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. 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, except that the registration of VPS Notes in the VPS as well as the recording and transfer of ownership to, and other interests in, VPS Notes and Condition 10(c) which will be governed by, and construed in accordance with, Norwegian law. The VPS Trustee Agreement is and the VPS Agency Agreement will be governed by, and construed in accordance with, Norwegian law.

VPS Notes must comply with the relevant regulations of the VPS and the holders of VPS Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under the relevant Norwegian regulations and legislation.

(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.

16. **Third Parties**

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

## **APPENDIX C – FORM OF THE NOTES**

The following provides a description of the forms of Notes that may be issued by the Issuers under the Programme, briefly sets out certain information relating to clearing systems and settlement of Notes and a summary of certain terms which apply to the Notes while they are on hold in global form by the clearing systems, some of which include minor and/or technical modifications to the terms and conditions of the Notes set out in this Base Prospectus.

## 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 Final Terms. 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 (other than in respect of VPS Notes) the Agency Agreement or (in respect of VPS Notes) the VPS Agency Agreement and the relevant Notes. A supplemental agency agreement and CMU Notes (as defined in paragraph 6 below) in specific form will be prepared as and when there is an issuance of CMU Notes.*

### 1. Initial Issue of Notes

#### **Bearer Notes**

##### *Temporary Global Notes*

Unless otherwise specified in the relevant Final Terms, 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 Final Terms.

##### *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**").

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 S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") (or, in the case of a Series or Tranche to be cleared through a clearing system other than Euroclear or Clearstream, Luxembourg (an "**Alternative Clearing System**", which expression shall include the CMU Service whenever the context permits) as agreed between the relevant Issuer, the Guarantor (if applicable), the Fiscal Agent and the relevant Dealers). Notwithstanding the foregoing, in the case of a Series or Tranche of Bearer Notes to be cleared through the CMU Service, the Temporary Global Note or Permanent Global Note (as the case may be) shall be deposited with a sub-custodian in Hong Kong for the CMU Service.

#### **Registered Notes**

As set forth in the Final Terms, 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 relevant Issuer, the Guarantor (if applicable) 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, Luxembourg (or, in the case of a Series or Tranche to be cleared through an Alternative Clearing System, as agreed between the relevant Issuer, the Guarantor (if applicable), the Fiscal Agent, the Registrar and the relevant Dealer(s)). Notwithstanding the foregoing, in the case of a Series or Tranche of Registered Notes to be cleared through the CMU Service, the Registered Global Note shall be deposited with a sub-custodian in Hong Kong for the CMU Service.

## VPS Notes

As set forth in the Final Terms, each Series or Tranche of VPS Notes will be issued in uncertificated and dematerialised book entry form registered in the Norwegian Central Securities Depository, *Verdipapirsentralen ASA* or VPS (“**VPS Notes**” and the “**VPS**”, respectively). Legal title to the VPS Notes will be evidenced by book entries in the records of the VPS. Issues of VPS Notes will be issued with the benefit of the VPS Trustee Agreement and a VPS Agency Agreement. On the issue of such VPS Notes, the Issuer will send a copy of the applicable Final Terms to the Paying Agent, with a copy sent to the VPS Agent. On delivery of the applicable Final Terms by the VPS Agent to the VPS and notification to the VPS of the subscribers and their VPS account details by the relevant Dealer, the VPS Agent acting on behalf of the Issuer will credit each subscribing account holder with the VPS with a nominal amount of VPS Notes equal to the nominal amount thereof for which it has subscribed and paid.

Settlement of sale and purchase transactions in respect of VPS Notes in the VPS will take place in accordance with market practice at the time of the transaction. Transfers of interests in the relevant VPS Notes will take place in accordance with the Norwegian Securities Registry Act of 5th July, 2002 (No. *verdipapirregisterloven*) (the “**VPS Act**”) and the rules and procedures for the time being of the VPS.

Title to VPS Notes will pass by registration in the registers between the direct account holders at the VPS in accordance with the VPS Act and the rules and procedures of the VPS. The holder of a VPS Note will be the person evidenced as such by a book entry in the records of the VPS. The person evidenced (including any nominee) as a holder of the VPS Notes shall be treated as the holder of such VPS Notes for the purposes of payment of principal or interest on such VPS Notes. The expressions “*Noteholders*” and “*holder of Notes*” and related expressions shall, in each case, be construed accordingly. Any references in these Terms and Conditions to Coupons, Talons, Couponholders, Global Notes, Bearer Notes, Certificates, Receipts, Receiptholders, Registered Global Notes, Registered Notes, Bearer Global Notes, Permanent Global Notes, Temporary Global Notes and Notes in definitive form (or, in each case, similar expressions) shall not apply to VPS Notes.

The VPS shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

## 2. Clearing Systems

Upon the initial deposit of a Bearer Global Note with a Common Depository or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relevant Registered Global Note to the Common Depository, Euroclear or Clearstream, Luxembourg 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 Depository may (if indicated in the relevant Final Terms) also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) Alternative Clearing Systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg 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, Luxembourg or other Alternative Clearing Systems.

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg 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, Luxembourg or the Alternative Clearing System (as the case may be) for his share of each payment made by the relevant 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, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the relevant 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 relevant Issuer, or the Guarantor (if applicable), 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.

Without prejudice to the generality of the above, if a Global Note is lodged with the CMU Service, the person(s) for whose account(s) interests in such Global Note are credited as being held in the CMU Service in accordance with the CMU Rules as notified by the CMU Service to the CMU Lodging Agent in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service save in the case of manifest error) shall be the only person(s) entitled to receive payments in respect of Notes represented by such Global Note and the relevant Issuer and the Guarantor, if applicable, will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note are credited as being held in the CMU Service in respect of each amount so paid. Each of the persons shown in the records of the CMU Service, as the beneficial holder of a particular principal amount of Notes represented by such Global Note must look solely to the CMU Paying Agent for his share of each payment so made by the relevant Issuer in respect of such Global Note.

### 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 Final Terms 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 Final Terms, for Bearer Notes in definitive form, provided that the CMU Service may require that any such exchange for interests in a Permanent Global Note is made in whole and not in part and, in such event, no such exchange will be effected until all relevant accountholders (as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging Agent by the CMU Service) (the "**CMU Members**") have so certified. Additionally, the CMU Service will not obtain certificates of non-US beneficial ownership from the CMU Members or provide any such certificates on behalf of CMU Members. The CMU Lodging Agent will collect such certificates from the relevant CMU Members identified from a relevant CMU Instrument Position Report obtained by request from the CMU Service for this purpose.

"**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 relevant Issuer giving notice to the Noteholders and the Fiscal Agent of its intention to effect such exchange;
- (b) if the Final Terms 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, Luxembourg 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, Luxembourg, 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, Luxembourg 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.

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:

- (a) if the Notes represented by the Registered Global Note are held (directly or indirectly) on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so;
- (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 relevant Issuer.

#### ***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 relevant 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 Permanent Global Note or Registered Global Note exchangeable for Notes or Certificates in definitive form (unless such exchange is at the request of the relevant 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 relevant 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 Base Prospectus. The following is a summary of those provisions:

##### (a) **Payments**

No person shall be entitled to receive any payment 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, 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 relevant 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 in respect of Bearer Notes will be made against presentation for endorsement and, if no further payment 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 so made will be endorsed on each such Bearer Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes.

In respect of a Global Note held through the CMU Service, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Global Note are credited (as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging Agent by the CMU Service) and, save in case of final payment, no presentation of the relevant Global Note shall be required for such purpose.

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 relevant 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 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 Global Note or Registered Global Note shall (unless such Global Note or Registered Global Note represents only one Note) be treated as being two persons for the purposes of any quorum requirements at any meeting of Noteholders. At any such meeting, the holder of a Permanent Global Note shall be treated as having one vote in respect of each minimum Specified Denomination of Notes for which such Permanent Global Note may be exchanged.

(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 schedule to such Bearer Global Note.

(e) ***Purchase***

Bearer Notes represented by a Permanent Global Note may only be purchased by the relevant Issuer or any of its subsidiaries together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

(f) ***Each Issuer's Options***

Any option of the relevant Issuer provided for in the Terms and Conditions of any Notes issued by it while such Notes are represented by a Global Note shall be exercised by the relevant 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 relevant 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, Luxembourg or any Alternative Clearing System (as the case may be).

(g) ***Noteholders' Options***

Any option of the Noteholders provided for in the Terms and 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***

(i) *In respect of Notes issued by ANZBGL*

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 in the circumstances described in Condition 9 (*Events of Default*) in Appendix B (*Terms and Conditions of the Notes*) 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 ANZBGL under the terms of a Deed of Covenant executed as a deed by the Issuers on

17 May 2018 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.

(ii) *In respect of Notes issued by ANZ New Zealand and ANZNIL*

Each Bearer Global Note and Registered Global Note provides that the holder may from time to time exercise the right to declare Notes represented by such Bearer Global Note or Registered Global Note due and repayable in the circumstances described in Condition 9 (*Events of Default*) in Appendix B (*Terms and Conditions of the Notes*) 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 (but subject as provided below), 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 relevant Issuer under the terms of a Deed of Covenant executed as a deed by the Issuers on 17 May 2018 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. Save as provided in this paragraph and in the Deed of Covenant, no term of the Bearer Global Note or Registered Global Note may be enforceable by any person other than the holder. However, no such election may be made (A) in respect of Bearer Global Notes, on or before the Exchange Date unless the holder elects in such notice that the exchange for such Notes shall no longer take place, or (B) in respect of Notes represented by a Registered Global Note, unless the exchange of the whole or a part of the holding of Notes represented by that Registered Global Note shall have been improperly withheld or refused.

(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 trading on the Regulated Market of the London Stock Exchange or to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system (so long as such Bearer Global Notes or Registered Global Notes are admitted to trading on the Regulated Market of the London Stock Exchange or 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 and on the website of the Issuer at <http://www.shareholder.anz.com/supplementary-disclosures-euro-medium-term-note-programme>.

Notwithstanding the above, for so long as the Notes are represented by a Global Note and such Global Note is held on behalf of CMU Service, notices to the Noteholders may be given by

delivery of relevant notice to the CMU Lodging Agent for communication to the CMU Members or to the person shown in a CMU Instrument Position Report issued by the CMU Service on the Business Day preceding the date of dispatch of such notice as holding interests in the Global Note.

(j) **CMU Lodging Agent**

So long as the Notes are represented by a Global Note and such Global Note is held on behalf of the CMU Service, any reference in this section (headed "Form of Notes") to "Fiscal Agent" shall, whenever the context so permits, be deemed to mean the "**CMU Lodging Agent**".

6. **Definitions**

For the purpose of this section:

"**CMU**" or "**CMU Service**" means the Central Moneymarkets Unit Service (or any lawful successor thereto), being the book-entry clearing system operated by the HKMA;

"**CMU Instrument Position Report**" means the instrument position report showing the aggregate nominal value of the instrument specified therein held by CMU Members in the CMU securities accounts, as prepared from time to time by the CMU, and provided to the relevant agent of such instrument, in the form shown in Appendix E.2 of the CMU Manual;

"**CMU Lodging Agent**" means the CMU lodging agent appointed for the purposes of the issuance of CMU Notes as contemplated in Condition 6(e) of the Terms and Conditions of the Notes;

"**CMU Manual**" means the reference manual relating to the operation of the CMU Service issued by the HKMA to CMU Members, as amended from time to time;

"**CMU Member**" means a member of the CMU Service;

"**CMU Notes**" means Notes denominated in any currency which the CMU Service accepts for settlement from time to time that are, or are intended to be, cleared through the CMU Service;

"**CMU Paying Agent**" means the CMU paying agent appointed for the purposes of the issuance of CMU Notes as contemplated in Condition 6(e) of the Terms and Conditions of the Notes;

"**CMU Rules**" means all requirements of the CMU Service for the time being applicable to a CMU Member and includes (a) all the obligations for the time being applicable to a CMU Member under or by virtue of its membership agreement with the CMU Service and the CMU Manual; (b) all the operating procedures as set out in the CMU Manual for the time being in force in so far as such procedures are applicable to a CMU Member; and (c) any directions for the time being in force and applicable to a CMU Member given by the HKMA through any operational circulars or pursuant to any provision of its membership agreement with the HKMA or the CMU Manual; and

"**HKMA**" means the Hong Kong Monetary Authority, the government authority in Hong Kong with responsibility for maintaining currency and banking stability, or any lawful successor thereto.

## INFORMATION MEMORANDUM – NON PD NOTES

PAGES 253 TO 360 OF THIS DOCUMENT COMPRISE AN INFORMATION MEMORANDUM (THE "INFORMATION MEMORANDUM") IN RESPECT OF NOTES WHICH ARE NOT ADMITTED TO THE OFFICIAL LIST OF THE UK LISTING AUTHORITY OR TO ANY OTHER EUROPEAN ECONOMIC AREA REGULATED MARKET OR OFFERED TO THE PUBLIC IN THE EUROPEAN ECONOMIC AREA FOR THE PURPOSES OF THE PROSPECTUS DIRECTIVE ("NON PD NOTES"). THE INFORMATION MEMORANDUM HAS NOT BEEN REVIEWED OR APPROVED BY THE UK LISTING AUTHORITY AND DOES NOT CONSTITUTE A PROSPECTUS FOR THE PURPOSES OF THE PROSPECTUS DIRECTIVE.

The Information Memorandum is to be read in conjunction with the following sections of the Base Prospectus:

- (a) Section 2 (*Risk Factors*);
- (b) Section 5 (*Description of Australia and New Zealand Banking Group Limited and its subsidiaries*);
- (c) Section 6 (*Description of Supervision and Regulation of Australia and New Zealand Banking Group Limited*);
- (d) Section 7 (*Description of ANZ Bank New Zealand Limited*);
- (e) Section 8 (*Description of ANZ New Zealand (Int'l) Limited*);
- (f) Section 9 (*Summary of Financial Statements of ANZ New Zealand (Int'l) Limited*);
- (g) Section 10 (*Description of Supervision and Regulation of ANZ Bank New Zealand Limited and ANZ New Zealand (Int'l) Limited*);
- (h) Section 11 (*Information Incorporated by Reference*), other than terms and conditions of the Notes specified in paragraphs (1) and 2(a) to (k) of that section;
- (i) Section 12 (*Subscription and Sale*);
- (j) Section 13 (*Taxation*);
- (k) Section 15 (*Use of Proceeds*);
- (l) Section 17 (*Additional Information*); and
- (m) Appendix C (*Form of the Notes*).

Any Supplement(s) to the Base Prospectus published after the date hereof shall be deemed to be incorporated by reference into this Information Memorandum.

Each of the above sections of the Base Prospectus and the following documents shall be deemed to be incorporated by reference herein and, for the purposes of the issue of Non PD Notes, shall be deemed amended as follows:

1. All references to the "Base Prospectus" shall be deemed to be references to the "Information Memorandum".
2. All references to "Final Terms" shall be deemed to be references to the "Pricing Supplement".
3. All references to "Notes" shall be deemed to be references to "Non PD Notes".
4. All references to the Terms and Conditions of Notes as set out in Appendix B of the Base Prospectus shall be deemed to be references to the Terms and Conditions of the Non PD Notes as set out in Schedule A of this Information Memorandum.

In respect of ANZBGL, ANZ New Zealand and ANZNIL, for the purpose of any issues of Non PD Notes under this Information Memorandum which are to be consolidated and form a single series with an existing Tranche or Series of Notes, the terms and conditions of the Non PD Notes on the following specified pages of the information memorandum of ANZBGL, ANZ New Zealand and ANZNIL shall be deemed to be incorporated by reference herein:

- (1) Pages 246 to 301 of the Base Prospectus dated 16 May 2017;
- (2) Pages 238 to 290 of the Base Prospectus dated 16 May 2016;
- (3) Pages 233 to 285 of the Base Prospectus dated 15 May 2015;
- (4) Pages 186 to 240 of the Base Prospectus dated 16 May 2014;
- (5) Pages 193 to 239 of the Base Prospectus dated 16 May 2013;
- (6) Pages 37 to 76 of the Base Prospectus dated 18 May 2012;
- (7) Pages 36 to 75 of the Base Prospectus dated 25 May 2011;
- (8) Pages 34 to 73 of the Base Prospectus dated 2 June 2010;
- (9) Pages 38 to 78 of the Base Prospectus dated 21 July 2009;
- (10) Pages 25 to 57 of the Base Prospectus dated 18 July 2008;
- (11) Pages 24 to 56 of the Base Prospectus dated 25 September 2007;
- (12) Pages 10 to 56 of the Supplemental Base Prospectus dated 23 March 2007 (supplementing and amending the Base Prospectus dated 25 September 2006); and
- (13) Pages 19 to 46 of the Base Prospectus dated 25 September 2006.

The Non PD Notes are unsecured direct obligations of the relevant Issuer and may be issued as unsubordinated Notes ("**Unsubordinated Notes**") or, where ANZBGL is the Issuer, as subordinated Notes ("**Subordinated Notes**") as specified in the applicable Pricing Supplement (see "*Overview of the Programme*"). Non PD Notes may be issued in (i) bearer form, (ii) registered form or (iii) in uncertificated and dematerialised book entry form registered in the Norwegian Central Securities Depository, *Verdipapirsentralen ASA* or VPS ("**VPS Notes**" and the "**VPS**", respectively) as specified in the relevant Pricing Supplement. Each Series of Non PD Notes in bearer form will be represented on issue by a temporary global note in bearer form (a "**Temporary Global Note**") or a permanent global note in bearer form (a "**Permanent Global Note**" and each Temporary Global Note and Permanent Global Note, a "**Bearer Global Note**"). Non PD Notes in registered form will be represented by a global registered certificate (a "**Registered Global Note**") or by registered certificates in definitive form (each a "**Certificate**"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. VPS Notes will not be evidenced by any physical note or document of title. Entitlements to VPS Notes will be evidenced by the crediting of VPS Notes to accounts with the VPS. Bearer Global Notes and Registered Global Notes (each a "**Global Note**") may be deposited on the issue date with a common depository on behalf of Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). Global Notes may also be deposited with alternative clearing systems subject to the appointment of relevant agents and completion of required documentation, including a sub-custodian in Hong Kong for the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the "**CMU Service**"). The provisions governing the exchange of interests in Bearer Global Notes or Registered Global Notes for other Global Notes and for Notes and Certificates in definitive form, respectively, are described in "Form of Notes".

The Non PD Notes issued by an Issuer will not be deposit liabilities or protected accounts (as defined in the Banking Act 1959 of Australia (the "**Banking Act**")) of that Issuer. A "protected account" is broadly an account (i) kept with an authorised deposit-taking institution ("**ADI**") where the ADI is required to pay the account-holder, on demand or at an agreed time, the net credit balance of the account; or (ii) that is prescribed by regulation. Protected accounts include current accounts, saving

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 Non PD Notes are not guaranteed or insured by any government, government agency or compensation scheme of Australia or any jurisdiction.

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

Credit ratings in respect of the Non PD Notes or the Issuers are for distribution only to a person 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 Part 7.9 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 Information Memorandum and anyone who receives the Information Memorandum must not distribute it to any person who is not entitled to receive it.

**In connection with the issue of any Tranche (as defined in Conditions of the Notes) of Non PD Notes, the Dealer or Dealers (if any) named in the Pricing Supplement as the 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 not on any market in Australia).**

In this Information Memorandum, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**A\$**", "**\$**", "**dollars**", "**Australian dollars**" or "**€**" are to the lawful currency of Australia, references to "**euro**" or "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended from time to time, references to "**NZ\$**" are to the lawful currency of New Zealand, 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.

The "**Guarantee**" means the ANZ New Zealand guarantee in favour of ANZNIL (described on page 206 of the Base Prospectus).

In this Information Memorandum, unless otherwise specified, capitalised terms have the meaning given to them in the Terms and Conditions of the Non PD Notes.

The Non PD Notes issued by ANZ New Zealand or ANZNIL are not guaranteed by ANZBGL.

**The Non PD Notes may not be a suitable investment for all investors.**

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

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Non PD Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Non PD Notes and the impact such an investment will have on its overall investment portfolio;

- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Non PD Notes, including Non PD 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;
- understand thoroughly the terms of the Non PD Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be 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.

The Non PD 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 Non PD Notes and the impact this investment will have on the potential investor's overall investment portfolio.

This Information Memorandum is valid for one year from the date hereof and may be supplemented from time to time at the absolute discretion of the Issuer. This Information Memorandum and any Supplemental Information Memorandum and any Supplemental Base Prospectus (which is deemed incorporated by reference into this Information Memorandum) are available for viewing on the website of the Issuer at <http://www.debtinvestors.anz.com>.



## OVERVIEW OF THE PROGRAMME IN RESPECT OF NON PD NOTES

*This overview relates to the Non PD Notes. It must be read as an introduction to this Information Memorandum and any decision to invest in the Non PD Notes should be based on a consideration of this Information Memorandum as a whole, including the information and documents incorporated by reference.*

*Words and expressions defined or used in "Terms and Conditions of the Non PD Notes" below shall have the same meanings in this overview.*

Issuer .....	Australia and New Zealand Banking Group Limited ("ANZBGL" and, together with its subsidiaries, the "Group" or "ANZ"), ANZ Bank New Zealand Limited ("ANZ New Zealand") or ANZ New Zealand (Int'l) Limited ("ANZNIL"), as specified in the relevant Pricing Supplement.
Guarantor.....	ANZ New Zealand (in the case of Notes issued by ANZNIL). The Notes issued by ANZ New Zealand and ANZNIL are not guaranteed by ANZBGL.
Risk Factors.....	There are certain factors that may affect the ability of an Issuer to fulfil its obligations under the Notes and the Guarantor's ability to fulfil its obligations under the Non PD Guarantee. These are set out under section 2 ( <i>Risk Factors</i> ) of the Base Prospectus incorporated by reference into this Information Memorandum and include changes in economic conditions, investment markets and regulatory and legal environments. 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 "Overview of the Programme in respect of Non PD Notes - Risk Factors" below.
Description .....	Euro Medium Term Note Programme.
Arranger .....	Deutsche Bank AG, London Branch
Permanent Dealers.....	Australia and New Zealand Banking Group Limited Barclays Bank PLC Barclays Capital Asia Limited BNP Paribas Citigroup Global Markets Limited Credit Suisse Securities (Europe) Limited Daiwa Capital Markets Europe Limited Deutsche Bank AG, London Branch Goldman Sachs International HSBC Bank plc J.P. Morgan Securities plc Merrill Lynch International Morgan Stanley & Co. International plc RBC Europe Limited UBS Limited and any other Dealers appointed in accordance with the Programme Agreement.
Fiscal Agent.....	Deutsche Bank AG, London Branch
VPS Trustee	Nordic Trustee AS or any other VPS Trustee as specified in the applicable Pricing Supplement.

Pricing Supplement .....	Non PD Notes issued under the Programme may be issued pursuant to this Information Memorandum and associated Pricing Supplement.
Redenomination, Renominalisation and/or Consolidation .....	The relevant Pricing Supplement may provide that certain Non PD Notes denominated in a currency that may be replaced by the euro, may be subject to redenomination, renominalisation and/or consolidation with other Non PD Notes then denominated in euro.
Form of Non PD Notes.....	Non PD Notes may be issued (i) in bearer form (" <b>Bearer Notes</b> ") (ii) in registered form (" <b>Registered Notes</b> ") or (iii) in uncertificated and dematerialised book entry form registered in the Norwegian Central Securities Depository, <i>Verdipapirsentralen ASA</i> or VPS (" <b>VPS Notes</b> " and the " <b>VPS</b> ", respectively) as described in Appendix C ( <i>Form of Notes</i> ) to the Base Prospectus incorporated by reference into this Information Memorandum. A Subordinated Note cannot be a VPS Note.
Clearing Systems.....	Euroclear, Clearstream, Luxembourg and, in relation to any Tranche of Non PD Notes, such other clearing system as may be agreed between the relevant 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, Non PD Notes may be issued in such currencies as the relevant Issuer and the relevant Dealers agree.
Maturities .....	Subject to compliance with all relevant laws, regulations and directives, the Non PD Notes will have a minimum maturity of one month (in the case of Unsubordinated Notes) or five years (in the case of Subordinated Notes).
	Non PD Notes issued by ANZ New Zealand or ANZNIL having a maturity of less than one year, where either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Non PD Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only 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 or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000, as amended (" <b>FSMA</b> ") by ANZ New Zealand or, as the case may be, ANZNIL.
Denomination.....	Non PD Notes will be issued in minimum denominations of at least €100,000 (or its equivalent in another currency), subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. See " <i>Overview of the Programme in respect of Non PD Notes — Maturities</i> " above.

Fixed Rate Notes .....	Fixed interest will be payable in arrear on the date or dates in each year 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 Terms and Conditions of the Non PD Notes, and in the respective Interest Period, specified in the relevant Pricing Supplement.
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. A Subordinated Note cannot be an Inverse Floating Rate Note.
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 Terms and Conditions of the Non PD Notes. A Subordinated Note cannot be a Range Accrual Note.
Zero Coupon Notes.....	Zero Coupon Notes may be issued at their Principal Amount or at a discount to it and will not bear interest. A Subordinated Note cannot be a Zero Coupon Note.
Interest Periods and Interest Rates.....	The length of the interest periods for the Non PD Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Non PD Notes may have a maximum or a minimum Rate of Interest or both. A maximum rate of interest or minimum rate of interest cannot be specified for Notes issued as Subordinated Notes.
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 Non PD Notes may be redeemed. A Subordinated Note cannot be an Instalment Note.
Optional Redemption.....	The relevant Pricing Supplement will state whether the relevant Non PD Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the relevant Issuer and, in the case of Unsubordinated Notes, at the option of either or both of the relevant Issuer and the holders, and if so the terms applicable to such redemption. In the case of Subordinated Notes, Early Redemption is subject to the prior written approval of APRA and may only occur on account of an Early Redemption for Tax Reasons or an Early Redemption for Regulatory Reasons or on one or more dates specified in the Pricing Supplement, provided that in the last case that the first such date is no earlier than the fifth anniversary of the date of issue of the Subordinated Notes.
Early Redemption for Tax Reasons.....	The relevant Issuer shall have the right to redeem the Non PD Notes at their Early Redemption Amount if the relevant Issuer (or, if applicable, the Guarantor) has or will become obliged to pay additional amounts as a result of the imposition of withholding tax. See " <i>Overview of the Programme in respect of Non PD Notes - Withholding Tax</i> "

below.

