

## PROGRAMME CIRCULAR



### ASB Bank Limited

Incorporated in New Zealand with limited liability

**U.S.\$70,000,000,000\***

### **Euro Medium Term Note Programme**

*\*Combined programme limit for the Euro Medium Term Note Programme of ASB Bank Limited and Commonwealth Bank of Australia. This Programme Circular relates to Notes to be issued under such programme by ASB Bank Limited only.*

ASB Bank Limited (“ASB Bank” or the “Issuer”) may from time to time issue Euro Medium Term Notes (the “Notes”) in any form contemplated in “Conditions of the Notes” herein and as described in “Overview of the Programme” herein. Such Notes may be Senior Notes or Subordinated Notes as indicated in the applicable Final Terms.

The Notes will be issued from time to time to one or more of the Dealers specified on page 9 (each a “Dealer” and together the “Dealers”, which expression shall include any additional Dealers appointed under the Programme (as defined below) from time to time). References in this Programme Circular to the “relevant Dealer” shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

**An investment in Notes issued under the Programme involves certain risks.** For a discussion of these risks see “Risk Factors”.

ASB Bank has been rated AA- by Standard & Poor’s (Australia) Pty. Ltd. (“S&P”), A1 by Moody’s Investors Service Pty Ltd. (“Moody’s”) and A+ by Fitch Australia Pty Ltd (“Fitch”). The Issuer’s component of the Programme has also been rated A+ by Fitch, in the case of any issue of Senior Notes. None of S&P, Moody’s or Fitch is established in the European Union (the “EU”) or in the United Kingdom (the “UK”) and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the “CRA Regulation”) or Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”) (the “UK CRA Regulation”), respectively. The ratings have been endorsed by S&P Global Ratings Europe Limited, S&P Global Ratings UK Limited, Moody’s Deutschland GmbH, Moody’s Investors Service Ltd., Fitch Ratings Ireland Limited and Fitch Ratings Limited respectively, in accordance with the CRA Regulation or the UK CRA Regulation, as applicable. Each of S&P Global Ratings Europe Limited, Moody’s Deutschland GmbH and Fitch Ratings Ireland Limited is established in the EU and registered under the CRA Regulation. As such, as of the date of this Programme Circular, it is included in the list of credit rating agencies published by the European Securities and Markets Authority (“ESMA”) on its website (at <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation. Each of S&P Global Ratings UK Limited, Moody’s Investors Service Ltd. and Fitch Ratings Limited is established in the UK and is registered in accordance with the UK CRA Regulation. As such, as of the date of this Programme Circular, it appears on the list of credit rating agencies registered or certified with the UK Financial Conduct Authority (the “FCA”) published on its website <https://www.fca.org.uk/firms/credit-rating-agencies>. The ratings issued by S&P Global Ratings UK Limited, Moody’s Investors Service Ltd. and Fitch Ratings Limited may be used for regulatory purposes in the UK in accordance with the UK CRA Regulation. There can be no assurance that such endorsement of the credit ratings of S&P, Moody’s and Fitch will continue.

Notes issued under the Programme may be rated or unrated by any one or more of the rating agencies referred to above. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Issuer by the relevant rating agency. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

This Programme Circular has been approved as a base prospectus by the FCA, as competent authority under Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA (the “UK Prospectus Regulation”). The FCA only approves this Programme Circular as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Approval by the FCA should not be considered as an endorsement of the Issuer or of the quality of the Notes that are the subject of this Programme Circular. Investors should make their own assessment as to the suitability of investing in the Notes.

Application has been made to the FCA for Notes to be issued during the period of 12 months from the date of this Programme Circular under this U.S.\$70,000,000,000 Euro Medium Term Note Programme (the “Programme”) to be admitted to the official list of the FCA (the “Official List”) and to the London Stock Exchange plc (the “London Stock Exchange”) for such Notes to be admitted to trading on the London Stock Exchange’s main market.

References in this Programme Circular to Notes being “listed” (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange’s main market and have been admitted to the Official List. The London Stock Exchange’s main market is a UK regulated market for the purposes of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of UK domestic law by virtue of the EUWA (“UK MiFIR”).

This Programme Circular (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a UK regulated market (as defined in UK MiFIR). The obligation to supplement this Programme Circular in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Programme Circular is no longer valid.

The requirement to publish a prospectus under the Financial Services and Markets Act 2000, as amended (the “FSMA”) only applies to Notes which are to be admitted to trading on a UK regulated market (as defined in UK MiFIR) and/or offered to the public in the UK other than in circumstances where an exemption is available under section 86 of the FSMA.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes, and certain other information which is applicable to each Tranche (as defined under “Conditions of the Notes”) of Notes will be set out in a final terms document (the “Final Terms”) which, where listed, will be delivered to the FCA and the London Stock Exchange. Copies of the Final Terms in relation to Notes to be listed on the London Stock Exchange will also be published on the website of the London Stock Exchange through a regulatory information service.

Amounts payable on Floating Rate Notes and Fixed Reset Notes may be calculated by reference to certain reference rates as specified in the relevant Final Terms, which may include one of EURIBOR, SONIA, SOFR, the CMT Rate, SORA, CORRA or TONA. As at the date of this Programme Circular (i) the administrator of EURIBOR, European Money Markets Institute, is included in the ESMA register of administrators under Article 36 of

Regulation (EU) No. 2016/1011 (as amended, the "EU Benchmarks Regulation") but not in the register of administrators established and maintained by the FCA pursuant to Article 36 of Regulation (EU) No. 2016/1011 as it forms part of UK domestic law by virtue of the EUWA (the "UK Benchmarks Regulation"); and (ii) the Bank of England, the Federal Reserve Bank of New York, the Monetary Authority of Singapore, the Bank of Canada and the Bank of Japan, as the administrator of SONIA, SOFR, SORA, CORRA and TONA, respectively, are not included in such registers. As far as the Issuer is aware, (i) under Article 2 of the EU Benchmarks Regulation and the UK Benchmarks Regulation, the Bank of England, the Federal Reserve Bank of New York, the Board of Governors of the Federal Reserve System, the Monetary Authority of Singapore, the Bank of Canada and the Bank of Japan are not required to obtain authorisation or registration and (ii) the transitional provisions in Article 51 of the EU Benchmarks Regulation and the UK Benchmarks Regulation apply, such that none of the other administrators are currently required to obtain authorisation or registration (or, if located outside the EU and the UK, respectively, recognition, endorsement or equivalence).

The registration status of any administrator under the EU Benchmarks Regulation or the UK Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update any Final Terms to reflect any change in the registration status of the administrator.

This document is issued in replacement of a Programme Circular dated 30 June 2022 and accordingly supersedes that earlier Programme Circular. This does not affect any Notes issued under the Programme prior to the date of this Programme Circular.

Arranged by:

**UBS Investment Bank**

Dealers:

**Barclays  
BofA Securities  
Commonwealth Bank of Australia  
Deutsche Bank  
HSBC  
Morgan Stanley  
Nomura  
Société Générale  
Corporate & Investment Banking  
TD Securities**

**BNP PARIBAS  
Citigroup  
Daiwa Capital Markets Europe  
Goldman Sachs International  
J.P. Morgan  
NatWest Markets  
RBC Capital Markets  
Standard Chartered Bank  
UBS Investment Bank**

Dated 30 June 2023

## IMPORTANT INFORMATION

This Programme Circular comprises a base prospectus in respect of all Notes other than Exempt Notes (as defined below) issued under the Programme for the purposes of Article 8 of the UK Prospectus Regulation. Although Commonwealth Bank of Australia (“CBA”) is also an issuer under the Programme, it is not an issuer under this Programme Circular. This Programme Circular comprises a base prospectus for ASB Bank only.

The Issuer accepts responsibility for the information contained in this Programme Circular and the Final Terms for each Tranche of Notes issued by it under the Programme. To the best of the knowledge of the Issuer the information contained in this Programme Circular is in accordance with the facts and the Programme Circular makes no omission likely to affect their import.

This Programme Circular is to be read in conjunction with all documents which are deemed to be incorporated in it by reference (see "*Documents Incorporated by Reference*"). This Programme Circular shall be read and construed on the basis that those documents are so incorporated and form part of this Programme Circular.

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference*"), the information on the websites to which this Programme Circular refers does not form part of this Programme Circular.

The Dealers have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained in this Programme Circular or any further information supplied by the Issuer in connection with the Notes.

No person has been authorised to give any information or to make any representation not contained in this Programme Circular or any further information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Programme Circular nor any further information supplied in connection with the Programme or any Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Programme Circular or any further information supplied in connection with the Programme or the Notes should purchase any Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Programme Circular nor any further information supplied in connection with the Programme or the Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

The delivery of this Programme Circular does not at any time imply that the information contained in it concerning the Issuer is correct at any time subsequent to its date or that any further information supplied in connection with the Programme or the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial or other condition or affairs of the Issuer or any of its subsidiaries during the life of the Programme. Investors should review, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes.

Citigroup Global Markets Limited is incorporated in the United Kingdom and is authorised in the United Kingdom by the Prudential Regulation Authority (the “PRA”) and regulated in the United Kingdom by the Financial Conduct Authority and the PRA. Citigroup Global Markets Limited does not hold an Australian Financial Services Licence and, in providing any services in Australia in relation to the Programme, it relies on various exemptions contained in the Corporations Act 2001 (Commonwealth of Australia) (the “Corporations Act”) and the Corporations Regulations 2001 promulgated under the Corporations Act (together the “Corporations Laws”). Citigroup Global Markets Limited hereby notifies all relevant persons that all services contemplated under this

document are provided to the Issuer by Citigroup Global Markets Limited from outside of Australia and to the extent necessary, Citigroup Global Markets Australia Pty Limited (ABN 64 003 114 832 and Australian Financial Services Licence No. 240992) a related body corporate of Citigroup Global Markets Limited within the meaning of the Corporations Laws, has arranged for Citigroup Global Markets Limited to provide these services to the Issuer.

The distribution of this Programme Circular and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Programme Circular or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Programme Circular and the offer or sale of the Notes in the United States of America, the European Economic Area (the “EEA”) (including Belgium and Luxembourg), the UK, Japan, Australia, New Zealand, Switzerland, Canada, Hong Kong, the PRC, Macau (each as defined below), the Republic of Korea, Taiwan and Singapore (see “*Subscription and Sale*”).

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or any U.S. State securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction (see “*Subscription and Sale*”).

If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

**IMPORTANT – EEA RETAIL INVESTORS** – If the Final Terms 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 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 (as amended, “MiFID II”); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “EU Prospectus Regulation”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**IMPORTANT – UK RETAIL INVESTORS** – If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to UK 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 UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**MiFID II product governance / target market** – The Final Terms in respect of any Notes may include a legend entitled “MiFID II Product Governance” which will outline the target market

assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

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

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise none of the Arranger, the Dealers and their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

**Product Classification pursuant to Section 309B of the Securities and Futures Act 2001 of Singapore** – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (as amended, the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), unless otherwise stated in the applicable Final Terms, all Notes shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in the Monetary Authority of Singapore (the “MAS”) Notice SFA 04-N12: Notice on the Sale of Investment Products and in the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

**Sales to Ontario Permitted Investors** – The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Programme Circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

If applicable, pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with the offering of any Notes.

This Programme Circular has been prepared on the basis that any Notes with a minimum denomination of less than €100,000 (or equivalent in another currency) will with respect to the UK (i) only be admitted to trading on a UK regulated market (as defined in UK MiFIR), or a specific

segment of a UK regulated market, to which only qualified investors (as defined in the UK Prospectus Regulation) can have access (in which case they shall not be offered or sold to non-qualified investors) or (ii) only be offered to the public pursuant to an exemption under section 86 of the FSMA.

The requirement to publish a prospectus under the FSMA only applies to Notes which are admitted to trading on a UK regulated market (as defined in UK MiFIR) and/or offered to the public in the UK other than in circumstances where an exemption is available under section 86 of the FSMA. Notes for which no prospectus is required to be published under the UK Prospectus Regulation and FSMA are referred to as **Exempt Notes**. The FCA has neither approved nor reviewed information contained in this Base Prospectus in connection with Exempt Notes.

This Programme Circular has been prepared on the basis that any Notes with a minimum denomination of less than €100,000 (or equivalent in another currency) will with respect to the EEA only be offered to the public in an EEA Member State pursuant to an exemption under Article 1(4) of the EU Prospectus Regulation.

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

- (i) 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 or incorporated by reference in this Programme Circular or any applicable supplement;
- (ii) 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;
- (iii) 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;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) 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.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

#### **CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS**

Certain statements under the headings “Risk Factors”, “ASB Bank Limited” and elsewhere in this Programme Circular constitute “forward-looking statements” with respect to the financial condition, operations and business of ASB Bank and certain plans and objectives of the management of ASB Bank. Such forward-looking statements, including economic forecasts and assumptions and business and financial projections, involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of ASB Bank to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such factors include the possibility of significant international banking market volatility, a downturn in the macroeconomic environment, liquidity and funding risks, extensive regulation and political scrutiny, competition and digital disruption, deteriorations in global financial markets, environmental and social risks, organisational capability and culture risks, failure to maintain capital adequacy requirements, damage to ASB Bank's reputation, sub-optimal investment allocation and delivery risks, including through acquisitions or divestments of businesses, credit risk exposures, operational risks, cyber-security risks, data management risks, third party risks, transaction processing risks, non-technology business disruption risks, modelling risks, fraud risks, employment risks, accounting, legal and taxation risks, compliance risks, legal liability or regulatory action against ASB Bank, inappropriate conduct of ASB Bank's staff, failure to comply with financial crime legislation or privacy legislation, adverse financial and credit market conditions, failure to maintain adequate levels of liquidity and funding, failure to maintain credit ratings, failure to hedge effectively against market risks (including adverse fluctuations in exchange rates), insurance risk and various other factors, many of which may be beyond ASB Bank's control. Given these risks, uncertainties and other factors, potential investors are cautioned not to place undue reliance on such forward-looking statements.

Risk factors applicable to ASB Bank are detailed in “*Risk Factors*”.

## **PRESENTATION OF INFORMATION**

In this Programme Circular, all references to:

- “U.S. dollars”, “USD” and “U.S.\$” are to United States dollars;
- “JPY”, “Yen” and “¥” are to Japanese yen;
- “Sterling”, “GBP” and “£” are to pounds sterling;
- “AUD” and “A\$” are to Australian dollars;
- “NZD” and “NZ\$” are to New Zealand dollars;
- “HKD” and “Hong Kong dollars” are to the lawful currency of Hong Kong (as defined below);
- “Renminbi”, “RMB” and “CNY” are to the lawful currency of the People's Republic of China (the “PRC”) which for purposes of this Programme Circular excludes the Hong Kong Special Administrative Region of the PRC (“Hong Kong”), the Macau Special Administrative Region of the PRC (“Macau”) and Taiwan;
- “CHF” and “Swiss Francs” are to the lawful currency of Switzerland; and
- “euro”, “EUR” and “€” refer to the currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the EU, as amended.

## **STABILISATION**

**In connection with the issue of any Tranche of Notes, one or more relevant Dealers (the “Stabilisation Manager(s)”) (or persons acting on behalf of any Stabilisation Manager(s)) may, outside of Australia and on a financial market operated outside of Australia, 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 Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.**

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## Overview of the Programme

The following overview does not purport to be complete and is not a summary for the purposes of the UK Prospectus Regulation. The following overview is qualified in its entirety by the remainder of this Programme Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Delegated Regulation (EU) No 2019/980 as it forms part of UK domestic law by virtue of the EUWA.

Words and expressions defined in “*Form of the Notes*” and “*Conditions of the Notes*” and not otherwise defined shall have the same meanings in this Overview.

**Issuer:** ASB Bank Limited

**Issuer’s Legal Entity Identifiers (LEI):** 549300IBZWZL1KTPF918

**Description:** Euro Medium Term Note Programme

**Arranger:** UBS AG London Branch

**Dealers:** Barclays Bank PLC  
BNP Paribas  
Citigroup Global Markets Limited  
Commonwealth Bank of Australia  
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  
NatWest Markets Plc  
Nomura International plc  
RBC Europe Limited  
Société Générale  
Standard Chartered Bank  
The Toronto-Dominion Bank  
UBS AG London Branch

and any other Dealers appointed in accordance with the Programme Agreement.

**Certain restrictions:** Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time including the following restrictions applicable at the date of this Programme Circular.

*Notes having a maturity of less than one year*

Notes having maturity of less than one year from the date of issue will be issued (i) to a limited class of professional investors and will have a denomination of at least £100,000 (or an amount of equivalent value denominated wholly or partly in a currency other than sterling) and no part thereof will be transferable unless the redemption value of that part is not less than £100,000 (or such an equivalent amount) or (ii) in any other

circumstances which do not violate section 19 of the FSMA.

<b>Issuing and Principal Paying Agent:</b>	Deutsche Bank AG, London Branch
<b>Registrar:</b>	Deutsche Bank Luxembourg S.A.
<b>Distribution:</b>	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
<b>Currencies:</b>	Subject to any applicable legal or regulatory restrictions, Notes may be denominated in U.S. dollars, euro, Yen, Sterling, Australian dollars, New Zealand dollars, Hong Kong dollars, Renminbi, Swiss Francs and such other currencies as may be agreed with the relevant Dealer.
<b>Maturities:</b>	Subject to any applicable laws and regulations, any original maturity.
<b>Issue Price:</b>	Notes may be issued at par or at a discount to, or premium over, par.
<b>Form of Notes:</b>	The Notes will be issued in either bearer or registered form as described in “ <i>Form of the Notes</i> ”. Registered Notes will not be exchangeable for Bearer Notes and <i>vice versa</i> .
<b>Status of the Notes:</b>	Notes may be issued as Senior Notes or Subordinated Notes.
<b>Status of Senior Notes:</b>	Senior Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank equally among themselves and equally with the Issuer’s other present and future unsecured and unsubordinated obligations (except for certain debts that are required to be preferred by applicable law).
<b>Status and Subordination of Subordinated Notes:</b>	<p>Subordinated Notes will constitute direct, subordinated and unsecured obligations of the Issuer and will rank equally among themselves.</p> <p>In the event of the Liquidation of the Issuer, the principal amount of, and any interest on, the Subordinated Notes will rank (i) after the claims of all holders of Senior Ranking Obligations, (ii) equally among themselves and with Equal Ranking Securities, and (iii) ahead of all Junior Ranking Securities.</p> <p>The terms and conditions of the Subordinated Notes do not limit the Issuer’s ability to incur or issue further Senior Ranking Obligations, Equal Ranking Securities or Junior Ranking Securities.</p> <p>See Condition 3(b).</p>
<b>Solvency Condition in the case of Subordinated Notes:</b>	<p>At any time prior to the Maturity Date of a Series of Subordinated Notes or the Liquidation of the Issuer, the Issuer’s obligation to make any payment (including of any principal and interest) in respect of such Subordinated Notes is conditional on:</p> <ul style="list-style-type: none"><li>(a) the Issuer being Solvent at the time the relevant payment falls due; and</li><li>(b) the Issuer remaining Solvent immediately after the relevant payment is made.</li></ul> <p>See Condition 3(b).</p>
<b>No Rights of Set Off in respect of Subordinated Notes:</b>	The Issuer has no rights of set off in respect of any amounts owing by it to any holder of a Subordinated Note against any claims owing by such Noteholder to the Issuer or to any member of the ASB Group, and no holder of a Subordinated Note has any right of set off in respect of any

amounts or any right to merge accounts or to exercise any other rights the effect of which is, or may be, to reduce the amount payable by the Issuer in respect of the relevant Subordinated Notes to such Noteholder.

**Fixed Rate Notes:** Fixed interest will be payable in arrear on such date or dates in each year as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

**Floating Rate Notes:** Floating Rate Notes will bear interest at a rate determined on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating either the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. ("ISDA")) and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series), or the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (as published by ISDA as at the Issue Date of the first Tranche of the Notes of the relevant Series) as specified in the applicable Final Terms, or on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service.

The Margin (if any) relating to such floating rate will be specified in the applicable Final Terms.

**Other provisions in relation to Floating Rate Notes:** Floating Rate Notes (other than Subordinated Notes) may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes will be payable on Interest Payment Dates, as agreed at the time of agreement to issue, and (where applicable) will be calculated on the basis of the Day Count Fraction specified in the applicable Final Terms.

Subordinated Notes may not have a maximum rate of interest or a minimum rate of interest.

Details of the interest rate applicable to the then current Floating Interest Period in respect of the Floating Rate Notes of any Series will be available from the Principal Paying Agent.

**Zero Coupon Notes:** Zero Coupon Notes will be offered and sold at par or at a discount to their nominal amount and will not bear interest. Only Senior Notes may be Zero Coupon Notes.