ANZBGL shall also have the right to redeem Subordinated Notes at their Early Redemption Amount in certain other circumstances as detailed in the section "Additional disclosure in respect of Subordinated Notes – Redemption of Subordinated Notes".

Early Redemption for a Regulatory Event..... ANZBGL shall have the right to redeem Subordinated Notes at their Early Redemption Amount if a Regulatory Event occurs, as detailed in the section "Additional disclosure in respect of Subordinated Notes – Redemption of Subordinated Notes".

Status of the Notes..... The Non PD Notes may be issued as Unsubordinated Notes or, where ANZBGL is the Issuer, as Subordinated Notes as specified in the applicable Pricing Supplement.

The Non PD Notes will not be deposit liabilities or protected accounts (as defined in the Banking Act) in Australia of ANZBGL and the Terms and Conditions of the Non PD Notes do not limit the amount of the liabilities ranking senior to any Notes which may be incurred or assumed by ANZBGL from time to time, whether before or after the Issue Date of the relevant Non PD Notes.

Unsubordinated Notes ..... The Unsubordinated Notes constitute direct, unconditional and unsecured obligations of the relevant Issuer ranking *pari passu* among themselves and (save for certain debts of the relevant Issuer required to be preferred by applicable law, including (but not limited to), in the case of ANZBGL, those in respect of protected accounts (as defined in the Banking Act) in Australia and various debts due to the Australian Prudential Regulation Authority ("APRA") and the Reserve Bank of Australia ("RBA") required to be preferred by Australian law) with all other present and future unsubordinated and unsecured obligations of the relevant Issuer, all as described in "Additional disclosures in respect of Non PD Notes – Status and subordination of Subordinated Notes".

Subordinated Notes ..... The Subordinated Notes constitute direct, unsecured and subordinated obligations of ANZBGL ranking *pari passu* among themselves. The claims of holders of Subordinated Notes will, in the event of the winding up of ANZBGL, be subordinated in right of payment to all Senior Creditors as described in "Conditions of the Notes – Status and Guarantee – Subordinated Notes."

In respect of Subordinated Notes, prior to the winding-up of ANZBGL, the obligation of ANZBGL to make payments (including of any principal, additional amounts and interest) on the Subordinated Notes will be conditional on ANZBGL being Solvent (as defined in "Conditions of the Notes – Interest and other calculations – Definitions") at the time of, and immediately after, such payment by ANZBGL. Any such failure to pay will not be considered an event of default for the purposes of the Subordinated Notes.

Notes issued as Subordinated Notes must not be Zero Coupon Notes, Range Accrual Notes, Inverse Floating Rate Notes, Index Linked Interest Notes, Index Linked Redemption Notes, Instalment Notes, Dual Currency Notes,

CMS Rate Notes or any combination of any of the foregoing. The Pricing Supplement in respect of any Notes issued as Subordinated Notes may not specify a rate multiplier, maximum rate of interest, minimum rate of interest or instalment amount.

Conversion or Write-Off of Subordinated Notes .....	Subordinated Notes issued by ANZBGL are subject to mandatory Conversion into Ordinary Shares of ANZBGL or Write-Off (as specified in the applicable Pricing Supplement) if a Non-Viability Trigger Event occurs. If Conversion is specified as applicable in the Pricing Supplement but Conversion has not been effected within five Business Days after the Non-Viability Trigger Event for any reason, the Subordinated Notes will be Written-Off.
Status of the Guarantee.....	Non PD Notes issued by ANZNIL will be unconditionally and irrevocably guaranteed by ANZ New Zealand. The Guarantee constitutes direct, unconditional and unsecured obligations of ANZ New Zealand which (save for certain debts of ANZ New Zealand required to be preferred by law) will at all times rank <i>pari passu</i> among themselves and equally with all other unsubordinated and unsecured obligations of ANZ New Zealand. The Non PD Notes issued by ANZ New Zealand and ANZNIL are not guaranteed by ANZBGL.
Negative Pledge.....	None
Cross Default.....	None
Withholding Tax.....	All payments of principal and interest in respect of the Non PD Notes will be made free and clear of all withholding taxes of the jurisdiction of incorporation of the relevant Issuer and, where applicable, the Guarantor, and/or, where ANZNIL is the Issuer, the United Kingdom, unless such withholding is required by law. In that event, the relevant Issuer or, where applicable, the Guarantor 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 Non PD Note in the circumstances described in Condition 7 ( <i>Taxation</i> ) in the Terms and Conditions of the Non PD Notes.
Governing Law .....	English law, except for (i) the subordination, Conversion and Write-Off provisions of the Subordinated Notes which will be governed by, and construed in accordance with, the laws of the State of Victoria and the Commonwealth of Australia; and (ii) the registration of VPS Notes in the VPS as well as the recording and transfer of ownership to, and other interests in, VPS Notes and Condition 11(c) which will be governed by, and construed in accordance with, Norwegian law. The VPS Trustee Agreement is and any VPS Agency Agreement will be governed by, and construed in accordance with, Norwegian law.

VPS Notes must comply with the relevant regulations of the VPS and the holders of VPS Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under the relevant Norwegian regulations and

legislation.


Listing and Admission to Trading ..... Each Series may be admitted to listing and trading on a stock exchange, other than a regulated market in the European Economic Area for the purposes of the Prospectus Directive, as specified in the relevant Pricing Supplement.

Selling Restrictions..... Australia, Japan, New Zealand, the European Economic Area (including Belgium, Denmark, Finland, France, Ireland, Italy, Luxembourg, The Netherlands, Norway, Sweden and the United Kingdom), Singapore, South Korea, Taiwan, the United States and Hong Kong. See Section 12 (*Subscription and Sale*) of the Base Prospectus incorporated by reference into this Information Memorandum.

Each of the Issuers is Category 2 for the purposes of Regulation S under the Securities Act.

## ANZBGL Ranking Table (Non PD Notes)

If ANZBGL becomes insolvent and is unable to pay its debts, an administrator or liquidator would be expected to make distributions to its creditors in accordance with a statutory order of priority. A simplified diagram illustrating the expected ranking of the Non PD Notes compared to other creditors of ANZBGL is set out below:

	Type of obligation	Examples of obligations/securities	
 <p>Higher ranking/ earlier priority/ first to be repaid</p> <p>Lower ranking/ later priority/ last to be repaid</p>	Secured debt and liabilities preferred by law	Senior ranking secured obligations (such as collateralised liabilities to central banks and clearing houses).  Liabilities which the Banking Act provides are to be paid out of ANZBGL's assets in Australia in priority to liabilities in respect of Notes, including protected accounts in Australia (such as current accounts, savings accounts and term deposit accounts and certain liabilities to APRA and debts to the RBA); other liabilities preferred in a winding up, such as debts due to the RBA, costs of the winding up and certain employee entitlements.	
	<b>The Unsubordinated Notes</b>	Unsubordinated unsecured debt	The Unsubordinated Notes, other bonds and notes, trade and general creditors.  (Note: covered bonds are an unsecured claim on ANZBGL but are secured over certain assets of the Group).
		Subordinated unsecured debt	Tier 2 Capital instruments issued as Lower Tier 2 Capital by ANZBGL before 1 January 2013.
	<b>The Subordinated Notes</b>	Basel 3 compliant Tier 2 Capital instruments	The Subordinated Notes, other Tier 2 Capital instruments issued by ANZBGL on or after 1 January 2013 and Tier 2 Capital instruments issued by ANZBGL before 1 January 2013 as Upper Tier 2 Capital <sup>1</sup> .  (Note: if a Subordinated Note is Converted, the Ordinary Shares that a Holder receives on Conversion will rank equally with other Ordinary Shares. If a Subordinated Note is Written-Off, Holders have no claims.)
		Preference shares and other equally ranked instruments	Additional Tier 1 Capital instruments (such as capital notes and convertible preference shares) and other obligations ranking senior only to ordinary shares.
	Ordinary Shares	Ordinary Shares	

<sup>1</sup> The only such instrument is the Perpetual Capital Floating Rate Notes, as defined below.

### **Additional disclosure in respect of Subordinated Notes**

The following additional disclosures are relevant to Non PD Notes that are Subordinated Notes. All capitalised terms used herein and not otherwise defined shall have the meanings assigned to them in the Terms and Conditions of the Non PD Notes.

#### ***Status and subordination of Subordinated Notes***

The Subordinated Notes constitute direct, unsecured and subordinated obligations of ANZBGL ranking equally among themselves. In the event of the winding-up of ANZBGL and prior to the commencement of the winding-up of ANZBGL, the principal amount of, any interest on, and any other payments, including additional amounts, in respect of the Subordinated Notes will rank behind all claims of Senior Creditors, *pari passu* with Equal Ranking Securities and ahead of Junior Ranking Securities.

**"Equal Ranking Securities"** means any present or future instrument that ranks in a winding-up of ANZBGL as the most junior claim in the winding-up of ANZBGL ranking senior to Junior Ranking Securities, and includes:

- (i) the Perpetual Capital Floating Rate Notes issued under the trust deed dated 30 October 1986 between the Issuer and Bankers Trustee Company Limited, as amended from time to time (except in so far as such amendment is inconsistent with such ranking) (the "**Perpetual Capital Floating Rate Notes**"); and
- (ii) any other instruments issued after 1 January 2013 as Relevant Tier 2 Securities.

**"Junior Ranking Securities"** means any present or future instrument that:

- (i) qualifies as Tier 1 Capital or, in the case of any instrument issued prior to 1 January 2013, was treated as constituting Tier 1 Capital in accordance with the prudential standards which applied prior to 1 January 2013 irrespective of whether or not such instrument is treated as constituting Tier 1 Capital in accordance with any transitional arrangements approved by APRA; and
- (ii) by its terms is, or is expressed to be, subordinated in a winding up of ANZBGL to the claims of Subordinated Noteholders and holders of Equal Ranking Securities.

**"Senior Creditors"** means all present and future creditors of ANZBGL (including but not limited to depositors of ANZBGL and holders of any other instruments issued before 1 January 2013 as a Tier 2 Capital Security) whose claims:

- (i) would be entitled to be admitted in the winding up of ANZBGL; and
- (ii) are not in respect of Equal Ranking Securities or Junior Ranking Securities.

The consequence of this is that instruments issued as Lower Tier 2 Capital prior to 1 January 2013 are not Equal Ranking Securities but rank in a winding-up of ANZBGL senior to the Subordinated Notes.

The reason for this ranking is that under APRA's prudential standards, which came into force on 1 January 2013, in order to qualify as Tier 2 Capital, Subordinated Notes must rank in a winding-up of ANZBGL with the most junior ranking claims which rank ahead of Common Equity Tier 1 Capital and Additional Tier 1 Capital. Since ANZBGL has on issue Perpetual Capital Floating Rate Notes and these would rank in a winding-up ahead of share capital but behind the Subordinated Notes issued prior to 1 January 2013, the Subordinated Notes are required to rank equally with the Perpetual Capital Floating Rate Notes.

Prior to the winding-up of ANZBGL, the obligation of ANZBGL to make payments (including of any principal, additional amounts and interest) on the Subordinated Notes will be conditional on ANZBGL being Solvent at the time of, and immediately after, such payment by ANZBGL. Any such failure to pay will not be considered an event of default for the purposes of the Subordinated Notes.

Further, the Subordinated Notes will be mandatorily Converted into ordinary shares in the capital of ANZBGL ("**Ordinary Shares**") or Written-Off (as specified in the applicable Pricing Supplement)



where this is determined by APRA to be necessary on the grounds that APRA considers that ANZBGL would otherwise become non-viable or APRA determines that without a public sector injection of capital or equivalent support ANZBGL would become non-viable as further described below under "Subordinated Notes are subject to Mandatory Conversion in the event of a Non-Viability Trigger Event."

***The Subordinated Notes are novel and complex financial instruments and may not be a suitable investment for all investors.***

The Subordinated Notes are novel and complex financial instruments, which include features which, since 1 January 2013, are required for the Subordinated Notes to qualify as ANZ's Tier 2 Capital under APRA's prudential standards. As a result, an investment in the Subordinated Notes will involve certain increased risks. Each potential investor in the Subordinated Notes must determine the suitability of such investment in the Subordinated Notes (or the Ordinary Shares if Conversion is required) in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Subordinated Notes, the merits and risks of investing in the Subordinated Notes, the rights attaching to the Subordinated Notes, when and how the Subordinated Notes may be Converted or Written-Off and the information contained or incorporated by reference in this Information Memorandum;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Subordinated Notes and the impact the Subordinated Notes (and the Ordinary Shares to be issued if Conversion is required) will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Subordinated Notes (or the Ordinary Shares), including the risk associated with a Conversion or Write-Off or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Subordinated Notes, such as the provisions governing a Conversion or Write-Off with respect to Subordinated Notes (including, in particular the uncertainty as to the circumstances under which a Non-Viability Trigger Event will or may be deemed to occur), and be familiar with the behaviour of any relevant financial markets and their potential impact on the likelihood of certain events under the Subordinated Notes occurring; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Subordinated Notes unless it has the knowledge and expertise (either alone or with a financial adviser) to evaluate how the Subordinated Notes will perform under changing conditions and their resulting effects on the likelihood of a Conversion or Write-Off and the value of the Subordinated Notes, and the impact this investment will have on the potential investor's overall investment portfolio. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Information Memorandum or incorporated by reference herein.

***An investor holding Subordinated Notes may lose some or all of its investment should ANZBGL become insolvent***

Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a significant risk that an investor holding Subordinated Notes may lose some or all of its investment should ANZBGL become insolvent.

The terms of the Notes do not limit the amount of the liabilities ranking senior to any Subordinated Notes which may be incurred or assumed by ANZBGL from time to time, whether before or after the date of issue of the relevant Subordinated Notes.

If ANZBGL is declared insolvent and a winding up proceeding is initiated, it will be required to pay the holders of senior debt and meet its obligations to all its other creditors (including unsecured creditors but excluding any obligations in respect of Subordinated Notes) in full before it can make any payments on any Subordinated Notes. If this occurs, ANZBGL may not have enough assets remaining after these payments to pay amounts due under the relevant Subordinated Notes.

In addition, all Subordinated Notes will provide that, prior to the winding up of ANZBGL, ANZBGL is only permitted to make payments on such Subordinated Notes if it is solvent at the time of such payment and if it would be solvent immediately after any such payment. Any such failure to pay will not be considered an Event of Default for the purposes of the Subordinated Notes.

***An investor holding Subordinated Notes has limited remedies available for non-payment of amounts owing and for other breaches of ANZBGL's obligations***

If ANZBGL fails to pay principal on the Subordinated Notes on its due date, or fails to pay interest on the Subordinated Notes within 30 days of its due date, a Subordinated Noteholder may commence proceedings to recover the amount owing, provided that ANZBGL will not, by virtue of the institution of any such proceedings (other than any winding up proceedings), be obliged to pay any principal or interest or any other payments in respect of the Subordinated Notes:

- (a) sooner than such amounts would otherwise be payable and not until after the claims of other creditors of ANZBGL have been paid; and
- (b) if ANZBGL is not solvent at the time of, or would not be solvent immediately after, the payment of such amount.

In addition to taking such actions upon any such failure to pay principal or interest, a Subordinated Noteholder may commence a proceeding in the State of Victoria, Australia (but not anywhere else) for a winding up. The making of an order for a winding up is in the discretion of the Court.

No other remedy will be available to a holder of Subordinated Notes against ANZBGL, whether for the recovery of amounts owing in respect of, or for a breach by ANZBGL of its obligations under or in respect of, the Subordinated Notes.

***An investor holding Subordinated Notes has limited rights to accelerate principal under the Subordinated Notes***

A Subordinated Noteholder may not declare the principal amount of the Subordinated Notes to be due and payable prior to their stated maturity, other than on the occurrence of a winding up.

***Redemption of the Subordinated Notes***

Subordinated Notes may be redeemed at the option of ANZBGL before their stated Maturity Date, as described below under the risk factor entitled "Redemption is subject to certain conditions, including the prior written approval of APRA".

ANZBGL may at its option redeem Subordinated Notes at the Early Redemption Amount together with interest accrued to the date fixed for redemption on any Optional Redemption Date as specified in the applicable Pricing Supplement. The Optional Redemption Date may not be before the fifth anniversary of the Issue Date of the relevant Subordinated Note.

Further, ANZBGL may at its option redeem all, but not some only, of the Subordinated Notes at the Early Redemption Amount together with interest accrued to the date fixed for redemption for certain taxation reasons. These include where ANZBGL has or will become obliged to pay additional amounts, where (if the Pricing Supplement so specifies) ANZBGL or the consolidated tax group of which it is a member would be exposed to more than a *de minimis* amount of other taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties and expenses in connection with them, assessments or other governmental charges in connection with any Subordinated Notes or where if the Pricing Supplement so specifies ANZBGL determines that interest payable on any Subordinated Note is not, or may not be, allowed as a deduction for the purposes of Australian income tax (in each case, where ANZBGL did not expect such event to occur on the Issue Date of the Subordinated Notes).

ANZBGL may at its option redeem all, but not some only, of the Subordinated Notes at the Early Redemption Amount together with interest accrued to the date fixed for redemption if a Regulatory Event occurs.

Where prior to any such redemption, a Subordinated Note has been Written-Off or Converted in part, the Early Redemption Amount payable in respect of that Subordinated Note will be reduced and calculated on the Principal Amount of that Subordinated Note as reduced on the date of the Write-Off or Conversion.

***Redemption is subject to certain conditions, including the prior written approval of APRA***

ANZBGL may not redeem any Subordinated Note prior to the Maturity Date or purchase, or procure that any of its Related Entities purchase, any Subordinated Notes without the prior written approval of APRA. Investors in Subordinated Notes should not expect that APRA's approval will be given for any redemption or purchase of a Subordinated Note. Additionally, ANZBGL will not be permitted to redeem any Subordinated Note unless:

- (a) the Subordinated Notes are replaced concurrently or beforehand with Regulatory Capital of the same or better quality and the replacement of the Subordinated Notes is done under conditions that are suitable for ANZBGL's income capacity; or
- (b) APRA is satisfied that ANZBGL's capital position at Level 1, Level 2 and, if applicable, Level 3 is well above its minimum capital requirements after ANZBGL elects to redeem the Subordinated Notes.

***No set-off***

Neither ANZBGL nor a Subordinated Noteholder has any contractual right to set off any sum at any time due and payable to a Subordinated Noteholder or ANZBGL (as applicable) under or in relation to the Subordinated Notes against amounts owing by the Subordinated Noteholder to ANZBGL or by ANZBGL to the Subordinated Noteholder (as applicable).

***Governing Law***

The Subordinated Notes will be governed by English law, except that (i) the subordination, Conversion and Write-Off provisions applicable to the Subordinated Notes will be governed by, and construed in accordance with, the laws of the State of Victoria and the Commonwealth of Australia; and (ii) the registration of VPS Notes in the VPS as well as the recording and transfer of ownership to, and other interests in, VPS Notes and Condition 11(c) which will be governed by, and construed in accordance with, Norwegian law. The VPS Trustee Agreement is and the VPS Agency Agreement will be governed by, and construed in accordance with, Norwegian law.

VPS Notes must comply with the relevant regulations of the VPS and the holders of VPS Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under the relevant Norwegian regulations and legislation

***Subordinated Notes are subject to mandatory Conversion or Write-Off in the event of a Non-Viability Trigger Event***

Subordinated Notes issued by ANZBGL are subject to mandatory Conversion into ordinary shares of ANZBGL (or a successor) or Write-Off (as specified in the applicable Pricing Supplement) if a Non-Viability Trigger Event occurs. A Non-Viability Trigger Event occurs when APRA has provided a written determination to ANZBGL that the conversion or write-off of certain securities of ANZBGL is necessary because without either such Conversion or Write-Off or a public sector injection of capital, ANZBGL would become non-viable.

If "Conversion – Applicable" is selected under the relevant Pricing Supplement, and (i) a Non-Viability Trigger Event occurs that does not involve a requirement for a public sector injection of capital, on the date of such event, ANZBGL will be required to Convert some or all of the Principal Amount of the Subordinated Notes into Ordinary Shares, or (ii) a Non-Viability Trigger Event occurs that involves a requirement for a public sector injection of capital, on the date of such event, ANZBGL will be required to Convert all of the Principal Amount of the Subordinated Notes into Ordinary Shares. If

Conversion has not been effected within five Business Days after the Non-Viability Trigger Event for any reason, ANZBGL will be required to Write-Off the relevant Principal Amount of the Subordinated Notes.

If "Write-Off – Applicable" is selected under the relevant Pricing Supplement and (i) a Non-Viability Trigger Event occurs that does not involve a requirement for a public sector injection of capital, on the date of such event, ANZBGL will be required to Write-Off some or all of the Principal Amount of the Subordinated Notes, or (ii) a Non-Viability Trigger Event occurs that involves a requirement for a public sector injection of capital, on the date of such event, ANZBGL will be required to Write-Off all of the Principal Amount of the Subordinated Notes.

Where a Write-Off occurs, the rights of the relevant investor in relation to the relevant Principal Amount of a Subordinated Note are immediately and irrevocably terminated and written-off and the investor will lose that investment and will not receive any compensation.

A Non-Viability Trigger Event may be associated with financial difficulty of ANZBGL and occur contemporaneously with severe market conditions in Australia more generally, and such events are likely to be adverse to investors in the Subordinated Notes.

See sections entitled "*Description of Supervision and Regulation of Australia and New Zealand Banking Group Limited — Australian Regulatory Developments — Crisis Management*" and "*Risk Factors - Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group's business, operations, financial condition and reputation*" for information on the Statutory Conversion and Write-Off Provisions (as defined therein).

***The circumstances under which APRA would determine that ANZBGL is non-viable are uncertain***

It is a requirement under APRA's prudential standards that the terms of any subordinated debt, in order to be eligible for inclusion as regulatory capital, contain provisions for conversion or write-off in the event of non-viability. The prudential standards do not define non-viability and APRA has not provided any guidance on how it would determine non-viability. Non-viability could be expected to include a serious impairment of ANZBGL's financial position. However, it is possible that APRA's view of non-viability may not be confined to solvency or capital measures and APRA's position on these matters may change over time. Non-viability may be significantly impacted by a number of factors, including factors which impact the business, operation and financial condition of ANZBGL, such as systemic and non-systemic macro-economic, environmental and operational factors.

***An investor holding Subordinated Notes subject to mandatory Conversion may receive on Conversion Ordinary Shares worth significantly less than the principal amount of the investor's Subordinated Notes; such Ordinary Shares may be subject to restrictions on transfer in the absence of a prospectus or equivalent disclosure***

A Non-Viability Trigger Event could occur at any time. It could occur on dates not previously contemplated by investors or which may be unfavourable in light of then-prevailing market conditions or investors' individual circumstances or timing preferences.

Potential investors in Subordinated Notes should understand that, if a Non-Viability Trigger Event occurs and Subordinated Notes are converted into Ordinary Shares, investors are obliged to accept the shares (subject to the provisions for issue of Ordinary Shares to a nominee described below) even if they do not at the time consider such shares to be an appropriate investment for them and despite any change in the financial position of ANZBGL since the issue of the Subordinated Notes or any disruption to the market for those Ordinary Shares or to capital markets generally. Investors holding Subordinated Notes subject to Conversion upon the occurrence of a Non-Viability Trigger Event have no right to elect to have Subordinated Notes Written-Off instead of Converted.

There may be no market in Ordinary Shares received on Conversion and investors may not be able to sell the Ordinary Shares at a price equal to the value of their investment and as a result may suffer loss. The sale of Ordinary Shares in ANZBGL may also be restricted by applicable Australian law, including restrictions under the Corporations Act on the sale of Ordinary Shares to investors within 12 months of their issue (except where certain exemptions apply) on account of the Subordinated Notes and the Ordinary Shares being issued without ANZBGL having made prospectus or equivalent

disclosure as required by the Corporations Act. The restrictions may apply to sales by any nominee for investors as well as sales by investors and by restricting sales investors may suffer loss. The application of that restriction will turn on whether ANZBGL has provided sufficient disclosure to make the Ordinary Shares freely tradeable, as to which ANZBGL has no affirmative obligation.

***The number of Ordinary Shares that an investor holding Subordinated Notes subject to mandatory conversion will receive on Conversion is dependent on formulae in the Conditions as supplemented by the applicable Pricing Supplement which may have the effect that the value of those Ordinary Shares is less than the principal amount of the investor's Subordinated Notes***

Except where the applicable Pricing Supplement specifies that Alternative Conversion Number applies, the number of Ordinary Shares that an investor will receive for a Principal Amount of Subordinated Notes will be calculated in accordance with a formula which provides for a calculation based on a discounted five Business Day VWAP subject to a maximum conversion number.

The period for calculating VWAP is retrospective, and ends on the day the Conversion occurs, and does not include the date on which the Non-Viability Trigger Event occurs. The Ordinary Shares may not be listed. They may not have been listed for some period of time, for example, if ANZBGL is acquired by another entity and delisted. The Ordinary Shares may not be able to be sold at prices representing their VWAP. In particular, VWAP prices will be based wholly or partly on trading days which occurred before the Non-Viability Trigger Event.

The maximum conversion number is based on a price of 20 per cent. of the Issue Date VWAP which, in summary, means the VWAP during the period of 20 Business Days preceding the issue date of the Subordinated Notes. The price at which such number of Ordinary Shares may be sold when determined on the basis of the VWAP may be significantly less than the principal amount of Subordinated Notes Converted, especially where the number is limited to the maximum conversion number.

Since the maximum conversion number is calculated by reference to the applicable Issue Date VWAP, this number may be higher or lower than the maximum conversion number applicable to other Relevant Securities, depending on the date on which those securities were issued. In addition, Subordinated Notes may be required to be Converted at or around the same time as the conversion of other Relevant Securities. If so, the VWAP used to calculate the number of Ordinary Shares issued on Conversion of Subordinated Notes may be the same as the VWAP used to calculate the number of Ordinary Shares issued on conversion of other Relevant Securities. Therefore, it is possible that Subordinated Noteholders may receive the same number or fewer Ordinary Shares per Subordinated Note than would be received by holders of other Relevant Securities (including Relevant Tier 1 Securities that are expressed to rank junior to the Subordinated Notes in the event that ANZBGL becomes insolvent).

Where the Pricing Supplement applicable to the Subordinated Notes specifies that the Alternative Conversion Number is applicable, the number of Ordinary Shares which the investor will receive is fixed at that number. The number may be minimal and have a market value that is significantly less than the principal amount of the Subordinated Notes Converted.

***Upon the occurrence of a Non-Viability Trigger Event, investors will bear the risk of depreciation of the Australian dollar against the Specified Currency of the Subordinated Notes***

Ordinary Shares trade primarily in Australian dollars and so, where Subordinated Notes are denominated in a Specified Currency other than Australian dollars, the equivalent value of Ordinary Shares in the Specified Currency of the Subordinated Notes may fluctuate depending on the exchange rate between the Specified Currency and Australian dollars (or any other currency in which Ordinary Shares may trade). For example, if the Australian dollar depreciates relative to the Specified Currency, the value of Ordinary Shares in the Specified Currency will decrease.

As the Maximum Conversion Number is calculated based on the market price of Ordinary Shares and the exchange rate in respect of the Australian dollar and the Specified Currency in the 20 Business Day period prior to the date of issue of the Subordinated Notes, any depreciation of the Australian dollar against the Specified Currency by the time that the VWAP is calculated for the purpose of determining the Conversion Number may make it more likely that the Maximum Conversion Number will apply (especially if accompanied by a deterioration in the market price of Ordinary Shares at the time of a Non-Viability Trigger Event). See the risk factor entitled "*The number of Ordinary Shares that an*

*investor holding Subordinated Notes subject to mandatory conversion will receive on Conversion is dependent on formulae in the Conditions as supplemented by the applicable Pricing Supplement which may have the effect that the value of those Ordinary Shares is less than the principal amount of the investor's Subordinated Notes'* for more detail of the risks to Holders of the Maximum Conversion Number applying.

In addition, the variable number of Ordinary Shares issued to you on the occurrence of a Non-Viability Trigger Event is calculated by reference to the prevailing exchange rate in respect of the Australian dollar and the Specified Currency at the time of Conversion. Following the Non-Viability Trigger Event there may be a delay in you receiving Ordinary Shares and/or a delay in the nominee selling the Ordinary Shares issued on your behalf, or converting the cash consideration from any such sale into the Specified Currency, in accordance with the terms of the Subordinated Notes during which time the exchange rate of Australian dollars against the Specified Currency may further decline.

No interest or other compensation is payable in the event of a loss by an investor due to foreign currency conversions.

As a result, the realisable value in the Specified Currency of Ordinary Shares issued, or the proceeds from any sale of such Ordinary Shares, following a Non-Viability Trigger Event could be substantially lower than that implied by the exchange rate in respect of the Australian dollar and the Specified Currency at the time of a Non-Viability Trigger Event.

***The number of Ordinary Shares that an investor holding Subordinated Notes subject to mandatory Conversion will receive on Conversion will not be adjusted for certain corporate actions of ANZBGL***

If the applicable Pricing Supplement specifies that Alternative Conversion Number applies, the Alternative Conversion Number may be no more than the Maximum Conversion Number. If the Alternative Conversion Number does not apply, the number of Ordinary Shares that an investor will receive on Conversion cannot be greater than a maximum conversion number based on 20 per cent. of the Issue Date VWAP (as described above). The Issue Date VWAP is adjusted for only limited corporate actions of ANZBGL, namely bonus issues, divisions and similar transactions. Accordingly, as a result of other corporate actions of ANZBGL, an investor in Subordinated Notes may receive on Conversion Ordinary Shares worth significantly less than the Principal Amount of the investor's Subordinated Notes. The terms of the Subordinated Notes do not restrict corporate actions that ANZBGL may undertake.

Where the Pricing Supplement applicable to the Subordinated Notes specifies that the Alternative Conversion Number is applicable, the number of Ordinary Shares which the investor will receive is fixed at that number and is not adjusted for any corporate action.

***In certain circumstances, an investor holding Subordinated Notes subject to Conversion may not receive Ordinary Shares, only the proceeds thereof, as the Ordinary Shares would be issued upon Conversion to the nominee for immediate sale, which sale is likely to occur when market conditions are not favourable***

If an investor holding Subordinated Notes subject to Conversion (i) notifies ANZBGL that it does not wish to receive Ordinary Shares as a result of the Conversion; (ii) has an address outside of Australia or is a person whom ANZBGL may otherwise believe is not a resident of Australia; (iii) is a Clearing System Holder; (iv) does not provide Australian securities account information to ANZBGL prior to the Trigger Event Date; or (v) where a FATCA Withholding (as defined below) is required to be made in respect of the Ordinary Shares issued on the Conversion, the Ordinary Shares that the investor would receive on Conversion will instead be issued to a nominee (which may not be ANZBGL or any of its Related Entities (which has the meaning given by APRA from time to time)), who will sell the shares on behalf of that investor. The nominee will have no duty to seek a fair market price, or to engage in an arm's length transaction in such sale, and market conditions are likely to have deteriorated following the Non-Viability Trigger Event that caused the Conversion.

To enable ANZBGL to issue Ordinary Shares to an investor on Conversion, investors need to have appropriate securities accounts in Australia for the receipt of Ordinary Shares and to provide to ANZBGL prior to the Trigger Event Date, their name and address and certain security holder account and other details. Investors should understand that a failure to provide this information to ANZBGL by

the Trigger Event Date may result in ANZBGL issuing the Ordinary Shares to a nominee which, if the information is not provided to the nominee no later than 30 days after the Trigger Event Date, will sell the Ordinary Shares and pay the net proceeds to the investors. In this situation, investors will have no rights against ANZBGL in relation to the Conversion and will not be able to trade in any Ordinary Shares issued to the nominee.

***An investor holding Subordinated Notes subject to mandatory Conversion will not receive Ordinary Shares if Conversion is not effected within five Business Days after the Trigger Event Date for any reason (including if ANZBGL is prevented from doing so by law)***

If "Conversion – Applicable" is selected in the relevant Pricing Supplement, ANZBGL is required to Convert a Principal Amount of Subordinated Notes, however, if the Conversion is not effected within five Business Days after the Trigger Event Date for any reason (including where ANZBGL is prevented from doing so by applicable law, court order or government action), the Conversion will not occur and the rights of investors in relation to those Subordinated Notes will be Written-Off and immediately and irrevocably terminated with effect on and from the Trigger Event Date. In this situation also, investors will lose some or all of the value of their investment and will not receive any compensation.

The rules and regulations of the ASX in certain circumstances limit ANZBGL's ability, without shareholder approval, to issue Ordinary Shares and other equity securities (which may include convertible notes) without the approval of holders of Ordinary Shares. If the issue or Conversion of Subordinated Notes would contravene that limit, then ANZBGL may be prevented from Converting Subordinated Notes and such Subordinated Notes may be required to be Written-Off.

The requirement for Conversion on account of a Non-Viability Trigger Event does not apply to subordinated debt issued by ANZBGL prior to 1 January 2013, and accordingly the holders of Subordinated Notes issued under this Base Prospectus are likely to be in a worse position in the event of ANZBGL becoming non-viable than holders of subordinated debt issued by ANZBGL without a mandatory conversion or write-off feature.

***There are provisions of Australian law that are relevant to the ability of any person to acquire interests in ANZBGL beyond the limits prescribed by those laws.***

The Financial Sector (Shareholdings) Act 1998 of Australia restricts ownership by people (together with their associates) of an Australian bank, such as ANZBGL, to a 15 per cent. stake. A shareholder may apply to the Australian Treasurer to extend their ownership beyond 15 per cent., but approval will not be granted unless the Treasurer is satisfied that a holding by that person greater than 15 per cent. is in the national interest.

Mergers, acquisitions and divestments of Australian public companies listed on ASX (such as ANZBGL) are regulated by detailed and comprehensive legislation and the rules and regulations of ASX. These provisions include restrictions on the acquisition and sale of relevant interests in certain shares in an Australian listed company under the Corporations Act and a requirement that acquisitions of certain interests in Australian listed companies by foreign interests are subject to review and approval by the Treasurer. In addition, Australian law also regulates acquisitions which would have the effect, or be likely to have the effect, of substantially lessening competition in a market, or in a state or in a territory of, Australia.

Subordinated Noteholders should take care to ensure that by acquiring any Subordinated Notes which provide for such Subordinated Notes to be Converted to Ordinary Shares (taking into account any Ordinary Shares into which they may Convert), they do not breach any applicable restrictions on the ownership of interests in ANZBGL. If the acquisition or conversion of such Subordinated Notes by the Subordinated Noteholder or a nominee would breach those restrictions ANZBGL may be prevented from Converting such Subordinated Notes and, where Conversion is required, such Subordinated Notes may be required to be Written-Off.

***Prior to the issue of Ordinary Shares, Holders will not have any rights with respect to Ordinary Shares, but may be subject to changes made to ANZBGL's constitution with respect to Ordinary Shares***

Subordinated Noteholders have no voting or other rights in relation to Ordinary Shares until Ordinary Shares are issued to them. In addition, the Subordinated Notes do not confer on Subordinated Noteholders any right to subscribe for new securities in ANZBGL or to participate in any bonus issue of securities. The rights attaching to Ordinary Shares if Ordinary Shares are issued will be the rights attaching to Ordinary Shares at that time. Subordinated Noteholders have no right to vote on or otherwise to approve any changes to ANZBGL's constitution in relation to the Ordinary Shares that may in the future be issued to them. Therefore, Subordinated Noteholders will not be able to influence decisions that may have adverse consequences for them.

***The Ordinary Share price may fluctuate, particularly at the time a Non-Viability Trigger Event is likely, which could materially impact the value of the Ordinary Shares Holders receive upon Conversion***

The market price of Ordinary Shares will fluctuate due to various factors, including investor perceptions, domestic and worldwide economic conditions and ANZBGL's financial performance and position. In addition, a Non-Viability Trigger Event is likely to be accompanied by a deterioration in the market price of the Ordinary Shares. The VWAP during the relevant period before the date of Conversion that is used to calculate the number of Ordinary Shares that Subordinated Noteholders receive may differ from the Ordinary Share price on or after the date of Conversion. This means that the value of Ordinary Shares received is likely to be less than anticipated when the Subordinated Notes were issued or thereafter.

Other events and conditions may affect the ability of Subordinated Noteholders or the nominee to trade or dispose of the Ordinary Shares issued on Conversion such as, for example, the willingness or ability of the ASX to accept the Ordinary Shares issued on Conversion for listing or any practical issues which affect that listing, any disruption to the market for the Ordinary Shares or to capital markets generally, the availability of purchasers of Ordinary Shares and any costs or practicalities associated with trading or disposing of Ordinary Shares at that time, or laws of general application, including securities law and laws relating to the holding of shares and other interests in financial institutions, which limit a person's ability to acquire or dispose of Ordinary Shares. In addition, a Subordinated Noteholder may not be able to trade the Ordinary Shares if, in accordance with the terms of the Subordinated Notes, the Ordinary Shares are issued to a nominee. See the risk factor entitled "*In certain circumstances, an investor holding Subordinated Notes subject to Conversion may not receive Ordinary Shares, only the proceeds thereof, as the Ordinary Shares would be issued upon Conversion to the nominee for immediate sale, which sale is likely to occur when market conditions are not favourable*".

***Approved NOHC event***

Where ANZBGL is acquired by an Approved NOHC, at its option ANZBGL may, without further authority, but with the prior approval of APRA, amend the Conditions of the Subordinated Notes so that holders of Subordinated Notes will be obliged to accept Approved NOHC Ordinary Shares and will not receive Ordinary Shares upon a Conversion of Subordinated Notes. Potential investors should be aware that Subordinated Noteholders will not have a right to vote on any proposal to approve, implement or give effect to a merger or a similar transaction.

***An investor holding Subordinated Notes subject to a Write-Off will lose some or all of the value of their investment***

If "Write-Off – Applicable" is selected in the relevant Pricing Supplement, the rights of investors (including their rights to receive payment of interest both in the future and as unpaid as at the Trigger Event Date) will be Written-Off and irrevocably terminated. In this situation, investors will also lose some or all of the value of their investment and will not receive any compensation.

***Description of rights and liabilities attaching to Ordinary Shares***

The rights and liabilities attaching to the Ordinary Shares issued on Conversion of Subordinated Notes are set out in the constitution of ANZBGL ("**Constitution**") and are also regulated by the Corporations Act, ASX Listing Rules and the general law. A summary of the key rights attaching to the Ordinary Shares is as follows. Eligible investors who wish to inspect the Constitution may do so during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the offices of the Paying Agents, Deutsche Bank AG at Winchester House, 1 Great Winchester Street, London EC2N



2DB, United Kingdom, at the registered office of ANZBGL and at <https://www.shareholder.anz.com/our-company/corporate-governance>.

### ***Voting rights***

Subject to any rights or restrictions attached to any shares or class of shares, a registered holder of an Ordinary Share ("**Shareholder**") is entitled to attend and vote at a general meeting of ANZBGL. Any resolution being considered at a general meeting is decided on a show of hands unless a poll is held. On a show of hands, each Shareholder present has one vote.

On a poll, each Shareholder has one vote for each Ordinary Share. Partly paid Ordinary Shares confer that fraction of a vote which is equal to the proportion which the amount paid bears to the total issue price of the Ordinary Share.

### ***General meetings***

Notice of a general meeting must be given to each Shareholder in accordance with the Corporations Act. Each Shareholder is entitled to receive notices, financial statements and other documents required to be provided to Shareholders under the Constitution, Corporations Act and ASX Listing Rules.

### ***Dividend entitlement***

Subject to the Corporations Act, the Constitution and the terms of issue of Ordinary Shares, the board of directors of ANZBGL ("**Board**") may resolve to pay dividends on Ordinary Shares which are considered by the Board to be appropriate, in proportion to the capital paid up on the Ordinary Shares held by each Shareholder (subject to the rights of holders of shares carrying preferred rights including Subordinated Notes).

### ***Dividend reinvestment plan and bonus option plan***

Shareholders who are eligible may participate in ANZBGL's dividend reinvestment plan or bonus option plan, as in force from time to time, in accordance with (and subject to) the rules of those plans. Shareholders who are subject to the laws of a country or place other than Australia may not be eligible to participate, because of legal requirements that apply in that country or place or in Australia. Until the Board otherwise determines, participation in ANZBGL's dividend reinvestment plan and bonus option plan is not available directly or indirectly to any entity or person (including any legal or beneficial owner of Ordinary Shares) who is (or who is acting on behalf of or for the account or benefit of an entity or person who is) in or resident in the United States (including its territories or possessions) or Canada.

### ***Rights of shareholders on a winding-up of ANZBGL***

If ANZBGL is wound up and its property is more than sufficient to pay all debts, share capital of ANZBGL and expenses of the winding-up, the excess must be divided among Shareholders in proportion to the capital paid up on the Ordinary Shares at the commencement of the winding-up (subject to the rights of holders of shares carrying preferred rights on winding-up including Subordinated Notes). A partly paid Ordinary Share is counted as a fraction of a fully paid Ordinary Share equal to the proportion which the amount paid on it bears to the total issue price of the Ordinary Share.

However, with the sanction of a special resolution, the liquidator may divide among Shareholders the assets of ANZBGL in kind and decide how the division is to be carried out or vest assets in trustees of any trusts for the benefit of Shareholders as the liquidator thinks appropriate.

### ***Transfer of ordinary shares***

Ordinary Shares may be transferred by any means permitted by the Corporations Act or by law. The Board may decline to register a transfer where permitted to do so under the ASX Listing Rules or the settlement operating rules of the ASX ("**ASX Settlement Operating Rules**"), or where registration of the transfer is forbidden by the Corporations Act, ASX Listing Rules or ASX Settlement Operating Rules. In addition, subject to the Corporations Act, ASX Listing Rules and ASX Settlement Operating Rules, the Board may decline to register a transfer if registration would create a new holding of less than a marketable parcel under the ASX Listing Rules.

### ***Issues of further shares***

Subject to the Constitution, Corporations Act and ASX Listing Rules, the Board may issue or grant options in respect of Ordinary Shares on such terms as the Board decides. The Board may also issue preference shares, including redeemable preference shares, or convertible notes with preferred, deferred or special rights or restrictions in relation to dividends, voting, return of capital and participation in surplus on a winding-up of ANZBGL.

### ***Variation of the Constitution***

The Constitution can only be modified by a special resolution in accordance with the Corporations Act. Under the Corporations Act, for a resolution to be passed as a special resolution it must be passed by at least 75 per cent. of the votes cast by members entitled to vote on the resolution.

### ***Variation of rights***

ANZBGL may only modify or vary the rights attaching to any class of shares with the prior approval, by a special resolution, of the holders of shares in that class at a meeting of those holders, or with the written consent of the holders of at least 75 per cent. of the issued shares of that class.

Subject to the terms of issue, the rights attached to a class of shares are not treated as varied by the issue of further shares which rank equally with that existing class for participation in profits and assets of ANZBGL.

### ***Australian taxation: Considerations relating to Subordinated Notes***

The taxation consequences which may arise on the Conversion of Subordinated Notes into Ordinary Shares are complex. In some cases, any gain or loss on the conversion may be disregarded under the Australian Tax Act. There are also a range of tax consequences which may apply to holders of Ordinary Shares, or particular holders of Ordinary Shares, in holding, acquiring or disposing of Ordinary Shares. Holders should seek their own taxation advice if their Subordinated Notes are Converted into Ordinary Shares.

### ***Stamp duty:***

No ad valorem stamp duty, issue, registration or similar taxes are payable on the issue or transfer of Ordinary Shares (including an issue of shares as a result of Conversion) provided that:

- if all the shares in ANZBGL are quoted on the Australian Securities Exchange at the time of issue or transfer of the Ordinary Shares, no person, either directly or when aggregated with interests held by associates of that person, obtains an interest in ANZBGL of 90 per cent. or more; or
- if not all the shares in ANZBGL are quoted on the Australian Securities Exchange at the time of issue or transfer of the Ordinary Shares, no person, either directly or when aggregated with interests held by associates of that person, obtains an interest in ANZBGL of 50 per cent. or more.

The stamp duty legislation generally requires the interests of associates to be added in working out whether the relevant threshold is reached. In some circumstances, the interests of unrelated entities can also be aggregated together in working out whether the relevant threshold is reached.

### ***FATCA:***

In addition, any amounts to be paid on the Subordinated Notes will be paid and any Ordinary Shares to be issued to a holder on Conversion of a Subordinated Note will be issued to the holder, net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (the "**Code**"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, and no additional

amounts will be required to be paid and no additional Ordinary Shares would be required to be issued on account of any such deduction or withholding.

***Additional Information***

ANZBGL is authorised to raise subordinated notes up to a limited aggregate amount in any ANZBGL financial year (currently being from 1 October to 30 September). If any proposed issue of Subordinated Notes, when aggregated with other subordinated notes raised by ANZBGL in the relevant ANZBGL financial year, will exceed that limit, then further authorisations will need to be obtained from the board of directors of ANZBGL prior to that issue.

**SCHEDULE A**  
**TERMS AND CONDITIONS OF THE NON PD NOTES**

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant 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 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. The following are also the Terms and Conditions of the Notes which will be applicable to each VPS Note. VPS Notes will not be evidenced by any physical note or document of title other than statements of account made by the VPS. Ownership of VPS Notes will be recorded and transfer effected only through the book entry system and register maintained by the VPS. The applicable Pricing Supplement (or the relevant provisions thereof) will be in the case of VPS Notes, deemed to apply to any such Notes. Wording which appears in italics in the text does not form part of the terms and conditions.*

This Note is one of a Series (as defined below) of Notes issued by either Australia and New Zealand Banking Group Limited ("**ANZBGL**"), ANZ Bank New Zealand Limited ("**ANZ New Zealand**") or ANZ New Zealand (Int'l) Limited, acting through its London branch ("**ANZNIL**"), as specified in the relevant Pricing Supplement. References herein to the "**Issuer**" shall be references to the party specified as "**Issuer**" in the Pricing Supplement for this Note, and references to "**Issuers**" shall be to ANZBGL, ANZ New Zealand and ANZNIL. References herein to "**Notes**" shall be references to the Notes of this Series.

The Notes (other than VPS Notes (as defined below)) are issued pursuant to an Amended and Restated Agency Agreement dated 17 May 2018 (as further amended and/or supplemented and/or restated as at the Issue Date of the Notes, the "**Agency Agreement**") between the Issuers, ANZ New Zealand as guarantor of the Notes issued by ANZNIL (the "**Guarantor**"), Deutsche Bank AG, London Branch as fiscal agent, calculation agent, paying agent and transfer agent and Deutsche Bank Trust Company Americas and Deutsche Bank Luxembourg S.A. as registrar and transfer agent and with the benefit of a Deed of Covenant dated 17 May 2018 (the "**Deed of Covenant**") executed by the Issuers in relation to the Notes. VPS Notes will be issued in accordance with and subject to a trust agreement (such trust agreement as amended and/or supplemented and/or restated from time to time, the "**VPS Trustee Agreement**") dated 17 May 2018 made between the Issuer and Nordic Trustee AS (the "**VPS Trustee**", which expression shall include any successor as VPS Trustee). The VPS Trustee acts for the benefit of the holders for the time being of the VPS Notes, in accordance with the provisions of the VPS Trustee Agreement and these Terms and Conditions. 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 CMU Lodging Agent and the CMU Paying Agent, for the time being appointed under Condition 6(e)), the "**Registrar**", the "**Transfer Agents**" and the "**Calculation Agent(s)**". The Guarantor has, for the benefit of the holders from time to time of the Notes issued by ANZNIL, executed and delivered a Deed of Guarantee dated 17 May 2018 (as amended and/or supplemented and/or restated from time to time, the "**Deed of Guarantee**") under which it has unconditionally and irrevocably guaranteed the due and punctual payment of all amounts due by ANZNIL under or in respect of the Notes issued by ANZNIL as and when the same shall become due and payable. Copies of the Agency Agreement, the Deed of Covenant and the Deed of Guarantee are available for inspection at the specified offices of each of the Paying Agents (if more than one), the Registrar and the Transfer Agents. Copies of the VPS Agency Agreement and the VPS Trustee Agreement will be available for inspection during normal business hours at the specified office of the VPS Agent and at the registered office for the time being of the VPS Trustee.

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, the Deed of Covenant, the VPS relevant Agency Agreement as defined below, the VPS Trustee Agreement and the Deed of Guarantee applicable to them.

Each issue of VPS Notes will have the benefit of a VPS Agency Agreement (such VPS Agency Agreement as amended and/or supplemented and/or restated from time to time, the (the "**VPS Agency Agreement**") between the Issuer and an agent (the "**VPS Agent**") who will act as agent of the Issuer in respect of all dealings with the VPS in respect of VPS Notes as provided in the relevant VPS Agency Agreement. References herein to the VPS Agency Agreement shall be to the relevant VPS Agency Agreement entered into in respect of each issue of VPS Notes.

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) are identical in all respects (including as to listing) except for the respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Except in the case of a VPS Note, the Pricing Supplement for this Note (or the relevant provisions thereof) is endorsed on this Note and completes these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Note. References herein to the "**Pricing Supplement**" are, except in the case of a VPS Note, to the Pricing Supplement (or the relevant provisions thereof) endorsed on this Note. In the case of a VPS Note, references herein to the "Pricing Supplement" are to the Pricing Supplement (or the relevant provisions thereof) provided to the VPS Agent, the VPS Trustee and the VPS in connection with such VPS Notes.

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

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

The Notes are issued (i) in bearer form ("**Bearer Notes**") (ii) in registered form ("**Registered Notes**") or (iii) in uncertificated and dematerialised book entry form registered in the Norwegian Central Securities Depository, *Verdipapirsentralen ASA* or VPS ("**VPS Notes**" and the "**VPS**", respectively), in each case in the Specified Currency and the Specified Denomination(s). All Registered Notes shall have the same Specified Denomination. A Subordinated Note cannot be a VPS Note. "**Specified Denomination**" means the amount specified as such in (or calculated in accordance with the provisions of) the relevant Pricing Supplement as it may be adjusted, in the case of the Subordinated Notes, in accordance with Condition 5A.4.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Range Accrual Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note, a Subordinated Note, a combination of any of the foregoing or any other relevant type of Note (as permitted by these Conditions), depending upon the Interest Basis or Redemption/Payment Basis shown in the Pricing Supplement. Notes issued as Subordinated Notes must not be Zero Coupon Notes, Range Accrual Notes, Inverse Floating Rate Notes, Index Linked Interest Notes, Index Linked Redemption Notes, Instalment Notes, Dual Currency Notes, CMS Rate Notes or any combination of any of the foregoing.

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

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

Title to the Bearer Notes and the 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.

Title to VPS Notes will pass by registration in the registers between the direct or indirect accountholders at the VPS in accordance with the Norwegian Securities Registry Act of 5th July, 2002 (No. *verdipapirregisterloven*) (the “**VPS Act**”) and the rules and procedures of the VPS. The holder of a VPS Note will be the person evidenced as such by a book entry in the records of the VPS. The person evidenced (including any nominee) as a holder of the VPS Notes shall be treated as the holder of such VPS Notes for the purposes of payment of principal or interest on such Notes and for all other purposes. The expressions “*Noteholders*” and “*holder of Notes*” and related expressions shall, in each case, be construed accordingly. Any references in these Terms and Conditions to Coupons, Talons, Couponholders, Global Notes, Bearer Notes, Certificates, Receipts, Receiptholders, Registered Global Notes, Registered Notes, Bearer Global Notes, Permanent Global Notes, Temporary Global Notes and Notes in definitive form (or, in each case, similar expressions) shall not apply to VPS Notes.