**Benchmark Discontinuation:** In the case of Floating Rate Notes and Fixed Reset Notes, other than where the Reference Rate is specified in the applicable Final Terms as being Compounded Daily SOFR, Compounded Daily SORA or Compounded Daily CORRA, in which case the provisions of Conditions 4(c)(5B), 4(c)(5C)(C) and 4(c)(5D)(C), respectively, shall apply instead), if the Issuer determines that a Benchmark Event has occurred, the relevant benchmark or screen rate may be replaced by a Successor Rate or, if there is no Successor Rate but the Issuer determines there is an Alternative Rate (acting in good faith and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser), such Alternative Rate. An Adjustment Spread may also be applied to the Successor Rate or the Alternative Rate (as the case may be), together with any Benchmark Amendments (which in the case of any Alternative Rate, any Adjustment Spread unless formally recommended or provided for and any Benchmark Amendments shall be determined by the Issuer, acting in good faith and by reference to such sources as it deems appropriate, which

may include consultation with an Independent Adviser). For further information, see Condition 4(f).

**Redemption:**

The applicable Final Terms will indicate either that the Notes of that Tranche cannot be redeemed prior to their stated maturity, other than for taxation reasons or (in the case of Subordinated Notes) if a Regulatory Capital Event occurs, or that such Notes will be redeemable at the option of the Issuer (in specified amounts if the applicable Final Terms so indicate) and/or (in the case of Senior Notes) at the option of the holder(s) of such Notes, in each case on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be indicated in the applicable Final Terms. Any such redemption by the Issuer in the case of Subordinated Notes will be subject to the RBNZ having given its prior written approval and as further provided in Condition 5.

**Variation of  
Subordinated Notes:**

If at any time (i) an event occurs that would entitle the Issuer to redeem any Subordinated Notes for taxation reasons or (ii) a Regulatory Capital Event occurs, the Issuer may, instead of giving notice to redeem such Subordinated Notes, and without any requirement for the consent or approval of the Noteholders, vary the terms of the Subordinated Notes accordingly, provided that they remain or, as appropriate, so that they become, Qualifying Notes. See Condition 5(j).

**Limited Remedies  
Upon Default in the  
case of Subordinated  
Notes:**

Holders of Subordinated Notes will have limited remedies upon any default being made by the Issuer in payment of any amount due in respect of the Subordinated Notes. See Condition 9(b).

**Use of Proceeds:**

The net proceeds from each issue of Notes issued will be applied by the Issuer for its general corporate purposes, unless stated otherwise in the applicable Final Terms.

## **Risk Factors**

*In purchasing Notes, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due in respect of the Notes. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Programme Circular a number of factors which could materially adversely affect its business and ability to make payments due in respect of the Notes.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued by the Issuer under the Programme are also described below.*

*In each category of factors set out below, the Issuer believes that each factor included in each category of factors is material, with the most material in each category (based on the Issuer's assessment of the probability of its occurrence and the expected magnitude of its negative impact) being described first in each category.*

*Noting the points set out above by the Issuer with respect to its assessment of the level, order of materiality and potential occurrence of the risks set out below, prospective investors should carefully consider the following discussion of the risk factors and other information set out elsewhere in this Programme Circular and reach their own views prior to making any investment decision.*

*Notwithstanding anything in these risk factors, these risk factors should not be taken as implying that the Issuer will be unable to comply with its obligations as an issuer of securities admitted to the Official List or that ASB Bank will be unable to comply with its obligations as a registered bank regulated by the Reserve Bank of New Zealand (the "RBNZ").*

*Words and expressions defined in "Form of the Notes" and "Conditions of the Notes" and not otherwise defined shall have the same meanings when used herein.*

### **Factors that may affect ASB Bank's ability to fulfil its obligations under Notes issued under the Programme**

***ASB Bank's business, financial condition, liquidity, results of operations and prospects may be adversely affected by geo-political and economic conditions, including disruptions in the global financial markets and associated impacts***

As a financial institution that operates in various financial markets, ASB Bank's business, financial condition, liquidity, results of operations and prospects may be adversely affected, both directly and indirectly, by difficult business and economic conditions, and disruptions in global financial markets. The financial markets within which ASB Bank operates may experience systemic shocks due to market volatility, political or economic instability, or catastrophic events.

Factors that could contribute to uncertainty and volatility in global financial markets include the potential for unstable government, trade disputes, the threat of potential or actual conflict stemming from political tensions (such as the current military conflict between Russia and Ukraine), and other factors that may cause disruptions on a global scale such as failures of banks in the United States and Europe, cyber-attacks, economic sanctions and similar restrictions (such as those enacted by New Zealand, the United States, the UK, the EU and many other countries against Russia in response to the military conflict in Ukraine) and environmental disasters, including severe weather events. ASB Bank operates in, and depends on the operation of, financial markets, including through exposures in financial products such as securities, loans, derivatives and other activities. Turmoil in financial markets can flow into the wider economy and result in major global economies either slowing substantially or contracting, which could in turn cause economic downturn, including in New

Zealand. These factors could adversely affect ASB Bank's business, financial condition, liquidity, results of operations and prospects.

Changes in global political conditions have led to, and may continue to result in, extended periods of increased political and economic uncertainty and volatility in the global financial markets. A recent example of the impact of geopolitical events on financial markets is the ongoing military conflict between Russia and Ukraine, and the resulting implementation of economic sanctions, export controls and other restrictive measures by New Zealand, Australia, the United States, the UK, the EU and other jurisdictions against Russia, which has caused global market volatility and, in particular, impacted global commodity and financial markets. The sanctions, and laws and regulations imposed as a result of the conflict are complex, frequently changing, and expanding, and they may impose additional prohibitions or compliance obligations on dealings in certain countries and territories, including, but not limited to, sanctions imposed on Russia, Belarus, and certain Ukraine territories. The events surrounding the military conflict between Russia and Ukraine, sanctions and other restrictive measures, and resulting market disruptions continue to be extremely fluid and new developments may continue to arise. The extent and duration of the ongoing military conflict and corresponding economic sanctions, export controls and other restrictive measures, which have resulted in, and may continue to result in, increased geopolitical tension, instability or uncertainty or changes in geopolitical relations, disruptions to global supply chains, increases in energy and food prices with consequential global inflationary impacts, increases in cyberattacks and an adverse impact on global commodity and financial markets, cannot be predicted and could result in prolonged market volatility and economic uncertainty or adverse effects on macroeconomic conditions, all of which could adversely impact New Zealand economic activity and ASB Bank's business, financial condition, liquidity, results of operations and prospects.

There continues to be strategic competition between the United States and China, particularly around issues such as China's trade and technology policies, and the sovereignty of Taiwan and the Hong Kong Special Administrative Region, which has contributed to uncertainty in the geopolitical and regulatory landscapes, including in the Asia-Pacific region. Anything that adversely affects China's economic growth, New Zealand's economic relationship with China or New Zealand's access to China's markets could adversely affect New Zealand economic activity and, as a result, have adverse impacts on ASB Bank's business, financial condition, liquidity, results of operations and prospects. The extent to which the implementation and outcome of policy changes between the United States and China could have consequences for global trade, the broader global economy and financial markets is uncertain.

Political and economic uncertainty, trade tensions and military conflict have in the past led to declines in market liquidity and activity levels, volatile market conditions, a contraction of available credit, an increase in interest rates as part of central bank response to inflationary pressures, weaker economic growth and reduced business confidence, each of which could adversely affect ASB Bank. An escalation in tensions between China and New Zealand, or its key political and economic partners such as the United States and Australia, or an escalation in the conflict between Russia and Ukraine, could lead to increased protectionist policies and further global re-alignment of trading partners by nations. This could result in further trade and supply chain instability which could dampen consumer confidence, suppress business earnings and growth prospects, and increase the volatility of global economic conditions. While the future impact of the economic disruption caused by the Russian military invasion of Ukraine, COVID-19 pandemic and heightened geopolitical tensions remains uncertain, ASB Bank may be materially adversely affected by a protracted downturn in economic conditions globally and, in particular, in New Zealand, which in turn are impacted by events in the global economy. ASB Bank can give no assurances as to the likely future conditions of the global or New Zealand economies, which can be influenced by many factors within and outside New Zealand, which are outside of ASB Bank's control, including domestic and international economic events, political events, environmental disasters, including severe weather events, and any other events that impact global financial markets.

Geopolitical tensions and other events that adversely affect Australia's economic growth and Australia's economic relationship with key trading partners such as China, including the implementation of tariffs and other protectionist trade policies imposed on Australia by China, have adversely, and may continue to adversely impact Australian economic activity and, as a result, could adversely impact ASB Bank's business, financial condition, and operations. If similar tariffs or other protectionist trade policies were to be imposed on New Zealand by China, this could unfavourably impact New Zealand economic activity and, as a result adversely impact ASB Bank's business, financial condition and operations. For example, increasing geopolitical tensions among China and other countries in the Asia-Pacific could lead to the disruption of supply chains or trade flows in the region, which could adversely impact ASB Bank's customers, including those with exposure to trade finance or that are reliant on imports and exports.

Shocks, deteriorations or a downturn in the global economy could result in currency and interest rate fluctuations, with any operational disruptions having the potential to impact ASB Bank. Inflationary pressures are now at multi-decade highs in many OECD economies, including in New Zealand, the United States, Australia, Canada, Europe and the UK. The combined impacts of geo-political tensions, rising interest rates, central bank tightening, and persistent COVID-19 challenges to the global economy, higher energy prices, higher food prices, and tightened labour markets, are all contributing to rising inflation pressures in the global economy. This may lead to counterparties defaulting on their debt obligations, countries re-denominating their currencies and/or introducing capital controls and/or one or more major economies collapsing or global financial markets cease to operate or cease to operate efficiently. Sovereign defaults may adversely impact ASB Bank directly, through adversely impacting the value of its assets, or indirectly through destabilising global financial markets, adversely impacting its liquidity, financial performance or ability to access capital. While difficult to predict, such events could destabilise global financial markets, adversely affecting all participants, including adversely affecting ASB Bank's business, financial condition, liquidity, results of operations and prospects.

***A downturn in the New Zealand economy could adversely impact ASB Bank's business, financial condition, liquidity, results of operations and prospects***

As a financial group whose core business is banking in New Zealand, the performance of ASB Bank is dependent on the state of the New Zealand economy, customer and investor confidence, and prevailing market conditions in New Zealand. The New Zealand economy has been experiencing a slowdown in economic activity since the beginning of 2022 due to high inflation, increases in interest rates, labour shortages and weakening global growth, which could in turn adversely impact ASB Bank's business, financial condition, liquidity, results of operations and prospects. A protracted economic downturn may also have a negative influence on liquidity levels, credit defaults, and the profitability of ASB Bank. ASB Bank can give no assurances as to the likely future state of the New Zealand economy, which can be influenced by many factors within and outside New Zealand that are out of ASB Bank's control. These factors could include domestic and international political and economic events, the threat of potential or actual conflict stemming from political tensions (such as the current military conflict between Russia and Ukraine), and other factors that may cause disruptions on a global scale, such as the emergence of widespread health emergencies or pandemics, cyber-attacks, economic sanctions and similar restrictions (such as those enacted by New Zealand, the United States, the UK, the EU and many other countries against Russia in response to the military conflict in Ukraine), and environmental disasters that impact global financial markets and our major trading partners. See *"Risk Factors – ASB Bank's business, financial condition, liquidity, results of operations and prospects may be adversely affected by geo-political and economic conditions, including disruptions in the global financial markets and associated impacts"*.

The combined impacts of rising geopolitical tensions, such as the conflict in Ukraine, and residual effects of the COVID-19 pandemic have resulted in elevated energy prices, wage inflation from labour shortages due to lower immigration levels, supply shortages from global production disruptions and production limits in certain countries to meet emission targets, which has led to persistently high

inflation levels. As a result of the multi-decade high inflationary pressures in many OECD countries, many central banks have either started a monetary tightening cycle or have signalled pending increases. In October 2021, the RBNZ commenced a monetary tightening cycle. Consistent rate increases have occurred since then with the official cash rate now at 5.50 per cent. Everyday price increases in areas such as food and energy, as a result of inflation or the monetary tightening cycle could harm ASB Bank's customers and result in increased defaults on individual loans made by ASB Bank to customers, which could adversely affect ASB Bank's business, financial condition, liquidity, results of operations and prospects. The rise in interest rates has led to lower household consumption in New Zealand, slower economic growth, and contributed to a fall in New Zealand house prices nationally. These or future interest rate rises could also lead to increased credit losses from business insolvencies, increased mortgage stress and defaults from higher leveraged borrowers, a potential adverse impact on markets, and a potential downturn in the global economy. This could in turn have an adverse impact on ASB Bank's business and operations.

Internationally, concerns about sovereign debt, geopolitical tensions, banking system fragility and weaknesses in some of New Zealand's trading partners have the potential to impact economic activity and sentiment in New Zealand and elsewhere. China and Australia are New Zealand's major trading partners, with China being a significant driver of commodity demands and prices. ASB Bank's customers are affected by market conditions in that there may be less demand for loan products or certain customers may face difficulty in meeting their loan obligations. This could be caused by a slowdown in global economic growth, ongoing international trade disruptions or a decline in commodity prices, which could depress the volume and price of exports from New Zealand. A decline in the volume and price of exports from New Zealand, could harm ASB Bank's customers, particularly those customers in the rural sector and dairy industry. A slowdown could further impact business confidence and domestic consumption. Additionally, anything that adversely affects China's or Australia's economies could adversely affect New Zealand economic activity. As a result, any of these scenarios could result in an increase in defaults on individual loans made by ASB Bank to customers, and adversely affect ASB's business, financial condition, liquidity, results of operations and prospects.

The strength of the domestic economy can also be influenced by movements in the New Zealand dollar. Significant movements in the exchange value of the New Zealand dollar may adversely impact parts of the domestic economy and, in turn, ASB Bank's results of operations. While some sectors of the New Zealand economy (and therefore some of ASB Bank's customers) could be adversely affected by a declining New Zealand dollar, there are other sectors that benefit (for example, exporters). Financial markets are by their nature characterised by this volatility. For ASB Bank, while trading income can benefit from, or be harmed by, market volatility, volatility can also adversely impact ASB Bank's liquidity position. These impacts on liquidity may be exacerbated if market conditions worsen, or ASB Bank underperforms or experiences a ratings downgrade.

A material and/or protracted downturn in the New Zealand economy, including as a result of any of the above-mentioned factors, could adversely impact future results and could potentially result in increases in losses on individual loans made by ASB Bank or decreases in demand for ASB Bank's products and services. Recessive economic cycles also have a negative influence on liquidity levels, credit defaults of corporations and other borrowers and profitability. Real estate markets in New Zealand have experienced declines since late 2021 and are expected to experience further declines. ASB Bank's core business includes residential, commercial, small business, and rural property lending, as well as lending for real estate development. In particular, ASB Bank has a concentration of earnings from home loans, and a material decline in New Zealand real estate markets or increased unemployment could result in an increase in customers failing to meet their loan obligations or a decrease in demand for new lending that ASB Bank can underwrite. In the event of defaults, ASB Bank's property security values could be eroded, causing ASB Bank to incur higher credit losses, which could adversely affect ASB Bank's business, financial condition, liquidity, results of operations and prospects.



Since 2013, the RBNZ has taken steps to mitigate the risk of high household debt levels through the use of loan-to-value (“LVR”) restrictions on residential mortgage lending. From June 2023 the RBNZ has eased LVR restrictions. Additionally, the RBNZ announced in April 2022 that it intended to proceed with designing a framework for operationalising Debt-to-Income (“DTI”) restrictions but not an interest rate floor (which is a floor on the test interest rates used by banks in their serviceability assessments which test the ability of borrowers to continue repaying their loans if interest rates rise to a certain level, although it did not rule out imposing an interest rate floor subject to market conditions). The framework was published on 3 April 2023, but the earliest that restrictions could be introduced is March 2024, if required. As at the date of this Programme Circular, the impact of these changes is currently unknown. Further changes in LVR restrictions or the implementation of DTI restrictions or interest rate floors could lead to reduced demand for ASB Bank’s mortgage lending products and adversely impact ASB Bank’s financial performance.

If New Zealand housing growth or property values decline, or if future regulatory or legislative measures with respect to real estate or real estate lending negatively impact ASB Bank’s residential mortgage lending, the demand for ASB Bank’s residential mortgage lending products may decrease. For example, the amendments to the Credit Contracts and Consumer Finance Act 2003 (“CCCFA”) regulations introduced on 1 December 2021, have imposed more stringent credit assessment criteria on lenders. This has made it more difficult for some borrowers to get a loan (including home loans) and may have resulted in some loan applicants being declined for a loan that they could have otherwise qualified for before the amendments came into force. In order to address unintended consequences of the amendments made to the CCCFA regulations, the Government approved some changes to the CCCFA regulations in July 2022 and consulted on further amendments to ensure that customers are not being unfairly penalised when applying for a loan in September and October 2022. The further amendments took effect from 4 May 2023. These types of regulatory measures and changes could result in a decrease in the amount of funds ASB Bank is able to lend, or an increase in losses on defaulted loans due to declining collateral values, which, in each case, may adversely affect ASB’s business, financial condition, liquidity, results of operations and prospects.

Generally, the policies of the RBNZ and other global central monetary authorities can affect ASB Bank’s borrowers and other counterparties, potentially increasing the risk that ASB Bank’s borrowers and other counterparties may fail to repay loans or other financial obligations to ASB Bank. Changes in such policies and any resulting impacts can be difficult to predict. Furthermore, the efficacy of interventions by governments and central banks remains uncertain, and there is a risk that fiscal interventions and monetary policy stimulus that were designed to stabilise the increase in volatility in the economy and financial markets may create longer-term risks to the economy, an increase in the credit risks faced by ASB Bank, a deterioration of public finances of sovereigns and may lead to volatility and widening credit spreads. The unwinding of these policies and measures over time also presents downside risk to the New Zealand economy, with the potential to exacerbate existing negative effects on businesses and households (including inflationary pressures and higher unemployment) which may lead to increased credit losses for ASB Bank.

***Liquidity and funding risks could adversely impact ASB Bank’s results of operations and financial condition***

Liquidity risk is the risk of not being able to meet financial obligations as they fall due and that liquidity in financial markets, such as the market for debt securities, may reduce significantly. 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 ASB Bank’s borrowings and constrain the volume of new lending, which could adversely affect ASB Bank’s profitability.

Funding risk contributes to overall liquidity risk and is the risk of over-reliance on a funding source to the extent that a change in that funding source could increase overall funding costs or cause difficulty in raising funds. ASB Bank raises funding from a variety of sources, including customer deposits and wholesale funding in New Zealand and offshore markets to meet its funding obligations and to maintain or grow its business generally. While the majority of ASB Bank’s funding comes from

deposits, it remains reliant on offshore wholesale funding markets to source a significant amount of its funding. The availability of such funding, and the terms on which it may be available, depends on a variety of factors, including prevailing market conditions and ASB Bank's credit rating. Global market volatility could adversely impact the cost of accessing, and ASB's ability to access, wholesale funding markets, which could adversely impact ASB Bank's ability to maintain or grow its business and profitability. Fiscal and monetary stimulus and liquidity measures introduced by the RBNZ increased the availability of funding during the initial stages of the COVID-19 pandemic. For example, the RBNZ's Funding for Lending Programme ("FLP") had allowed New Zealand banks to borrow funds at the prevailing official cash rate for a term of three years. However, the RBNZ ceased providing additional funding through the FLP in December 2022. The tapering off of these stimulus measures may result in increased competition for deposits and other funding sources, and therefore increased funding costs to ASB Bank.

The global debt and equity markets have experienced, and continue to experience, periods of significant volatility. Disruptions, uncertainty or volatility in financial markets or adverse financial and credit market conditions may limit ASB Bank's access to funding (particularly ASB Bank's ability to access offshore wholesale funding markets at a cost that is acceptable to ASB Bank), force ASB Bank to delay raising funding, issue securities with shorter tenors than it prefers, or pay less attractive interest rates. Market volatility may also limit ASB Bank's ability to replace, in a timely manner, maturing liabilities and access the funding necessary to maintain and grow ASB Bank's business. There may also be circumstances where conditions specific to ASB Bank (for example, reduced profitability), as opposed to general market conditions, could also limit ASB Bank's access to domestic and international wholesale funding markets. If ASB Bank is unable to source appropriate funding, this could increase ASB Bank's interest expense, decrease its profitability and significantly reduce its financial flexibility and could force ASB Bank to reduce its lending or begin to sell liquid securities or take other actions to support its ability to fund its business. Such activities may adversely affect ASB Bank's business, financial condition, liquidity, results of operations and prospects.

In times of liquidity stress, if there is damage to market confidence in ASB Bank or if funding inside or outside of New Zealand is not available or constrained, ASB Bank's ability to access funding and liquidity sources may be constrained. In any such cases, ASB Bank will be exposed to liquidity risk and it 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. This includes prevailing market conditions, ASB Bank's credit rating (which is strongly influenced by New Zealand's sovereign credit rating) and the credit rating of CBA (which is in turn influenced by the sovereign credit rating of Australia). Even if available, the cost of these alternatives may be more expensive or on unfavourable terms, which may adversely impact ASB Bank's cost of borrowing, and ASB Bank's ongoing operations and funding. ASB Bank's liquidity and funding policies are designed for ASB Bank to meet its obligations as and when they fall due, by seeking to ensure it is able to borrow on an unsecured basis, has sufficient assets to borrow against on a secured basis, or has sufficient liquid assets to sell to raise immediate funds without adversely affecting ASB Bank's net asset value. ASB Bank actively monitors and manages its liquidity and funding profile. However, if ASB Bank is unable to maintain adequate levels of liquid assets (for example, should financial markets close for an extended period of time), this could have adverse effects on ASB Bank's operations and financial condition.