In these 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 or in relation to any VPS Notes, is to be construed as provided above in this Condition 1 (as the case may be), “**Unsubordinated Noteholder**” means the Noteholder of a Unsubordinated Note and the Receipts relating to it, “**Subordinated Noteholder**” means the Noteholder of a Subordinated Note issued by ANZBGL and the Receipts relating to it, 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 or in relation to any VPS Notes, is to be construed as provided above in this Condition 1 (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. Notes (other than VPS Notes) may not be exchanged for VPS Notes and *vice versa*.

### (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 an 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 Condition 2(b) or (c) 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 Condition 2(d), "**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 Condition 5(e), (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 and Guarantee**

The Notes may be unsubordinated Notes ("**Unsubordinated Notes**") or, where the Issuer is ANZBGL, subordinated Notes ("**Subordinated Notes**") as specified in the relevant Pricing Supplement.

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

(a) *Unsubordinated Notes*

The Unsubordinated 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, where the Issuer is ANZBGL, 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 Condition 3, will be substantial and are not limited by the Conditions of the Notes. Without limitation to other applicable laws, in the case of Notes issued by ANZBGL, section 13A of the Banking Act provides that, in the event ANZBGL becomes unable to meet its obligations or suspends payment, its assets in Australia are to be available to meet ANZBGL's liabilities in the following order: (i) liabilities to the Australian Prudential Regulation Authority ("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) ANZBGL's liabilities in Australia in relation to protected accounts (as defined in the Banking Act) kept with ANZBGL, (iv) debts due to the Reserve Bank of Australia ("**RBA**"), (v) liabilities under certain certified industry support contracts; and (vi) all other liabilities of ANZBGL in their order of priority apart from section 13A(3). Changes to applicable law may extend the debts required to be preferred by law.*

The Unsubordinated Notes rank senior to the Issuer's subordinated obligations, including, where the Issuer is ANZBGL, the Subordinated Notes.

(b) *Subordinated Notes — ANZBGL*

The Subordinated Notes and the Receipts and Coupons relating to them may only be issued by ANZBGL, and will constitute direct, unsecured and subordinated obligations of ANZBGL. In the event of the winding-up of ANZBGL (see Condition 10 (*Subordination*)) and prior to the commencement of the winding-up of ANZBGL (see Condition 4(t)) the Principal Amount of, any interest on, and any other payments, including additional amounts, in respect of the Subordinated Notes will rank behind all claims of Senior Creditors, and subject to Conditions 5A to 5C (inclusive) *pari passu* with Equal Ranking Securities and ahead of Junior Ranking Securities.

**"Equal Ranking Securities"** means any present or future instrument that ranks in a winding-up of ANZBGL as the most junior claim in the winding-up of ANZBGL ranking senior to Junior Ranking Securities, and includes:

- (i) the Perpetual Capital Floating Rate Notes issued under the trust deed dated 30 October 1986 between the Issuer and Bankers Trustee Company Limited, as amended from time to time (except in so far as such amendment is inconsistent with such ranking); and
- (ii) any other instruments issued after 1 January 2013 as Relevant Tier 2 Securities.

**"Junior Ranking Securities"** means any present or future instrument that:

- (i) qualifies as Tier 1 Capital or, in the case of any instrument issued prior to 1 January 2013, was treated as constituting Tier 1 Capital in accordance with the prudential standards which applied prior to 1 January 2013 irrespective of whether or not such instrument is treated as constituting Tier 1 Capital in accordance with any transitional arrangements approved by APRA; and
- (ii) by its terms is, or is expressed to be, subordinated in a winding up of ANZBGL to the claims of Subordinated Noteholders and holders of Equal Ranking Securities.

**"Senior Creditors"** means all present and future creditors of ANZBGL (including but not limited to depositors of ANZBGL and holders of any other instruments issued before 1 January 2013 as a Tier 2 Capital Security) whose claims:

- (i) would be entitled to be admitted in the winding up of ANZBGL; and
- (ii) are not in respect of Equal Ranking Securities or Junior Ranking Securities.

Neither ANZBGL nor a Subordinated Noteholder has any contractual right to set off any sum at any time due and payable to a Subordinated Noteholder or ANZBGL (as applicable) under or in relation to the Subordinated Notes against amounts owing by the Subordinated Noteholder to ANZBGL or by ANZBGL to the Subordinated Noteholder (as applicable).

The Subordinated Notes do not limit the amount of liabilities ranking senior to the Subordinated Notes which may be hereafter incurred or assumed by ANZBGL.

Claims of Subordinated Noteholders are also subject to the priority of certain debts preferred by law (in respect of which please see the description provided in Condition 3(a) above).

(c) *Guarantee — by ANZ New Zealand (in respect of Notes issued by ANZNIL)*

Where the relevant Issuer is ANZNIL, the Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all amounts due by ANZNIL under or in respect of the Notes as and when the same shall become due and payable. This Guarantee of the Notes constitutes direct, unconditional and unsecured obligations of the Guarantor which (save for certain debts of the Guarantor required to be preferred by law) will at all times rank *pari passu* among themselves and equally with all other unsecured obligations (other than subordinated obligations) of the Guarantor. The Notes issued by ANZ New Zealand and ANZNIL are not guaranteed by ANZBGL.



#### 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 Condition 4(p) 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 and the provisions of subparagraphs (i) and (j) (excluding the determination and notification of the Rate of Interest) below shall apply, *mutatis mutandis*, as though references to "Floating Rate Notes" were to "Fixed Rate Notes" and references to "Interest Amounts" were to amounts of interest payable in respect of Fixed Rate Notes. 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 Index Linked Interest Notes*

(i) *Interest Payment Dates:* Each Floating Rate Note and Index Linked Interest 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) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on

a day that is not a Business Day, then 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 (x) BBSW Notes or BKBM Notes, provisions in respect of which are set out in Condition 4(d) and Condition 4(e) below, (y) CMS Rate Notes, provisions in respect of which are set out in Condition 4(f) below and (z) Inverse Floating Rate Notes, provisions in respect of which are set out in Condition 4(g) below (unless in each case the relevant Pricing Supplement specifies otherwise), 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*

- (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 Condition 4(o) (*Benchmark Replacement*)) (as determined by the Calculation Agent) on the following basis:
  - (I) if the Reference Rate is a composite quotation or a quotation customarily supplied by one entity, the Calculation Agent will determine the Reference Rate for the Specified Maturity and the Specified Currency which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date; or
  - (II) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates for the Specified Maturity and the Specified Currency which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (y) if sub-paragraph (x)(I) applies and no Reference Rate for the Specified Maturity and the Specified Currency appears on the Relevant Screen Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (x)(II) applies and fewer than two Reference Rates appear on the Relevant Screen Page at the

Relevant Time on the 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 to provide a quotation of the Reference Rate for the Specified Maturity and the Specified Currency at approximately the Relevant Time on the Interest Determination Date to leading banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time and will provide such responses to the Calculation Agent; and
- (B) the Calculation Agent will determine the arithmetic mean of such 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 for the Specified Maturity and the Specified Currency, subject as provided below, the Calculation Agent shall determine the arithmetic mean of the rates per annum (expressed as a percentage) quoted by 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 and in an amount that is representative for a single transaction in that market at that time, in each case as selected by the Reference Banks Agent (after consultation with the Issuer), at or about the Relevant Time for a period commencing on the Effective Date equivalent to the relevant Interest Accrual Period, for loans in the Specified Currency 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; provided, however, that if fewer than two of such banks are so quoting to such leading banks or the Reference Banks Agent or the Calculation Agent (as the case may be) is unable to determine a rate or (as the case may be) the Calculation Agent is unable to determine an arithmetic mean in accordance with the above provisions on any Interest Determination Date, 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) *Rate of Interest for Index Linked Interest Notes:*

The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified in the Pricing Supplement and interest will accrue by reference to an Index or Formula as specified in the Pricing Supplement. A Subordinated Note cannot be an Index Linked Interest Note.

(d) *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 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" on the Thomson Reuters Screen "BBSW" Page (or its successor or replacement page) ("**BBSW 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 10.30 a.m. Sydney 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 BBSW Reuters Page, the Rate of Interest means the rate determined by the Calculation Agent on the Interest Determination Date in good faith, having regard, to the extent possible, to:
  - (A) the rates otherwise bid and offered at or around 10.30 a.m. Sydney time (or such other time that is 15 minutes after the then prevailing Publication Time) on the Interest Determination Date for prime bank eligible securities having a tenor approximately equal to the relevant Interest Accrual Period; and
  - (B) if bid and offer rates at or around 10.30 a.m. Sydney time (or such other time that is 15 minutes after the then prevailing Publication Time) on the Interest Determination Date for prime bank eligible securities having a tenor approximately equal to the relevant Interest Accrual Period are not otherwise available, the rates otherwise bid and offered at or around 10.30 a.m. Sydney time (or such other time that is 15 minutes after the then prevailing Publication Time) on the Interest Determination Date for funds 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 BKBM Notes*

If a Note is specified to be a BKBM Note, the Rate of Interest for each Interest Accrual Period will be determined by the Calculation Agent on the 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 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 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;
- (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).

(f) *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 Condition 4(b)(i) above, at a specified rate that will be reset periodically based on the CMS Rate and any Margin and Rate Multiplier. A Subordinated Note cannot be a CMS Rate Note.

"**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, unless otherwise specified in the applicable Pricing Supplement and other than in the circumstances provided for in Condition 4(o) (*Benchmark Replacement*):

- (i) 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 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.
- (ii) 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).
- (iii) 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 Reset Period.
- (iv) 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 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.
- (v) 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).
- (vi) 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 Reset Period.
- (vii) 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 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.

- (viii) 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).
- (ix) 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 Reset 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.

(g) *Inverse Floating Rate Notes*

- (i) Each Inverse Floating Rate Note, will bear interest on its outstanding Principal Amount in accordance with the provisions set out in Condition 4(b)(i) above. 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:

- (A) the offered quotation; or

- (B) 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 at the Relevant Time on the Interest Determination Date;

A Subordinated Note cannot be an Inverse Floating Rate Note.

- (ii) if sub-paragraph (i)(A) applies and (other than in the circumstances provided for in Condition 4(o) (*Benchmark Replacement*)) no Reference Rate for the Specified Maturity and the Specified Currency appears on the Relevant Screen Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (i)(B) applies and fewer than two offered quotations appear on the Relevant Screen Page at the Relevant Time on the 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 at the Relevant Time on the 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
- (iii) if paragraph (ii) 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 (A) Europe, or (B) 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).
- (h) *Rate of Interest on Range Accrual Notes*

Each Range Accrual Note will bear interest on its outstanding Principal Amount in accordance with the provisions set out in Condition 4(b)(i) above and shall be subject to Condition 4(b)(ii). 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 (A) or (B) below:

- (A) if Fixed Rate Range Accrual Note is specified as 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 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.

In this Condition 4(h):

**"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 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 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.

**"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 Condition 4(b)(iii)(B) (*Screen Rate/Reference Bank Determination for Floating Rate Notes*).

**"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 Condition 4(b)(iii)(B) as specified in the applicable Pricing Supplement;
- (B) the interest rate for BBSW Notes (excluding the Margin) on that day notionally determined in accordance Condition 4(d) 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 Condition 4(e) as specified in the applicable Pricing Supplement;
- (D) the EUR CMS swap rate on that day notionally determined in accordance with Condition 4(f) as specified in the applicable Pricing Supplement;



- (E) the GBP CMS swap rate on that day notionally determined in accordance with Condition 4(f) as specified in the applicable Pricing Supplement; and
- (F) the USD CMS swap rate on that day notionally determined in accordance with Condition 4(f) 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 Condition 4(b)(iii)(B), Condition 4(d), Condition 4(e) and Condition 4(f) 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 specify 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 specify that "less than or equal to" shall apply, then less than or equal to the applicable Cap; or
  - (2) if the relevant Pricing Supplement specify 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

A Subordinated Note cannot be a Range Accrual Note.

(i) *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, unless otherwise specified in the Pricing Supplement. 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. A Subordinated Note cannot be a Zero Coupon Note.

(j) *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. A Subordinated Note cannot be a Dual Currency Note.

(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 Condition 4 to the Relevant Date.

(l) *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 (b) or (c) above, by adding (if a positive number) or subtracting the absolute value (if a negative number) 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 Redemption Amount shall be subject to such maximum or minimum, as the case may be;

(iii) Subject to the requirements of applicable law, for the purposes of any calculations required pursuant to these 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; and

(iv) The Pricing Supplement in respect of any Notes issued as Subordinated Notes must not specify a Rate Multiplier, Maximum Rate of Interest, Minimum Rate of Interest or Instalment Amount.

(m) *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.

(n) *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, the Guarantor (if applicable), 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 and, in the case of VPS Notes, the VPS Trustee and the VPS Agent 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. The notification of any rate or amount, if applicable, shall be made to the VPS in accordance with and subject to the rules and regulations of the VPS for the time being in effect. Where any Interest Payment Date or Interest Accrual Period is subject to adjustment pursuant to Condition 4(a)(iv) or Condition 4(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest 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 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 Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(o) *Benchmark Replacement*

In addition, notwithstanding the provisions above in Conditions 4(b), (f) and (g), if the Issuer (in consultation with 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 thereof) remains to be determined by reference to such Reference Rate affected by the Benchmark Disruption Event, then the following provisions shall apply:

- (i) the Calculation Agent shall use as the Reference Rate for the relevant Interest Period or Interest Accrual Period a substitute or successor rate that it has determined (acting in good faith and in a commercially reasonable manner) in its sole discretion, after consulting an

Independent Adviser or any other source it deems reasonable, 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

- (ii) if the Calculation Agent has determined a substitute or successor rate in accordance with the foregoing, the Calculation Agent may determine (acting in good faith and in a commercially reasonable manner) in its sole discretion, after consulting an Independent Adviser or any other source it deems reasonable, the Business Day Convention, the definitions of Business Day, Day Count Fraction, Relevant Screen Page, Relevant Time, Reference Rate and Interest Determination Date and any other 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; and
- (iii) if the Calculation Agent is unable to determine a substitute or successor rate in accordance with Condition 4(o)(i), the Rate of Interest applicable to the next succeeding Interest Period or Interest Accrual Period (as applicable) shall be the Rate of Interest determined in relation to the Notes on the previous Interest Determination Date or in effect for the last preceding Interest Accrual Period (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); for the avoidance of doubt, this Condition 4(o)(iii) shall apply to the relevant Interest Period or Interest Accrual Period (as applicable) only and any subsequent Interest Periods or Interest Accrual Periods (as applicable) are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(o) (*Benchmark Replacement*)).

For the purposes of this Condition 4(o) (*Benchmark Replacement*):

**"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) if so determined by the Calculation Agent (or the person specified in the applicable Pricing Supplement as the party responsible for calculating the Rate of Interest) after consulting with an Independent Adviser, 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, 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 Rates, despite the continued existence of the applicable Reference Rate; and

**"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 supervising the administrator of the Reference Rate; or
- (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 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.

(p) *Definitions*

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

"**Amortisation Yield**" has the meaning given in Condition 5(d)(ii) unless otherwise specified in the Pricing Supplement.

"**Amortised Face Amount**" has the meaning given in Condition 5(d)(ii) unless otherwise specified in the Pricing Supplement.

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

"**Australian Securities Exchange**" or "**ASX**" means ASX Limited (ABN 98 008 624 691) or the securities market operated by it, as the context requires.

"**ASX Listing Rules**" means the listing rules of the Australian Securities Exchange as amended, varied or waived (whether in respect of the Issuer or generally) from time to time.

"**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 inter-bank offered 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 as it may be adjusted, in the case of the Subordinated Notes, in accordance with Condition 5A.4.

"**Business Day**" means:

- (i) in the case of Subordinated Notes, for the purposes of Conditions 5A to 5D (inclusive), means a business day within the meaning of the ASX Listing Rules;
- (ii) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments generally in London and, where ANZBGL is the Issuer, Sydney or, where ANZ New Zealand or ANZNIL is the Issuer, Auckland and Wellington; and
- (iii) 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
- (iv) 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, unless otherwise specified in the relevant Pricing Supplement, 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 Amount**" has the meaning given in the relevant Pricing Supplement as it may be adjusted, in the case of the Subordinated Notes, in accordance with Condition 5A.4.

"**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**" means, in relation to a Note other than a Zero Coupon Note, its Principal Amount unless otherwise specified in the Pricing Supplement or, in relation to a Zero Coupon Note, as specified in Condition 5(d).

"**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**", in respect of Unsubordinated Notes, has the meaning given in Condition 9(a) and, in respect of Subordinated Notes, has the meaning given in Condition 9(b).



"**Exercise Notice**" has the meaning given in Condition 5(f).

"**Extraordinary Resolution**" has the meaning given in Condition 11(a).

"**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 Federal Reserve to other depository institutions.

"**Final Redemption Amount**" means, in relation to a Note, its Principal Amount unless otherwise specified in the Pricing Supplement.

"**Fixed Coupon Amount**" means the amount specified as such in (or calculated in accordance with the provisions of) the relevant Pricing Supplement as it may be adjusted, in the case of the Subordinated Notes, in accordance with Condition 5A.4.

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

"**Initial Call Date**" means the first occurring Optional Redemption Date (if any).

"**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 Condition 4(a)(iii), as the case may be and as it may be adjusted, in the case of the Subordinated Notes, in accordance with Condition 5A.4.

"**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 amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Pricing Supplement)) as published by the International Swaps and Derivatives Association, Inc.

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

**"JIBAR"** means the Johannesburg inter-bank offered rate.

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

**"Maturity Date"** in respect of a Note, means the maturity date of that Note.

**"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.

**"MosPrime"** means the Moscow inter-bank offered rate.

**"MXN-TIE-MEX06"** means the Tasa de Interés Interbancaria de Equilibrio for MXN for a period of 28 days published by the Banco de México (Mexican Central Bank).

**"NIBOR"** means the Norwegian inter-bank offered rate.

**"Offshore Associate"** has the meaning given in Condition 5(g).

**"Optional Redemption Amount"** means the amount specified as such in (or calculated in accordance with the provisions of) the relevant Pricing Supplement as it may be adjusted, in the case of the Subordinated Notes, in accordance with Condition 5A.4.

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

**"PRIBOR"** means the Prague inter-bank offered rate.

**"Principal Amount"** in respect of a Note, means the outstanding principal amount of that Note as it may be adjusted, in the case of a Subordinated Note, in accordance with Condition 5A.4.

**"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.

**"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 these Conditions and the provisions set out in the Pricing Supplement.

**"Record Date"** has the meaning given in 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 LIBOR, Federal Funds Effective Rate US, EURIBOR, CDOR, CMS Rate, SHIBOR, HIBOR, SIBOR, STIBOR, NIBOR, JIBAR, TRYIBOR, MXN-TIIE-MEX06, PRIBOR, MosPrime or such other rate as specified in the relevant Pricing Supplement.

**"Relevant Date"** has the meaning given in 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 Date 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 10.15 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, in the case of STIBOR is 11.00 a.m. Stockholm time, in the case of NIBOR is 12.00 p.m. Oslo time, in the case of JIBAR is 11.00 a.m. Johannesburg time, in the case of TRYIBOR is 11.15 a.m. Istanbul time, in the case of MXN-TIIE-MEX06 is 11.00 a.m. Mexico City time, in the case of PRIBOR is 1.00 p.m. Prague time and in the case of MosPrime is 12.30 p.m. Moscow time or such other time as may be specified in the relevant Pricing Supplement (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 relevant Pricing Supplement. If a substitute or successor screen page is used for the purposes of calculating a Screen Rate as provided in Condition 4(u), 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.

**"Solvent"** means at any time in respect of ANZBGL:

- (i) it is able to pay all its debts as and when they become due and payable; and
- (ii) its assets exceed its liabilities, in each case determined on an unconsolidated stand-alone basis.

**"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.

"**STIBOR**" means the Stockholm inter-bank offered rate.

"**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.

"**TRYIBOR**" means the Turkish inter-bank offered rate.

(q) *Calculation Agent and Reference Banks*

The Issuer and, if applicable, the Guarantor 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 or, failing which and if applicable, the Guarantor 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 these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount or Optional Redemption Amount or to comply with any other requirement, the Issuer or, failing which and if applicable, the Guarantor 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 being 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 Condition 4 (*Interest and other Calculations*) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor (if applicable), the Calculation Agent, the Fiscal Agent, the other Paying Agents (if any), the Registrar, the VPS Agent, the VPS Trustee and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Calculation Agent, the VPS Agent or the VPS Trustee, as the case may be, in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(t) *Conditions of Payment — Subordinated Notes*

Prior to the commencement of the winding-up of ANZBGL (other than under or in connection with a scheme of amalgamation or reconstruction not involving bankruptcy or insolvency):

- (i) the obligations of ANZBGL to make payments of principal of, any interest on, and any other payments, including additional amounts, in respect of the Subordinated Notes will be conditional on ANZBGL being Solvent at the time of such payment by ANZBGL; and
- (ii) no payment of principal of, any interest on, and any other payments, including additional amounts, in respect of the Subordinated Notes shall be made unless ANZBGL is Solvent immediately after making such payment,

and if, pursuant to this Condition, ANZBGL fails to make any payment of principal of, or interest on, or any other payment, including additional amounts, in respect of any Subordinated Note when due, such failure will not constitute an Event of Default for the purposes of Condition 9(b)(ii).

A certificate signed by ANZBGL, two authorised signatories or an auditor of ANZBGL or, if ANZBGL is being wound up, its liquidator as to whether ANZBGL is Solvent at any time is (in the absence of wilful default, bad faith or manifest error) conclusive evidence of the information contained in the certificate and will be binding on the Subordinated Noteholders. In the absence of any such certificate, the Subordinated Noteholders are entitled to assume (unless the contrary is proved) that ANZBGL is Solvent at the time of, and will be Solvent immediately after, any payment on or in respect of the Subordinated Notes.

Any amount not paid on account of this Condition remains and accumulates as a debt owing and is payable on the first date on and to the extent to which the amount is able to be paid in compliance with this Condition.

- (u) *Substitute or Successor Screen Page*

Any reference in these 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.

- (v) *VPS Notes – Calculation Agent*

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in respect of the VPS Notes and for so long as any such VPS Note is outstanding. Where more than one Calculation Agent is appointed in respect of the VPS Notes, references in these Terms and Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Terms and 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 Period or to calculate any Interest Amount or to comply with any other requirement, the Issuer shall (with the prior approval of the VPS Trustee) appoint a leading bank or investment banking firm engaged in the inter-bank 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.

## 5. **Redemption, Purchase and Options**

- (a) *Redemption by Instalments and Final Redemption*

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5 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 Condition 5(e) or 5(f), 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. A Subordinated Note will not provide for redemption by Instalments.

- (ii) Unless previously redeemed, purchased and cancelled, Converted or Written-Off as provided below or its maturity is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5(e) or 5(f), each Note shall be finally redeemed on the Maturity Date specified in the Pricing Supplement at its Final Redemption Amount 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 as specified in the relevant Pricing Supplement is located and/or, if applicable, the jurisdiction of incorporation of the Guarantor, 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 (and in respect of any Subordinated Note, which ANZBGL did not expect as at the Issue Date of that Subordinated Note) shown on the face of any Note:

- (i) in the case of any Note, the Issuer or, if applicable, the Guarantor (if the Guarantor was or is obliged to make a payment under the Guarantee) has or will become obliged to pay additional amounts as provided in Condition 7 (*Taxation*);
- (ii) in the case of any Subordinated Note only and if specified in the Pricing Supplement, ANZBGL or the consolidated tax group of which it is a member would be exposed to more than a *de minimis* amount of other taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any authority together with any related interest, penalties and expenses in connection with them, assessments or other governmental charges in connection with any Note; or
- (iii) in the case of any Subordinated Note only and if specified in the Pricing Supplement, ANZBGL determines that any interest payable on any Note is not, or may not be, allowed as a deduction for the purposes of Australian income tax,

the Issuer may at its option, at any time (if this Note is neither a Floating Rate Note nor an Index Linked Interest Note) or on any Interest Payment Date (in the case of Floating Rate Notes or Index Linked Interest Notes) and subject to Condition 5(i) in the case of any Subordinated 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 or, if applicable, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due or (as the case may be) an obligation to make a payment under the Guarantee were then made. Prior to the publication of any notice of redemption pursuant to this Condition 5(b), the Issuer shall deliver to the Fiscal Agent, and, with respect to VPS Notes, the VPS Trustee 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 of Subordinated Notes for Regulatory Reasons*

If specified in the relevant Pricing Supplement, if a Regulatory Event occurs, ANZBGL may at its option, at any time (if the Subordinated Note is not a Floating Rate Note) or on any Interest Payment Date (in the case of a Subordinated Note that is a Floating Rate Note) and subject to Condition 5(i) on giving not more than 60 nor less than 30 days' notice to the Subordinated Noteholders of the relevant Series (which notice shall be irrevocable) redeem all, but not some only, of the Subordinated Notes of the relevant Series at the Early Redemption Amount together with interest accrued to the date fixed for redemption. Prior to the publication of any notice of redemption pursuant to this Condition 5(c),

ANZBGL 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 ANZBGL stating that ANZBGL is entitled to effect such redemption and setting forth a statement of the facts showing that the conditions precedent to the right of ANZBGL so to redeem have occurred.

For the purposes of this Condition 5(c):

**"Regulatory Event"** means ANZBGL determines, having received:

- (i) an opinion from a reputable legal counsel that as a result of any amendment to, clarification of or change (including any announcement of a change that has been or will be introduced) in, any law or regulation of the Commonwealth of Australia, or any official administrative pronouncement or action or judicial decision interpreting or applying such laws or regulations, which amendment, clarification or change is effective, or pronouncement, action or decision is announced, after the Issue Date; or
- (ii) a written statement from APRA after the Issue Date,

that, in each case, ANZBGL is not or will not be entitled to treat all Subordinated Notes of a Series as Tier 2 Capital, provided that, in each case, on the Issue Date of the Subordinated Notes, ANZBGL did not expect that matters giving rise to the Regulatory Event would occur.