Additionally, the RBNZ's monetary policy response to the COVID-19 pandemic included the use of unconventional monetary policy tools, such as direct lending to banks through its FLP. While these programmes have now ended, the use of these unconventional monetary policy tools has had unintended consequences, including asset price inflation and excess liquidity, which may have altered the behaviours and incentives of ASB Bank's customers and therefore impact the demand for ASB Bank's products. It may have also created longer term risks in the economy, including deterioration of public finances leading to widening credit spreads which could be expected to impact ASB Bank's ability to access cost effective wholesale funding. The long-term effects of these monetary policy responses are still unknown.

ASB Bank is required to meet the RBNZ Liquidity Policy requirements as set out in the RBNZ Liquidity Policy (“BS13”) and the RBNZ Liquidity Policy Annex: Liquid Assets (“BS13A”). This RBNZ policy requires New Zealand registered banks who have this requirement in their conditions of registration to maintain sufficient liquid assets to meet the regulator’s cash outflow assumptions for one week and one month stressed periods. The RBNZ policy also requires banks to maintain a stable funding base and this is measured through a “core funding ratio” measure, which currently requires banks to meet a minimum core funding ratio of 75 per cent., which means that 75 per cent. of bank funding is met through deposits, term wholesale funding and capital. The core funding ratio encourages term debt with greater than one year remaining, and more generally, smaller customer deposits and capital funding. ASB Bank maintains balance sheet settings in excess of the minimum RBNZ Liquidity Policy requirements, but if ASB Bank were to breach RBNZ Liquidity Policy requirements this could result in the RBNZ taking steps to intervene in the management of ASB Bank which may include the appointment of a statutory manager. Such interventions could have an adverse effect on ASB Bank’s operations.

***Damage to ASB Bank’s reputation or social licence to operate could harm ASB Bank’s business, financial condition, liquidity, results of operations and prospects***

Various issues may give rise to reputational damage and may impact how customers, investors, and regulators view ASB Bank’s social licence to operate in New Zealand, which could cause harm to ASB Bank’s business, financial condition, liquidity, results of operations and prospects. Damage to ASB Bank’s reputation or social licence to operate in New Zealand may arise where there are differences between stakeholder expectations and ASB Bank’s actual or perceived practices and could result from activities that result in inappropriately dealing with customers or potential conflicts of interest, as well as from breaching legal and regulatory requirements, poor conduct, including inadequate sales and trading practices, inappropriate management of conflicts of interest and other ethical issues, technology failures, other significant operational loss incidents and non-compliance with internal policies and procedures. Reputational failure may impact the perception that ASB Bank’s customers, investors, and regulators have about ASB Bank, which could impact ASB Bank’s business, financial condition, liquidity, results of operations, and prospects.

Scrutiny over the banking and financial services industry remains high, with key regulators providing additional funding for oversight and enforcement activity, as a result of the conduct reviews in New Zealand (for further information, see “*Risk Factors – Factors that may affect ASB Bank’s ability to fulfil its obligations under Notes issued under the Programme – ASB Bank is subject to extensive regulation, which could have an adverse impact on ASB Bank’s results of operations, financial condition and reputation*”). For example, on 20 June 2023 the New Zealand Government announced that it would have the Commerce Commission undertake a market study into competition in New Zealand’s personal banking sector (for further information, see *Regulatory environment in New Zealand – Regulatory Changes*). Failure to address issues appropriately could give rise to reputational damage, additional legal risk, subject ASB Bank to regulatory enforcement actions, fines and penalties, or harm its reputation and perceived integrity among customers, investors and other stakeholders.

***ASB Bank may incur losses or reputational harm from operational risks associated with being a complex financial institution and ineffective risk management processes and strategies***

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes legal risk but excludes strategic and reputational risks. Risks related to transaction processing, cybersecurity, technology, data management, artificial intelligence, model management and accuracy, accounting and financial management, supplier management and performance, employment practices, personal employee conduct, internal and external theft and fraud, and external environmental disruptions are identified as key operational risks for ASB Bank. For example, ASB Bank is exposed to risk of loss or regulatory action resulting from human error, incorrect design of or inadequate implementation, maintenance or application of models used in the operation of ASB Bank’s business, failure of third party vendors or

suppliers to provide contracted services, ASB Bank personnel conducting improper business practices, such as mis-selling, mis-representing and/or mis-pricing products to customers, improper recording and accounting of transactions by ASB Bank personnel, breach of security and physical protection systems and policies, or non-compliance by ASB Bank personnel with internal policies and regulations. There is also a risk that if ASB Bank does not have the right level of appropriately skilled staff, if its systems do not operate effectively or if appropriate and effective governance arrangements are not in place, ASB Bank could make inappropriate decisions, which in turn could adversely impact ASB Bank's operations.

Additional operational risk has been identified as a result of the ASB Bank workforce moving to a hybrid working model. Changes to the way employees work including the tools and processes they utilise and the environment they work in (for example, increased use of applications that support working remotely) has exposed, and may continue to expose, ASB Bank to increased operational risk. As a result of the introduction of new processes and changes to how employees work, further operational risk could include an increased risk of fraud, process execution errors, and health and safety risks, which could result in losses or reputational harm for ASB Bank.

As ASB Bank increases its analytical capabilities and the use of models in its decision making, the reliability of ASB Bank's data and models is crucial. Data and model risks are increasing with the use of emerging technologies, such as artificial intelligence, which require new capabilities and model risk management approaches. There is a risk that ASB Bank makes inappropriate decisions due to poor data quality or models that have fundamental errors or are used incorrectly or inappropriately, including due to incorrect model design, improper implementation, maintenance or application. ASB Bank's businesses are highly dependent on its ability to process and monitor, in many cases on a daily basis, a very large number of transactions, many of which are highly complex and utilise artificial intelligence and models, across multiple channels and markets in many currencies. Changing circumstance that require rapid updates to models increases the risk of reporting errors. This could result in the risk of ASB Bank's financial, accounting, data processing or other operating systems and facilities failing to operate properly, ASB Bank failing to disclose information to the market appropriately, or failing to comply with regulatory obligations.

ASB Bank uses third party vendors and suppliers to provide contracted services to help deliver services and manage internal processes. ASB Bank is exposed to risk of loss resulting from failure of third party vendors or suppliers to provide contracted services which could impair or disrupt ASB Bank's operations or services. ASB Bank's use of, or dependence on, third party suppliers and third party partnerships has the potential for reputational damage or an adverse impact on its future results if a failure to effectively provide contracted services occurs, or due to the demise of, or a severe event at, such third party.

ASB Bank utilises complex technology frameworks and systems to deliver its services and manage internal processes. Some of these technology systems are provided and/or supported by third party suppliers and vendors. Disruptions to the technology framework can have a significant impact on ASB Bank's operations. These disruptions can be caused by internal events (for example, system upgrades) and external events (for example, failure of vendors' systems or power supplies). ASB Bank may incur losses or reputational harm as a result of any such disruptions.

There can be no assurance that the risk management processes and strategies that it has developed in response to current market conditions will adequately anticipate any unforeseen circumstances. Therefore, ASB Bank may, in the course of its activities, incur losses, reputational harm, or regulatory action as a result of operational incidents.

***Substantial legal liability or regulatory action against ASB Bank could negatively impact ASB Bank's business, financial condition, liquidity, results of operations and prospects***

Due to the nature of ASB Bank's business, it may from time to time be involved in litigation, arbitration and regulatory proceedings, principally in New Zealand. For example, on 29 September 2021, proceedings were served on ASB Bank which had earlier been filed in the High Court of New

Zealand, Auckland Registry (the “High Court”) by plaintiffs seeking to bring a representative action on behalf of a class of plaintiffs alleging ASB Bank had breached its variation disclosure obligations under the CCCFA. See *“ASB Bank Limited – Recent Developments – High Court Proceedings”* for further details. Such matters, including those High Court proceedings, are subject to many uncertainties, and the outcome of individual matters cannot be accurately predicted. If ASB Bank is ordered to pay money (for example, damages, fines, penalties or legal costs), or is otherwise subject to adverse outcomes of litigation, arbitration and regulatory proceedings, ASB Bank’s business, financial condition, liquidity, results of operations and prospects may be adversely affected. Furthermore, if ASB Bank is found to be liable in any litigation and/or regulatory proceedings, ASB Bank’s reputation may be adversely impacted.

In recent years there have been significant increases globally 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. In New Zealand, the nature of these investigations and reviews have been wide ranging and, for example, currently include a range of matters including responsible lending practices, product suitability, wealth advice, conduct in financial markets, anti-money laundering and capital market transactions. See *“Risk Factors – Factors that may affect ASB Bank’s ability to fulfil its obligations under Notes issued under the Programme —ASB Bank is subject to extensive regulation, which could have an adverse impact on ASB Bank’s results of operations, financial condition and reputation”* for more detail about banking regulations that have significant impacts on ASB Bank.

***ASB Bank may incur losses associated with its counterparty exposures and counterparty lending***

ASB Bank assumes counterparty risk in connection with its lending, trading, derivatives, and other businesses where it relies on the ability of its counterparties to satisfy their financial obligations to ASB Bank on a timely basis. ASB Bank faces the possibility that a counterparty may be unable to honour its contractual obligations. This risk is exacerbated given the current levels of global market volatility and economic uncertainty, and flow on impacts from increasingly frequent and severe weather events. ASB Bank also faces a risk that counterparties may default on their obligations to ASB Bank due to bankruptcy, lack of liquidity, operational failure or other reasons. This risk may arise, for example, through the selling of home, personal and business loans, from entering into derivative contracts under which counterparties have obligations to make payments to ASB Bank, executing currency or other trades that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries. ASB Bank is also subject to the risk that its rights against counterparties may not be enforceable in certain circumstances.

Counterparty default is more acute when market conditions are difficult, for example in the event of prolonged deterioration in economic conditions, whether generally or in a specific industry sector or geographic region or due to the occurrence of events such as country-specific or global deterioration in economic conditions, natural disasters or pandemics, a sustained high level of unemployment or a significant rise in the level of interest rates and a reduction in the value of assets that ASB Bank holds as collateral. There is also a risk that customers or counterparties fail to meet their obligations where they are exposed to a depreciation of the New Zealand Dollar, particularly importers and wholesalers. ASB Bank may be exposed to a heightened risk of counterparties being unable to honour their contractual obligations or defaulting on their obligations due to a deterioration of the financial condition of ASB Bank’s counterparties and customers, as a result of deterioration in economic conditions and a sustained high level of unemployment. ASB Bank is also exposed to an increased risk of credit loss from counterparties who are in sectors such as commercial property, discretionary retail trade, entertainment, leisure and tourism that have been identified as having potentially worse or lagged prospects compared to the general economy in New Zealand. This may lead to an increase in loan and other credit defaults, bad debts, and credit impairments for ASB Bank.

In addition, in assessing whether to extend credit or enter into other transactions with counterparties, ASB Bank relies on information provided by, or on behalf of, the counterparties, including financial

statements and other financial information. ASB Bank's financial performance could be negatively impacted to the extent that it relies on information that is inaccurate or materially misleading. While ASB Bank holds provisions to cover credit impairment, the amount of these provisions is determined by assessing the extent of impairment inherent within the current lending portfolio, based on current information. This process requires difficult, subjective and complex judgements, including forecasts of how current and future economic conditions might impair the ability of borrowers to repay their loans. However, if the information upon which the assessment is made proves to be inaccurate or if ASB Bank fails to identify factors properly or fails to estimate accurately the impact of factors that are identified, the provisions made for credit impairment may be insufficient, which could have a material adverse effect on ASB Bank's financial performance.

***ASB Bank could suffer losses and reputational damage due to environmental and social risks***

ASB Bank could be exposed to financial losses or reputational damage from the impacts of climate change or from not understanding or meeting the community or regulatory expectations in relation to environmental and social issues.

Climate change is systemic in nature, and is a long-term driver of financial, non-financial and strategic risk for ASB Bank. A failure to respond adequately to the potential and expected impacts of climate change will affect ASB Bank's long-term performance and can be expected to have wide-ranging impacts for ASB Bank in its lending (retail and business), procurement and investment portfolios. ASB Bank recognises that inadequate assessment and management of climate change risks, and the risks associated with the transition to a low emissions economy, have the potential to disrupt business activities, damage property and otherwise affect the value of assets, and affect its customers' ability to make interest payments or repay loans. This could adversely impact ASB Bank's franchise value, strategic risk and financial risk, and poses a risk to ASB Bank's cost of capital.

There is an increasing risk that ASB Bank will be impacted by one or more types of climate change risk. ASB Bank categorises climate change risk into physical risk or transition risk. Both risk types occur in terms of ASB Bank customers being exposed to physical or transition risk, and this having an impact on the overall risk exposure of ASB Bank's portfolio. Physical risk is the risk of damage to physical assets, productivity or supply chains which may be either acute (defined by increasing frequency and severity of extreme weather events) or chronic (shifts occurring over longer timeframes, such as rainfall patterns or sea level rise). Transition risk is caused by shifts in policy, legal, technology, market or reputational challenges created by the rapid transition to a low emissions economy and society. Climate transition risk in ASB Bank's portfolio is closely linked to the emissions intensity of the industry sectors and the cost and availability of emissions reduction options. Examples of emissions-intensive sectors ASB Bank is exposed to include agriculture, manufacturing, and freight. As ASB Bank transitions to report in line with New Zealand's mandatory climate-related disclosures regime, which aligns with the Taskforce for Climate-Related Financial Disclosures framework, it is possible investors, stakeholders, consumers, activists, customers and regulators may place further scrutiny on ASB Bank's climate-related risks, strategies, governance and financing activities. Consequently, a failure or a perception of failure by these groups of ASB Bank's management and reporting on climate risk may expose ASB Bank to reputational damage, with an increasing reputation risk and risk of litigation from these third-parties with strongly-held views on appropriate climate change response. ASB Bank's reputation could also be impacted by continuing to finance certain industries or customers that are greenhouse gas emissions intensive, carbon intensive or environmentally destructive, by setting portfolio emission reduction targets and strategies that do not meet community expectations, or by failing to meet targets that it has set.

ASB Bank's assets, including those held as collateral or investments, could become impaired as a result of permanent damage arising from more frequent and severe weather events and longer-term shifts in climate patterns. In particular, there is a risk of ASB Bank's lending portfolio accumulating an increased exposure to high-risk assets over time, if appropriate action is not taken in the shorter term. For example, in February 2023 Cyclone Gabrielle caused significant damage to homes and businesses on the North Island of New Zealand, adding physical damage and reduced cash flow to the

challenges faced by ASB Bank's customers. Damage to the assets of ASB Bank's customers could affect their ability to repay loans, leading to potential reputational risk from increased hardships if ASB Bank fails to respond to such hardship in a manner satisfactory to the public. It could also impact the probability of default and losses arising from defaults, valuations and collateral as well as portfolio performance. There is also an increasing risk that assets can become impaired where customers are unable to secure adequate insurance coverage against damage arising from more frequent and severe weather events and longer-term shifts in climate patterns or when the cost of insurance exceeds what customers are able to pay. In addition to its home lending portfolio, this risk is present in ASB Bank's rural portfolio where extreme weather or climate shifts may create damage to assets or productivity losses. Physical climate risk may also be an issue in ASB Bank's commercial property portfolio. Damage to assets of customers could affect their ability to repay loans, leading to potential reputational risk from increased hardships. It could also impact the probability of default and losses arising from defaults, valuations and collateral as well as portfolio performance.

Disruption is also likely to occur from the adjustment to a low-emissions economy. This may be due to the nature and volume of regulatory policy, market, technological or community-led transition requirements, and changing expectations. Local and global regulators have increased their focus on climate change, which is leading to changes in supervisory and regulatory guidance and requirements for banks where regulators seek to understand and manage system-wide climate-related risks. This increases the risk of compliance breaches or litigation risk (including class actions). Further, decreasing investor appetite and decreasing customer demand for carbon intensive products and services may give rise to transition risks and negatively impact revenue and access to capital for some businesses. These transition risks impacts may increase current levels of customer defaults, thereby increasing the credit risk facing ASB Bank and adversely impacting ASB Bank's financial performance and position. ASB Bank's assets in certain industries and/or locations, or those held in investment portfolios, could become less valuable as a result of being misaligned with low-carbon policy or community expectations. The reputational and financial performance of ASB Bank could also be adversely impacted if revenue foregone from carbon intensive customers is not offset by opportunities in new 'green' industries.

Social risk may increase as community expectations shift in relation to how the financial sector interacts with people in vulnerable circumstances and marginalised members of the community. This is an increasing focus of financial sector regulators and government policy. Social risk includes the risk of making socially irresponsible investments, or financing and interacting with businesses who do not demonstrate socially responsible practices, including the risk of modern slavery that may be present in ASB Bank's operations or supply chain, or those of the businesses or organisations that ASB Bank does business with. Risk in ASB Bank's operations may be via banking customers having modern slavery in their businesses (for example, deceptive recruitment practices or inadequate auditing procedures to screen for modern slavery risk in offshore manufacturing operations). Modern slavery risk in ASB Bank's investment activities may occur when holdings are in jurisdictions with poor worker protection. Supply chain risk may further be present when goods or services, or components of these, are procured from jurisdictions with poor worker protection. ASB Bank's reputation may be adversely impacted by financing or partnering with organisations who have unethical practices, or who are engaged in modern slavery practices or have modern slavery in their supply chains.

***ASB Bank faces information security risks, including risks from potential cyber-attacks, which could have a material adverse impact on ASB Bank's business***

ASB Bank's information technology systems, including those supplied by external service providers, are subject to information security risks, including the risk of cyber-attacks that have the potential to cause financial system instability and could result in serious disruption to customer banking and/or ASB Bank's operations or services, or compromise customer data privacy.

ASB Bank's business is highly dependent on its information technology systems, including those supplied by external service providers, to securely process, store and transmit information. Although

ASB Bank devotes effort to improving its information technology to protect the confidentiality, integrity and availability of its information and computer systems, software and networks, including systems relating to disaster recovery, security and risk management, as well as maintaining the confidentiality of information that may reside on those assets, ASB Bank cannot guarantee that any efforts to improve its information technology systems will be effective or that ASB Bank's security measures can provide absolute security.

Information security risks for large financial institutions have increased in recent years, in part because of the evolution and development of new technologies, the use of internet and telecommunications technology to conduct financial transactions and the increased sophistication and broadened activities of state-sponsored actors, organised criminals and hackers. Additionally, there has been an increase in the volume of cyber-attacks in New Zealand in recent years. It is also anticipated that the risk of cyber-attacks may increase, as a result of increasing geo-political tensions such as the Russia-Ukraine conflict where state-sanctioned cyber-attacks may become more common. Cyber threats, such as distributed denial of service, malware and ransomware, are continuously evolving, becoming more sophisticated and increasing in volume as external cyber threat actors seek to exploit potential system vulnerabilities. In addition, as ASB Bank continues to advance its digital strategy to enable customers to access ASB Bank's products and services, customers may use personal smartphones, personal computers and other computing devices, personal tablet computers and other mobile devices that are beyond ASB Bank's control systems. Although ASB Bank takes, and seeks to ensure that third-party service providers take, protective measures and endeavours to modify and adequately safeguard them as circumstances warrant, computer systems, software and networks may still be vulnerable. Exposures could include failures or outages, unauthorised transactions, unauthorised or unintended access, misuse, denial-of-service attacks, credential stuffing, phishing attacks or other forms of social engineering, computer viruses or other malicious code and other events that could result in the unauthorised access or release, gathering, monitoring, misuse, disablement, corruption, encryption, loss or destruction or other processing of confidential or sensitive property and other information of ASB Bank, its employees, customers or third parties, or otherwise materially disrupt ASB Bank's, its customers' or third parties' network access or business operations and could have a material adverse impact on ASB Bank's business.

Further, ASB Bank's ability to monitor its service providers' cybersecurity practices is limited. Although ASB Bank generally has agreements relating to cybersecurity and data privacy in place with its service providers, it cannot guarantee that such agreements will prevent a cyber incident impacting its systems or information or enable it to obtain adequate or any reimbursement from its service providers in the event ASB Bank should suffer any such incidents.

It is possible that ASB Bank (or its third party suppliers) 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, can evolve rapidly and those that would perpetrate attacks can be well-resourced.

Information security threats may also occur as a result of:

- ASB Bank's size and role in the financial services industry;
- ASB Bank's plans to continue to implement internet banking and mobile banking channel strategies, and develop additional remote connectivity solutions;
- the outsourcing of some of ASB Bank's business operations; and
- the threat of cyber-attacks.

An information security failure or non-compliance with data protection and privacy regulations could have serious consequences for ASB Bank. This could include operational disruption, financial losses, a loss of customer or business opportunities, litigation, regulatory penalties or intervention, reputational damage, theft of intellectual property, or customer data, and could result in violations of applicable privacy laws, all of which could have a material adverse impact on ASB Bank's business.