(d) *Early Redemption of Zero Coupon Notes*

- (i) The Early Redemption Amount payable in respect of any 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 Condition 5(b) or (c) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*), shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified in the Pricing Supplement.
- (ii) Subject to the provisions of sub-paragraph (iii) 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 (A) 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 (B) where Linear Interest is specified in the Pricing Supplement, an amount per Calculation Amount calculated in accordance with the following formula:

$$\text{Amortised Face Amount} = \text{Calculation Amount} + (\text{Accreting Payment Amount} \times A) + B$$

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 Condition 5(d) 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) of this sub-paragraph (ii) 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.

- (iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(b) or (c) or upon it becoming due and payable as provided in 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), to the date on which the Note becomes due and payable or, in the case of sub-paragraph (B), 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 Condition 4(k).

(e) *Redemption at the Option of the Issuer and Exercise of Issuer's Options*

If a Call Option is included in the Pricing Supplement and subject to Condition 5(i) in the case of any Subordinated Note, 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 (which, in the case of a Subordinated Note, may not be before the fifth anniversary of the Issue Date of that Subordinated Note). 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 this Condition.

In the case of a partial redemption or a partial exercise of an 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 including in accordance with the rules of the VPS in the case of VPS Notes. So long as the Notes are admitted to listing, trading and/or quotation on any listing authority, stock exchange and/or quotation system and the rules of the relevant listing authority, stock exchange and/or quotation system so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper of general circulation in London (which is expected to be the *Financial Times*), or as specified by such other listing authority, stock exchange and/or quotation system, a notice specifying the aggregate principal amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

(f) *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 (other than a holder of VPS Notes) must deposit (in the case of Bearer Notes) such Note (together with all unmaturing Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the 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. In the case of a VPS Note, within the notice period, a holder of any VPS Note may exercise its right to require redemption of its VPS Notes by giving written notice to its account manager for the VPS, who will notify the VPS Agent of the exercise of such option. 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.

A Put Option may not be specified in the Pricing Supplement in respect of Subordinated Notes.

(g) *Purchases*

Where ANZBGL is the Issuer of this Note, ANZBGL 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 ANZBGL (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 ("**Corporations Act**")).

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

Except in the case of Subordinated Notes, the Issuer, the Guarantor and any of their respective 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 other than the VPS Notes so purchased by the Issuer, the Guarantor or any of their respective 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, the Guarantor or the relevant subsidiary be held or resold. VPS Notes purchased by the Issuer, the Guarantor or any of their respective subsidiaries may be cancelled in accordance with the procedures of the VPS if applicable and the VPS Agency Agreement or may at the option of the Issuer, the Guarantor or the relevant subsidiary be held or resold.

In the case of Subordinated Notes, subject to Condition 5(i), ANZBGL and any of its Related Entities may, to the extent permitted by applicable laws and regulations, at any time purchase Subordinated 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. Subordinated Notes other than VPS Notes so purchased by ANZBGL or any of its Related Entities may be surrendered by the purchaser through ANZBGL to the Fiscal Agent or any Paying Agent for cancellation or may at the option of ANZBGL or the relevant Related Entity be held or resold. VPS Notes purchased by ANZBGL or any of its Related Entities may be cancelled in accordance with the procedures of the VPS and the VPS Agency Agreement or may at the option of ANZBGL or any of its Related Entities be held or resold.

(h) *Cancellation*

All Notes other than VPS Notes redeemed by the Issuer or surrendered by the purchaser through the Issuer for cancellation pursuant to Condition 5(f) 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.

(i) *Approval of APRA*

Notwithstanding anything to the contrary in this Condition 5, ANZBGL may not (i) redeem any Subordinated Notes under paragraph (b), (c) or (e) above or (ii) prior to the Maturity Date purchase, or procure that any of its Related Entities purchase, any Subordinated Notes under paragraph (g) above, without the prior written approval of APRA and ANZBGL will not be permitted to redeem any Subordinated Notes unless:

- (a) the Subordinated Notes are replaced concurrently or beforehand with Regulatory Capital of the same or better quality and the replacement of the Subordinated Notes is done under conditions that are sustainable for ANZBGL's income capacity; or
- (b) APRA is satisfied that ANZBGL's capital position at Level 1, Level 2 and, if applicable, Level 3 (each as defined in Condition 5E.1 below) is well above its minimum capital requirements after ANZBGL elects to redeem the Subordinated Notes.

*Subordinated Noteholders should not expect that APRA's approval will be given for any redemption or purchase of Subordinated Notes.*

**5A. Conversion or Write-Off of Subordinated Notes on Non-Viability Trigger Event**

**5A.1. Application to Subordinated Notes only**

Conditions 5A, 5B and 5C apply only to Subordinated Notes. The Schedule to these Conditions (including the defined terms therein) shall be deemed to form part of, and be incorporated in, Condition 5B.

**5A.2 Non-Viability Trigger Event**

A "Non-Viability Trigger Event" means the earlier of:

- (i) the issuance to ANZBGL of a written determination from APRA that conversion or write-off of Relevant Securities is necessary because, without it, APRA considers that ANZBGL would become non-viable; or
- (ii) a determination by APRA, notified to ANZBGL in writing, that without a public sector injection of capital, or equivalent support, ANZBGL would become non-viable,

each such determination being a "Non-Viability Determination".

**5A.3 Conversion or Write-Off of Subordinated Notes on Trigger Event Date**

If a Non-Viability Trigger Event occurs:

- (i) on the Trigger Event Date, subject only to Condition 5B.5, such Principal Amount of the Subordinated Notes will immediately Convert or be Written-Off (whichever is applicable as specified in the Pricing Supplement) as is required by the Non-Viability Determination provided that:
  - (a) where the Non-Viability Trigger Event occurs under Condition 5A.2(i) and such Non-Viability Determination does not require all Relevant Securities to be converted into Ordinary Shares or written-off, such Principal Amount of the Subordinated Notes shall Convert or be Written-Off (whichever is applicable as specified in the Pricing Supplement) as is sufficient (determined by ANZBGL in accordance with Condition 5A.3(ii)) to satisfy APRA that ANZBGL is viable without further conversion or write-off; and
  - (b) where the Non-Viability Trigger Event occurs under Condition 5A.2(ii), all the Principal Amount of the Subordinated Notes will immediately Convert or be Written-Off (whichever is applicable as specified in the Pricing Supplement);

- (ii) ANZBGL will determine the Principal Amount of Subordinated Notes which must be Converted or Written-Off (as applicable) in accordance with Condition 5A.3(i)(a), on the following basis:
- (a) first, convert into Ordinary Shares or write-off all Relevant Tier 1 Securities; and
  - (b) secondly, if conversion into Ordinary Shares or write-off of all Relevant Tier 1 Securities is not sufficient to satisfy the requirements of Condition 5A.3(i)(a) (and provided that as a result of the conversion or write-off of Relevant Tier 1 Capital Securities APRA has not withdrawn the Non-Viability Determination), Convert or Write-Off (as applicable) a Principal Amount of Subordinated Notes and convert into Ordinary Shares or write-off a number or principal amount of other Relevant Tier 2 Securities on an approximately pro-rata basis or in a manner that is otherwise, in the opinion of ANZBGL, fair and reasonable (subject to such adjustment as ANZBGL may determine to take into account the effect on marketable parcels and the need to round to whole numbers the number of Ordinary Shares and the authorised denominations of the Principal Amount of any Subordinated Note or the number or principal amount of other Relevant Tier 2 Securities remaining on issue, and the need to effect the conversion immediately) and, for the purposes of this Condition 5A.3(ii)(b), where the Specified Currency of the principal amount of Relevant Tier 2 Securities is not the same for all Relevant Tier 2 Securities, ANZBGL may treat them as if converted into a single currency of ANZBGL's choice at such rate of exchange as ANZBGL in good faith considers reasonable,
- provided that such determination does not impede or delay the immediate Conversion or Write-Off (as applicable) of the relevant Principal Amount of Subordinated Notes;
- (iii) on the Trigger Event Date, ANZBGL shall determine the Subordinated Notes or portions thereof as to which the Conversion or Write-Off (as applicable) is to take effect and in making that determination may make any decisions with respect to the identity of the Subordinated Noteholders at that time as may be necessary or desirable to ensure Conversion or Write-off (as applicable) occurs in an orderly manner, including disregarding any transfers of Subordinated Notes that have not been settled or registered at that time provided that such determination does not impede or delay the immediate Conversion or Write-Off (as applicable) of the relevant Principal Amount of Subordinated Notes;
- (iv) ANZBGL must give notice of its determination pursuant to Condition 5A.3(iii) (a "**Trigger Event Notice**") as soon as practicable to the Subordinated Noteholders, which must specify:
- (a) the Trigger Event Date;
  - (b) the Principal Amount of the Subordinated Notes Converted or Written-Off (as applicable); and
  - (c) the relevant number or principal amount of other Relevant Securities converted or written-off;
- (v) none of the following events shall prevent, impede or delay the Conversion or Write-Off (as applicable) of Subordinated Notes as required by Condition 5A.3(i):
- (a) any failure or delay in the conversion or write-off of other Relevant Securities;
  - (b) any failure or delay in giving a Trigger Event Notice;
  - (c) any failure or delay by a Subordinated Noteholder or any other party in complying with the provisions of Condition 5A.4;
  - (d) any requirement to select or adjust the number or Principal Amount of Subordinated Notes to be Converted or Written-Off (as applicable) in accordance with Condition 5A.3(ii)(b) or 5A.3(iii); and

- (e) in the case of Conversion only, any failure or delay in quotation of Ordinary Shares to be issued on Conversion.

If a Non-Viability Determination takes effect, ANZBGL must perform the obligations in respect of the determination immediately on the day it is received by ANZBGL, whether or not such day is a Business Day.

#### **5A.4 Conversion or Write-Off of a whole or of a portion of a Subordinated Note**

Subject to Condition 5D.2(iii)(b), in respect of any Subordinated Note which is Converted or Written-Off:

- (i) ANZBGL shall notify the Fiscal Agent (in the case of a Bearer Note) or the Registrar (in the case of a Registered Note) of the Principal Amount of such Subordinated Note that has been Converted or Written-Off (whether in whole or in part) and instruct the Fiscal Agent (in the case of a Bearer Note) or the Registrar (in the case of a Registered Note) to reflect this Conversion or Write-Off (as applicable) in any relevant form of note or certificate and the Register (as applicable) so that the Principal Amount of such Subordinated Note is reduced, in the case of a Subordinated Note Converted or Written-Off in whole, to zero, or, in the case of a Subordinated Note which is Converted or Written-Off in part, to an amount equal to the non-Converted or non-Written-Off (as applicable) portion of the Principal Amount of such Subordinated Note;
- (ii) in the case of a Subordinated Note which is Converted or Written-Off only in part:
  - (a) where the date of the Conversion or Write-off is not an Interest Payment Date, the amount of interest payable in respect of that Subordinated Note on each Interest Payment Date falling after that date will be reduced and calculated on the Principal Amount of that Subordinated Note as reduced on that date;
  - (b) for the purposes of any interest calculation, the Interest Amount, the Fixed Coupon Amount, Broken Amount, the Calculation Amount and any related amount in respect of that Subordinated Note shall be reduced in the same proportion as the Principal Amount Converted or Written-Off in respect of that Subordinated Note bears to the Principal Amount of that Subordinated Note before such Conversion or Write-Off;
  - (c) the Early Redemption Amount, the Final Redemption Amount, the Optional Redemption Amount, the Specified Denomination and Principal Amount or any related amount shall be reduced in the same proportion as the Principal Amount Converted or Written-Off in respect of that Subordinated Note bears to the Principal Amount of that Subordinated Note before such Conversion or Write-Off; and
- (iii) if a definitive note or certificate has been issued to the relevant Subordinated Noteholder in respect of such Subordinated Note, then, if ANZBGL so requires, such Subordinated Noteholder shall surrender such definitive note or certificate to ANZBGL (or, if ANZBGL so directs, to the Registrar) and, in the case of a Subordinated Note which is Converted or Written-Off only in part, ANZBGL shall deliver to the Subordinated Noteholder, a new definitive note or certificate for a Subordinated Note with a Principal Amount equal to the non-Converted or non-Written-Off (as applicable) portion of the Principal Amount of such Subordinated Note.

### **5B. Conversion of Subordinated Notes**

#### **5B.1 Conversion of Subordinated Notes on Trigger Event Date**

Unless "Write-Off Applicable" is specified in the relevant Pricing Supplement, Condition 5B shall apply to the Subordinated Notes and, notwithstanding any other provision in these Conditions, on the Trigger Event Date the relevant Principal Amount (as determined under Condition 5A.3) of the Subordinated Notes will Convert immediately and irrevocably.

From the Trigger Event Date, subject to Conditions 5B.5 and 5B.6(iii)(c) ANZBGL shall treat any Subordinated Noteholder of any Subordinated Note or portion thereof which is required to be Converted as the holder of the relevant number of Ordinary Shares and will take all such steps,

including updating any register, required to record the Conversion and the issuance of such Ordinary Shares.

### **5B.2 Provision of information**

Where a Principal Amount of Subordinated Notes is required to be Converted under Condition 5B, a Subordinated Noteholder of Subordinated Notes or portion thereof that are subject to Conversion wishing to receive Ordinary Shares must, no later than the Trigger Event Date (or, in the case where Condition 5B.4(vii) applies, within 30 days of the date on which Ordinary Shares are issued upon such Conversion), have provided to ANZBGL:

- (i) its name and address (or the name and address of any person in whose name it directs the Ordinary Shares to be issued) for entry into any register of title and receipt of any certificate or holding statement in respect of any Ordinary Shares;
- (ii) the security account details of such Subordinated Noteholder in the clearing system or such other account to which the Ordinary Shares may be credited; and
- (iii) such other information as is reasonably requested by ANZBGL for the purposes of enabling it to issue the Conversion Number of Ordinary Shares to such Subordinated Noteholder,

and ANZBGL has no duty to seek or obtain such information.

### **5B.3 Failure to Convert**

Subject to Condition 5B.4 and Condition 5B.5, if, in respect of a Conversion of Subordinated Notes, ANZBGL fails to issue, on the Trigger Event Date, the Conversion Number of Ordinary Shares in respect of the relevant Principal Amount of such Subordinated Notes to, or in accordance with the instructions of, the relevant Subordinated Noteholder on the Trigger Event Date or any other nominee where Condition 5B.4 applies, the Principal Amount of such Subordinated Notes which would otherwise be subject to Conversion shall remain on issue and outstanding until:

- (i) the Ordinary Shares are issued to, or in accordance with the instructions of, the Subordinated Noteholder of such Subordinated Notes; or
- (ii) such Subordinated Notes are Written-Off in accordance with these Conditions;

provided, that the sole right of the Subordinated Noteholder in respect of Subordinated Notes or portion thereof that are subject to Conversion is its right to be issued Ordinary Shares upon Conversion (subject to its compliance with Condition 5B.2 or to receive the proceeds from their sale pursuant to Condition 5B.4, as applicable) and the remedy of such Subordinated Noteholder in respect of ANZBGL's failure to issue the Ordinary Shares is limited (subject always to Condition 5B.5) to seeking an order for specific performance of ANZBGL's obligation to issue the Ordinary Shares to the Subordinated Noteholder or where Condition 5B.4 applies to the nominee and to receive such proceeds of sale, in each case, in accordance with the terms of the Subordinated Notes. This Condition 5B.3 does not affect the obligation of ANZBGL to issue the Ordinary Shares when required in accordance with these Conditions.

### **5B.4 Issue to nominee**

If, in respect of a Subordinated Note and a Subordinated Noteholder of that Subordinated Note, the Subordinated Note or portion thereof is required to be Converted and:

- (i) the Subordinated Noteholder has notified ANZBGL that it does not wish to receive Ordinary Shares as a result of the Conversion (whether entirely or to the extent specified in the notice), which notice may be given at any time prior to the Trigger Event Date;
- (ii) the Subordinated Notes are held by a Subordinated Noteholder whose address in the register is a place outside Australia or who ANZBGL otherwise believes may not be a resident of Australia (a "**Foreign Holder**");
- (iii) the holder of that Subordinated Note is a Clearing System Holder;

- (iv) for any reason (whether or not due to the fault of the Subordinated Noteholder) ANZBGL has not received the information required by Condition 5B.2 prior to the Trigger Event Date and the lack of such information would prevent ANZBGL from issuing the Ordinary Shares to the Subordinated Noteholder on the Trigger Event Date; or
- (v) a FATCA Withholding is required to be made in respect of the Ordinary Shares issued on the Conversion,

then, on the Trigger Event Date:

- (vi) where Condition 5B.4(i), 5B.4(ii) or 5B.4(v) applies, ANZBGL shall issue the Ordinary Shares to the Subordinated Noteholder only to the extent (if at all) that:
  - (a) where Condition 5B.4(i) applies, the Subordinated Noteholder has notified ANZBGL that it wishes to receive them;
  - (b) where Condition 5B.4(ii) applies, ANZBGL is satisfied that the laws of both the Commonwealth of Australia and the Foreign Holder's country of residence permit the issue of Ordinary Shares to the Foreign Holder (but as to which ANZBGL is not bound to enquire), either unconditionally or after compliance with conditions which ANZBGL in its absolute discretion regards as acceptable and not unduly onerous; and
  - (c) where Condition 5B.4(v) applies, the issue is net of the FATCA Withholding;

and, to the extent ANZBGL is not obliged to issue Ordinary Shares to the Subordinated Noteholder, ANZBGL will issue the balance of the Ordinary Shares to the nominee in accordance with Condition 5B.4(vii); and
- (vii) otherwise, subject to applicable law, ANZBGL will issue the balance of Ordinary Shares in respect of the Subordinated Noteholder to a competent nominee (which may not be ANZBGL or any of its Related Entities) and will promptly notify such Subordinated Noteholder of the name of and contact information for the nominee and the number of Ordinary Shares issued to the nominee on its behalf and, subject to applicable law and:
  - (a) subject to Condition 5B.4(vii)(b), the nominee will as soon as reasonably possible and no later than 35 days after issue of the Ordinary Shares sell those Ordinary Shares and pay a cash amount equal to the net proceeds received, after deducting any applicable brokerage, stamp duty and other taxes and charges, to the Subordinated Noteholder;
  - (b) where Condition 5B.4(iii) or 5B.4(iv) applies, the nominee will hold such Ordinary Shares and will transfer Ordinary Shares to such Subordinated Noteholder (or, where paragraph (iii) applies, the person for whom the Clearing System Holder holds the Subordinated Note) promptly after such Subordinated Noteholder provides the nominee with the information required to be provided by such Subordinated Noteholder under Condition 5B.2 (as if a reference in Condition 5B.2 to ANZBGL is a reference to the nominee and a reference to the issue of Ordinary Shares is a reference to the transfer of Ordinary Shares) but only where such information is provided to the nominee within 30 days of the date on which Ordinary Shares are issued to the nominee upon Conversion of such Subordinated Note and failing which the nominee will sell the Ordinary Shares and pay the proceeds to such Subordinated Noteholder in accordance with Condition 5B.4(vii)(a); and
  - (c) where Condition 5B.4(v) applies, the nominee shall deal with Ordinary Shares the subject of a FATCA Withholding and any proceeds of their disposal in accordance with FATCA;
- (viii) nothing in this Condition 5B.4 shall affect the Conversion of the Subordinated Notes of a Subordinated Noteholder who is not a person to which any of Condition 5B.4(i) to 5B.4(v) (inclusive) applies; and
- (ix) for the purposes of this Condition 5B.4, none of ANZBGL or the nominee owes any obligations or duties to the Subordinated Noteholders in relation to the price at which Ordinary

Shares are sold or has any liability for any loss suffered by a Subordinated Noteholder as a result of the sale of Ordinary Shares.

**5B.5 Write-Off of Subordinated Notes if Conversion is not effected within 5 Business Days after a Trigger Event Date**

Notwithstanding any other provision of Condition 5B and provided that "Write-Off – Applicable" is not specified in the relevant Pricing Supplement, where Subordinated Notes are required to be Converted on the Trigger Event Date and Conversion of the relevant Principal Amount of the Subordinated Notes that are subject to Conversion has not been effected within five Business Days after the relevant Trigger Event Date for any reason (including an Inability Event):

- (i) the relevant Principal Amount of each Subordinated Note which, but for this Condition 5B.5, would be Converted, will not be Converted and instead will be Written-Off with effect on and from the Trigger Event Date; and
- (ii) ANZBGL shall notify the Subordinated Noteholders as promptly as practically possible that Conversion of the relevant Principal Amount of the Subordinated Notes has not occurred and that such Principal Amount of the Subordinated Notes has been Written-Off.

**5B.6 Subordinated Noteholder acknowledgements**

Each Subordinated Noteholder irrevocably:

- (i) consents to becoming a member of ANZBGL upon the Conversion of the relevant Principal Amount of Subordinated Notes as required by this Condition 5B and agrees to be bound by the constitution of ANZBGL, in each case in respect of the Ordinary Shares issued to such Subordinated Noteholder on Conversion;
- (ii) acknowledges and agrees that it is obliged to accept Ordinary Shares upon a Conversion of the Principal Amount of Subordinated Notes it holds notwithstanding anything that might otherwise affect a Conversion of such Principal Amount of Subordinated Notes including:
  - (a) any change in the financial position of ANZBGL since the issue of such Subordinated Notes;
  - (b) any disruption to the market or potential market for the Ordinary Shares or to capital markets generally; or
  - (c) any breach by ANZBGL of any obligation in connection with such Subordinated Notes;
- (iii) acknowledges and agrees that where Condition 5A.3 applies:
  - (a) there are no other conditions to a Non-Viability Trigger Event occurring as and when provided in Condition 5A.2;
  - (b) Conversion must occur immediately on the occurrence of a Non-Viability Trigger Event and that may result in disruption or failures in trading or dealings in the Subordinated Notes;
  - (c) it will not have any rights to vote in respect of any Conversion and that the Subordinated Note does not confer a right to vote at any meeting of members of ANZBGL; and
  - (d) the Ordinary Shares issued on Conversion may not be quoted at the time of issue, or at all;
- (iv) acknowledges and agrees that where Condition 5B.5 applies, no conditions or events will affect the operation of that Condition and such Subordinated Noteholder will not have any rights to vote in respect of any Write-Off under that Condition and has no claim against ANZBGL arising in connection with the application of that Condition;

- (v) acknowledges and agrees that such Subordinated Noteholder has no right to request a Conversion of any Principal Amount of any Subordinated Notes or to determine whether (or in what circumstances) the Principal Amount of Subordinated Notes it holds is Converted; and
- (vi) acknowledges and agrees that none of the following shall prevent, impede or delay the Conversion or (where relevant) Write-Off of the Principal Amount of Subordinated Notes:
  - (a) any failure to or delay in the conversion or write-off of other Relevant Securities;
  - (b) any failure or delay in giving a Trigger Event Notice or other notice required by this Condition 5B;
  - (c) any failure or delay in quotation of the Ordinary Shares to be issued on Conversion;
  - (d) any failure or delay by a Subordinated Noteholder or any other party in complying with the provisions of Condition 5A.4; and
  - (e) any requirement to select or adjust the number or Principal Amount of Subordinated Notes to be Converted in accordance with Condition 5A.3(ii)(b) or 5A.3(iii).

#### **5B.7 Meaning of "Written-Off"**

For the purposes of Condition 5B, "*Written-Off*" shall mean that, in respect of a Subordinated Note or portion thereof that is otherwise subject to Conversion and a Trigger Event Date:

- (i) the Subordinated Note or portion thereof that is otherwise subject to Conversion will not be Converted on that date and will not be Converted or redeemed under these Conditions on any subsequent date; and
- (ii) with effect on and from the Trigger Event Date, the rights of the relevant Subordinated Noteholder of the Subordinated Note or portion thereof (including any right to receive any payment thereunder including payments of principal and interest both in the future and accrued but unpaid as at the Trigger Event Date) in relation to such Subordinated Note or portion thereof are immediately and irrevocably terminated and written-off; and

"*Write-Off*" has a corresponding meaning.

#### **5C Write-Off of Subordinated Notes**

##### **5C.1 Write-Off of Subordinated Notes on Trigger Event Date**

If "*Write-Off – Applicable*" is specified in the relevant Pricing Supplement, Condition 5C shall apply to the Subordinated Notes and on the Trigger Event Date the rights of the Subordinated Noteholder of the relevant Subordinated Notes in relation to the relevant Principal Amount (as determined under Condition 5A.3) of the Subordinated Notes are Written-Off (as that term is defined for the purposes of Condition 5C).

Each Subordinated Noteholder irrevocably acknowledges and agrees that no conditions or events will affect the operation of this Condition 5C and such Subordinated Noteholder will not have any rights to vote in respect of any Write-Off under this Condition 5C.1.

##### **5C.2 Meaning of "Written-Off"**

For the purposes of this Condition 5C, "*Written-Off*" shall mean that, in respect of a Subordinated Note or portion thereof and a Trigger Event Date, the rights of the relevant Subordinated Noteholder (including any right to receive any payment thereunder including payments of principal and interest, both in the future and accrued but unpaid as at the Trigger Event Date) in relation to such Subordinated Note or portion thereof are immediately and irrevocably terminated and written-off; and

"*Write-Off*" has a corresponding meaning.



## **5D Substitution of Issuer**

### **5D.1 Application of this Conditions**

Unless "Write-Off – Applicable" is specified in the relevant Pricing Supplement, this Condition 5D shall apply to the Subordinated Notes.

### **5D.2 Substitution of Approved NOHC**

Where:

- (i) either of the following occurs:
  - (a) a takeover bid is made to acquire all or some of the Ordinary Shares and such offer is, or becomes, unconditional and either:
    - (A) the bidder has at any time during the offer period, a relevant interest in more than 50 per cent. (50%) of the Ordinary Shares on issue; or
    - (B) the directors of ANZBGL, acting as a board, issue a statement that at least a majority of its directors who are eligible to do so have recommended acceptance of such offer (in the absence of a higher offer); or
  - (b) a court orders the holding of meetings to approve a scheme of arrangement under Part 5.1 of the Corporations Act, which scheme would result in a person having a relevant interest in more than 50% of the Ordinary Shares that will be on issue after the scheme is implemented and:
    - (A) all classes of members of ANZBGL pass all resolutions required to approve the scheme by the majorities required under the Corporations Act, to approve the scheme; and
    - (B) an independent expert issues a report that the proposals in connection with the scheme are in the best interests of the holders of Ordinary Shares; and
- (ii) the bidder or the person having a relevant interest in the Ordinary Shares in ANZBGL after the scheme is implemented (or any entity that Controls the bidder or the person having the relevant interest) is an Approved NOHC,

then ANZBGL without further authority, assent or approval of the Subordinated Noteholders may (but with the prior written approval of APRA):

- (iii) amend these Conditions such that, unless APRA otherwise agrees, on the date the Principal Amount of Subordinated Notes is to be Converted:
  - (a) each Subordinated Note that is being Converted in whole will be automatically transferred by each holder of such Subordinated Note free from encumbrance to the Approved NOHC on the date the Conversion is to occur;
  - (b) in respect of each Subordinated Note that is being Converted only in part, on the date the Conversion is to occur:
    - (A) the Principal Amount of the Subordinated Note that is being Converted shall be reduced to an amount equal to the non-Converted portion of the Principal Amount of such Subordinated Note in accordance with Condition 5A.4; and
    - (B) the Approved NOHC will be taken to hold a new Subordinated Note with a Principal Amount equal to the Converted portion of the Principal Amount of the Subordinated Note being Converted;

provided that any failure or delay by a Subordinated Noteholder or any other party in complying with the provisions of Condition 5D.2(iii)(b) shall not prevent, impede or delay the Conversion or Write-Off of Subordinated Notes.

- (c) each holder (or a nominee in accordance with Condition 5B.2 or 5B.4 (as applicable), which provisions shall apply, *mutatis mutandis*, to such Approved NOHC Ordinary Shares) of the Subordinated Note or portion thereof being Converted will be issued a number of Approved NOHC Ordinary Shares equal to the Conversion Number and the provisions of the Schedule to these Conditions shall apply (with any necessary changes) to the determination of the number of such Approved NOHC Ordinary Shares; and
  - (d) as between ANZBGL and the Approved NOHC, each Subordinated Note held by the Approved NOHC as a result of Condition 5D.2(iii)(b) will be automatically Converted into a number of Ordinary Shares such that the total number of Ordinary Shares held by the Approved NOHC by reason of such Conversion increases by the number which equals the number of Approved NOHC Ordinary Shares issued by the Approved NOHC to holders on Conversion; and
- (iv) makes such other amendments as in ANZBGL's reasonable opinion are necessary and appropriate to effect the substitution of an Approved NOHC as the provider of the ordinary shares on Conversion in the manner contemplated by these Conditions, including, where the terms upon which the Approved NOHC acquires ANZBGL are such that the number of Approved NOHC Ordinary Shares on issue immediately after the substitution differs from the number of Ordinary Shares on issue immediately before that substitution (not involving any cash payment or other distribution to or by the holders of any such shares), an adjustment to any relevant VWAP or Issue Date VWAP consistent with the principles of adjustment set out in the Schedule to these Conditions.

### **5D.3 Notice of substitution of Approved NOHC**

ANZBGL shall give a notice to the Subordinated Noteholders as soon as practicable after the substitution in accordance with Condition 5D.2 specifying the amendments to these Conditions which will be made in accordance with Condition 5D.2 to effect the substitution of an Approved NOHC as issuer of ordinary shares on Conversion.

### **5D.4 Further substitutions**

After a substitution under Condition 5D.2, the Approved NOHC may without the authority, approval or assent of the holder of Subordinated Notes, effect a further substitution in accordance with Condition 5D.2 (with necessary changes).

## **5E Definition and Interpretations relevant to Subordinated Notes**

### **5E.1 Definitions**

For the purposes of Conditions 5, 5A, 5B, 5C, 5D and the Schedule to these Conditions, unless the context otherwise requires, the following defined terms have the meanings set out below:

"Approved NOHC" means an entity which:

- (i) is a non-operating holding company within the meaning of the Banking Act 1959 of Australia (which term, as used herein, includes any amendments thereto, rules thereunder and any successor laws, amendments and rules); and
- (ii) has agreed for the benefit of Subordinated Noteholders:
  - (A) to issue fully paid ordinary shares in its capital under all circumstances when ANZBGL would otherwise have been required to Convert a Principal Amount of Subordinated Notes, subject to the same terms and conditions as set out in these Conditions (with all necessary modifications); and
  - (B) to use all reasonable endeavours to procure quotation of Approved NOHC Ordinary Shares issued upon Conversion of relevant Subordinated Notes on the Australian Securities Exchange.

**"Approved NOHC Ordinary Shares"** means a fully paid ordinary share in the capital of the Approved NOHC.

**"Board"** means either the board of directors of ANZBGL or a committee appointed by the board of directors of ANZBGL.

**"Clearing System Holder"** means that the holder of a Subordinated Note is the operator of a clearing system or a depository, or a nominee for a depository or a clearing system.

**"Control"** has the meaning given in the Corporations Act.

**"Controlled Entity"** shall mean, in respect of ANZBGL, an entity ANZBGL Controls.

**"Conversion"** means, in relation to a Subordinated Note, the allotment and issue of Ordinary Shares and the termination of the holder's rights in relation to the relevant Principal Amount of that Subordinated Note, in each case in accordance with the Schedule to these Conditions, and **"Convert"**, **"Converting"** and **"Converted"** have corresponding meanings.

**"FATCA Withholding"** means any deduction or withholding made for or on account of FATCA.

**"Inability Event"** means ANZBGL is prevented by applicable law or order of any court or action of any government authority (including regarding the insolvency, winding-up or other external administration of ANZBGL) or any other reason from Converting the Subordinated Notes.

**"Issuer Group"** means ANZBGL and its Controlled Entities.

**"Level 1"**, **"Level 2"** and **"Level 3"** means those terms as defined by APRA from time to time.

**"Ordinary Share"** means a fully paid ordinary share in the capital of ANZBGL.

**"Regulatory Capital"** means a Tier 1 Capital Security or a Tier 2 Capital Security.

**"Related Entity"** has the meaning given by APRA from time to time.

**"Relevant Securities"** means each of the:

- (i) Relevant Tier 1 Securities; and
- (ii) Relevant Tier 2 Securities;

**"Relevant Tier 1 Security"** means, where a Non-Viability Trigger Event occurs, a Tier 1 Capital Security that, in accordance with its terms or by operation of law, is capable of being converted into Ordinary Shares or written-off upon the occurrence of that event.

**"Relevant Tier 2 Security"** means, where a Non-Viability Trigger Event occurs, a Tier 2 Capital Security that, in accordance with its terms or by operation of law, is capable of being converted into Ordinary Shares or written-off upon the occurrence of that event.

**"Subordinated Noteholder"** means, in respect to a Subordinated Note and only for so long as such Subordinated Notes are held in a clearing system as specified in the relevant Pricing Supplement, for the purposes of determining the person entitled to be issued Ordinary Shares (or, where Condition 5B.4 applies, the net proceeds of sale of such shares) and the amount of their entitlements, a person who is a participant of that clearing system.

**"Tier 1 Capital"** means the Tier 1 capital of ANZBGL (on a Level 1 basis) or the Issuer Group (on a Level 2 basis or, if applicable, a Level 3 basis) as defined by APRA from time to time.

**"Tier 1 Capital Security"** means a share, note or other security or instrument constituting Tier 1 Capital.

**"Tier 2 Capital"** means Tier 2 capital of ANZBGL (on a Level 1 basis) or the Issuer Group (on a Level 2 basis or, if applicable, a Level 3 basis) as defined by APRA from time to time.

**"Tier 2 Capital Security"** means a note or other security or instrument constituting Tier 2 Capital.

**"Trigger Event Date"** means the date (whether or not a Business Day) on which APRA notifies ANZBGL of a Non-Viability Trigger Event as contemplated in Condition 5A.2.

**"Trigger Event Notice"** has the meaning given to it in Condition 5A.3.

## **5E.2 Interpretation**

In this Condition 5, unless the contrary intention appears:

- (i) any provisions which refer to the requirements of APRA or any other prudential regulatory requirements will apply to the Issuer only if the Issuer is an entity, or the holding company of an entity, or is a direct or indirect subsidiary of an Approved NOHC, subject to regulation and supervision by APRA at the relevant time;
- (ii) any provisions which require APRA's consent or approval will apply only if APRA requires that such consent or approval be given at the relevant time;
- (iii) any provisions in these Conditions requiring the prior approval of APRA for a particular course of action to be taken by the Issuer do not imply that APRA has given its consent or approval to the particular action as of the Issue Date of the applicable Note;
- (iv) a reference to any term defined by APRA (including, without limitation, "Level 1", "Level 2", "Level 3", "Tier 1 Capital" and "Tier 2 Capital") shall, if that term is replaced or superseded in any of APRA's applicable prudential regulatory requirements or standards, be taken to be a reference to the replacement or equivalent term;
- (v) the terms takeover bid, relevant interest and scheme of arrangement when used in these Conditions have the meaning given in the Corporations Act;
- (vi) for the avoidance of doubt, if Conversion under Condition 5B or Write-Off under Condition 5C of Subordinated Notes is to occur on a Trigger Event Date, then that Conversion or Write-Off must occur on that date notwithstanding that it may not be a Business Day; and
- (vii) a reference to a term defined by the ASX Listing Rules, or the ASX Operating Rules shall, if that term is replaced in those rules, be taken to be a reference to the replacement term.

## **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 Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Conditions 6(f)(ii)), 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; provided that where the London branch of ANZNIL is the Issuer (as specified in the Pricing Supplement) such account and bank shall be located outside of New Zealand, (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; provided that where the London branch of ANZNIL is the Issuer (as specified in the Pricing Supplement) such euro account or bank on which such euro cheque is drawn shall be located outside of New Zealand.

(b) *Registered Notes*

(i) Payments of principal (which for the purposes of this Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant 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 Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the 15th day before the due date for payment thereof (the "**Record Date**"). Payments of interest 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 provided that where the London branch of ANZNIL is the Issuer (as specified in the Pricing Supplement) such account and bank shall be located outside of New Zealand, 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 paragraph 6(a) above, 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 (x) if the Specified Currency is New Zealand dollars shall be Wellington and Auckland; provided that where the London branch of ANZNIL is the Issuer (as specified in the Pricing Supplement) such account and bank shall be located outside of New Zealand, and (y) if the Specified Currency is Australian dollars, shall be Sydney and (z) 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 US 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 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 and any Ordinary Shares to be issued to a holder on Conversion of a Subordinated Note will be issued to the holder, net of any deduction or withholding made for or on

account of FATCA (a "**FATCA Withholding**") and, notwithstanding any other provision of these Conditions, no additional amounts will be required to be paid and no additional Ordinary Shares will be required to be issued 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, the VPS Agent and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Fiscal Agent, the other Paying Agents (if any), the Registrar, Transfer Agents, the VPS Agent and the Calculation Agent act solely as agents of the Issuer and, if applicable, the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and, if applicable, the Guarantor 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, the VPS Agent or the Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer and, if applicable, the Guarantor 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 (including a Transfer Agent having its specified office in London so long as any Registered Notes are listed on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange), (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities (including London so long as the Notes are listed on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange), (vi) 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 (vii) as long as any Notes are held in CMU Service, there will at all times be appointed a CMU lodging agent (the "**CMU Lodging Agent**") and a paying agent with a specified office in such place as required by the CMU Service (the "**CMU Paying Agent**") and (viii) a VPS Agent authorised to act as an account holding institution with the VPS and one or more Calculation Agent(s) where the Terms and Conditions of the relevant VPS Notes so require.

In addition, the Issuer and, if applicable, the Guarantor 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 Condition 6(c).

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 14 (*Notices*).

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

- (i) In the case of Fixed Rate Notes, Bearer Notes should be surrendered for payment together with all unexpired Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon 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 Condition 8 (*Prescription*)).
- (ii) In the case of Floating Rate Notes or Range Accrual Notes, unless the Pricing Supplement provides otherwise, upon the due date for redemption of any Bearer Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any 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 unmatured Coupons and any unexchanged Talon relating to it, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the 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 Condition 8 (*Prescription*)).

(h) *Non-Business Days*

Subject in the case of any Subordinated Notes to the Schedule to these Conditions, 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, in London and Sydney where ANZBGL is the Issuer, in London, Auckland and Wellington where ANZ New Zealand or ANZNIL is the Issuer and, where relevant, in the relevant place of presentation; and
- (ii) (in the case of a payment in a currency other than euro or Australian dollars where ANZBGL is the Issuer, or New Zealand dollars where ANZ New Zealand or, as the case may be, ANZNIL is the Issuer, 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, unless otherwise specified in the Pricing Supplement.

(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 Condition 14 (*Notices*).

- (j) *Payment of US Dollar Equivalent in respect of CNY Notes*

Notwithstanding the foregoing, if by reason of Inconvertibility, Non transferability or Illiquidity, 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 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;

"**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 in 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 these Conditions;

"**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;

"**HKMA**" means the Hong Kong Monetary Authority, the government authority in Hong Kong with responsibility for maintaining currency and banking stability, or any lawful successor thereto;

"**Hong Kong**" means the Hong Kong Special Administrative Region of the PRC;

"**Illiquidity**" means that the general Renminbi exchange market in Hong Kong has become illiquid and, as a result of which, the Issuer 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;

"**Inconvertibility**" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the CNY Notes in the general Renminbi exchange market in Hong Kong, 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 Governmental Authority (unless such law, rule or regulation is enacted after 8 August 2012 and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**Non transferability**" means the occurrence of any event that makes it impossible for the Issuer 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, 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 Governmental Authority (unless such law, rule or regulation is enacted after 8 August 2012 and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**PRC**" means the People's Republic of China which, for the purpose of these 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 CNY/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 CNY/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) *Payment of US Dollar equivalent in respect of Exotic Currencies*

If Exotic Currency Payments is specified to be applicable in the relevant Pricing Supplement then, in the event that the Issuer is due to make a payment in an Exotic Currency in respect of any Note and the Exotic Currency is not available or it is impracticable to make the payment in the Exotic Currency due to circumstances beyond the Issuer's control as determined by the Calculation Agent acting in good faith and in a commercially reasonable manner, the Issuer will be entitled to satisfy in full its obligations in respect of such payment by making payment as soon as practicable in US dollars on the basis of the spot exchange rate of US dollars against the Exotic Currency offered in the London foreign exchange market as determined by the Calculation Agent referencing the Exotic Currency Reuters Screen Page at or around the Exotic Currency Relevant Time on the fifth London Business Day prior to such payment or, if such rate is not available on that day, the Calculation Agent will reference the rate most recently available prior to such day.

Any payment made in US dollars in accordance with the foregoing paragraph will not constitute an Event of Default (as defined in Condition 9 (*Events of Default*)). The communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained by the Calculation Agent hereunder shall be at its sole discretion and shall (in the absence of manifest error, wilful default or bad faith) be conclusive for all purposes and binding on the Issuer, the Paying Agents, and the holders of the Notes or Coupons.

For this purpose:

"**Exotic Currency**" means the Specified Currency, being either Mexican peso, Turkish lira or South African rand, as specified in the Pricing Supplement.

"**Exotic Currency Relevant Time**" means the time specified in the Pricing Supplement.

"**Exotic Currency Reuters Screen Page**" means the Reuters screen page specified in the Pricing Supplement.

"**London Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments generally in London.

(l) *VPS Notes*

Payments of principal and interest in respect of VPS Notes shall be made to the holders shown in the relevant records of the VPS in accordance with and subject to the VPS Act and the rules and regulations from time to time governing the VPS.

(m) *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 Condition 6 (*Payments and Talons*) by the Calculation Agent will (in the absence of a manifest error) be binding on the Issuer, the Paying Agents and the holders of the Notes or Coupons and (in the absence of negligence, wilful default, bad faith 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.

## 7. **Taxation**

(a) *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 or, if applicable, the Guarantor 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 outside its country of incorporation, 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, if applicable, the jurisdiction of incorporation of the Guarantor or by any authority therein or thereof having power to tax (together, "**Taxes**"), unless such withholding or deduction is required by law or made for or on account of FATCA. Any amounts withheld pursuant to an agreement with a taxing authority will be treated as required by law. In that event, the Issuer or (as the case may be) the Guarantor 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 outside its country of incorporation, the jurisdiction, country or territory in which the branch through which the Issuer is acting as specified in the relevant Pricing Supplement is located and/or, if applicable, the jurisdiction of incorporation of the Guarantor, other than the mere holding of such Note, Receipt or Coupon or the receipt of the relevant payment in respect thereof; or
- (ii) where ANZBGL is the Issuer, held 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 30<sup>th</sup> such day; or
- (iv) in respect of which the holder thereof is an Offshore Associate of ANZBGL (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), where ANZBGL is the Issuer; 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 which ANZBGL, where ANZBGL is the Issuer, was neither a party to 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 ANZBGL, where ANZBGL is 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; or
- (vii) where such withholding or deduction is for or on account of New Zealand resident withholding tax, where either ANZ New Zealand or ANZNIL is the Issuer or ANZ New Zealand is the Guarantor; or
- (viii) presented for payment by, or a third party on behalf of, a holder if such withholding or deduction may be avoided by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to any authority of or in New Zealand, unless the holder proves that he is not entitled so to comply or to make such declaration or claim, where either ANZ New Zealand or ANZNIL is the Issuer or ANZ New Zealand is the Guarantor; or

- (ix) presented to, or to a third party on behalf of, a holder that is a partnership, or a holder that is not the sole beneficial owner of the Note, Receipt or Coupon, or which holds the Note, Receipt or Coupon, in a fiduciary capacity, to the extent that any of the members of the partnership, the beneficial owner or the settlor or beneficiary with respect to the fiduciary would not have been entitled to the payment of an additional amount had each of the members of the partnership, the beneficial owner, settlor or beneficiary (as the case may be) received directly his beneficial or distributive share of the payment, where either ANZ New Zealand or ANZNIL is the Issuer or ANZ New Zealand is the Guarantor; or
- (x) presented for payment in New Zealand, where either ANZ New Zealand or ANZNIL is the Issuer or ANZ New Zealand is the Guarantor; or
- (xi) in respect of which the Taxes have been imposed or levied as a result of the holder of such Note, Receipt or Coupon being party to or participating in a scheme to avoid such Taxes, being a scheme which either ANZ New Zealand or ANZNIL, where ANZ New Zealand or ANZNIL is the Issuer, or ANZ New Zealand, where ANZ New Zealand is the Guarantor, was neither a party to nor participated in; or
- (xii) where such withholding or deduction is made for or on account of FATCA on payments to a Noteholder, Couponholder, Receiptholder, beneficial owner, or any agent having custody or control over a payment made by the Issuer, Guarantor or any agent in the chain of payment, including due to the failure of the Noteholder, Couponholder, Receiptholder, beneficial owner, or any agent having custody or control over a payment to comply with any requests for tax certifications or other identifying information regarding such Noteholder, Couponholder, Receiptholder, beneficial owner, or agent, or due to the failure to provide a waiver of any laws prohibiting the disclosure of such certifications, identifying information and other information in respect of the Notes to a taxing authority.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include 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 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 Condition 4 (*Interest and other Calculations*) 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 Condition or any undertaking given in addition to or substitution for it under the Agency Agreement or, in respect of the VPS Notes, the VPS Agency Agreement and the VPS Trustee Agreement. Any additional amounts due in respect of the Subordinated Notes will be subordinated in right of payment as described in Condition 10 (*Subordination*).

The remaining provisions of this Condition only apply to ANZNIL where ANZNIL is the Issuer and to ANZ New Zealand where ANZ New Zealand is the Issuer or the Guarantor. Where used in the remaining provisions of this Condition, "**interest**" means interest (as defined under New Zealand taxation legislation) for withholding tax purposes, which under current legislation includes the excess of the redemption amount over the issue price of any Note as well as coupon interest paid on such Note.

Where (i) ANZNIL is the Issuer or (ii) ANZ New Zealand is the Issuer or the Guarantor, and ANZ New Zealand or ANZNIL, as the case may be, is required to deduct New Zealand non-resident withholding tax in the case of any payments of interest to a holder of a Note or Coupon, ANZ New Zealand or ANZNIL, as the case may be, may, and intend to (for so long as they do not incur any increased cost or detriment from so doing), relieve themselves of such obligation by using a procedure which permits borrowers such as ANZ New Zealand or ANZNIL, as the case may be, to reduce the applicable rate of non-resident withholding tax to zero per cent. Under the current law, that procedure involves ANZ New Zealand or ANZNIL, as the case may be, paying on their own respective accounts

a levy to the New Zealand revenue authorities (which is currently equal to two per cent. of such payments of interest).

ANZ New Zealand and ANZNIL are required by law to deduct New Zealand resident withholding tax from the payment of interest to the holder of any Note on any Interest Payment Date or the Maturity Date, where:

- (A) the Holder is (i) a resident of New Zealand for New Zealand income tax purposes, or (ii) the Holder holds the notes for the purposes of a business the Holder carries on in New Zealand, through a fixed establishment (as defined in the Income Tax Act 2007 (New Zealand) in New Zealand, or (iii) the Holder is a registered bank engaged in business in New Zealand through a fixed establishment (as defined in the Income Tax Act 2007 (New Zealand)) in New Zealand and is not associated with ANZ New Zealand or ANZNIL (as applicable) (each a "**New Zealand Holder**"); and
- (B) at the time of such payment the New Zealand Holder does not hold a valid certificate of exemption for New Zealand resident withholding tax purposes.

Prior to any Interest Payment Date or the Maturity Date, any New Zealand Holder:

- (A) must notify ANZ New Zealand or ANZNIL, as the case may be, that the New Zealand Holder is the holder of a Note; and
- (B) must notify ANZ New Zealand or ANZNIL, as the case may be, of any circumstances, and provide ANZ New Zealand or ANZNIL, as the case may be, with any information that may enable ANZ New Zealand or ANZNIL, as the case may be, to make payment of interest to the New Zealand Holder without deduction on account of New Zealand resident withholding tax.

The New Zealand Holder must notify ANZ New Zealand or ANZNIL, as the case may be, prior to any Interest Payment Date or the Maturity Date, of any change in the New Zealand Holder's circumstances from those previously notified that could affect the payment or withholding obligations of ANZ New Zealand or ANZNIL, as the case may be, in respect of this Note. By accepting payment of the full face amount of a Note or any interest thereon on any Interest Payment Date or the Maturity Date, the New Zealand Holder indemnifies ANZ New Zealand or ANZNIL, as the case may be, for all purposes in respect of any liability ANZ New Zealand or ANZNIL, as the case may be, may incur for not deducting any amount from such payment on account of New Zealand resident withholding tax.

Only a New Zealand Holder will be obliged to make the notification referred to above.

(b) *Taxing Jurisdiction*

If the Issuer or, if applicable, the Guarantor is, or becomes, subject at any time to any taxing jurisdiction(s) other than or in addition to its own jurisdiction of incorporation or the jurisdiction, country or territory in which the branch (if any) specified in the relevant Pricing Supplement is located, references in Condition 5(b) and this Condition 7 shall be read and construed as including references to such other taxing jurisdiction(s).

8. **Prescription**

Claims against the Issuer and, if applicable, the Guarantor 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**

(a) *Unsubordinated Notes*

If any of the following events ("**Events of Default**") occurs and is continuing, the holder of any Unsubordinated Note of any Series issued by the Issuer (or, in the case of VPS Notes, the VPS Trustee)

may give written notice to the Fiscal Agent at its specified office that such Unsubordinated 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 and/or, if applicable, the Guarantor shall have cured or otherwise made good all Events of Default in respect of the Unsubordinated 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 Unsubordinated 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 Unsubordinated Note of such Series or, if applicable, the Guarantor fails to perform or observe any of its obligations under the Deed of Guarantee, in either case 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 Unsubordinated Note of such Series (or, in the case of VPS Notes, the VPS Trustee) on the Issuer, the Guarantor (if applicable) 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 or, if applicable, the Guarantor's country of incorporation or, if applicable, the laws of the jurisdiction, country or territory in which the branch through which the Issuer is acting as specified in the relevant Pricing Supplement is located, a resolution is passed that the Issuer or, as the case may be, the Guarantor be wound up or dissolved; or
- (iv) the Issuer or, if applicable, the Guarantor 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 or, if applicable, the Guarantor and any such event is continuing for 45 days after its occurrence and would materially prejudice the performance by the Issuer or, as the case may be, the Guarantor of its obligations under the Unsubordinated 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 or, as the case may be, the Guarantor which would materially prejudice the performance of (i) the Issuer of its obligations under the Unsubordinated Notes of such Series or, (ii) if applicable, the Guarantor of its obligations under the Deed of Guarantee, and in each case is not discharged within 60 days thereof; or
- (vi) proceedings shall have been initiated against the Issuer or, if applicable, the Guarantor 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 or, if applicable, the Guarantor 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 or, if applicable, the Guarantor's incorporation or, if applicable, the laws of the jurisdiction, country or territory in which the branch through which the Issuer is acting as specified in the relevant Pricing Supplement is located), and such proceedings would materially prejudice the performance by (A) the Issuer of its obligations under the Unsubordinated Notes of such Series or (B), if applicable, the Guarantor of its obligations under the Deed of Guarantee); or
- (viii) in respect of Notes issued by ANZNIL only, the Deed of Guarantee of the Notes is (A) not in full force and effect and, where capable of remedy, the Deed of Guarantee is not in full force and effect within seven days of the date the defect is first discovered or (B) claimed by the Guarantor not to be in full force and effect.