***ASB Bank is subject to extensive regulation, which could have an adverse impact on ASB Bank's results of operations, financial condition and reputation***

ASB Bank's banking activities are subject to extensive regulation and supervision, including (but not limited to) those relating to capital levels, liquidity levels, solvency, risk management, provisioning, accounting and reporting requirements, taxation, remuneration, consumer protection, competition, anti-bribery and corruption, anti-money laundering and trade sanctions. ASB Bank's business and earnings are also affected by the fiscal or other policies that are adopted by various regulatory authorities of the New Zealand government. Where ASB Bank obtains funding in offshore jurisdictions, it is also subject to jurisdiction specific regulations as a condition of offering debt securities in those markets. Events in the financial services industry and, more generally, in the international financial markets and the global economy, have resulted in various changes to the regulation of the financial services industry. For instance, as a result of the global financial crisis, ASB Bank continues to expect increased regulatory focus on capital and liquidity requirements, conduct expectations, and other aspects of its business that may impose increased regulatory burdens. Any changes to the regulatory requirements to which ASB Bank is subject could have an adverse impact on ASB Bank's results of operations, financial condition and reputation.

The pace, volume, complexity and extent of new regulation impacting ASB Bank has increased significantly and ASB Bank faces challenges implementing compliance processes within the proposed timeframes. In New Zealand, new requirements have been introduced or are expected to be introduced in the areas of responsible lending practices, capital requirements, conduct in financial markets, regulation of incentive structures, a depositor compensation scheme, retail payment systems regulation, consumer data rights (including open banking) and climate-related financial disclosures. For example, the Deposit Takers Bill, which had its third parliamentary reading on 29 June 2023, introduces a new crisis management regime for deposit takers (which is expected to include ASB Bank) with powers for the RBNZ to make directions and put the deposit taker into resolution in certain circumstances, including where the RBNZ is satisfied on reasonable grounds that the deposit taker is insolvent or is likely to become insolvent. While a deposit taker is in resolution, management of that deposit taker vests in the RBNZ and, among other things, no person may commence or continue a proceeding against that deposit taker.

Regulatory change has impacted, and is expected to continue to impact, ASB Bank's operational and investment capacity in the near term, which could impact the operation and profitability of ASB Bank's business activities, require changes to certain business practices, and expose ASB Bank to additional costs. ASB Bank's ability to respond to regulatory changes has also faced challenges including resourcing constraints due to a tight labour market, compressed timeframes, and the sequencing of regulatory changes for similar obligations across various regulators, which has resulted in some instances of duplicated or resource intensive efforts to implement change in systems, processes or products. If the pace, volume, complexity and nature of regulatory change exceeds ASB Bank's ability to resource, adapt and embed appropriate compliance processes, or requires ASB Bank to reprioritise the allocation of resources from other areas of its business, this could have an adverse impact on ASB Bank's results of operations, financial condition and reputation.

ASB Bank is supervised by the RBNZ. As part of its registration, ASB Bank is subject to Conditions of Registration. The Conditions of Registration may be changed at any time, though the RBNZ is required to give ASB Bank notice and consider submissions made by it prior to any such change. Any changes to ASB Bank's Conditions of Registration by the RBNZ could have an adverse impact on ASB Bank's results of operations and on its financial condition. In the event that the RBNZ were to conclude that ASB Bank did not satisfy the Conditions of Registration, sanctions could be imposed on ASB Bank. These could include increasing the required levels of capital, de-registration, fines or additional limitations on the conduct of ASB Bank's business. In addition, the RBNZ could require ASB Bank to take additional steps and incur additional expense to satisfy the conditions.

ASB Bank will soon become subject to enhanced supervisory powers by the Financial Markets Authority ("FMA"), a New Zealand financial markets regulator, in relation to its conduct. In order to

continue providing financial products and services to retail customers, ASB Bank will be required to apply for and obtain a licence from the FMA under the conduct licensing regime being implemented through the Financial Markets (Conduct of Financial Institutions) Amendment Act. Licensing applications are expected to open on 25 July 2023. ASB Bank will also be required to establish, implement, and maintain a fair conduct programme as part of the new conduct licensing regime.

If ASB Bank fails to comply with the requirements of relevant laws, regulatory bodies, industry standards and codes, associated compliance risk may arise. The increasing volume, complexity and global reach of regulatory requirements, the increased propensity for sanctions and enforcement actions by regulators, as well as the level of financial penalties for breaches of requirements could have an adverse impact on ASB Bank. ASB Bank has observed increased scrutiny, oversight and intervention by the RBNZ, FMA and other financial services regulators and supervisors as evidenced by additional scope of regulatory oversight by and funding for these bodies to build broader enforcement capabilities over time and regulators creating or strengthening dedicated enforcement units. From time to time, ASB Bank identifies regulatory issues and non-compliance events that arise during the course of its operations, and to the extent that ASB Bank is not able to effectively implement or execute changes or remediation plans in a manner that is satisfactory to a regulator, ASB Bank may be subject to regulatory enforcement actions, fines and/or penalties, sanctions, contractual damage claims, greater regulatory oversight or regulatory intervention, which could adversely impact ASB Bank's business, financial condition, results of operations, reputation and prospects and could therefore adversely impact its future results.

#### *Australian Regulation impacting CBA Group*

ASB Bank may also be indirectly impacted by Australian regulation to which CBA is subject, where this regulation is applicable to the CBA Group. In these circumstances ASB Bank may be required to conform to Australian regulatory requirements in order to facilitate compliance by the CBA Group.

The CBA Group and its businesses are subject to extensive regulation in Australia by multiple regulatory bodies as well as by other regulators in jurisdictions in which the CBA Group operates or obtains funding, including New Zealand, the United Kingdom, the United States, China, Japan, Europe, Singapore, Hong Kong and Indonesia. Key domestic regulators include APRA, ASIC, the Australian Transaction Reports and Analysis Centre ("AUSTRAC"), the Office of the Australian Information Commissioner (the "OAIC"), the Australian Competition and Consumer Commission (the "ACCC"), the Australian Financial Complaints Authority, the Reserve Bank of Australia ("RBA") and the Australian Securities Exchange ("ASX"). APRA is the Australian regulator responsible for the prudential supervision of Australian banks. APRA is the CBA Group's prudential regulator in Australia.

Any change in law, regulation, accounting standards, policy or practice of regulators, or failure to comply with laws, regulations or policy, may adversely affect CBA Group's business, financial condition, liquidity, operations, prospects and reputation, and its ability to execute its strategy, either in the short-term or the long-term. The potential impacts of regulatory change are wide-ranging, and could include regulators increasing the levels and types of capital that CBA Group is required to hold and restricting the way CBA Group can conduct its business and the nature of that business, such as the types of products that it can offer to customers. The consequences for ASB Bank from regulations applicable to the CBA Group could include limits on the level of support CBA would be able to provide in the future, and ASB Bank cannot provide any assurance that these or future regulatory requirements for the CBA Group will not have an adverse effect on its business, financial condition, liquidity, results of operations or capital adequacy.

Regulation is becoming increasingly extensive and complex. Some areas of potential regulatory change involve multiple jurisdictions seeking to adopt a coordinated approach. Notwithstanding regulators' efforts to coordinate their approach, many measures adopted or proposed differ significantly across the major jurisdictions. In recent years 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 globally, particularly against financial institutions. The nature of these investigations and reviews can be, and has been, wide ranging, and the resolution of such investigations and reviews may involve fines, enforcement actions and a range of other sanctions.

There is a risk that if new regulations or changes to existing regulations are adopted, this may impact the profitability of ASB Bank's business activities, require changes to certain business practices, impact ASB Bank's ability to maintain its current business levels or grow its business, and expose ASB Bank to additional costs. Such additional costs may result from, among other things, implementation costs, holding additional capital and higher levels of liquid assets and undertaking changes to ASB Bank's wholesale funding profile.

***Failure to maintain credit ratings could adversely affect ASB Bank's cost of funds, liquidity, access to debt and capital markets and competitive position***

A credit rating is an opinion on the general creditworthiness of an obligor. ASB Bank's credit ratings affect ASB Bank's cost of funds, liquidity and access to debt and capital markets. Additionally, credit ratings also impact the cost and availability of capital. Credit ratings may be an important source of information used by current and potential customers, counterparties, intermediaries and lenders when evaluating ASB Bank's products and creditworthiness. Investors may also consider ASB Bank's credit rating prior to investing in ASB Bank's debt securities. Therefore, any failure by ASB Bank to maintain its credit ratings could also negatively impact the competitive position of ASB Bank's business.

The rating agencies determine ASB Bank's credit ratings after an assessment of a number of stand-alone factors including ASB Bank's financial strength and outlook, and its key operating environments (such as the New Zealand financial system). The stand-alone assessment is then coupled with an assessed level of parent company and government support and hence is also influenced by the credit ratings of CBA and the New Zealand sovereign. A negative outlook or downgrade in credit ratings could be due to a change in the rating agencies' assessment and rating methodology, or from an adverse change in ASB Bank's financial position or outlook. A negative outlook or downgrade could also be due to a change in the outlook of the New Zealand sovereign, or the financial position or outlook of CBA, including in its capacity as parent of ASB Bank, or the ability of CBA or the New Zealand sovereign to provide support to ASB Bank in times of stress. A change in the outlook of CBA might in turn result from a change in the outlook of the Australian sovereign and its ability to provide support to CBA in times of stress. The manifestation of any of the risk factors highlighted in this section could affect ASB Bank's financial position and outlook and could drive a change in its credit ratings.

A downgrade to ASB Bank's credit ratings or the credit ratings of CBA, the New Zealand sovereign or the Australian sovereign could adversely affect ASB Bank's cost of funds and related margins, liquidity position, collateral requirements and access to debt and capital markets. A downgrade to ASB Bank's credit ratings could also negatively impact its competitive position. The extent and nature of these impacts would depend on various factors, including the extent of any ratings change and ASB Bank's credit rating relative to its peers.

Credit ratings may be revised, withdrawn or suspended by the relevant credit rating agency at any time. Credit ratings are not a recommendation by the relevant rating agency to invest in securities offered by ASB Bank.

***ASB Bank is part of a larger business group, and decisions by that larger business group, or financial or reputational damage to that larger business group, may adversely impact ASB Bank's business, financial condition, reputation, liquidity, results of operations and prospects***

As ASB Bank is part of a larger business group, it is vulnerable to the decisions made by that larger business group, as well as financial or reputational damage by virtue of its association with that larger business group. If financial resources are withdrawn by the CBA Group or the CBA Group makes a

business or corporate decision that is not in ASB Bank's interests, this may adversely affect ASB Bank's business, financial condition, liquidity, results of operations and prospects. In addition, the reputational consequences of the occurrence of a significant risk event within the CBA Group, for example, a major operational failure, may have a material impact on ASB Bank's business, financial condition, reputation, liquidity, results of operations and prospects.

***ASB Bank could suffer losses due to catastrophic events***

ASB Bank is exposed to the risk of financial losses and disruption to business processes from significant external catastrophic events. Significant external catastrophic events may include, but are not limited to, pandemics, fires, storms, floods, droughts, earthquakes, volcanic eruptions, civil unrest, war or terrorism. These events have the potential to introduce new and elevated risks to ASB Bank's operations. These include safety risks to employees working in offices and branches, and disruptions to operations arising from remote working and reprioritization of teams to service increased customer queries and hardship requests.

A failure to respond adequately to the potential and actual impacts of catastrophic events could have wide ranging impacts for ASB Bank. There is an increased risk of complaints, reputational damage and conduct implications if increased volumes of customer requests for relief measures are not appropriately managed. Disruptions also increase the risk of potential non-compliance with ongoing regulatory obligations and commitments.

Further, disruption may impact both ASB Bank's and/or its customers' operations. It may also damage ASB Bank's and/or its customers' property, and otherwise affect the value of assets held in the affected locations, and ASB Bank's ability to recover amounts owing to it. In addition, such an event may have an adverse impact on economic activity, consumer and investor confidence or the levels of volatility in financial markets.

***ASB Bank is subject to capital adequacy requirements imposed by the RBNZ and failure to meet these could adversely affect its financial condition***

ASB Bank is supervised by the RBNZ, which sets capital requirements with which ASB Bank must comply. The regulatory capital requirements set by the RBNZ limit how ASB Bank uses its capital and the RBNZ has restricted, and can restrict ASB Bank's ability to pay dividends or to make capital repurchases. ASB Bank's capital ratios may be affected by several factors, including but not limited to lower earnings, operating losses, increased asset growth, movements in ASB Bank's risk-weighted assets (RWA), changes in credit quality and changes in business strategy (including acquisitions, divestments, investments and changes in the capital requirements of businesses).

ASB Bank operates an Internal Capital Adequacy Assessment Process ("ICAAP") to manage its required capital levels and to maintain them above its Board approved limits (which in turn are set to exceed regulatory requirements). The ICAAP includes forecasting and stress testing of capital levels which guides ASB Bank in selecting any capital management initiatives it may undertake. Should actual circumstances differ materially from the forecast circumstances or fall materially outside the range of circumstances on which stress tests are based, ASB Bank's business may be adversely impacted if ASB Bank finds it difficult to raise sufficient levels of capital to manage balance sheet growth and/or extreme stress. The requirement to maintain certain levels of CET1, Tier 1 capital, Tier 2 capital and the aggregate of Tier 1 and Tier 2 ("Total capital"), affects the level of ASB Bank's lending activity or, alternatively, may require the issue of additional equity capital or subordinated debt, which are additional sources of funds for ASB Bank. Any change in regulation, including changes that increase the requirements of regulatory capital, such as to address current or potential risks in the housing market, could have an adverse impact on ASB Bank's results of operations or the ability to maintain or grow its current business.

Under the current RBNZ capital adequacy requirements, New Zealand incorporated banks, including ASB Bank, are required to maintain a CET1 capital ratio of 4.5 per cent., a Tier 1 capital ratio of 6.0 per cent. and a Total capital ratio of 8.0 per cent. In addition, the RBNZ capital adequacy

requirements also require New Zealand incorporated banks, including ASB Bank, to maintain a prudential capital buffer ratio above the regulatory minimum CET1 capital ratio or face potential regulatory actions, including restrictions on distributions. If ASB Bank is unable to meet these capital adequacy requirements, its financial condition may be adversely affected.

The RBNZ's Banking Prudential Requirements came into effect on 1 October 2021. Based on ASB Bank's current balance sheet size and composition as at 31 December 2022, ASB Bank estimates that it will require approximately NZ\$2 billion of additional Total capital by 1 July 2028. To the extent that higher capital requirements in the New Zealand banking system impact the cost and access to credit in the New Zealand economy, this could have an adverse effect on economic growth and on ASB Bank's customers' ability to meet their obligations, which could in turn adversely impact ASB Bank's business, results of operation and financial condition. See *"Risk Factors – A downturn in the New Zealand economy could adversely impact ASB Bank's business, financial condition, liquidity, results of operations and prospects"*. Where ASB Bank is unable to pass on increased funding costs, or meet competitors' market response on re-pricing, this could adversely impact ASB Bank's ability to compete and affect its results of operations. Further, it is possible that the proposed changes could cause ASB Bank's parent company, CBA, to review and reconsider its operations in New Zealand, including the total capital invested and business structure. For further information, see *"Risk Factors – Factors that may affect ASB Bank's ability to fulfil its obligations under Notes issued under the Programme – ASB Bank is subject to extensive regulation, which could have an adverse impact on ASB's results of operations, financial condition and reputation"*.

***Global pandemics, such as the COVID-19 pandemic, or other communicable diseases occurring in the future have the potential to materially and adversely affect ASB Bank's business, financial condition, liquidity, results of operations and prospects***

Since 2019, COVID-19 has created economic and financial disruptions that have materially and adversely affected, and may continue to adversely affect, ASB Bank's business, financial condition, liquidity, results of operations and prospects. The emergence of a comparable communicable disease in the future would likely have the same or similar impact as the COVID-19 pandemic, and the extent to which such a pandemic might affect ASB Bank's business, financial condition, liquidity, results of operations and prospects going forward will depend on the nature of the disease, including the duration, spread and intensity of the pandemic, the emergence of new variants of the virus, the distribution, acceptance and effectiveness of vaccines and other medical treatments, the duration of government measures to mitigate the pandemic and how quickly and to what extent economic and operating conditions return to levels existing prior to the pandemic, all of which are uncertain and unable to be predicted.

***ASB Bank faces intense competition which could adversely impact ASB Bank's ability to execute its strategy, and ASB Bank's business, financial condition, liquidity, results of operations and prospects***

The New Zealand financial services sector in which ASB Bank operates is very concentrated and highly competitive.

The delivery of banking products and services is competitive in New Zealand, with significant competition for customer deposits and loans among New Zealand banks. This competition is expected to continue as banks seek to diversify their sources of funding and drive asset growth. ASB Bank relies on deposits to fund a significant portion of its balance sheet. Increased competition for deposits could increase ASB Bank's cost of funding as well as decrease ASB Bank's net interest margin. To the extent that ASB Bank is not able to successfully compete for deposits, ASB Bank would be forced to rely more heavily on other, less stable or more expensive forms of funding, or reduce lending. To the extent that ASB Bank is not able to successfully compete for loans, ASB Bank would receive lower levels of interest income and may experience pressure on net interest margin. Either scenario could adversely affect ASB Bank's business, financial condition, liquidity, results of operations and prospects.

Changes in community and customer expectations, regulatory requirements governing the operations of banks and non-bank competitors, increased diversification of products by competitors, the development of new distribution methods and services and technologies, and changes in political discourse surrounding the banking and financial services industry continue to pressure the competitive landscape in which ASB Bank operates. Competition has increased, and is expected to increase from new, and non-bank, market entrants and foreign branches. This includes new and evolving alternative payment mechanisms, systems and products, such as aggregators and web-based and wireless payment platforms or technologies, blockchain or digital or cryptocurrencies, prepaid systems and payment services targeting users of social networks, communications platforms and online gaming, who may be either unregulated or subject to different prudential and regulatory standards than ASB Bank, and therefore may be able to operate more efficiently. For example, the rate of digital asset adoption, other banks' and/or non-traditional competitors' digital asset product creation and government responses, including the possibility of the RBNZ issuing a Central Bank Digital Currency, are expected to shape the future of the sector and its impact on the future operations of ASB Bank. Furthermore, recent regulatory and legislative developments may also increase competition in the banking sector, such as the New Zealand Government's decision to implement a Consumer Data Right legislative framework.

These entrants may disrupt the financial services industry by offering new or bundled propositions and technologies, targeting higher profitability sectors, or gaining market share through innovative offerings. In addition, ASB Bank, similar to other banks in New Zealand, is engaging with New Zealand regulators on an increasing number of regulatory matters. ASB Bank's attention to such regulatory matters could affect the amount of resources that ASB Bank is able to allocate to pursuing strategic and competitive agendas.

The ability of ASB Bank to remain competitive and achieve its strategy is subject to strategic risk. To be successful in delivering on its strategy, ASB Bank needs to be able to identify emerging external and internal trends and understand their potential impacts. ASB Bank may not be able to respond to strategic risks due to inadequacies in internal strategy development and decision-making processes, an inability to identify or adapt the strategy to changes in the external or internal operating environment, an inability to effectively allocate resources to impacted areas of its business, or poor execution of the strategy.

Major strategic risks that ASB Bank faces include competition disruption, technology, and execution risk. ASB Bank faces disruption risk from new competitors, such as global banks and non-bank or 'fintech' financial services providers, who seek to displace ASB Bank from its relationship with its customers, capturing market share from our customer portfolios, such as home lending or KiwiSaver, which could adversely impact demand for ASB Bank's banking and lending products. Such competitors may be unregulated or subject to lower or different prudential or regulatory standards, allowing them to operate relatively more efficiently than ASB Bank, or have greater global scale of resources than ASB Bank, which may provide such competitors an advantage in competing for ASB Bank's customers. ASB Bank may also face technology strategic risk if we continue to use legacy platforms and do not achieve the pace of investment that may be required to respond to market opportunities. Technology strategic risk may also arise if there is a high cost of change to implement new technology platforms or if ASB Bank invests in unsuitable systems.

If ASB Bank is unable to compete or execute its strategy effectively in its various businesses and markets, its market share may decline. Increased competition or inadequate strategic execution may also adversely affect its results of operations by diverting business to ASB Bank's competitors or creating pressure to lower margins, fees and other income. ASB Bank also faces heightened execution risk due to challenges in hiring skilled staff in technology and technology adjacent roles to implement its strategy and reliance on legacy technology platforms, which has resulted in prioritising of resources and impacting delivery schedules.

***Failure to hedge effectively against market risks (including adverse fluctuations in exchange rates and interest rates) could negatively impact ASB Bank's results of operations***

ASB Bank is exposed to risks associated with market risk, including the potential for losses arising from adverse changes in interest rates, foreign exchange rates, equity and commodity prices, credit spreads, basis risk and implied volatility levels for assets and liabilities. For the purposes of market risk management, ASB Bank makes a distinction between risks that are in the “Trading Book” and risks that are in the “Banking Book”. Trading Book risk refers to financial instruments purchased and sold to facilitate trading for ASB Bank’s customers, to profit from trading spreads, market volatility, or to hedge against various types of risk. Banking Book risk refers to the current or prospective risk to ASB Bank’s capital and earnings arising primarily from, but not limited to, movements in interest rates. There can be no assurance that ASB Bank’s hedging arrangements or access to interest rate hedging or hedging policy will be sufficient or effective in managing exposure to interest rate risks.