Any such notice by a holder of Unsubordinated Notes (or, in the case of VPS Notes, the VPS Trustee) to the Fiscal Agent shall specify the serial number(s) of the Unsubordinated Notes concerned.

Notwithstanding any other provision of this Condition 9(a) no Event of Default in respect of any Unsubordinated Notes shall occur solely on account of any failure by ANZBGL 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 (as defined by APRA from time to time).

(b) *Subordinated Notes Issued by ANZBGL*

The following are "**Events of Default**" with respect to Subordinated Notes:

- (i) (a) the making of an order by a court of the State of Victoria, Commonwealth of Australia or a court with appellate jurisdiction from such court which is not successfully appealed or permanently stayed within 60 days of the entry of such order; or
- (b) the valid adoption by ANZBGL's shareholders of an effective resolution,  
in each case for the winding-up of ANZBGL (other than under or in connection with a scheme of amalgamation or reconstruction not involving bankruptcy or insolvency);
- (ii) subject to Condition 4(t):
  - (a) default in the payment of interest on any Subordinated Note when due, continued for 30 days; or
  - (b) default in the payment of principal of any Subordinated Note when due.

Upon the occurrence of an Event of Default specified in paragraph (i) above, subject to the subordination provisions, the Principal Amount of, and all accrued and unpaid interest, on the Subordinated Notes will automatically become due and payable.

If an Event of Default contemplated by paragraph (ii) above with respect to any of the Subordinated Notes occurs and is continuing, a Subordinated Noteholder (or, in the case of VPS Notes, the VPS Trustee) may only, in order to enforce the obligations of ANZBGL under such Subordinated Notes:

- (y) notwithstanding the provisions of paragraph (z) below, institute proceedings in the State of Victoria, Commonwealth of Australia (but not elsewhere) for the winding-up of ANZBGL (all subject to, and in accordance with, the terms of Condition 10 (*Subordination*)); or
- (z) institute proceedings for recovery of the money then due, provided that ANZBGL will not, by virtue of the institution of any such proceedings (other than proceedings for the winding-up of ANZBGL), be obliged to pay any sums representing principal or interest in respect of such Subordinated Notes sooner than the same would otherwise have been payable by it and provided that ANZBGL is Solvent at the time of, and will be Solvent immediately after, the making of any such payment.

No remedy against ANZBGL, other than those referred to in this paragraph (b), shall be available to the Subordinated Noteholders or Couponholders or Receiptholders in respect of Subordinated Notes, whether for the recovery of amounts owing in respect of the Subordinated Notes or in respect of any breach by ANZBGL of any of its other obligations under or in respect of the Subordinated Notes.

## 10. **Subordination**

In the event of the winding-up of ANZBGL constituting an Event of Default with respect to the Subordinated Notes, there shall be payable with respect to the Subordinated Notes, subject to the subordination provisions discussed above (see Condition 3 (*Status and Guarantee*)), an amount equal to the Principal Amount of the Subordinated Notes then outstanding, together with all accrued and unpaid interest thereon to the repayment date.

As a result of the subordination provisions, no amount will be payable in the winding-up of ANZBGL in Australia in respect of the Subordinated Notes until all claims of Senior Creditors admitted in the winding-up proceeding have been satisfied in full. By subscription for, or transfer of, Subordinated Notes to a Noteholder, that Subordinated Noteholder will be taken to have agreed that no amount in respect of the Subordinated Notes will be repaid until all the claims of the Senior Creditors admitted in the winding-up proceeding have been satisfied accordingly. Accordingly, if proceedings with respect to the winding-up of ANZBGL in Australia were to occur, the Subordinated Noteholders could recover less relatively than the holders of deposit liabilities or protected accounts, the Unsubordinated Noteholders, the holders of prior ranking subordinated liabilities of ANZBGL. For the avoidance of doubt, the Subordinated Notes do not constitute deposit liabilities or protected accounts of ANZBGL.

If, in any such winding-up, the amount payable with respect to the Subordinated Notes and any claims ranking equally with those Subordinated Notes cannot be paid in full, those Subordinated Notes and other claims ranking equally with those Subordinated Notes will share relatively in any distribution of ANZBGL's assets in a winding-up in proportion to the respective amounts to which they are entitled. To the extent that Subordinated Noteholders are entitled to any recovery with respect to the Subordinated Notes in any winding-up, such Subordinated Noteholders might not be entitled in such proceedings to a recovery in the Specified Currency in respect of such Subordinated Notes (if other than Australian dollars) and might be entitled only to a recovery in Australian dollars.

## 11. Meeting of Noteholders, Modifications and Waiver

### (a) Meetings of Noteholders – other than VPS Notes

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 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 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. However, the prior written approval of APRA is required to modify, amend or supplement the terms of any Series of Subordinated Notes, or to give any consents or waivers or take other actions in respect of any Series of Subordinated Notes, where such modification, amendment, supplement, consent, waiver or other action may affect the eligibility of the Subordinated Notes as Tier 2 Capital. 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, Deed of Guarantee, Conditions and Pricing Supplement*

The Agency Agreement, the Deed of Covenant, the Deed of Guarantee, the Conditions and any applicable Pricing Supplement may be modified or amended by the Issuer and, in the case of the Deed of Guarantee, by ANZNIL and the Guarantor, in each case without the consent of the holders if, in the reasonable opinion of the Issuer (and in the case of the Deed of Guarantee, ANZNIL and the Guarantor), the modification or amendment is:

- (a) not materially prejudicial to the interests of the holders;
- (b) of a formal, minor or technical nature;
- (c) made to correct any manifest or proven error or omission;
- (d) made to comply with mandatory provisions of the law; or
- (e) made to cure, correct or supplement any defective provision or ambiguity,

provided that any such modification or amendment to the Agency Agreement, the Deed of Covenant, the Conditions and the Pricing Supplement which may affect the eligibility of Subordinated Notes as Tier 2 Capital has the prior written approval of APRA.

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 Condition 14 as soon as practicable thereafter.

(c) *VPS Notes*

The VPS Trustee Agreement contains provisions for convening meetings of the holders of VPS Notes (including meetings to be held by written (or electronic) solution for decision making) to consider any matter affecting their interests, including sanctioning by a majority of votes (as more fully set out in the VPS Trustee Agreement) a modification of the VPS Notes or any of the provisions of the VPS Trustee Agreement (or, in certain cases, sanctioning by a majority of two thirds of votes). Such a meeting may be convened by the Issuer, the VPS Trustee, by the holders of not less than 10 per cent. of the Voting VPS Notes or, if the VPS Notes are listed, by the relevant securities exchange/market place. For the purpose of this Condition, "Voting VPS Notes" means the aggregate nominal amount of the total number of VPS Notes not redeemed or otherwise discharged, less the VPS Notes owned by the Issuer, any party who has decisive influence over the Issuer or any party over whom the Issuer has decisive influence.

The quorum at a meeting for passing a resolution is one or more persons holding at least one half of the Voting VPS Notes or at any adjourned meeting one or more persons being or representing holders of Voting VPS Notes whatever the nominal amount of the VPS Notes so held or represented. A resolution passed at any meeting of the holders of VPS Notes shall be binding on all the holders, whether or not they are present at such meeting.

The VPS Trustee Agreement provides that:

- (i) the VPS Trustee may in certain circumstances, without the consent of the holders of the VPS Notes, make decisions binding on all holders relating to the Terms and Conditions of the relevant VPS Notes and the VPS Trustee Agreement, including amendments which are not, in the VPS Trustee's opinion, detrimental to the rights and benefits of the affected holders of the VPS Notes; and
- (ii) the VPS Trustee may reach other decisions binding for all holders of VPS Notes.

12. **Replacement of Notes, Certificates, Receipts, Coupons and Talons**

If a Note other than a VPS 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.

13. **Further Issues**

Any Issuer may (and, in the instance of an issue of Subordinated Notes by ANZBGL, if ANZBGL has obtained the prior approval of APRA) from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and 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 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 these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single Series with the Notes.

14. **Notices**

(a) *Notes other than VPS Notes*

Notices to the holders of Registered Notes shall be (a) mailed to them (or, in the case of joint holders, to the first named) at their respective addresses in the Register and (b) published at <http://www.debtinvestors.anz.com>.

Notices to the holders of Registered Notes shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the later of the date of mailing and the date of first publication online.

Notices to the holders of Bearer Notes shall be, save where another means of effective communication has been specified herein or in the Pricing Supplement, published at <http://www.debtinvestors.anz.com>.

Notices to the holders of Bearer Notes shall be deemed to have been given on the date of first publication online. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 14.

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.

(b) *VPS Notes*

Notices to holders of VPS Notes shall be valid if the relevant notice is given to the VPS for communication by it to the holders and, so long as the VPS Notes are listed on a stock exchange, the Issuer shall ensure that notices are duly published in a manner which complies with the rules of such

exchange. Any such notice shall be deemed to have been given to the holders of the VPS Notes on the date of delivery of such notice by the VPS.

#### 15. **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 these 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 Condition 15, 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.

#### 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, except for: (i) the subordination, Conversion and Write-Off provisions of the Subordinated Notes (including, without limitation, the provisions contained in Conditions 3(b), 4(t), 5A, 5B, 5C, 5D, 5E, 9(b) and 10 (*Subordination*)) which will be governed by, and construed in accordance with, the laws of the State of Victoria and the Commonwealth of Australia; and (ii) the registration of VPS Notes in the VPS as well as the recording and transfer of ownership to, and other interests in, VPS Notes and Condition 11(c) which will be governed by, and construed in accordance with, Norwegian law. The VPS Trustee Agreement is and the VPS Agency Agreement will be governed by, and construed in accordance with, Norwegian law.

VPS Notes must comply with the relevant regulations of the VPS and the holders of VPS Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under the relevant Norwegian regulations and legislation.

##### (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.*

Subject to Condition 10 (*Subordination*), 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 term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

## SCHEDULE TO THE TERMS AND CONDITIONS OF THE NON PD NOTES

### 1. Conversion

If ANZBGL must Convert a Principal Amount of a Subordinated Note in accordance with the Conditions, then, subject to this Schedule and Condition 5D.2 and unless the Pricing Supplement specifies that the Alternative Conversion Number applies, the following provisions apply:

- (a) ANZBGL will allot and issue on the Trigger Event Date a number of Ordinary Shares in respect of the Principal Amount of that Subordinated Note equal to the Conversion Number, where the Conversion Number (but subject to the Conversion Number being no more than the Maximum Conversion Number) is a number calculated according to the following formula:

$$\text{Conversion Number} = \frac{\text{Principal Amount}}{((1 - CD) \times VWAP)}$$

where:

"CD" means the conversion discount specified in the applicable Pricing Supplement;

"VWAP" (expressed in dollars and cents or equivalent in the case of a Specified Currency other than Australian dollars) means the VWAP during the VWAP Period and where the "Maximum Conversion Number" means a number calculated according to the following formula:

$$\text{Maximum Conversion Number} = \frac{\text{Principal Amount}}{\text{Issue Date VWAP} \times 0.2}$$

- (b) on the Trigger Event Date the rights of each Subordinated Noteholder (including to payment of interest with respect to such Principal Amount, both in the future and as accrued but unpaid as at the Trigger Event Date) in relation to each Subordinated Note or portion thereof that is being Converted will be immediately and irrevocably terminated for an amount equal to the Principal Amount of that Subordinated Note that is being Converted and ANZBGL will apply that Principal Amount by way of payment for subscription for the Ordinary Shares to be allotted and issued under Section 1(a) of this Schedule. Each Subordinated Noteholder is taken to have irrevocably directed that any amount payable under Section 1 of this Schedule is to be applied as provided for in Section 1 of this Schedule and no Subordinated Noteholder has any right to payment in any other way;
- (c) any calculation under Section 1(a) of this Schedule shall be, unless the context requires otherwise, be rounded to four decimal places provided that if the total number of additional Ordinary Shares to be allotted to a Subordinated Noteholder in respect of the aggregate Principal Amount of the Subordinated Notes it holds which is being Converted includes a fraction of an Ordinary Share, that fraction of an Ordinary Share will be disregarded; and
- (d) the rights attaching to Ordinary Shares issued as a result of Conversion do not take effect until 5.00pm (Melbourne, Australia time) on the Trigger Event Date (unless another time is required for Conversion on that date). At that time all other rights conferred or restrictions imposed on that Subordinated Note under the Conditions will no longer have effect to the extent of the Principal Amount of that Subordinated Note being Converted (except for the right to receive the Ordinary Shares as set forth in Section 1 of this Schedule and Condition 5B and except for rights relating to interest which is payable but has not been paid on or before the Trigger Event Date which will continue).

### 2. Adjustments to VWAP

For the purposes of calculating VWAP in the Conditions:

- (a) where, on some or all of the Business Days in the relevant VWAP Period, Ordinary Shares have been quoted on the Australian Securities Exchange as cum dividend or cum any other distribution or entitlement and the relevant Principal Amount of Subordinated Notes will Convert into Ordinary Shares after the date those Ordinary Shares no longer carry that dividend or any other distribution or entitlement, then the VWAP on the Business Days on

which those Ordinary Shares have been quoted cum dividend or cum any other distribution or entitlement shall be reduced by an amount ("**Cum Value**") equal to:

- (i) (in case of a dividend or other distribution), the amount of that dividend or other distribution including, if the dividend or other distribution is franked, the amount that would be included in the assessable income of a recipient of the dividend or other distribution who is both a resident of Australia and a natural person under the Tax Act;
  - (ii) (in the case of any other entitlement that is not a dividend or other distribution under Section 2(a)(i) of this Schedule which is traded on the Australian Securities Exchange on any of those Business Days), the volume weighted average sale price of all such entitlements sold on the Australian Securities Exchange during the VWAP Period on the Business Days on which those entitlements were traded; or
  - (iii) (in the case of any other entitlement which is not traded on the Australian Securities Exchange during the VWAP Period), the value of the entitlement as reasonably determined by the directors of ANZBGL; and
- (b) where, on some or all of the Business Days in the VWAP Period, Ordinary Shares have been quoted on the Australian Securities Exchange as ex dividend or ex any other distribution or entitlement, and the relevant Principal Amount of Subordinated Notes will Convert into Ordinary Shares which would be entitled to receive the relevant dividend or other distribution or entitlement, the VWAP on the Business Days on which those Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement shall be increased by the Cum Value.

3. **Adjustments to VWAP for divisions and similar transactions**

- (a) Where during the relevant VWAP Period there is a change in the number of the Ordinary Shares on issue as a result of a division, consolidation or reclassification of ANZBGL's share capital (not involving any cash payment or other distribution (or compensation) to or by holders of Ordinary Shares) (a "**Reorganisation**"), in calculating the VWAP for that VWAP Period the daily VWAP applicable on each day in the relevant VWAP Period which falls before the date on which trading in Ordinary Shares is conducted on a post Reorganisation basis shall be adjusted by multiplying such daily VWAP by the following formula:

$$\frac{A}{B}$$

where:

A means the aggregate number of Ordinary Shares immediately before the Reorganisation; and

B means the aggregate number of Ordinary Shares immediately after the Reorganisation.

- (b) Any adjustment made by ANZBGL in accordance with Section 3(a) of this Schedule will, absent manifest error, be effective and binding on Subordinated Noteholders under these Conditions and these Conditions will be construed accordingly. Any such adjustment must be promptly notified to all Subordinated Noteholders.

4. **Adjustments to Issue Date VWAP**

For the purposes of determining the Issue Date VWAP, corresponding adjustments to VWAP will be made in accordance with Section 2 and Section 3 of this Schedule during the 20 Business Day period over which VWAP is calculated for the purposes of determining the Issue Date VWAP. On and from the Issue Date adjustments to the Issue Date VWAP:

- (a) may be made in accordance with Sections 5 to 7 of this Schedule (inclusive); and
- (b) if so made, will cause an adjustment to the Maximum Conversion Number.

5. **Adjustments to Issue Date VWAP for bonus issues**

- (a) Subject to Section 5(b) of this Schedule below, if at any time after the Issue Date ANZBGL makes a pro rata bonus issue of Ordinary Shares to holders of Ordinary Shares generally, the Issue Date VWAP will be adjusted immediately in accordance with the following formula:

$$V = V_0 \times \frac{RD}{RD + RN}$$

where:

V means the Issue Date VWAP applying immediately after the application of this formula;

V<sub>0</sub> means the Issue Date VWAP applying immediately prior to the application of this formula;

RN means the number of Ordinary Shares issued pursuant to the bonus issue; and

RD means the number of Ordinary Shares on issue immediately prior to the allotment of new Ordinary Shares pursuant to the bonus issue.

- (b) Section 5(a) of this Schedule does not apply to Ordinary Shares issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or a dividend reinvestment plan.
- (c) For the purpose of Section 5(a) of this Schedule, an issue will be regarded as a pro rata issue notwithstanding that ANZBGL does not make offers to some or all holders of Ordinary Shares with registered addresses outside Australia, provided that in so doing ANZBGL is not in contravention of the ASX Listing Rules.
- (d) No adjustments to the Issue Date VWAP will be made under this Section 5 of this Schedule for any offer of Ordinary Shares not covered by Section 5(a) of this Schedule, including a rights issue or other essentially pro rata issue.
- (e) The fact that no adjustment is made for an issue of Ordinary Shares except as covered by Section 5(a) of this Schedule shall not in any way restrict ANZBGL from issuing Ordinary Shares at any time on such terms as it sees fit nor require any consent or concurrence of any Subordinated Noteholders.

6. **Adjustment to Issue Date VWAP for divisions and similar transactions**

- (a) If at any time after the Issue Date, a Reorganisation occurs, ANZBGL shall adjust the Issue Date VWAP by multiplying the Issue Date VWAP applicable on the Business Day immediately before the date of any such Reorganisation by the following formula:

$$\frac{A}{B}$$

where:

A means the aggregate number of Ordinary Shares immediately before the Reorganisation; and

B means the aggregate number of Ordinary Shares immediately after the Reorganisation.

- (b) Any adjustment made by ANZBGL in accordance with Section 6(a) of this Schedule will, absent manifest error, be effective and binding on Subordinated Noteholders under these Conditions and these Conditions will be construed accordingly.
- (c) Each Subordinated Noteholder acknowledges that ANZBGL may, consolidate, divide or reclassify securities so that there is a lesser or greater number of Ordinary Shares at any time in its absolute discretion without any such action requiring any consent or concurrence of any Subordinated Noteholders.

7. **No Adjustment to Issue Date VWAP in certain circumstances**

Despite the provisions of Section 5 and Section 6 of this Schedule, no adjustment shall be made to the Issue Date VWAP where such adjustment (rounded if applicable) would be less than one per cent. of the Issue Date VWAP then in effect.

8. **Announcement of adjustment to Issue Date VWAP**

ANZBGL will notify Subordinated Noteholders (an "**Adjustment Notice**") of any adjustment to the Issue Date VWAP under this Schedule within ten Business Days of ANZBGL determining the adjustment and the adjustment set out in the announcement will be final and binding.

9. **Ordinary Shares**

Each Ordinary Share issued or arising upon Conversion ranks pari passu with all other fully paid Ordinary Shares.

10. **Listing Ordinary Shares issued on Conversion**

ANZBGL shall use all reasonable endeavours to list the Ordinary Shares issued upon Conversion of the Subordinated Notes on the Australian Securities Exchange.

11. **Alternative Conversion Number**

If ANZBGL must Convert a Principal Amount of a Subordinated Note in accordance with the Conditions and the Pricing Supplement specifies that the Alternative Conversion Number applies, then:

- (a) Section 1 of this Schedule applies on the basis that the Conversion Number for the purposes of Section 1(a) of this Schedule is the number of Ordinary Shares specified in the Pricing Supplement as the Alternative Conversion Number (subject to the Alternative Conversion Number being no more than the Maximum Conversion Number as determined in accordance with Section 1(a) of this Schedule); and
- (b) Sections 2 to 8 (inclusive) of this Schedule do not apply to the Alternative Conversion Number.

12. **Definitions**

For the purposes of this Schedule the following terms shall have the following meanings:

"**ASX Operating Rules**" means the market operating rules of the Australian Securities Exchange as amended, varied or waived (whether in respect of ANZBGL or generally) from time to time.

"**Cum Value**" has the meaning given in Section 2 of this Schedule.

"**Issue Date VWAP**" means, in respect of Subordinated Notes of a Series, the VWAP during the period of 20 Business Days on which trading in Ordinary Shares took place immediately preceding (but not including) the first date on which any Subordinated Notes of that Series were issued, as adjusted in accordance with Sections 4 to 7 (inclusive) of this Schedule.

"**Reorganisation**" has the meaning given in Section 3 of this Schedule.

"**Tax Act**" means:

- (i) the Income Tax Assessment Act 1936 of Australia or the Income Tax Assessment Act 1997 of Australia as the case may be and a reference to any section of the Income Tax Assessment Act 1936 of Australia includes a reference to that section as rewritten in the Income Tax Assessment Act 1997 of Australia; and
- (ii) any other Act setting the rate of income tax payable and any regulation promulgated under it.

"**VWAP**" means, subject to any adjustments under this Schedule, the average of the daily volume weighted average sale prices (such average being rounded to the nearest full cent) of Ordinary Shares



sold on the Australian Securities Exchange during the VWAP Period or on the relevant days and where the currency of the Principal Amount in respect of the Subordinated Note is not Australian dollars, with each such daily price converted into the Specified Currency on the basis of the spot rate of exchange for the sale of Australian Dollars against the purchase of the relevant Specified Currency in the Sydney foreign exchange market quoted by any leading bank selected by ANZBGL on the relevant calculation date. but does not include any "Crossing" transacted outside the "Open Session State" or any "Special Crossing" transacted at any time, each as defined in the ASX Operating Rules, or any overseas trades or trades pursuant to the exercise of options over Ordinary Shares;

"**VWAP Period**" means the period of five Business Days or such other period specified in the applicable Pricing Supplement on which trading in Ordinary Shares took place immediately preceding (but not including) the Trigger Event Date.

### 13. **Interpretation**

In respect of Ordinary Shares, if the principal securities exchange on which the Ordinary Shares are listed becomes other than the Australian Securities Exchange, unless the context otherwise requires a reference to the Australian Securities Exchange shall be read as a reference to that principal securities exchange and a reference to the ASX Listing Rules, the ASX Operating Rules or any term defined in any such rules, shall be read as a reference to the corresponding rules of that exchange or corresponding defined terms in such rules (as the case may be).

## SCHEDULE B

### FORM OF PRICING SUPPLEMENT

The form of Pricing Supplement that will be issued in respect of each Tranche of Non PD Notes, subject only to the possible deletion of non-applicable provisions, is set out below:

**THIS PRICING SUPPLEMENT WILL BE ISSUED IN RESPECT OF NOTES WHICH ARE NOT ADMITTED TO THE OFFICIAL LIST OF THE UK LISTING AUTHORITY OR TO ANY OTHER EUROPEAN ECONOMIC AREA REGULATED MARKET OR OFFERED TO THE PUBLIC IN THE EUROPEAN ECONOMIC AREA FOR THE PURPOSES OF THE PROSPECTUS DIRECTIVE. THE PRICING SUPPLEMENT HAS NOT BEEN REVIEWED OR APPROVED BY THE UK LISTING AUTHORITY AND DOES NOT CONSTITUTE A PROSPECTUS FOR THE PURPOSES OF THE PROSPECTUS DIRECTIVE.**

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS:** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of the Insurance Mediation Directive (Directive 2002/92/EC (as amended)) ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>1</sup>

**[MiFID II product governance / Retail investors, professional investors and eligible counterparties target market –** Solely for the purposes of [the Dealer's/the Managers/each relevant Manager's] product approval process as [a] MiFID II [(as defined below)] "manufacturer[s]", the target market assessment completed by the relevant [Dealer/Managers/Manager] in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")][MiFID II]; **EITHER** [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]<sup>2</sup>] **OR**<sup>3</sup> [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[, / and] portfolio management[, / and] [non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [*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[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.] / **[Professional investors and eligible counterparties only target market –** Solely for the purposes of [the Dealer's/the Managers/each relevant Manager's] product approval process as [a] MiFID II [(as defined below)] "manufacturer[s]", the target market assessment completed by the relevant [Dealer/Managers/Manager] 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.] / [*Other target market assessment – provide relevant details.*] 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

<sup>1</sup> Legend to be retained on front of Pricing Supplement: (i) if the Notes may constitute "packaged" products and no key information document will be prepared; or (ii) the Issuer wishes to prohibit offers to EEA retail investors for any other reason, and, in each case, insert "Applicable" in paragraph 43 of Part A below.

<sup>2</sup> This list may not be necessary, especially where all channels of distribution may be appropriate.

<sup>3</sup> Include, and amend, if appropriate for the Notes being issued.

market, or any other product governance obligation set out in MiFID II, for financial instruments it issues (including the foregoing target market assessment for the Notes described in this legend).]



**[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)]\*

**[ANZ Bank New Zealand Limited**  
(Incorporated with limited liability in New Zealand)]\*

**[ANZ New Zealand (Int'l) Limited,  
acting through its London branch**  
(Incorporated with limited liability in New Zealand)]\*

US\$60,000,000,000  
Euro Medium Term Note Programme

Series No: [     ]

Tranche No: [     ]

*[Brief Description and Amount of Notes]*

Issue Price: [     ] per cent.

[Guaranteed by ANZ Bank New Zealand Limited]\*\*

**[Name(s) of Dealers(s)]**

The date of this Pricing Supplement is [     ]

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\* delete as appropriate

\*\* include only if Issuer is ANZ New Zealand (Int'l) Limited

## PART A – CONTRACTUAL TERMS

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 17 May 2018 [and the Supplemental Information Memorandum[s] dated [●][and [●]]][and any supplement to the Base Prospectus of the Issuer dated 17 May 2018, which are deemed to be incorporated by reference into the Information Memorandum (which, for the avoidance of doubt, includes the Supplemental Base Prospectus(es) dated[ ● ]) ([together,] the "**Information Memorandum**"). This Pricing Supplement of the Notes must be read in conjunction with the Information Memorandum.

*[(The following alternative language applies if the first Tranche of an issue of Notes which is being increased was issued under an information memorandum with an earlier date.)]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the information memorandum dated [original date]. This Pricing Supplement of the Notes must be read in conjunction with the Information Memorandum dated 17 May 2018 [and the Supplemental Information Memorandum[s] dated [●] [and [●]]] [and any supplement to the Base Prospectus of the Issuer dated 17 May 2018, which are deemed to be incorporated by reference into the Information Memorandum (which, for the avoidance of doubt, includes the Supplemental Base Prospectus(es) dated [●]) ([together,] the "**Information Memorandum**"), save in respect of the Conditions which are extracted from the information memorandum dated [original date] [and the Supplemental information memorandum dated [●]] and are attached hereto.]

(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 | (i)   | Issuer                                       | [Australia and New Zealand Banking Group Limited ( <i>specify branch, if applicable</i> )/ANZ Bank New Zealand Limited ( <i>specify branch, if applicable</i> )/ANZ New Zealand (Int'l) Limited ( <i>specify branch, if applicable</i> )] |
|   | (ii)  | Guarantor                                    | ANZ Bank New Zealand Limited] <sup>1</sup>  |
| 2 | (i)   | Series Number:                               | [       ]   |
|   | (ii)  | Tranche Number:                              | [       ] ( <i>if fungible with an existing Series, include details of that Series, and the date on which the Notes become fungible</i> )   |
| 3 | (i)   | Specified Currency or Currencies:            | [       ]   |
|   | (ii)  | Exotic Currency Payments:                    | [Applicable]/[Not Applicable]   |
|   | (iii) | Exotic Currency Relevant Time:               | [       ]/[Not Applicable]  |
|   | (iv)  | Exotic Currency Thomson Reuters Screen Page: | [       ]/[Not Applicable]  |
| 4 |       | Aggregate Principal Amount:                  | [       ]   |
|   | (i)   | Series:                                      | [       ]   |

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<sup>1</sup> Only applicable for Notes issued by ANZ New Zealand (Int'l) Limited.

- (ii) Tranche: [ ]
- 5 Issue Price: [ ] per cent. of the Aggregate Principal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
- 6 (i) Specified Denomination(s) (and Principal Amount): [ ] (Notes issued by ANZ New Zealand and ANZNIL (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000, as amended ("FSMA") and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies)) [[as it may be adjusted in accordance with Condition 5A.4] (for Subordinated Notes issued by ANZBGL only)]
- (ii) Calculation Amount: [ ] 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) [[as it may be adjusted in accordance with Condition 5A.4] (for Subordinated Notes issued by ANZBGL only)]
- 7 [(i)] Issue Date: [ ]
- [(ii) Interest Commencement Date:] [Issue Date [ ] (specify)Not Applicable]
- [N.B. An Interest Commencement Date will not be relevant for certain Notes, for example, Zero Coupon Notes.]
- 8 Maturity Date: [ ]
- (specify date or, where applicable Interest Payment Date falling on or nearest to the relevant date) (Notes issued by ANZ New Zealand or ANZNIL having a maturity of less than one year, where either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, must:
- (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only 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 or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by ANZ New Zealand or, as the case may be, ANZNIL)

- 9 Interest Basis: [Fixed Rate] [Floating Rate] [*for Unsubordinated Notes only*: [Zero Coupon] [Inverse Floating Rate] [CMS Rate] [Index Linked Interest] [Other (*specify*))] (Further particulars specified below)
- 10 Redemption/Payment Basis: [Redemption at [Par]/[ ] per cent. of the Aggregate Principal Amount]] [Index Linked Redemption] [Dual Currency] [Instalment] [Other (*specify*)]
- 11 Change of Interest or Redemption/Payment Basis: [Not Applicable/[ ]]  
  
(*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*)  
[(Further particulars specified below)]
- 12 Put/Call Options: [Not Applicable] [Put Option] [Call Option] [(Further particulars specified below)]
- 13 Status of the Notes: [Unsubordinated Notes] [[Subordinated Notes] (*only if Issuer is ANZBGL*)]
- 14 Method of distribution: [Syndicated/Non-syndicated]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 15 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 cent. 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 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 Condition 4(p)]]
- (c) Interest Period Date: [[ ] (*Specify either a date or dates if no Interest Payment Date(s) specified*)/[As defined in 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 Condition 4(p)]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): [The Fiscal Agent/[ ] shall be the Calculation Agent (*insert name and address*)]
- (ix) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/(give details)]
- 16 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 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 Condition 4(p)]
- (c) Interest Period Date: [[ ] (*specify either a date or dates if no Interest Payment Date(s) specified*)]/[As defined in 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 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 responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): [The Fiscal Agent/[ ] shall be the Calculation Agent *(insert name and address)*]
- (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 / STIBOR / NIBOR / JIBAR / TRYIBOR / MXN-TIIE-MEX06 / PRIBOR / MosPrime / CNH HIBOR / Other *(specify)*]
  - Specified Maturity: [ ]
  - Interest Determination Date(s): [ ]
  - Relevant Screen Page: [ ]
  - Reference Banks: [ ] *(If other than as specified in the definition of "Reference Banks" in Condition 4(p))*[As defined in Condition 4(p)].
  - [Relevant Time:] [[ ] *(If other than as specified in the definition of "Relevant Time" in Condition 4(p))*][As defined in Condition 4(p)]
  - [Relevant Financial Centre:] [[ ] *(If other than as specified in the definition of "Relevant Financial Centre" in Condition 4(p))*][As defined in Condition 4(p)]
- (viii) ISDA Determination: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Floating Rate Option: [ ]
  - Designated [ ]



	Maturity:	
	- Reset Date:	[ ]
(ix)	Margin(s):	[[+/-] [ ] per cent. per annum/Not Applicable]
(x)	Rate Multiplier:	[[ ] (for <i>Unsubordinated Notes only</i> )/Not Applicable]
(xi)	Minimum Rate of Interest:	[[ ] per cent. per annum (for <i>Unsubordinated Notes only</i> )/Not Applicable]
(xii)	Maximum Rate of Interest:	[[ ] per cent. per annum (for <i>Unsubordinated Notes only</i> )/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)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[(specify) (Also, review and confirm additional defined terms in Condition 4 (Interest and other Calculations): Effective Date, Interest Accrual Period and Reference Banks)]
(xv)	Linear Interpolation:	[Not Applicable]/[Applicable – the Rate of Interest for the [long]/[short] [first/last] Interest Period shall be calculated using Linear Interpolation]
17	CMS Rate Note Provisions (for <i>Unsubordinated Notes only</i> ):	[Applicable [in respect of the period from, and including, [ ] to, but excluding, [ ]/Not Applicable]
(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 Condition 4(b)(i)]
	(b) Interest Period(s):	[ ]/[As defined in Condition 4(p)]
	(c) Interest Period Date:	[ ]/[As defined in 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 Condition 4(p)]

- (vi) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): [The Fiscal Agent/ [ ] shall be the Calculation Agent]
- (vii) Specified Maturity: [Applicable/Not Applicable]
- (viii) Reset Date: [ ]
- (ix) Representative Amount: [ ]
- (x) Margin(s): [[+/-] [ ] per cent. per annum/Not Applicable]
- (xi) Rate Multiplier: [[ ] /Not Applicable]
- (xii) Minimum Rate of Interest: [[ ] per cent. per annum/Not Applicable]
- (xiii) Maximum Rate of Interest: [[ ] per cent. 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 Condition 4(f)/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]
- 18 Inverse Floating Rate Note Provisions (for Unsubordinated Notes only): [Applicable/Not Applicable]
- (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 Condition 4(b)(i)]
- (b) Interest Period(s): [ ]/[As defined in Condition 4(p)]
- (c) Interest Period Date: [ ]/[As defined in 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 [ ]/[Not Applicable]

Centre(s): [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 Condition 4(p)]

(v) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): [The Fiscal Agent/ [ ] shall be the Calculation Agent]

Interest Payment Date	Specified Fixed Rate (per cent. per annum)
[ ]	[ ]
[ ]	[ ]
[ ]	[ ]

(vii) Relevant Floating Rate:

- Reference Rate: [BBSW/BKBM/LIBOR/EURIBOR/Federal Funds Effective Rate US/CDOR/SHIBOR/HIBOR/SIBOR/STIBOR/NIBOR/JIBAR/TRYIBOR/MXN-TIE-MEX06/PRIBOR/MosPrime/CNH HIBOR]
- Interest Determination Date(s): [ ]
- Relevant Screen Page: [ ]
- Reference Banks: [ ] (If other than as specified in the definition of "Reference Banks" in Condition 4(p))[As defined in Condition 4(p)]
- Relevant Time: [ ] (If other than as specified in the definition of "Relevant Time" in Condition 4(p))[As defined in Condition 4(p)]
- Relevant Financial Centre: [ ] (If other than as specified in the definition of "Relevant Financial Centre" in Condition 4(p))[As defined in Condition 4(p)]

(viii) Minimum Rate of Interest: [[ ] per cent. per annum/Not Applicable]

(ix) Maximum Rate of Interest: [[ ] per cent. 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]

19. Range Accrual Note Provisions: [Applicable] [Not Applicable] ("*Not Applicable*" must be specified in respect of Subordinated Notes)
- (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 Condition 4(p)]]
- (iii) Interest Period Date: [[ ] (*specify either a date or dates if no Interest Payment Date(s) specified*)/[As defined in Condition 4(p)]]
- (iv) No Adjustment of Interest Amounts: [Applicable/Not Applicable]
- (v) Business Day Convention: [Floating Rate Business Day Convention][Following Business Day Convention] [Modified Following Business Day Convention] [Preceding Business Day Convention] [Not Applicable]
- (vi) 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 Condition 4(p)]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): [The Fiscal Agent/ [ ] shall be the Calculation Agent] (*insert name and address*)
- (viii) Fixed Rate Range Accrual Note: [Applicable] [Not Applicable] (*Specify "Applicable" if Condition 4(h)(a) applies*)(*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- [- Specified Fixed Rate: [[ ] per cent. per annum]]
- (ix) Floating Rate Range Accrual Note: [Applicable/Not Applicable] (*Specify "Applicable" if Condition 4(h)(b) 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/STIBOR/NIBOR/JIBAR/TRYIBOR/MXN-TIIE-MEX06/PRIBOR/MosPrime/CNH HIBOR]
  - Margin: [[+/-] [ ] per cent. per annum/Not Applicable]
  - Specified Maturity: [ ]
  - Interest Determination Date: [ ]
  - Specified Currency: [ ]

- Relevant Screen Page: [            ]
  - Relevant Time: [[            ]] (*If other than a specified in the definition of "Relevant Time" in Condition 4(p)/[As defined in Condition 4(p)]*)
  - Relevant Financial Centre: [            ] (*If other than a specified in the definition of "Relevant Financial Centre" in Condition 4(p)/[As defined in Condition 4(p)]*)
  - Linear Interpolation: [Not Applicable]/[Applicable – the Rate of Interest for the [long]/[short] [first/last] Interest Period shall be calculated using Linear Interpolation]
- (ix) 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/STIBOR/  
NIBOR/JIBAR/TRYIBOR/MXN-TIIE-  
MEX06/PRIBOR/MosPrime/CNH HIBOR/EUR  
CMS/GBP CMS/USD CMS/Other (specify)] [Not Applicable]
  - Specified Maturity: [            ] [month[s]] [year[s]]
  - Specified Currency: [            ]
  - Relevant Screen Page: [            ] (*Delete if CMS is specified as Reference Rate*)
  - Relevant Time:] [[            ]] [*As specified in Condition 4(p)*] (*Delete if CMS is specified as Reference Rate*)
  - Relevant Financial Centre:] [[            ]] (*Delete if CMS is specified as Reference Rate*)
  - Constant Maturity Swap Spread: [Applicable] [Not Applicable] (*Constant Maturity Swap Spread is calculated by subtracting the Second CMS Spread Reference Rate from the First CMS Spread Reference Rate pursuant to the definition of "Reference Rate" in Condition 4(g)*)
  - 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 cent. per annum] [Not Applicable]
- [For the purposes of the definition of "N1" in Condition 4(h), [less than or equal to][less than] shall apply.]

- Floor: [[ ] per cent. per annum] [Not Applicable]  
 [For the purposes of the definition of "N1" in Condition 4(h), [greater than or equal to][greater than] shall apply.]
- (x) Dual 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/STIBOR/  
 NIBOR/JIBAR/TRYIBOR/MXN-TIE-  
 MEX06/PRIBOR/MosPrime/CNH HIBOR/EUR  
 CMS/GBP CMS/USD CMS/Other (specify)] [Not Applicable]
- Specified Maturity: [ ] [month[s]] [year[s]]
- [- Specified Currency: [ ]]
- [- Relevant Screen Page: [ ] *(Delete if CMS is specified as Reference Rate)*
- [- Relevant Time:] [[ ] [As specified in Condition 4(p)]] [As specified in Condition 4(p)] *(Delete if CMS is specified as Reference Rate)*
- [- Relevant Financial Centre:] [[ ]] *(Delete if CMS is specified as Reference Rate)*
- - Cap: [[ ] per cent. per annum] [Not Applicable]  
 [For the purposes of the definition of "N1" in Condition 4(h), [less than or equal to][less than] shall apply.]
- - Floor: [[ ] per cent. per annum] [Not Applicable]  
 [For the purposes of the definition of "N1" in Condition 4(h), [greater than or equal to][greater than] shall apply.]
- - Reference Rate: [BBSW/BKBM/LIBOR/EURIBOR/Federal Funds Effective Rate  
 US/CDOR/SHIBOR/HIBOR/SIBOR/STIBOR/  
 NIBOR/JIBAR/TRYIBOR/MXN-TIE-  
 MEX06/PRIBOR/MosPrime/CNH HIBOR/EUR  
 CMS/GBP CMS/USD CMS/Other (specify)] [Not Applicable]
- Specified Maturity: [ ] [month[s]] [year[s]]
- [- Specified Currency: [ ]]
- [- Relevant Screen Page: [ ] *Delete if CMS is specified as Reference Rate)*
- [- Relevant Time:] [[ ] [As specified in Condition 4(p)]] [As specified in Condition 4(p)] *(Delete if CMS is specified as Reference Rate)*
- [- Relevant Financial Centre:] [[ ]] *(Delete if CMS is specified as Reference Rate)*

- - Constant Maturity Swap Spread: [Applicable] [Not Applicable] (*Constant Maturity Swap Spread is calculated by subtracting the Second CMS Spread Reference Rate from the First CMS Spread Reference Rate pursuant to the definition of "Reference Rate" in Condition 4(g)*)
- 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 cent. per annum] [Not Applicable]  
[For the purposes of the definition of "N1" in Condition 4(h), [less than or equal to][less than] shall apply.]
- - Floor: [[ ] per cent. per annum] [Not Applicable]  
[For the purposes of the definition of "N1" in Condition 4(h), [greater than or equal to][greater than] shall apply.]
- (xi) Cut-Off Period: [ ] (*Specify number of days for the purposes of the definition of "Rate" in Condition 4(g)*)
- (xii) Minimum Interest Rate: [[ ] per cent. per annum] [Not Applicable]
- (xiii) Maximum Interest Rate: [[ ] per cent. 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)]
- 20 Zero Coupon Note Provisions (*for Unsubordinated Notes only*): [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 cent. per annum/Not Applicable]
- (ii) Linear Interest: [Applicable/Not Applicable]
  - (A) Amortisation Yield: [[ ] per cent. 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: [ ]
- [(iv)] [Any other relevant provisions and/or other formula/basis of determining amount payable or the Amortised Face Amount (if other than as specified in Condition 5(d)(ii)):] [ ]
- 21 Index-Linked Interest Note/Other variable-linked interest Note Provisions (for Unsubordinated Notes only): [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Index/Formula/ other variable: [give or annex details]
- (ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent in its capacity as Calculation Agent): [Fiscal Agent/[ ] shall be the Calculation Agent (insert name and address)]
- (iii) Provisions for determining the Rate(s) of Interest where calculated by reference to an Index and/or Formula and/or other variable: [ ]
- (iv) Interest Determination Date(s): [ ]
- (v) Provisions for determining the Rate(s) of Interest where calculation by reference to an Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [ ]
- (vi) (a) Interest Payment Dates: [[ ] in each year [commencing on [ ]]/[As defined in Condition 4(b)(i)]
- (b) Interest or calculation Period(s): [[ ] (Specify either a period or periods or a specific date or dates if no Interest Payment Date(s) specified)/[As



- defined in Condition 4(p)]
- (c) Interest Period Date: [[ ]]  
(Specify either a date or dates if no Interest Payment Date(s) specified)/[As defined in Condition 4(p)]
- (vii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (viii) 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 Condition 4(p)]
- (ix) Minimum Rate of Interest: [[ ] per cent. per annum/Not Applicable]
- (x) Maximum Rate of Interest: [[ ] per cent. per annum/Not Applicable]
- (xi) Day Count Fraction: [ ]
- (xii) Margin(s): [[+/-] [ ] per cent. per annum/Not Applicable]
- (xiii) Rate Multiplier: [[ ]/Not Applicable]
- 22 Dual Currency Note Provisions (for Unsubordinated Notes only): [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 and Rate(s) of Interest: [give details]
- (ii) Party, if any, responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent in its capacity as the Calculation Agent): [Fiscal Agent/[ ] shall be the Calculation Agent (insert name and address)]
- (iii) Provisions applicable where calculation of Rate(s) of Interest by reference to Rate of Exchange impossible or impracticable: [ ]
- (iv) Person at whose option Specified Currency(ies) [ ]

is/are payable:

## PROVISIONS RELATING TO REDEMPTION

- 23 Call Option [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- [Any early redemption will be subject to the prior written approval of the Australian Prudential Regulation Authority *(for Subordinated Notes issued by ANZBGL only)*]
- (i) Option Exercise Date(s) (if other than as set out in the Conditions): [[ ] [The [10th]/[ ] Business Day prior to [each] Optional Redemption Date] *(If setting notice periods which are different to those provided in the terms and 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)*/Not Applicable]
- (ii) Optional Redemption Date(s): [ ] *[[The Optional Redemption Date must not be earlier than 5 years from the Issue Date.] (include for Subordinated Notes only)]*
- (iii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/other *(specify)*] *[[, as it may be adjusted in accordance with Condition 5A.4] [for Subordinated Notes issued by ANZBGL only]]*
- (iv) If redeemable in part:
- (a) Minimum Redemption Amount: [[ ]/Not Applicable] *(not applicable to Subordinated Notes)*
- (b) Maximum Redemption Amount: [[ ]/Not Applicable] *(not applicable to Subordinated Notes)*
- 24 Put Option [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Option Exercise Date(s) (if other than as set out in the Conditions): [ ] [The [10th]/[ ] Business Day prior to [each] Optional Redemption Date] *(If setting notice periods which are different to those provided in the terms and 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)*
- (ii) Optional Redemption Date(s): [ ]
- (iii) Optional Redemption Amount(s) and method, if any, of Amount/other: [[ ] per Calculation Amount/other *(specify)*]

(specify) calculation of such amount(s):

- 25 Final Redemption Amount of each Note [[ ]]
- per Calculation Amount/Index Linked Redemption or other variable-linked/ other(specify) [[, as it may be adjusted in accordance with Condition 5A.4] [for Subordinated Notes issued by ANZBGL only]]
- [See appendix for details.]

[In cases where the Final Redemption Amount is index-linked or other variable-linked (for Unsubordinated Notes only):

- (i) Index/Formula/ variable: [ ] (give or annex details)
- (ii) Person responsible for calculating the Final Redemption Amount (if not the Fiscal Agent in its capacity as Calculation Agent): [Fiscal Agent/[ ] shall be the Calculation Agent (insert name and address)]
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [ ]
- (iv) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [Include a description of any market disruption or settlement disruption events that affect the underlying]

- 26 Early Redemption Amount: [[ ] per Calculation Amount/Index-Linked Redemption or other variable-linked/Other (Specify) [See appendix for details]] [[, as it may be adjusted in accordance with Condition 5A.4] [for Subordinated Notes issued by ANZBGL only]]
- (Early Redemption Amount(s) payable on redemption on account of a Regulatory Event, for taxation reasons, on an Event of Default or other early redemption and/or the method of calculating the same)
- [As specified in Condition 5(d) [for Zero Coupon Notes only]]

[Any early redemption will be subject to the prior written approval of the Australian Prudential Regulation Authority (for Subordinated Notes issued by ANZBGL only)]

- 27 Redemption for Regulatory Event (for Subordinated Notes issued by ANZBGL only) [Applicable] [Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)

28	Redemption for taxation reasons	
	Condition 5(b)(i)	Applicable (Note that Condition 5(b)(i) applies automatically)
	Condition 5(b)(ii) ( <i>for Subordinated Notes issued by ANZBGL only</i> )	[Applicable] [Not Applicable]
	Condition 5(b)(iii) ( <i>for Subordinated Notes issued by ANZBGL only</i> )	[Applicable] [Not Applicable]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

29	Form of Notes:	[Bearer Notes/Registered Notes/VPS 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>1</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>2</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]  <i>[If VPS Notes:</i> [VPS Notes issued in uncertificated and dematerialised book entry form. See further item [3] of Part B below]
30	Payment Business Day Convention:	[[Following/Modified Following]/[Not Applicable]]
31	Additional Financial Centre(s) or other special provisions relating to Payment Business Days:	[ ]/[Not Applicable] ( <i>Note that this item relates to the definition of "Payment Business Day" and the place of payment in Condition 6(h), and not Additional Business Centres to which item 15(iii) 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

<sup>1</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 disappplied.

<sup>2</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 disappplied.

Business Day" in Condition 6(h)]

- 32 Talons for future Coupons or Receipts to be attached to Notes in definitive form (and dates on which such Talons mature): [Yes (*If yes, give details*)/No]
- 33 Details relating to Instalment Notes, including Instalment Amount(s) and Instalment Date(s): [Not Applicable/(*give details*)]
- 34 Redenomination, renominatisation and reconventioning provisions: [Not Applicable/*Condition 6(i) applies*/The provisions annexed to this Pricing Supplement apply]
- 35 Consolidation provisions: [Not Applicable/The provisions annexed to this Pricing Supplement apply]
- 36 Governing Law: English [, except in relation to subordination, Conversion and Write-Off provisions of the Notes which will be governed by, and construed in accordance with, the laws of the State of Victoria and the Commonwealth of Australia (*for Subordinated Notes issued by ANZBGL only*)][, except in relation to the registration of VPS Notes in the VPS as well as the recording and transfer of ownership to, and other interests in, VPS Notes and Condition 11(c) which will be governed by, and construed in accordance with, Norwegian law. The VPS Trustee Agreement is and the VPS Agency Agreement will be governed by, and construed in accordance with, Norwegian law
- VPS Notes must comply with the relevant regulations of the VPS and the holders of VPS Notes will be entitled to the rights and are subject to the obligations and liabilities which arise under the relevant Norwegian regulations and legislation]

**OTHER FINAL TERMS**

- 37 Subordinated Notes: [Applicable/Not Applicable]
- (i) Conversion: [Applicable] [Not Applicable]
- CD: [Not Applicable] [*please specify*]
- VWAP Period: [Not Applicable] [*please specify*]
- (ii) Alternative Conversion Number: [Applicable] [Not Applicable] [If Applicable, the Alternative Conversion Number is [*specify number eg: 2*]]
- (iii) Write-Off (see Condition 5B.1 and 5C.1): [Applicable] [Not Applicable]
- (Where "Not Applicable" is specified at this item 36(iii), this is without prejudice to the application of Condition 5B.5 where "Applicable" is specified at item 36(i))
- 38 Other final terms: [Not Applicable/*give or Annex details of any other final terms*]

**DISTRIBUTION**

*(In the left hand column under "Distribution" the words in square brackets should be included for retail issues only)*

- 39 (i) If syndicated, names [and addresses] of Managers: [Not Applicable/(give names)]
- (ii) Stabilising Manager (if any): [Not Applicable/(give name)]
- 40 If non-syndicated, name [and address] of Dealer: [Not Applicable/(give name [and address])]
- 41 Additional selling restrictions: [Not Applicable/(give details)]
- 42 US Selling Restrictions: [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)
- 43 Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]  
*(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)*

Signed on behalf of [Australia and New Zealand Banking Group Limited/ANZ Bank New Zealand Limited/ANZ New Zealand (Int'l) Limited]:

By: ..... [By: Duly Authorised Signatory]<sup>3</sup>  
[Duly Authorised Signatory/Attorney]

[Signed on behalf of ANZ Bank New Zealand Limited:<sup>4</sup>

By: ..... [By: Duly Authorised Signatory]<sup>5</sup>  
[Duly Authorised Signatory/Attorney]

<sup>3</sup> Delete if signed by an attorney of the entity.

<sup>4</sup> Include only if Issuer is ANZ New Zealand (Int'l) Limited.

<sup>5</sup> Delete if signed by an attorney of the entity.

## 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 been]/[have not 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 BENCHMARKS

Relevant Benchmark[s]:

[[BBSW / BKBM / LIBOR / EURIBOR / Federal Funds Effective Rate US / CDOR / SHIBOR / HIBOR / SIBOR / STIBOR / NIBOR / JIBAR / TRYIBOR / MXN-TIE-MEX06 / PRIBOR / MosPrime / CNH HIBOR / Other (specify)] is provided by [administrator legal name]][repeat as necessary]. [As at the date hereof, [[administrator legal name][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of Regulation (EU) 2016/1011, as amended]/[As far as the Issuer is aware, as at the date hereof, the [specify benchmark] does not fall within the scope of Regulation (EU) 2016/1011, as amended] / [Not Applicable]

### 4 OPERATIONAL INFORMATION

ISIN Code: [ ]

Common Code: [ ]

[FISN: [ ]]

[CFI code: [ ]]

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable]/[Central Moneymarkets Unit Service/give name(s), and number(s)]]

CMU Instrument No: [ ]

CMU Lodging Agent: [ ]





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