Changes in market factors such as potential developments or future changes in the administration of financial benchmark interest rates could result in adverse consequences to the return on, value of and market for, securities and other instruments whose returns are linked to any such benchmark, including those securities or other instruments issued by ASB Bank. If ASB Bank was to suffer substantial losses due to any market volatility, it may adversely affect ASB Bank’s financial performance or financial condition.

ASB Bank undertakes a significant proportion of its wholesale funding in international capital markets in currencies other than the New Zealand dollar, principally the U.S. dollar and euro. This exposes ASB Bank to exchange rate risk for the New Zealand dollar, which is the currency in which it prepares its financial statements and the currency of ASB Bank’s revenue and operating cash flows. These activities are hedged where appropriate, however there are risks associated with hedging, such as the risk that a hedge counterparty may default on its obligations to ASB Bank. The impact of such exchange rate risk cannot be predicted with certainty. ASB Bank seeks to manage its exchange rate risks to minimise any adverse effect on its financial position and performance. However, the level of ASB Bank’s hedging may change over time, and ASB Bank may also change its hedging policy at any time. ASB Bank’s results of operations may be adversely affected if its hedges are not effective to mitigate exchange rate risks or for balance sheet purposes, if ASB Bank is inappropriately hedged or if a hedge provider defaults on its obligations under ASB Bank’s hedging agreements. There can be no assurance that ASB Bank’s hedging arrangements or hedging policy will be sufficient or effective in managing exposure to market risks. If market risks are not effectively managed, or there is a failure to hedge effectively against these market risks, there could be a material impact on ASB Bank’s business, financial condition, liquidity, results of operations and prospects.

***ASB Bank may incur losses or reputational damage as a result of the inappropriate conduct of its staff***

ASB Bank could be adversely affected if an employee, contractor or external service provider does not act in accordance with regulations, policies and associated procedures, engages in inappropriate or fraudulent conduct, or unintentionally fails to meet a professional obligation to specific clients, delays in appropriately escalating regulatory or compliance issues or fails to resolve issues and remediate customer issues in a timely manner, or fails to deliver on product and service commitments.

Consequences may be incurred by ASB Bank from an unintentional or negligent failure to meet a professional obligation to specific clients, including fiduciary and suitability requirements, or from the nature or design of a product. These may include product and business practice risks such as product defects and client unsuitability, market manipulation, insider trading, misleading or deceptive conduct in advertising and inadequate or defective financial advice. While ASB Bank has policies and processes designed to minimise the risk of human error and employee, contractor or external service provider misconduct, these policies and processes may not always be effective. As a result, ASB Bank could incur losses, financial penalties, variations to operating licences and reputational damage, and could be subject to legal or regulatory action for such inappropriate conduct.

***ASB Bank’s business, financial condition, results of operations and prospects may be adversely affected by acquisitions or divestments of businesses***

From time to time, ASB Bank evaluates and undertakes acquisitions or divestments of businesses. With any acquisition or divestment, there is a risk that ASB Bank may suffer a downgrade of its credit ratings, may not achieve expected synergies from the acquisition as a result of not having the requisite skills and capabilities for the new business or the benefits from divestment, may have difficulties in integrating or separating systems and processes, may achieve lower than expected cost savings or otherwise incur losses, may lose customers and market share, or face disruptions to its operations resulting from difficulties in integrating the acquired business into ASB Bank or separating the divestment from ASB Bank. An acquisition or divestment may have these or other negative impacts on ASB Bank's business, financial condition, results of operations and prospects.

***ASB Bank is exposed to the risk of receiving significant regulatory fines and sanctions, as well as reputational damage, contractual damage claims and other potential material claims and penalties in the event of breaches of regulation and law relating to anti-money laundering, counter-terrorism financing and sanctions***

Anti-money laundering, counter-terrorism financing and sanctions laws have been the subject of increasing regulatory change and enforcement in recent years. The increasingly complicated environment in which ASB Bank operates has heightened these operational and compliance risks, including due to the implementation of economic sanctions and similar restrictions in connection with the military conflict in Ukraine and resourcing constraints due to the tight labour market in New Zealand. ASB Bank's monitoring systems must keep pace with the volume of transactions, changes in regulation and technological advances. If ASB Bank's monitoring systems fail, ASB Bank otherwise fails to comply, or if ASB Bank's regulators determine that ASB Bank has not complied, with applicable anti-money laundering, counter-terrorism financing and sanctions laws, ASB Bank could be subject to regulatory actions and monetary penalties, as well as reputational damage and contractual damage claims. There may be exposures to customers which are additional to any regulatory exposures. These could include class actions, individual claims or customer remediation or compensation activities. The outcomes and total costs associated with such reviews and possible exposures remain uncertain. Any regulatory actions or other related actions could individually or collectively have a material adverse effect on ASB Bank's business, reputation, liquidity, results of operations and financial condition.

***The inability to attract, retain or replace key executives, employees or members of ASB Bank's Board may adversely affect ASB Bank's business, operations and financial condition***

ASB Bank's ability to attract and retain qualified and skilled executives, employees and members of ASB Bank's Board is an important factor in achieving ASB Bank's strategic objectives. The Chief Executive Officer, the management team of the Chief Executive Officer and ASB Bank's Board set ASB Bank's strategic direction, which is critical to the growth of ASB Bank and the loss of any of these executives, employees or Board members due to resignation, retirement, death or illness, may adversely affect ASB Bank's business, operations and financial condition. It is important that ASB Bank is able to successfully attract and retain talent in order to achieve its business objectives. As a result of New Zealand's low unemployment rate, and the net immigration in recent years being weak, ASB Bank's ability to attract, retain and replace skilled staff could continue to be challenging as ASB Bank is operating in a restricted labour market, although net migration is now back above pre-COVID-19 levels. In particular, competition for skilled staff in technology, digital and data in New Zealand has significantly increased, especially with respect to engineering and technology related roles. This has led to wage inflation, in addition to an increase in compliance risk, execution risk and technology strategic risks due to capacity constraints that require ASB Bank to prioritise resourcing. If ASB Bank has difficulty retaining key employees or attracting capable people for important roles, including members of ASB Bank's Board, particularly in times of strategic change, ASB Bank's business, operations and financial condition could be adversely affected.

***Application of and changes to accounting policies may adversely impact ASB Bank's results***

The accounting policies that ASB Bank applies are fundamental to how it records and reports its



financial position and results of operations. In some cases, accounting standards allow more than one acceptable manner in which to account for a balance or transaction. While allowable under accounting standards, different accounting policies could result in materially different outcomes. ASB Bank's accounting policies are set forth in Note 1 to the ASB Financial Statements. ASB Bank's management must exercise judgment in selecting and applying many of these accounting policies and methods so that they comply with generally accepted accounting practices and reflect the most appropriate manner in which to record and report on the financial position and results of operations. While ASB Bank has processes to ensure compliance with its accounting policies, these processes may not always be effective. Depending on the nature of the error, this could have a material adverse effect on ASB Bank's results of operations or financial condition.

***ASB Bank is exposed to risks pertaining to the provision of advice, recommendations or guidance about financial products and services in the course of its sales and marketing activities that may adversely affect ASB Bank's business and operations***

In the course of its sales and marketing activities, ASB Bank provides advice, recommendations or guidance about financial products and services. As such, ASB Bank is subject to risks, including the provision of unsuitable or inappropriate advice (for example, advice that is not commensurate with a customer's objectives, financial acumen or appetite for risk), misrepresentation or inaccurate disclosure about a product or service, failure to appropriately manage conflicts of interest within sales and/or promotion processes (including incentives and remuneration for staff engaged in promotion, sales and/or the provision of advice) and failure to deliver product features and benefits in accordance with their terms, disclosures and recommendations.

Exposure to such risks may increase during periods of declining investment asset values (such as during periods of economic downturn or investment market volatility), leading to sub-optimal performance of investment products and/or portfolios that are not aligned with the customer's objectives and risk appetite. ASB Bank is subject to various rules, regulations and principles that provide for consumer protection around advisory, marketing and sales practices, and overall good customer outcomes. 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 customer suitability, quality assurance activities, adequate record keeping, and procedures for the management of complaints and disputes. Inappropriate advice about financial products and services may result in material litigation (and associated financial and reputational costs), regulatory actions, and/or reputational consequences.

**Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

***Risks related to the structure of a particular issue of Notes***

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

*If the 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 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 Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may

only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

In the case of Subordinated Notes, any optional redemption is also subject to the further considerations described in *“Risks related to Subordinated Notes - Subordinated Notes may be redeemed at the option of the Issuer in a number of circumstances; this may limit the market value of such Notes and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return”* below.

*If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.*

Fixed/Floating Rate Notes bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert 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. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

*The interest rate on Fixed Reset Notes will reset on each Reset Date, which can be expected to affect interest payments on an investment in Fixed Reset Notes and could affect the secondary market and the market value of the Fixed Reset Notes concerned*

Fixed Reset Notes will initially bear interest at the Initial Interest Rate until (but excluding) the First Reset Date. On the First Reset Date and each Subsequent Reset Date (if any) thereafter, the interest rate will be reset to the sum of the applicable Reset Reference Rate and the Reset Margin as determined by the Principal Paying Agent or the Calculation Agent, as applicable, on the relevant Reset Determination Date (each such interest rate, a “Reset Rate”). The Reset Rate for any Reset Period could be less than the Initial Interest Rate and could therefore adversely affect the market value of an investment in the Fixed Reset Notes.

*Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates*

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities. Such volatility could have a material adverse effect on the value and return of any such Notes.

*The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"*

Interest rates and indices which are deemed to be “benchmarks” (including EURIBOR) are the subject of national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the value or liquidity of, and return on, any Floating Rate Notes or any other Notes which are linked to or reference a “benchmark”.

The EU Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a “benchmark” and the use of a “benchmark” within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU

supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). The UK Benchmarks Regulation, among other things, applies to the provision of benchmarks, the contribution of input data to a "benchmark" and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a "benchmark", in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the international or national reforms, 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.

The working group on euro risk-free rates has published a set of guiding principles and high-level recommendations for fallback provisions in, amongst other things, new euro-denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. The working group on euro risk-free rates has published consultations, such as the one on 11 May 2021, on EURIBOR fallback trigger events and fallback rates.

Such factors may have (without limitation) the following effects on certain "benchmarks": (i) discouraging market participants from continuing to administer or contribute to a "benchmark"; (ii) triggering changes in the rules or methodologies used in the "benchmark"; and/or (iii) leading to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a "benchmark".

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms in making any investment decision with respect to any Notes linked to or referencing a "benchmark".

*The occurrence of a Benchmark Event, SOFR Benchmark Transition Event, SORA Benchmark Event, CORRA Index Cessation Event or TONA Index Cessation Event, as applicable, may adversely affect the return on and the market value of Floating Rate Notes and Fixed Reset Notes*

Investors should be aware that in the case of Floating Rate Notes and Fixed Reset Notes, the Conditions of the Notes provide for certain fallback arrangements in the event that a published Benchmark, including SONIA, SOFR, the CMT Rate an inter-bank offered rate such as EURIBOR or other relevant reference rates, ceases to exist or be published or another Benchmark Event, SOFR Benchmark Transition Event, SORA Benchmark Event, CORRA Index Cessation Event or TONA Index Cessation Event, as applicable, occurs.

These fallback arrangements include the possibility that the Rate of Interest could be determined by reference to a Successor Rate or an Alternative Rate or a SOFR Benchmark Replacement, SORA Benchmark Replacement, another Applicable Rate in the case of CORRA or JPY Recommended Rate, as applicable, and that an Adjustment Spread or a SOFR Benchmark Replacement Adjustment, SORA Adjustment Spread or other spread or adjustment, respectively, may be applied to such Successor Rate, Alternative Rate, SOFR Benchmark Replacement, SORA Benchmark Replacement, Applicable Rate or JPY Recommended Rate, as the case may be, as a result of any such replacement

of the relevant "benchmark" or screen rate (as applicable) originally specified. Certain Benchmark Amendments or other amendments, in the case of SOFR, SORA, CORRA or TONA, to the Conditions of such Notes may also be made without the consent or approval of holders of the relevant Floating Rate Notes. In the case of any Alternative Rate, any Adjustment Spread unless formally recommended or provided for and any Benchmark Amendments, and any SOFR Benchmark Replacement, SOFR Benchmark Replacement Adjustment, SORA Adjustment Spread or other spread or adjustment and related amendments, the relevant replacement and adjustment (if any) and any such amendments shall be determined by the Issuer (acting in good faith and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser) or, in the case of SOFR, SORA or CORRA the Issuer or the SOFR Benchmark Replacement Agent, Independent Adviser or CORRA Benchmark Replacement Agent, if any. Any Adjustment Spread, SOFR Benchmark Replacement Adjustment, SORA Adjustment Spread or other spread or adjustment that is applied may not be effective to reduce or eliminate economic prejudice to investors. The use of a Successor Rate or Alternative Rate (including with the application of an Adjustment Spread), SOFR Benchmark Replacement, SORA Benchmark Replacement, Applicable Rate or JPY Recommended Rate (including with the application of a SOFR Benchmark Replacement Adjustment, SORA Adjustment Spread or other spread or adjustment) will still result in any Notes linked to or referencing a benchmark performing differently (which may include payment of a lower Rate of Interest) than they would if the relevant benchmark were to continue to apply in its current form.

In certain circumstances the ultimate fallback for the purposes of calculation of interest for a particular Floating Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page or, in the case of Fixed Reset Notes, the application of the Reset Rate for a preceding Reset Period or the initial Rate of Interest applicable to such Notes on the Interest Commencement Date. In addition, due to the uncertainty concerning the availability of any Successor Rate or Alternative Rate, any determinations that may need to be made by the Issuer and the involvement of any Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value, market price or liquidity of and return on any such Notes. Any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or Fixed Reset Notes and could also have a material adverse effect on the value, market price or liquidity of, and the amount payable under, the Floating Rate Notes or Fixed Reset Notes. Investors should consider these matters when making their investment decision with respect to the relevant Floating Rate Notes or Fixed Reset Notes.

In the case of Subordinated Notes, the Issuer must give the RBNZ at least five working days' prior notice of any amendment to the terms and conditions of a Series of Subordinated Notes and must provide such notice and any required information or documents under the RBNZ's prudential regulatory requirements. The Issuer would not be able to comply with the RBNZ notification requirement and, consequently, no Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (as applicable) could be applied, if any such Successor Rate, Alternative Rate, Adjustment Spread, Benchmark Amendment or Benchmark Amendments (as applicable) would have the effect of the relevant Series of Subordinated Notes no longer qualifying as Tier 2 Capital (as defined by the RBNZ from time to time).

*The market continues to develop in relation to "Overnight Rates" such as SONIA, SOFR, SORA, CORRA and TONA*

Where the applicable Final Terms for a series of Floating Rate Notes specifies that the interest rate for such Floating Rate Notes will be determined by reference to SONIA, SOFR, SORA, CORRA or TONA, interest will be determined on the basis of Compounded Daily SONIA, Compounded Daily SOFR, Compounded Daily SORA, Compounded Daily CORRA or Compounded Daily TONA, respectively (each as defined in the Conditions of the Notes and each an "Overnight Rate"). These Overnight Rates differ from the now discontinued inter-bank lending ("IBOR") rates that they look to

replace in a number of material respects, including (without limitation) that these Overnight Rates are backwards-looking, compounded, risk-free or secured overnight rates, whereas the previous IBOR rates were expressed on the basis of a forward-looking term and included a credit risk element based on inter-bank lending. As such, investors should be aware that there may be a material difference in the past behaviour of the relevant IBOR rate and the related Overnight Rate as interest reference rates for Floating Rate Notes. The use of Overnight Rates as a reference rate for Eurobonds is relatively new, and is subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of debt securities referencing such Overnight Rates.

Certain historical indicative secured overnight financing rates are published, although such historical indicative data inherently involves assumptions, estimates and approximations. Potential investors in Notes referencing an Overnight Rate should not rely on such historical indicative data or on any historical changes or trends in the relevant Overnight Rate, as the case may be, as an indicator of the future performance of such Overnight Rate. For example, since the initial publication of certain Overnight Rates, daily changes in such Overnight Rates have, on occasion, been more volatile than daily changes in comparable benchmark or market rates (see “Overnight Rates may be more volatile than other benchmarks or market rates” below). Accordingly, any Overnight Rate over the term of any Note referencing such Overnight Rate may bear little or no relation to the historical actual or historical indicative data.

Prospective investors in any Floating Rate Notes referencing any Overnight Rate should be aware that the market continues to develop in relation to such rates as reference rates in the capital markets and their adoption as an alternative to the discontinued IBOR rates. For example, in the context of backwards-looking Overnight Rates, market participants and relevant working groups continue to explore forward-looking ‘term’ reference rates for Overnight Rates (which seek to measure the market’s forward expectation of an average Overnight Rate over a designated term). The adoption of Overnight Rates may also see component inputs into swap rates or other composite rates transferring from IBOR rates or another reference rate to such Overnight Rates.

The market or a significant part thereof may adopt an application of an Overnight Rate that differs significantly from that set out in the Conditions in the case of Floating Rate Notes for which the Rate of Interest is determined by reference to that Overnight Rate. Furthermore, the Issuer may in the future issue Floating Rate Notes referencing Overnight Rates that differ materially in terms of the interest determination provisions when compared with the provisions for such determination as set out in the Conditions. The relatively recent development of Overnight Rates as interest reference rates for the Eurobond markets, as well as continued development of rates based on such Overnight Rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any Floating Rate Notes issued under the Programme from time to time referencing Overnight Rates.

In addition, the manner of adoption or application of rates referencing Overnight Rates in the Eurobond markets may differ materially compared with the application and adoption of rates referencing such Overnight Rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of reference rates referencing any Overnight Rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Floating Rate Notes referencing such Overnight Rates.

Since Overnight Rates are relatively new market reference rates, Floating Rate Notes referencing such Overnight Rates may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities referencing Overnight Rates, such as the margin over the reference rate reflected in the interest rate provisions, may evolve over time, and trading prices of such debt securities may be lower than those of later issued debt securities as a result. Further, if any of the Overnight Rates do not prove to be widely used

in securities, the trading price of Floating Rate Notes referencing such Overnight Rates may be lower than those of debt securities referencing other reference rates that are more widely used.

Investors in Floating Rate Notes referencing any Overnight Rates may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. There can also be no guarantee that any Overnight Rate will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in such Notes. If the manner in which an Overnight Rate is calculated is changed, that change may result in a reduction in the amount of interest payable on Floating Rate Notes referencing that Overnight Rate and the trading prices of such Notes.

Investors should carefully consider these matters when making their investment decision with respect to any such Floating Rate Notes.

*Any failure of an Overnight Rate to gain market acceptance could adversely affect Notes referencing that Overnight Rate*

According to the Alternative Reference Rates Committee, convened by the Board of Governors of the FRBNY, SOFR was developed for use in certain U.S. dollar derivatives and other financial contracts as an alternative to U.S. dollar LIBOR, in part because it is considered a good representation of general funding conditions in the overnight U.S. Treasury repurchase agreement market. However, as a rate based on transactions secured by U.S. Treasury securities, it does not measure bank-specific credit risk and, as a result, is less likely to correlate with the unsecured short-term funding costs of banks. Similar considerations apply in respect of other Overnight Rates. This may mean that market participants would not consider an Overnight Rate to be a suitable replacement or successor for all of the purposes for which the related IBOR rate historically has been used (including, without limitation, as a representation of the unsecured short-term funding costs of banks), which may, in turn, lessen market acceptance of that Overnight Rate. Any failure of an Overnight Rate to gain market acceptance could adversely affect the return on and value and market price of Floating Rate Notes which reference that Overnight Rate and the price at which investors can sell such Notes in the secondary market.

*The amount of interest payable with respect to each Floating Interest Period will only be determined near the end of the Interest Period for Floating Rate Notes referencing Overnight Rates*

The Rate of Interest on Floating Rate Notes referencing an Overnight Rate is only capable of being determined at the end of the relevant observation period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in any such Floating Rate Notes to estimate reliably the amount of interest that will be payable on such Floating Rate Notes on each Interest Payment Date, and some investors may be unable or unwilling to trade such Floating Rate Notes without changes to their information technology systems, both of which factors could adversely impact the liquidity of such Floating Rate Notes. Further, if Floating Rate Notes referencing an Overnight Rate become due and payable as a result of an event of default under Condition 9, or are otherwise redeemed early on a date that is not an Interest Payment Date, the final rate of interest payable in respect of such Floating Rate Notes shall only be determined by reference to a shortened period ending immediately prior to the date on which the Floating Rate Notes become due and payable.

*Overnight Rates may be more volatile than other benchmarks or market rates*

Publication of data in relation to Overnight Rates has a relatively limited history. In addition, the future performance of Overnight Rates cannot be predicted based on their historical performance. The level of an Overnight Rate over the term of the Notes may bear little or no relation to the historical level of that Overnight Rate. Prior observed patterns, if any, in the behaviour of market variables, such as correlations, may change in the future. While some pre-publication hypothetical performance data has been published, such data inherently involves assumptions, estimates and approximations. Furthermore, since the initial publication of Overnight Rates, daily changes in such Overnight Rates have, on occasion, been more volatile than daily changes in comparable benchmark or market rates.

As a result, the return on and value and market price of Floating Rate Notes that reference an Overnight Rate may fluctuate more than floating rate debt securities that are linked to less volatile rates. In addition, the volatility of an Overnight Rate has reflected the underlying volatility of the relevant overnight market. The relevant central banks have at times conducted operations in the relevant overnight markets in order to help maintain other rates within a target range. There can be no assurance that such operations will continue to be conducted in the future, and the duration and extent of any such operations is inherently uncertain. The effect of any such operations, or of the cessation of such operations to the extent they are commenced, is uncertain and could be materially adverse to investors in Notes referencing the relevant Overnight Rate. The future performance of Overnight Rates is impossible to predict and therefore no future performance of an Overnight Rate or the Floating Rate Notes may be inferred from any of the hypothetical or actual historical performance data. Hypothetical or actual historical performance data is not indicative of, and has no bearing on, the potential performance of an Overnight Rate or the Notes. There can be no assurance that any of the Overnight Rates will be positive.

*The interest rate on Notes referencing Overnight Rates are based on rates and indices that are relatively new in the marketplace or relatively new market indices*

For each Floating Interest Period, the interest rate on any Floating Rate Notes referencing an Overnight Rate is based on that Overnight Rate as calculated on a daily compounded basis (or, where Index Determination is specified as being applicable in the applicable Final Terms, by reference to the relevant index) and not the Overnight Rate published on or in respect of a particular date during such Floating Interest Period or an arithmetic average of that Overnight Rate during such Floating Interest Period. Each of the indices for an Overnight Rate measures the cumulative impact of the compounding Overnight Rate on a unit of investment over time. The value of the index on a particular business day reflects the effect of the compounding Overnight Rate on such business day and allows the calculation of the compounded Overnight Rate averages over custom time periods. For this and other reasons, the interest rate on Floating Rate Notes referencing an Overnight Rate during any Floating Interest Period will not be the same as the interest rate on other Overnight Rate-linked investments that use an alternative basis to determine the applicable interest rate. Further, if the Overnight Rate in respect of a particular date during a Floating Interest Period is negative, its contribution to the relevant compounded rate will be less than one, resulting in a reduction to such compounded rate used to calculate the interest payable on any Floating Rate Notes referencing that Overnight Rate on the interest payment date for such Floating Interest Period.

Limited market precedent exists for securities that use Overnight Rates as the interest rate and the method for calculating an interest rate based upon the different Overnight Rates in those precedents varies. In addition, publication of the indices for the relevant Overnight Rates only began recently. Accordingly, the specific formulas for the Overnight Rates set out in the Conditions and the use of the relevant indices for the calculation of those Overnight Rates may not be widely adopted by other market participants, if at all. If the market adopts a different calculation method, that would likely adversely affect the market value of any Notes referencing that Overnight Rate or index.

*There can be no assurance that any of the Overnight Rates will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of holders of Notes referencing such Overnight Rates*

Overnight Rates are published by the respective administrators of those Overnight Rates based on data received from sources other than the Issuer. The Issuer has no control over the determination, calculation or publication of any of the Overnight Rates. The administrator of an Overnight Rate may make changes that could change the value of that Overnight Rate or discontinue the relevant Overnight Rate and has no obligation to consider the interests of holders of Notes referencing that Overnight Rate in doing so. Each of the administrators of the Overnight Rates may also make methodological or other changes that could change the value of the relevant Overnight Rate, including changes related to the method by which the Overnight Rate is calculated, eligibility criteria applicable to the transactions used to calculate the Overnight Rate, or timing related to the publication of the

Overnight Rate. In addition, the administrator of an Overnight Rate may alter, discontinue or suspend calculation or dissemination of that Overnight Rate (in which case a fallback method of determining the interest rate on any Notes referencing the relevant Overnight Rate will apply, as further described in the Conditions).

There can be no assurance that an Overnight Rate will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of holders of Notes referencing that Overnight Rate. If the manner in which an Overnight Rate is calculated is changed, that change may result in a reduction of the amount of interest payable on any Notes referencing that Overnight Rate, which may adversely affect the trading prices of such Notes. If the rate at which interest accrues on any Note referencing an Overnight Rate for any Floating Interest Period declines to zero or becomes negative, no interest will be payable on such Notes on the Interest Payment Date for such Floating Interest Period. The administrators of the Overnight Rates have no obligation to consider the interests of holders of Notes referencing an Overnight Rate in calculating, adjusting, converting, revising or discontinuing that Overnight Rate. In addition, the administrator of any Overnight Rate may withdraw, modify or amend the published Overnight Rate or other data in its sole discretion and without notice.

*The indices for the Overnight Rates may be modified or discontinued, which could adversely affect the value and market price of any Floating Rate Notes referencing such indices.*

The indices for the Overnight Rates are published by the administrators of those indices based on data received by them from sources other than the Issuer, and the Issuer has no control over their methods of calculation, publication schedule, rate revision practices or the availability of any of those indices at any time. There can be no guarantee that any such indices will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in any Floating Rate Notes referencing such an index. If the manner in which index for an Overnight Rate is calculated, including the manner in which that Overnight Rate is calculated, is changed, that change may result in a reduction in the amount of interest payable on any Floating Rate Notes referencing that Overnight Rate or index and the trading prices of such Notes. In addition, the administrator of any of the indices for the Overnight Rates may withdraw, modify or amend the published index or other Overnight Rate data in its sole discretion and without notice. The interest rate for any Floating Interest Period will not be adjusted for any modifications or amendments to an index for an Overnight Rate or other Overnight Rate data that the administrator of such index or Overnight Rate may publish after the interest rate for that Floating Interest Period has been determined.

### ***Risks related to Notes generally***

Set out below is a description of material risks relating to Notes generally:

*The Conditions of the Notes contain provisions which may permit their modification without the consent of all investors*

The Conditions of the Notes contain provisions for calling meetings (including by way of conference call or by use of a videoconference platform) of Noteholders to consider and vote upon matters affecting their interests generally, including modifications of the Conditions and the Agency Agreement or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolutions or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority and therefore there is no guarantee that the resolutions approved will be consistent with the interests and/or the votes cast by each Noteholder.

Modifications may also be made to the Conditions without the consent of Noteholders if such modifications are, in the opinion of the Issuer (a) of a formal, minor or technical nature, (b) made to



correct any manifest error or (c) not materially prejudicial to the interests of Noteholders (subject as provided in Condition 10 where an Extraordinary Resolution of Noteholders is required).

In addition, pursuant to Conditions 4(c) and 4(f), certain changes may be made to the interest calculation provisions of the Floating Rate Notes or Fixed Reset Notes in the circumstances set out in the applicable provisions of those Conditions, without the requirement for consent of the Noteholders. See “*The occurrence of a Benchmark Event, SOFR Benchmark Transition Event, SORA Benchmark Event, CORRA Index Cessation Event or TONA Index Cessation Event, as applicable, may adversely affect the return on and the market value of Floating Rate Notes and Fixed Reset Notes*” above.

In the case of Subordinated Notes, no modification of the Conditions and Agency Agreement may be effected, if the effect of any such modification would be that the relevant Subordinated Notes would no longer qualify as Tier 2 Capital (as defined by the RBNZ from time to time).

#### *Substitution of the Issuer*

In the case of Senior Notes, if the conditions set out in the Conditions of the Notes are met, the Issuer may, without the consent or sanction of the Noteholders, substitute in its place a new issuer as debtor in respect of all obligations arising under or in connection with the relevant Senior Notes (the “Substituted Company”). In each case, the Noteholders will also assume the insolvency risk with regard to the Substituted Company.

#### *The value of the Notes could be adversely affected by a change in English law or administrative practice*

The Conditions of the Notes, except (in the case of Subordinated Notes) for Condition 3(b), are governed by English law, and Condition 3(b) is governed by the laws of New Zealand, and in each case, the relevant provisions are based on English law and New Zealand law, respectively in effect as at the date of this Programme Circular. No assurance can be given as to the impact of any possible judicial decision or change to English or New Zealand law or administrative practice after the date of this Programme Circular. Any such change could adversely affect the rights and remedies of Noteholders and materially adversely impact the value of any Notes affected by it.

#### *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 their 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 their 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 or issued) 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.

#### ***Risks related to the market generally***

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

*An active secondary market in respect of the Notes may never be established or may be illiquid and this would adversely affect the value at which an investor could sell its Notes*

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market at prices higher than the relevant investor's initial investment. Therefore, in establishing their investment strategy, investors should ensure that the term of the Notes is in line with their future liquidity requirements. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies, are being issued to a single investor or a limited number of investors or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. The Issuer or any Dealer may, but is not obliged to, at any time purchase Notes at any price in the open market or by tender or private treaty (subject as provided in Condition 5(h)). To the extent that an issue of Notes becomes illiquid, an investor may have to hold the relevant Notes until maturity before it is able to realise value.

*Investors may receive less in the secondary market than their initial investment*

If it is possible to sell Notes, they would be sold for the prevailing bid price in the market and may be subject to a transaction fee. The prevailing bid price may be affected by several factors including prevailing interest rates at the time of sale, the time left before the stated maturity date and the creditworthiness of the Issuer. It is therefore possible that an investor selling Notes in the secondary market may receive a price less than that investor's initial investment in the relevant Notes.

*Impact of implicit fees on the Issue/Offer Price of the Notes*

Investors should note that implicit fees (e.g. placement fees, direction fees, structuring fees) may be a component of the Issue/Offer Price of Notes, but such fees will not be taken into account for the purposes of determining the price of such Notes in the secondary market.

The Issuer will specify in the applicable Final Terms the type and amount of any implicit fees which are applicable from time to time.

Investors should also take into consideration that if Notes are sold on the secondary market immediately following the offer period relating to such Notes, the implicit fees included in the Issue/Offer Price on initial subscription for such Notes will be deducted from the price at which such Notes may be sold in the secondary market.

*If an investor holds Notes which are not denominated in the investor's home currency, that investor will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition, the imposition of exchange controls in relation to any Notes could result in an investor not receiving payments on those Notes.*

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency 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 or the ability of the Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

The above risks may be increased if any Specified Currency and/or an Investor's Currency is the currency of an emerging market jurisdiction.

*The value of Fixed Rate Notes may be adversely affected by movements in market interest rates*

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes as an equivalent investment issued at the current market interest rate may be more attractive to investors.

*Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes*

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time (including as a result of any changes in rating methodology). In addition actual or anticipated changes in the credit ratings of the Notes will generally affect any trading for, or trading value of, the Notes.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country 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, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by 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.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Programme Circular.

*Changes in any applicable tax law or practice may have an adverse effect on a Noteholder*

Any relevant tax law or practice applicable as at the date of this Programme Circular and/or the date of purchase or subscription of any Notes may change at any time (including during any subscription period or the term of any Notes). Any such change may have an adverse effect on a Noteholder, including that Notes may be redeemed before their due date, their liquidity may decrease and/or the

tax treatment of amounts payable or receivable by or to an affected Noteholder may be different from what such Noteholder otherwise expected.

#### *Potential conflicts of interest*

Where the Calculation Agent is an affiliate of the Issuer, potential conflicts of interest may exist between the Calculation Agent and Noteholders, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Notes that may influence the amount receivable on redemption of the Notes.

#### ***Risks related to Subordinated Notes***

Set out below is a description of the principal risks which may be relevant to an investor in Subordinated Notes:

##### *The Issuer's obligations under Subordinated Notes are subordinated*

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated and will rank, in a Liquidation of the Issuer, after the claims of all holders of Senior Ranking Obligations, and equally among themselves and with the claims of holders of Equal Ranking Securities. "Senior Ranking Obligations" means all deposits and other liabilities, securities, instruments and other obligations of the Issuer other than Equal Ranking Securities or Junior Ranking Securities, present and future. As a result, although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a real risk that a holder of Subordinated Notes will lose all or some of its investment should the Issuer become insolvent.

##### *There are restrictions on the payment of amounts (including of any principal and interest) in respect of Subordinated Notes at any time prior to the relevant Maturity Date or the Liquidation of the Issuer*

At any time prior to the relevant Maturity Date or the Liquidation of the Issuer, the Issuer's obligation to make any payment (including of any principal and interest) in respect of Subordinated Notes is conditional on (i) the Issuer being Solvent (as defined in Condition 3(b)) at the time the relevant payment falls due, and (ii) the Issuer remaining Solvent immediately after the relevant payment is made (the "Solvency Condition").

##### *Subordinated Notes may be redeemed at the option of the Issuer in a number of circumstances; this may limit the market value of such Notes and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similar effective return.*

Subject, as further described in the Conditions, to (i) either (A) the Issuer replacing the relevant Subordinated Notes with a capital instrument which is of the same or better quality than such Subordinated Notes, and the replacement being done under conditions that are sustainable for the income capacity of the ASB Group, or (B) if the Issuer does not intend to replace the relevant Subordinated Notes, the Issuer having demonstrated, to the RBNZ's satisfaction, that after the redemption, the ASB Group's capital ratios would be sufficiently above their respective minimums and the prudential capital buffer ratio would be sufficiently above its buffer trigger ratio, (ii) the Issuer having provided any information and supporting documentation required by the RBNZ's prudential regulatory requirements to the RBNZ, and (iii) the RBNZ having given its prior written approval, the Issuer may at its option:

- (i) if so specified in the applicable Final Terms, redeem all or, if so provided, some of the relevant Subordinated Notes on any Optional Redemption Date at their Optional Redemption Amount together with interest accrued to, but excluding, such Optional Redemption Date;
- (ii) redeem all, but not some only, of the relevant Subordinated Notes then outstanding at their Early Redemption Amount together with any accrued but unpaid interest up to, but excluding, the date fixed for redemption at any time (in the case of Notes other than Floating Rate Notes) or (in the case of Floating Rate Notes) on any Interest Payment Date, if either (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or (B) in order to reduce the applicable level of any New Zealand non-resident withholding tax

(under current law or change of law) to zero, the Issuer becomes obliged to pay approved issuer levy at a rate exceeding the rate of the levy being charged at the date of issue of the relevant Subordinated Notes under section 86J of the Stamp and Cheque Duties Act 1971 of New Zealand or incurs any other cost in excess of that applicable under New Zealand law on the Issue Date (or, in the case of a second or subsequent Tranche of Notes of the relevant Series, the Issue Date for the first Tranche), or (C) the Issuer determines in its reasonable opinion that it would incur a materially increased cost in performing its payment obligations in respect of the relevant Subordinated Notes, in each case as a result of any change in, or amendment to, the laws or regulations of a Taxing Jurisdiction, or any change in the application or official interpretation of such laws or regulations (including the manner of exercising any official discretion thereunder), which change or amendment becomes known generally or to the Issuer on or after the Issue Date (or, in the case of a second or subsequent Tranche of Notes of the relevant Series, the Issue Date for the first Tranche), provided that (I) such change or amendment is not minor and could not reasonably have been anticipated by the Issuer as at such Issue Date, and (II) such notice of redemption is given in respect of the relevant Subordinated Notes no earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts or incur such increased cost, as applicable; or

- (iii) redeem all, but not some only, of the relevant Subordinated Notes then outstanding at any time at their Early Redemption Amount, together with interest accrued to, but excluding, the date fixed for redemption, if a Regulatory Capital Event (as defined in Condition 5(e)) occurs.

It is not possible to predict whether or not any change in or any amendment to the laws or regulations of New Zealand or to any order, direction, standard, requirement, guideline or statement of the RBNZ, or any of the other events referred to above and in Conditions 5(b) or 5(e), will occur and so lead to the circumstances in which the Issuer is able to elect to redeem any Subordinated Notes, and if so, whether or not the Issuer will elect to exercise such option to redeem such Subordinated Notes.

The Issuer's right to redeem any Subordinated Notes is subject to prior written approval from the RBNZ. Approval is at the discretion of the RBNZ and may or may not be given.

*Holders of Subordinated Notes do not have a right to request that their Subordinated Notes be redeemed early and only have limited remedies upon any failure by the Issuer to make payment of any amount due in respect of the Notes*

Holders of Subordinated Notes will not have a right to request that their Subordinated Notes be redeemed early for any reason, including upon failure to pay any amount due in respect of the Subordinated Notes. In the event of any failure by the Issuer to pay any amount of principal or interest in respect of the Subordinated Notes when due (unless the non-payment results from the Issuer's failure to satisfy the Solvency Condition), a holder of Subordinated Notes may, upon the expiry of the applicable period, institute proceedings to recover the amount that the Issuer has failed to pay and for the Liquidation of the Issuer, and upon the commencement of the Liquidation of the Issuer declare any Subordinated Notes held by it to be forthwith due and payable. However, a holder of Subordinated Notes may not otherwise declare such Notes to be due and payable or request any early redemption of such Notes, and in these circumstances the holder may only claim payment in respect of such Notes in the Liquidation of the Issuer. To realise their investment, holders of Subordinated Notes can sell their Subordinated Notes at the prevailing market price. However, depending on market conditions at the time, Subordinated Notes may be trading at a market price below their principal amount and/or the market for Subordinated Notes may not be liquid.

*There is no restriction on the amount or type of further securities or indebtedness which the Issuer may incur*

The Issuer has the right in its absolute discretion to issue additional Senior Ranking Obligations or Equal Ranking Securities which may rank ahead of or equally with Subordinated Notes. The issue of debt by the Issuer or its subsidiaries may reduce the amount recoverable by a holder upon any

Liquidation of the Issuer. The Issuer's ability to make payments on a timely basis or at all on its outstanding debt may depend on the amount and terms of the Issuer's other obligations.

The Conditions do not contain any covenants preventing the Issuer from raising more debt or issuing other securities, requiring the Issuer to refrain from certain business changes, or requiring the Issuer to operate within certain ratio limits.

It is difficult to anticipate the effect such debt or other issues of securities may have on the market price or liquidity of Subordinated Notes.

#### *Variation of the Subordinated Notes without consent of holders of Subordinated Notes*

Subject to Condition 5(j), if at any time (i) an event occurs that would entitle the Issuer to redeem the Subordinated Notes of a Series under Condition 5(b) or (ii) a Regulatory Capital Event occurs, the Issuer may, instead of redeeming the Notes, and without any requirement for the consent or approval of the holders of Subordinated Notes, but subject to (A) the Issuer having provided any information and supporting documentation required by the RBNZ's prudential regulatory requirements to the RBNZ, (B) the RBNZ having given its prior written approval for the variation and (C) the Issuer having given not less than 30 nor more than 60 days' notice to the holders of the relevant Subordinated Notes, at any time vary the terms of the Subordinated Notes accordingly, provided that they remain or, as appropriate, so that they become, Qualifying Notes. Qualifying Notes are, among other things, any securities or other instruments that have terms not materially less favourable to a holder of Subordinated Notes, as reasonably determined by the Issuer, than the terms of the Subordinated Notes of the relevant Series. See Condition 5(j).

#### ***Risks relating to Notes denominated in Renminbi***

Set out below is a description of the principal risks which may be relevant to an investor in Notes denominated in Renminbi ("Renminbi Notes"):

*Renminbi is not completely freely convertible, there are still significant restrictions on the remittance of Renminbi into and out of the PRC and the liquidity of investments in Renminbi Notes is subject to such restrictions*

Renminbi is not completely freely convertible as of the date of this Programme Circular. The government of the PRC (the "PRC Government") continues to regulate conversion between Renminbi and foreign currencies despite significant reduction in the control by the PRC Government, particularly in recent years over trade transactions involving the import and export of goods and services, as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

Although Renminbi was added to the Special Drawing Rights basket of currencies, in addition to the U.S. dollar, euro, Yen and Sterling, created by the International Monetary Fund as an international reserve asset in 2016 and policies for further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies were issued, there is no assurance that the PRC Government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that schemes for Renminbi cross-border utilisation will not be discontinued, or that new regulations in the PRC will not be promulgated in the future that 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 Renminbi Notes.

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

While the People's Bank of China (the "PBoC") has entered into agreements on the clearing of Renminbi business (the "Settlement Agreements") with financial institutions in a number of financial centres and cities (the "RMB Clearing Banks") including, but not limited to, Hong Kong, has established the Cross-Border Inter-Bank Payments System (CIPS) to facilitate cross-border Renminbi settlement and is in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi-denominated financial assets outside the PRC remains limited.

There are restrictions imposed by the PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlements, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBoC, although the PBoC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of Renminbi. The relevant RMB Clearing Banks only have limited access to onshore liquidity support from the PBoC for the purpose of settling open positions of participating banks for limited types of transactions. The relevant RMB Clearing Bank is not obliged to settle for participating banks any open positions resulting from other foreign exchange transactions or conversion services: in each case the participating banks will need to source Renminbi from the PRC offshore market to settle 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 new PRC regulations will not be promulgated or the Settlement Agreements will not be terminated or amended in the future so as to have the effect of restricting the availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent that the Issuer is required to source Renminbi outside the PRC to service the Renminbi Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Although the Issuer's primary obligation is to make all payments with respect to Renminbi Notes in Renminbi, where a Renminbi Currency Event is specified as being applicable in the applicable Final Terms, in the event that the Issuer determines, while acting in good faith that one of RMB Inconvertibility, RMB Non-Transferability or RMB Illiquidity (each as defined in Condition 6(1)) has occurred as a result of which, the Issuer is unable to make any payment in respect of the Renminbi Note in Renminbi, the terms of such Renminbi Notes will permit the Issuer to make payment in U.S. dollars (or such other currency as may be specified in the applicable Final Terms) converted using the Spot Rate (as defined in Condition 6(1)) for the relevant Determination Date, all as provided in Condition 6(1). The value of these Renminbi payments in U.S. dollar terms may vary with the prevailing exchange rates in the market.

*An investment in Renminbi Notes is subject to exchange rate risks*

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions and by many other factors. On 11 December 2015, the China Foreign Exchange Trade System (the "CFETS"), a sub-institutional organisation of the PBoC, published the CFETS Renminbi exchange rate index for the first time, which weighs the Renminbi based upon 13 currencies, to guide the market in order to measure the Renminbi exchange rate. Such change and others that may be implemented may increase the volatility in the value of Renminbi against other currencies. All payments of interest and principal with respect to Renminbi Notes will be made in Renminbi unless a RMB Currency Event is specified as being applicable in the applicable Final Terms, and a RMB Currency Event occurs, in which case payment will be made in U.S. dollars converted at the Spot Rate. As a result, the value of these Renminbi payments in U.S. dollar or other foreign currency terms

may vary with the prevailing exchange rates in the marketplace. If the value of the Renminbi depreciates against the U.S. dollar or other applicable foreign currencies, then the value of an investor's investment in Renminbi Notes in terms of the U.S. dollar or other applicable foreign currency will decline.

*An investment in fixed rate Renminbi Notes is subject to interest rate risks*

The PRC Government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions. If a Renminbi Note carries a fixed interest rate, then the trading price of such Renminbi Notes will subsequently vary with fluctuations in Renminbi interest rates. If an investor in Renminbi Notes tries to sell such Renminbi Notes before their maturity then they may receive an offer that is less than the amount invested.

*Payments in respect of Renminbi Notes will be made to investors in the manner specified in the Conditions*

Investors might be required to provide certification and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong or such other RMB Settlement Centre(s) as may be specified in the applicable Final Terms. Except in the limited circumstances stipulated in Condition 6(l), all payments to investors in respect of Renminbi Notes will be made solely (i) for so long as the Renminbi Notes are represented by a Global Note held with the common depositary, for Euroclear and Clearstream, Luxembourg (each as defined in the “*Form of the Notes*”), with a sub-custodian for CMU or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong or such other RMB Settlement Centre(s) in accordance with prevailing Euroclear and Clearstream, Luxembourg rules and procedures or those of the CMU or such alternative clearing system, or (ii) for so long as such Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong or such other RMB Settlement Centre(s) in accordance with prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

*There might be PRC tax consequences with respect to investment in the Renminbi Notes*

In considering whether to invest in Renminbi Notes, investors should consult their individual tax advisers with regard to the application of PRC tax laws, as well as any tax consequences arising under the laws of any other tax jurisdictions. The value of a Noteholder's investment in Renminbi Notes might be materially and adversely affected if the Noteholder is required to pay PRC tax with respect to acquiring, holding or disposing of and receiving payments under those Renminbi Notes.



## Documents Incorporated by Reference

The following documents which have been previously published shall be incorporated in and form part of this Programme Circular:

- (a) the audited consolidated annual financial statements (which financial statements are audited as described in the auditors' report thereon which report excludes for the purposes of such audit the supplementary information relating to capital adequacy) and auditors' reports for the financial years ended 30 June 2022 and 30 June 2021 of ASB Bank (set out on pages 11 to 94 (inclusive) and 102 to 107 (inclusive) and on pages 11 to 97 (inclusive) and 105 to 110 (inclusive), respectively of the ASB Bank disclosure statements for the years ended 30 June 2022 and 30 June 2021) (the "ASB Financial Statements") available at: <https://www.asb.co.nz/content/dam/asb/documents/legal/disclosurestatements/asb-disclosure-statement-and-annual-report-june-2022.pdf> and at <https://www.asb.co.nz/content/dam/asb/documents/legal/disclosurestatements/asb-disclosure-statement-and-annual-report-june-2021.pdf>;
- (b) the unaudited consolidated financial statements (including the auditor's independent review report and the auditor's independent assurance report) as at and for the financial half year ended 31 December 2022 of ASB Bank set out on pages 4 to 43 (inclusive), pages 44 to 45 (inclusive) and pages 46 to 47 (inclusive) of the ASB Bank disclosure statement for the six months ended 31 December 2022 (the "December 2022 Disclosure Statement") available at: <https://www.asb.co.nz/content/dam/asb/documents/legal/disclosurestatements/asb-disclosure-statement-for-the-six-months-ended-31-december-2022.pdf>; and
- (c) the terms and conditions of the notes contained in the Programme Circulars relating to the Programme dated 24 June 2015, pages 38 to 68 (inclusive) (available at: <https://www.asb.co.nz/content/dam/asb/documents/legal/debt-investor-documents/2015/asb-emptn-programme-circular-june-2015.pdf>); 24 June 2016, pages 37 to 67 (inclusive) (available at: <https://www.asb.co.nz/content/dam/asb/documents/legal/debt-investor-documents/asb-finance-emptn-programme-circular-24-june-2016.pdf>); 3 July 2017, pages 37 to 67 (inclusive) (available at: <https://www.asb.co.nz/content/dam/asb/documents/legal/debt-investor-documents/asb-emptn-programme-circular-july-2017.pdf>); 3 July 2018, pages 48 to 82 (inclusive) (available at: <https://www.asb.co.nz/content/dam/asb/documents/legal/debt-investor-documents/2018/asb-emptn-programme-circular-july-2018.pdf>); 3 July 2019, pages 53 to 92 (inclusive) (available at: <https://www.asb.co.nz/content/dam/asb/documents/legal/debt-investor-documents/2019/asb-finance-emptn-programme-circular-03-july-2019.pdf>); 3 July 2020, pages 45 to 86 (inclusive) (available at: <https://www.asb.co.nz/content/dam/asb/documents/legal/debt-investor-documents/2020/asb-finance-emptn-programme-circular-03-july-2020.pdf>); 3 July 2021, pages 50 to 99 (inclusive) (available at: <https://www.asb.co.nz/content/dam/asb/documents/legal/debt-investor-documents/2021/asb-finance-emptn-programme-circular-02-july-2021.pdf>); 30 June 2022, pages 59 to 118 (inclusive) (available at: <https://www.asb.co.nz/content/dam/asb/documents/legal/emptn/2022/asb-bank-limited-asb-finance-limited-programme-circular-june-2022.pdf>).

Following the publication of this Programme Circular a supplement may be prepared by the Issuer and approved by the FCA in accordance with Article 23 of the UK Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall to the extent applicable (whether expressly by implication or otherwise) be deemed to modify or supersede statements contained in this Programme Circular or in a document which is incorporated by reference in this Programme Circular by way of a supplement prepared in accordance with Article 23 of the UK Prospectus Regulation. Any statement so modified or superseded shall not except as so modified or superseded, constitute a part of this Programme Circular.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Programme Circular shall not form part of this Programme Circular.

Any non-incorporated parts of a document referred to herein are either (i) not considered by the Issuer to be relevant for prospective investors in the Notes to be issued under the Programme or (ii) covered elsewhere in this Programme Circular.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Programme Circular which is capable of affecting the assessment of any Notes issued by it, prepare a supplement to this Programme Circular or publish a new Programme Circular for use in connection with any subsequent issue of Notes. The Issuer has undertaken to the Dealers in the Programme Agreement (as defined in “*Subscription and Sale*”) that it will comply with Article 23(1) of the UK Prospectus Regulation.

## Form of the Notes

The Notes of each Series will be in either bearer form (“Bearer Notes”), with or without interest coupons attached, or registered form (“Registered Notes”), without interest coupons attached. Notes will be issued outside the United States in reliance on the exemption from registration provided by Regulation S under the Securities Act (“Regulation S”).

### **Bearer Notes**

Each Tranche of Bearer Notes will initially be represented by one or more temporary global Notes in bearer form (a “Temporary Bearer Global Note”) without Coupons, or Talons (each as defined in “*Conditions of the Notes*”) which will be deposited on the issue date with either (i) a common depositary on behalf of Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream, Luxembourg”) or (ii) a sub-custodian for the Hong Kong Monetary Authority (“HKMA”) as operator of the Central Moneymarkets Unit Service (the “CMU Service”).

If an interest payment date for any Bearer Notes occurs whilst such Notes are represented by a Temporary Bearer Global Note, the related interest payment will be made through Euroclear and/or Clearstream, Luxembourg or the CMU Service against presentation of the Temporary Bearer Global Note only to the extent that certification of non-U.S. beneficial ownership (in the form set out in the Temporary Bearer Global Note) has been received by Euroclear or Clearstream, Luxembourg or any entity appointed in relation to the relevant Notes as the CMU Lodging and Paying Agent as specified in the applicable Final Terms (the “CMU Lodging and Paying Agent”).

On or after the date (the “Exchange Date”) which is 40 days after the date on which the Temporary Bearer Global Note is issued, provided that certification of non-U.S. beneficial ownership has been received, interests in the Temporary Bearer Global Note will be exchanged either for (i) interests in a permanent global Note in bearer form (a “Permanent Bearer Global Note” and, together with a Temporary Bearer Global Note, a “Bearer Global Note”) or (ii), at the option of the Issuer, Notes in definitive bearer form. The CMU Service may require that any such exchange for a Permanent Bearer Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report (as defined in the rules of the CMU Service (the “CMU Rules”)) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU Service) have so certified. No payments of interest will be made on a Temporary Bearer Global Note after the Exchange Date.

Payments of principal, premium (if any) or interest (if any) on a Permanent Bearer Global Note will be made through Euroclear or Clearstream, Luxembourg against presentation or surrender, as the case may be, of the permanent global Note without any requirement for certification of non-U.S. beneficial ownership. In respect of a Bearer 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 Bearer Global Note are credited (as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU Service) and save in the case of final payment, no presentation of the relevant Bearer Global Note shall be required for such purpose.

The applicable Final Terms will specify whether a Permanent Bearer Global Note will be exchangeable in whole for security-printed definitive Bearer Notes upon the occurrence of an Exchange Event. For these purposes, “Exchange Event” means that (i) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg or, in the case of Notes held through the CMU Service, the CMU Service have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (ii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note to be in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event

of the occurrence of an Exchange Event (a) in the case of Notes held by a common depositary for Euroclear and/or Clearstream, Luxembourg, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) and/or (b) in the case of Notes held through the CMU Service, the relevant accountholders therein, may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (ii) above, the Issuer may also give notice to the Principal Paying Agent or, as the case may be, the CMU Lodging and Paying Agent requesting exchange. Any such exchange shall occur not later than 60 days after the date of receipt of the first relevant notice by the Principal Paying Agent or, as the case may be, the CMU Lodging and Paying Agent. At present, neither Euroclear nor Clearstream, Luxembourg regard Notes in global form as fungible with Notes in definitive form. Temporary Bearer Global Notes and Permanent Bearer Global Notes and definitive Bearer Notes will be issued by the Principal Paying Agent acting on behalf of the Issuer.

The following legend will appear on all Bearer Notes and Coupons: “Any United States person (as defined in the United States Internal Revenue Code) 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 such Code.”

The exchange of a Permanent Bearer Global Note for definitive Bearer Notes upon notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder) or at any time at the request of the Issuer should not be expressed to be applicable in the applicable Final Terms if the Bearer Notes are issued with 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 Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Bearer Global Note exchangeable for definitive Bearer Notes.

### **Registered Notes**

Registered Notes will initially be represented by a global note in registered form (a “Registered Global Note” and, together with a Bearer Global Note, a “Global Note”). Registered Global Notes will be deposited with either (i) a common depositary for Euroclear and Clearstream, Luxembourg and will be registered in the name of its nominee or (ii) a sub-custodian for the HKMA as operator of the CMU Service. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Registered Notes.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6(b)) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the definitive Registered Notes will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6(b)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without interest coupons or talons attached only upon the occurrence of an Exchange Event. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, (a) in the case of Notes registered in the name of a nominee for a common depositary for Euroclear and/or Clearstream, Luxembourg, Euroclear and/or Clearstream, Luxembourg or any person acting on their behalf (acting on the instructions of any holder of an interest in such Registered Global Note)

and/or (b) in the case of Notes held through the CMU Service, the relevant accountholders therein, may give notice to the Registrar or, as the case may be, the CMU Lodging and Paying Agent requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar or, as the case may be, the CMU Lodging and Paying Agent.

### **Clearing Systems**

Pursuant to the Agency Agreement (as defined under “*Conditions of the Notes*”), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code, ISIN and, where applicable, a FISN, CFI Code and CMU instrument number which are different from the common code, ISIN, FISN, CFI Code and CMU instrument number (as applicable) assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

For so long as any of the Notes are represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg and/or the CMU Service, each person (other than Euroclear or Clearstream, Luxembourg or the CMU Service) who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg or the CMU Service as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg or the CMU Service as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, any Paying Agent and any Transfer Agent or, as the case may be, the CMU Lodging and Paying Agent as the holder of such nominal amount of Notes for all purposes other than with respect to payments on the Notes for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and any Paying Agent or, as the case may be, the CMU Lodging and Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant Global Note and the terms “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly. Notes held in Euroclear and/or Clearstream, Luxembourg and/or the CMU Service and which are represented by a Global Note will only be transferable, and payment in respect of them will only be made, in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg or the CMU Service, as the case may be. Notwithstanding the above, if a Note is held through the CMU Service, any payment that is made in respect of such Note shall be made at the direction of the bearer or the registered holder to the person(s) for whose account(s) interests in such Note are credited as being held through the CMU Service in accordance with the CMU Rules at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service 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 as to the identity of any accountholder and the principal amount of any Note credited to its account, save in the case of manifest error) and such payments shall discharge the obligation of the Issuer in respect of that payment under such Note.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or the CMU Service shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system agreed between the Issuer, the Principal Paying Agent and the relevant Dealer.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or the CMU Service, as the case may be, will become entitled to

proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the “Deed of Covenant”) dated 30 June 2023 and executed by the Issuer.

## **Applicable Final Terms**

**[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 (the “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 (as amended, “MiFID II”); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>1</sup>

**[PROHIBITION OF SALES TO UK 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 United Kingdom (the “UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or (iii) not a “qualified” investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA (the “UK Prospectus Regulation”). Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]<sup>2</sup>

**[MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, “MiFID II”)/MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]<sup>3</sup>

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<sup>1</sup> Legend to be included on front of the Final Terms if the Notes potentially constitute “packaged” products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

<sup>2</sup> Legend to be included on front of the Final Terms if the Notes potentially constitute “packaged” products and no key information document will be prepared or the issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable”.

<sup>3</sup> Legend to be included on front of the Final Terms if one or more of the Managers/Dealers in relation to the Notes is a MiFID regulated entity.

**[UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (COBS), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook 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.]]<sup>4</sup>

**[NOTIFICATION UNDER SECTION 309B(1)(C) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE** – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (as amended) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Issuer has determined the classification of the Notes to be capital markets products other than prescribed capital markets products (as defined in the CMP Regulations 2018) and Specified Investment Products (as defined in the Singapore Monetary Authority (the “MAS”) Notice SFA 04-N12: Notice on the Sale of Investment Products and in the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]]<sup>5</sup>

[Date]

**ASB Bank Limited**  
**Legal Entity Identifier (LEI): 549300IBZWZL1KTPF918**  
**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]]**  
**under the U.S.\$70,000,000,000**  
**Euro Medium Term Note Programme**

[The Notes will only be admitted to trading on [London Stock Exchange’s main market/[ ]], which is [a UK/an EEA] regulated market/a specific segment of the London Stock Exchange’s main market/[ ]], to which only qualified investors (as defined in the UK Prospectus Regulation) can have access and shall not be offered or sold to non-qualified investors.]]<sup>6</sup>

## **Part A – Contractual Terms**

[Terms used herein shall be deemed as such for the purposes of the Conditions set forth in the Programme Circular dated 30 June 2023 [and the supplement[s] to it dated [ ] [and [ ]]] which [together] constitute[s] a base prospectus for the purposes of the UK Prospectus Regulation (the “Programme Circular”). This document constitutes the Final Terms of the Notes described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with the Programme

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<sup>4</sup> Legend to be included on front of the Final Terms if one or more of the Managers/Dealers in relation to the Notes is a UK MiFIR regulated entity.

<sup>5</sup> Legend to be included on front of the Final Terms if the Notes sold into Singapore do not constitute prescribed capital markets products as defined under the CMP Regulations 2018 and Excluded Investment Products.

<sup>6</sup> Legend to be included for Notes with a minimum denomination of less than €100,000 (or equivalent in another currency) which will only be admitted to trading on a regulated market, or a specific segment of a regulated market, to which only qualified investors can have access.



Circular in order to obtain all the relevant information. The Programme Circular has been published on the Issuer's website at: <https://www.asb.co.nz/legal/emtn-programme.html>.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Programme Circular dated [ ] which are incorporated by reference into the Programme Circular dated 30 June 2023. This document constitutes the Final Terms of the Notes described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with the Programme Circular dated 30 June 2023 [and the supplement[s] to it dated [ ] [and [ ]] which [together] constitute[s] a Programme Circular for the purposes of the UK Prospectus Regulation (the “Programme Circular”), including the Conditions incorporated by reference in the Programme Circular in order to obtain all the relevant information. The Programme Circular has been published on the Issuer's website at: <https://www.asb.co.nz/legal/emtn-programme.html>.]

1. (i) Issuer: ASB Bank Limited
2. (i) Series of which Notes are to be treated [ ]  
as forming part:
- (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 Series with [ ] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 22 below, which is expected to occur on or about [ ]][Not Applicable]
3. Specified Currency or Currencies: [ ]
4. Aggregate Nominal Amount:
- (i) Series: [ ]
- (ii) Tranche: [ ]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount  
[plus accrued interest from [ ]]
6. (i) Specified Denominations: [ ]
- (ii) Calculation Amount (in relation to calculation of interest on Notes in global form see Conditions): [ ]
7. (i) Issue Date: [ ]
- (ii) Interest Commencement Date: [[ ]/Issue Date][Not Applicable]
8. Maturity Date: [ ]/[Interest Payment Date falling in or nearest to [ ]]
9. Interest Basis: [[ ] per cent. Fixed Rate]  
[Fixed Reset Notes]  
[[ ] month [EURIBOR/Compounded Daily SONIA/Compounded Daily SOFR] +/-[ ] per cent. Floating Rate]  
[Compounded Daily SORA]  
[Compounded Daily CORRA]  
[Compounded Daily TONA]

[Zero Coupon]  
(see paragraph [14]/[15]/[16]/[17] below)

10. Redemption/Payment Basis: [Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [ ] per cent. of their nominal amount]
11. Change of Interest Basis: [ ] [Not Applicable]
12. Put/Call Options: [Not Applicable]  
[Investor Put]  
[Issuer Call]  
[(see paragraph [18]/[19] below)]
13. Status of the Notes: [Senior]/[Subordinated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

14. Fixed Rate Note Provisions [Applicable/Not Applicable]
- (i) Rate(s) of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]
- (ii) (A) Interest Payment Date(s): [ ] in each year up to and including the Maturity Date
- (B) Fixed Interest Periods: [Adjusted/Unadjusted]
- (iii) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[ ] per [ ] Calculation Amount/Not Applicable]
- (iv) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][Not Applicable]
- (v) Additional Business Centre(s): [[ ]/Not Applicable]
- (vi) Calculation to be on a Calculation Amount Basis: [Applicable/Not Applicable]
- (vii) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]/[Not Applicable]
- (viii) Day Count Fraction: [Actual/Actual (ISDA)]  
[Actual/365 (Fixed)]  
[Actual/360]  
[30E/360 or Eurobond Basis]  
[Actual/Actual (ICMA)]  
[30/360 (Fixed)][30/360, unadjusted]  
[30E/360 (ISDA)]
- (ix) Determination Date(s): [[ ] in each year]/[Not Applicable]
15. Fixed Reset Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Initial Interest Rate: [ ] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear on

	each Interest Payment Date]
(ii) Interest Payment Date(s):	[[ ] in each year up to and including the Maturity Date]
(iii) Fixed Coupon Amount to (but excluding) the First Reset Date for Notes in definitive form (and in relation to Notes in global form see Conditions):	[[ ] per Calculation Amount/Not Applicable]
(iv) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions):	[[ ] per Calculation Amount payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
(v) Day Count Fraction:	[30/360 or Actual/Actual (ICMA)]
(vi) Determination Date(s):	[[ ] in each year][Not Applicable]
	<i>[Insert interest payment dates except where there are long or short periods. In these cases, insert regular interest payment dates]</i>
	<i>(NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))</i>
(vii) Reset Date:	[ ]
(viii) Subsequent Reset Date(s):	[ ] [and [ ]]
(ix) Reset Reference Rate:	[Mid-Swap Rate][Reset Reference Bond Rate][CMT Rate]
(x) Reset Margin:	[+/-][ ] per cent. per annum
(xi) [Relevant Screen Page:	[ ]]
(xii) [Floating Leg Reference Rate:	[ ] <sup>20</sup>
(xiii) Floating Leg Screen Page:	[ ]
(xiv) Initial Mid-Swap Rate:	[ ] per cent. per annum (quoted on a[n annual/semi-annual basis])]
(xv) [Initial Reference Rate:	[ ] per cent.] <sup>21</sup>
(xvi) [Original Reset Reference Rate Payment Basis:	[Annual/Semi-annual/Quarterly/Monthly/Other-specify/Not Applicable]] <sup>22</sup>
16. Floating Rate Note Provisions	[Applicable/Not Applicable]
(i) Specified Period(s)/Specified Interest Payment Date(s):	[ ]
(ii) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][Not Applicable]

<sup>20</sup> Delete sub-paragraphs (xii) through (xiv) if the Reset Reference Rate is not the Mid-Swap Rate.

<sup>21</sup> Delete if the Reset Reference Rate is the Mid-Swap Rate.

<sup>22</sup> Delete if the Reset Reference Rate is not the Reset Reference Bond Rate.

- (iii) Additional Business Centre(s): [Not Applicable/[ ]]
- (iv) Manner in which the Rate of Interest and Interest Amount are to be determined: [Screen Rate Determination/ISDA Determination]
- (v) Calculation to be on a Calculation Amount Basis: [Applicable/Not Applicable]
- (vi) Party responsible for determining the Rate of Interest and/or calculating the Interest Amount (if not the Principal Paying Agent): [ ] (the "Calculation Agent")
- (vii) Screen Rate Determination: [Applicable/Not Applicable]
- Reference Rate: [ ] month [EURIBOR/Compounded Daily SONIA/Compounded Daily SOFR/ Compounded Daily SORA/Compounded Daily CORRA/Compounded Daily TONA]
  - Interest Determination Date(s): [ ]/(Second day on which T2 is open prior to the start of each Floating Interest Period if EURIBOR or the day falling the number of London Banking Days included in the below SONIA Observation Look-Back Period if Compounded Daily SONIA or U.S. Government Securities Business Days included in the below SOFR Observation Shift Period if Compounded Daily SOFR or the day falling "p" Singapore Business Days if Compounded Daily SORA, "p" Bank of Canada Business Days if Compounded Daily CORRA or "p" Tokyo Business Days if Compounded Daily TONA, in each case prior to the Interest Payment Date for the relevant Floating Interest Period or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Floating Interest Period)
  - Relevant Screen Page: [ ]
  - SONIA Observation Method: [Not Applicable/Lag/Shift]<sup>8</sup>
  - SONIA Observation Look-Back Period: [[[ ] London Banking Day[s]/Not Applicable]<sup>6</sup>
  - TONA Observation Method: [Not Applicable/Shift/Lookback]<sup>7</sup>
  - P: [[ ] [Singapore/Bank of Canada/Tokyo] Business Day[s]/Not Applicable]<sup>8</sup>

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<sup>8</sup> Only relevant for Floating Rate Notes which specify the Reference Rate as being "Compounded Daily SONIA".

<sup>6</sup> Only relevant for Floating Rate Notes which specify the Reference Rate as being "Compounded Daily SONIA".

<sup>7</sup> Only include for Notes which specify the Reference Rate as being "Compounded Daily TONA".

- SOFR Observation Shift Period: [[ ] U.S. Government Securities Business Day[s]/Not Applicable]<sup>9</sup>
  - Index Determination: [Applicable/Not Applicable]<sup>10</sup>
  - Specified Time: [ ]
  - (viii) ISDA Determination: [Applicable/Not Applicable]
- (If not applicable, delete the remaining items of this subparagraph)*
- (If applicable, and “2021 ISDA Definitions” is selected below, note that “Administrator/Benchmark Event”, “Generic Fallbacks” and “Calculation Agent Alternative Rate Determination” are not workable in a notes context. Amendments will therefore need to be made to the Conditions)*
- ISDA Definitions: [2006 ISDA Definitions]/[2021 ISDA Definitions]
  - Floating Rate Option: [ ]
- (If “2021 ISDA Definitions” is selected, ensure this is a Floating Rate Option included in the Floating Rate Matrix (as defined in the 2021 ISDA Definitions))*
- Designated Maturity: [ ]/[Not Applicable]
- (A Designated Maturity period is not relevant where the relevant Floating Rate Option is a risk-free rate)*
- Reset Date: [ ]
- (In the case of a EURIBOR based option, the first day of the Interest Period)*
- Compounding: [Applicable/Not Applicable]
- (If not applicable, delete the remaining items of this subparagraph)*
- Overnight Rate Compounding Method: [Compounding with Lookback  
Lookback: [[ ] Applicable Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]]  
[Compounding with Observation Period Shift]

<sup>8</sup> Only include for Notes which specify the Reference Rate as being "Compounded Daily SORA", "Compounded Daily CORRA" or "Compounded Daily TONA".

<sup>9</sup> Only include for Notes which specify the Reference Rate as being "Compounded Daily SOFR".

<sup>10</sup> Only include for Notes which specify the Reference Rate as being "Compounded Daily SONIA", "Compounded Daily SOFR", "Compounded Daily SORA" or "Compounded Daily CORRA".

- Observation Period Shift: [[ ] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
- Observation Period Shift Additional Business Days: [ ]/[Not Applicable]]
- [Compounding with Lockout
- Lockout: [[ ] Lockout Period Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
- Lockout Period Business Days: [ ]/[Applicable Business Days]]
- Averaging: [Applicable/Not Applicable]
- (If not applicable, delete the remaining items of this subparagraph)*
- Averaging Method: [Averaging with Lookback
- Lookback: [[ ] Applicable Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]]
- [Averaging with Observation Period Shift
- Observation Period Shift: [[ ] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
- Observation Period Shift Additional Business Days: [ ]/[Not Applicable]]
- [Averaging with Lockout
- Lockout: [[ ] Lockout Period Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
- Lockout Period Business Days: [ ]/[Applicable Business Days]]
- Index Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining items of this subparagraph)*
- Index Method: Compounded Index Method with Observation Period Shift
- Observation Period Shift: [[ ] Observation Period Shift Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]
- Observation Period Shift Additional Business

	Days: [ ]/[Not Applicable]
	<i>(Compounded Index Method with Observation Period Shift is considered the appropriate Index Method for use in a bonds context. Compounded Indices include the Bank of England's SONIA Compounded Index which is compatible with bonds (and other cash products) using an observation period shift approach to calculating compounded SONIA)</i>
(ix) Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation] <i>(Specify for each short or long interest period)</i>
(x) Margin(s):	[+/-][ ] per cent. per annum
(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 (ISDA)] [[Actual/Actual (ICMA)]] [Actual/365 (Fixed)] [Actual/360] [30/360 (Floating)][360/360][Bond Basis] [30E/360][Eurobond Basis] [30E/360 (ISDA)]
17. Zero Coupon Note Provisions	[Applicable/Not Applicable] <i>(Always not applicable for Subordinated Notes)</i>
(i) Accrual Method:	[Linear Accrual/Compounding Accrual]
(ii) Accrual Yield:	[ ] per cent. per annum
(iii) Reference Amount:	[ ]
(iv) Day Count Fraction in relation to Zero Coupon Notes:	Conditions 4(e) and 5(e) apply [30/360] [Actual/360] [Actual/365]

## PROVISIONS RELATING TO REDEMPTION

18. Issuer Call:	[Applicable/Not Applicable]
(i) Optional Redemption Date(s):	[ ] <i>(In the case of Subordinated Notes, this must be a date not less than the fifth anniversary of the Issue Date)</i>
(ii) Optional Redemption Amount:	[ ] per Calculation Amount
(iii) If redeemable in part:	
(a) Minimum Redemption Amount:	[ ]
(b) Maximum Redemption Amount:	[ ]
(iv) Notice period:	[ ] Business Days

19. Investor Put: [Applicable/Not Applicable]  
*(Always not applicable for Subordinated Notes)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount: [ ] per Calculation Amount
- (iii) Notice period: [ ] Business Days
20. Final Redemption Amount: [ ] per Calculation Amount]
21. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [[ ] per Calculation Amount/Condition 5(g) shall apply]

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. Form of Notes: **[Bearer Notes:**  
 Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes upon an Exchange Event]  
  
 [Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date]  
  
 [Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005<sup>10</sup>]  
  
**[Registered Notes:**  
 [Registered Global Note registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg]  
  
 [Registered Global Note held through the CMU Service]]
23. Payment Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention]
24. Additional Financial Centre(s): [Not Applicable/[ ]]
25. Talons for future Coupons to be attached to Definitive Notes: [Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No.]

## PROVISIONS APPLICABLE TO RMB NOTES

26. RMB Currency Event: [Applicable/Not Applicable]
27. Spot Rate (if different from that set out in Condition 6(l)): [[ ]/Not Applicable]

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<sup>10</sup> Only include for Notes that are to be offered in Belgium



28. Party responsible for calculating the Spot Rate: ☐ (the “RMB Calculation Agent”)]
29. Relevant Currency (if different from that in Condition 6(l)): ☐ /Not Applicable]
30. RMB Settlement Centre(s): ☐ /Not Applicable]

## DISTRIBUTION

31. Additional selling restrictions: ☐ [Not Applicable]/**[Republic of Korea]**

The Notes have not been and will not be registered with the Financial Services Commission of Korea for public offering in Korea under the Financial Investment Services and Capital Markets Act (the “FSCMA”).

None of the Notes may be offered, sold and delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except as otherwise permitted under the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the “FETL”).

For a period of one year from the issue date of the Notes, any acquirer of the Notes who was solicited to buy the Notes in Korea is prohibited from transferring any of the Notes to another person in any way other than as a whole to one transferee. Furthermore, the purchaser of the Notes shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Notes.]<sup>11</sup>

Signed on behalf of the Issuer by its [Authorised Signatories / Attorneys]:

.....  
Signature of [Authorised Signatory / Attorney]

.....  
Signature of [Authorised Signatory / Attorney]

.....  
Name of [Authorised Signatory / Attorney]

.....  
Name of [Authorised Signatory / Attorney]

\_\_\_\_\_

<sup>11</sup> Only include for Notes sold in the Republic of Korea.

.....  
Title of [Authorised Signatory / Attorney]

.....  
Title of [Authorised Signatory / Attorney]

[In the presence of:

Name:

Occupation:

Address:         ]

## Part B– Other Information

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the London Stock Exchange's main market] [and, to be listed on the Official List of the Financial Conduct Authority] with effect from [ ].]
- [Application 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 main market] [and, to be listed on the Official List of the Financial Conduct Authority] with effect from [ ].]
- (ii) Estimate of total expenses related to admission to trading: [ ]

### 2. RATINGS

The Notes to be issued [have been]/[are expected to be]/[have not been] rated[:

[Standard & Poor's (Australia) Pty. Ltd.: [ ]]

[Moody's Investors Service Pty Ltd.: [ ]]

[Fitch Australia Pty Ltd: [ ]]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*

*(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.)*

### 3. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

- (i) Reasons for the offer: [See ["Use of Proceeds"] in the Programme Circular/[ ]]

- (ii) Estimated net proceeds: [ ]

### 4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for [any fees/the fees of [ ]] payable to [ ] (the ["Managers"/"Dealers"]), so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

### 5. YIELD

[ ] per cent. per annum

Indication of Yield:

The yield is calculated at the Issue Date on the

basis of the Issue Price. It is not an indication of future yield.

## 6. OPERATIONAL INFORMATION

- (i) ISIN: [ ]
- (ii) Common Code: [ ]
- (iii) CFI Code: [[See/[ ]], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (iv) FISN: [[See/[ ]], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
- (v) CMU Instrument Number: [ ]
- (vi) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/[ ]]
- (vii) CMU Lodging and Paying Agent: [[ ]/Not Applicable]
- (viii) Delivery: Delivery [against/free of] payment
- (ix) Names and addresses of additional Paying Agent(s) (if any): [ ]
- (x) U.S. Selling Restrictions: [Reg. S Compliance Category 2; TEFRA D/TEFRA not applicable]
- (xi) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]
- (xii) Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]
- (xiii) Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]
- (xiv) Relevant Benchmark[s]: [Not Applicable]/[[ ] is provided by [ ]].  

[As at the date hereof, [[ ] appears in the register of administrators and benchmarks established and maintained by the UK Financial Conduct Authority pursuant to Article 36 of Regulation (EU) No. 2016/1011 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.]

[As at the date hereof, [[ ] does not appear in the register of administrators and benchmarks established and maintained by the UK Financial

Conduct Authority pursuant to Article 36 of Regulation (EU) No. 2016/1011 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018. [As far as the Issuer is aware, as at the date hereof, the transitional provisions in Article 51 of Regulation (EU) No. 2016/1011 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 apply, such that [ ] is not currently required to obtain authorisation/registration (or, if located outside the UK, recognition, endorsement or equivalence).]/[ ] does not fall within the scope of Regulation (EU) No. 2016/1011 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.]].

## **7. THIRD PARTY INFORMATION**

[ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

## Conditions of the Notes

*The following are the Conditions of the Notes which (except for the paragraph in italics) will be incorporated by reference into each global Note and will be endorsed upon each definitive Note. The applicable Final Terms will be endorsed upon, or attached to, each global Note and definitive Note. Reference should be made to "applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series of Euro Medium Term Notes (all of the Euro Medium Term Notes from time to time issued by ASB Bank Limited (the "Issuer") in the applicable Final Terms which are for the time being outstanding being hereinafter referred to as the "Notes", which expression shall include (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency of the relevant Notes, (ii) definitive Notes issued in exchange (or part exchange) for a global Note and (iii) any global Note. The Notes, the Coupons (as defined below) and the Talons (as defined below) have the benefit of an Amended and Restated Agency Agreement dated 30 June 2023 (as amended and/or supplemented and/or restated from time to time, together, the "Agency Agreement") each made between, *inter alios*, the Issuer, Deutsche Bank AG, London Branch as principal paying agent (the "Principal Paying Agent" which expression shall include any successor as principal paying agent), Deutsche Bank Luxembourg S.A. as registrar (the "Registrar" which expression shall include any successor as registrar) and the paying agents and transfer agents named therein (the "Paying Agents" and the "Transfer Agents", which expressions shall include any additional or successor paying agents and transfer agents). If so specified in the applicable Final Terms, the Issuer will also appoint a calculation agent with respect to a Series (the "Calculation Agent", which expression shall include any successor calculation agent and any other calculation agent specified in the applicable Final Terms).

The Noteholders, the Couponholders and the Talonholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the "Deed of Covenant") dated 30 June 2023 and made by the Issuer. The original of the Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant (i) are available for inspection or collection during normal business hours at the specified office of each of the Paying Agents or (ii) may be provided by email to a Noteholder following their prior written request to the Principal Paying Agent and provision of proof of holding and identity (in a form satisfactory to the Principal Paying Agent). Copies of the applicable Final Terms (i) may be obtained from the Principal Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom or (ii) may be provided by email to a Noteholder following their prior written request to the Principal Paying Agent and provision of proof of holding and identity (in a form satisfactory to the Principal Paying Agent). If the Notes are to be admitted to trading on the main market of the London Stock Exchange, the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service. The Noteholders, the Couponholders and the Talonholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Any reference to "Noteholders" in relation to any Notes shall mean (in the case of definitive Notes in bearer form) the holders of the Notes and (in the case of definitive Notes in registered form) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a global Note, be construed as provided below. Any reference herein to "Couponholders" shall mean the holders of the Coupons and any reference herein to "Talonholders" shall mean the holders of the Talons.

As used herein, “Series” means each original issue of Notes together with any further issues expressed to form a single series with the original issue and the terms of which (save for the Issue Date or Interest Commencement Date, as the case may be, the Issue Price and the amount of the first payment of interest (if any), all as indicated in the applicable Final Terms) are otherwise identical (including whether or not they are listed) and shall be deemed to include the temporary and (where applicable) permanent global Notes and the definitive Notes of such issues and the expressions “Notes of this Series” and “holders of Notes of this Series” and related expressions shall be construed accordingly. As used herein, “Tranche” means all Notes of the same Series with the same Issue Date.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Conditions. References to the “applicable Final Terms” are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

The Noteholders, the Couponholders and the Talonholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions relating to the Notes contained in the applicable Final Terms, the Agency Agreement and the Deed of Covenant which are applicable to them. Words and expressions defined in the Agency Agreement or defined or set out in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated. Copies of the applicable Final Terms are available for inspection by the holders of Notes of this Series at the office of the Principal Paying Agent set out at the end of these Conditions. The statements in these Conditions are summaries of the detailed provisions of the Agency Agreement which provisions shall have precedence over these Conditions if there is any inconsistency.

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

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

The Notes of this Series are Bearer Notes or Registered Notes as specified in the applicable Final Terms and are in the currency (the “Specified Currency”) and the denominations (the “Specified Denomination(s)”) specified in the applicable Final Terms. Definitive Notes of this Series (if issued) will be serially numbered and Bearer Notes may not be exchanged for Registered Notes and vice versa. This Note is a Senior Note or a Subordinated Note as indicated in the applicable Final Terms. This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or any appropriate combination thereof depending upon the Interest Basis specified in the applicable Final Terms or a combination of any of the foregoing, depending on the Redemption/Payment Basis specified in the applicable Final Terms. Subordinated Notes must not be Zero Coupon Notes. If this Note is a definitive Bearer Note, it is issued with Coupons for the payment of interest (“Coupons”) and, if applicable, Talons for further Coupons (“Talons”) attached, unless it is a Zero Coupon Note in which case references to interest (other than in relation to interest due after the Maturity Date) and Coupons or Talons in these Conditions are not applicable. References in these Conditions, except in this paragraph, Condition 6 and Condition 8, to Coupons or Couponholders shall be deemed to include references to Talons or Talonholders.

Subject as set out below, title to the definitive Bearer Notes and the Coupons will pass by delivery and title to the definitive Registered Notes will pass upon the registration of transfers in accordance with the provisions of the Agency Agreement. The holder of each Coupon, whether or not such Coupon is attached to a Bearer Note, in their capacity as such, shall be subject to, and bound by, all the provisions contained in the relevant Note. Subject as set out below, the Issuer, any Paying Agent and any Transfer Agent may (to the fullest extent

permitted by applicable laws) deem and treat the bearer of any Bearer Note or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not such Note or Coupon shall be overdue and notwithstanding any notation of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out below. For so long as any Notes are represented by a global Note held on behalf of Euroclear Bank SA/NV (“Euroclear”) and/or Clearstream Banking S.A. (“Clearstream, Luxembourg”), each person who is for the time being shown in the records of Euroclear and/or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and any Paying Agent as the holder of such nominal amount of Notes for all purposes other than with respect to payments on the Notes for which purpose the bearer of the relevant global Bearer Note or the registered holder of the relevant global Registered Note shall be treated by the Issuer and any Paying Agent as the holder of such Notes in accordance with and subject to the terms of the relevant global Note and the terms “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, except in the preceding paragraph and in Condition 13, wherever the context so permits, be deemed to include a reference to any additional or alternative clearance system specified in Part B of the applicable Final Terms.

Notes which are represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg will only be transferable in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, as the case may be.

## **2 Transfer**

- (a) Transfers of beneficial interests in global Registered Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a global Registered Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for definitive Registered Notes or for a beneficial interest in another global Registered Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.
- (b) A definitive Registered Note may be transferred in whole or in part (in the nominal amount of the lowest Specified Denomination or any integral multiple thereof) by the deposit by the transferor of the definitive Registered Note for registration of the transfer at the specified office of a Transfer Agent with the form of transfer endorsed on the definitive Registered Note duly completed and executed by or on behalf of the transferor and upon the relevant Transfer Agent (after due and careful enquiry) being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer and the Registrar may prescribe. Subject as provided above, the relevant Transfer Agent will, within fourteen days of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request a new definitive Registered Note of a like aggregate nominal amount to the definitive Registered Note (or the relevant part of the definitive Registered Note) transferred. In the case of the transfer of part only of a definitive Registered Note, a new definitive



Registered Note in respect of the balance of the definitive Registered Note not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.

- (c) In the event of a partial redemption of Notes under Condition 5(c), the Issuer shall not be required to:
  - (i) register the transfer of any definitive Registered Note, or part of a definitive Registered Note, called for partial redemption; or
  - (ii) exchange any definitive Bearer Note called for partial redemption.
- (d) Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than at the specified office of a Transfer Agent or by regular mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.
- (e) The names of the initial Registrar and other initial Transfer Agents and their initial specified offices in respect of this Series of Notes are set out at the end of these Conditions. The Issuer reserves the right at any time to vary or terminate the appointment of the Registrar or any other Transfer Agent and to appoint another Registrar or additional or other Transfer Agents. Notice of any termination or appointment and of any changes in specified offices will be given to the holders of the Notes of this Series promptly by the Issuer in accordance with Condition 13.

### **3 Status of the Notes, Subordination and Solvency Condition**

The applicable Final Terms will indicate whether the Notes are Senior Notes or Subordinated Notes.

#### **(a) Status of the Senior Notes**

This Condition 3(a) is only applicable in relation to Senior Notes.

The Notes of this Series and the relative Coupons (if any) are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank equally among themselves and equally with the Issuer's other present and future unsecured and unsubordinated obligations (except for certain debts that are required to be preferred by applicable law).

*Changes to applicable laws may extend the debts required to be preferred by law.*

#### **(b) Status and Subordination of the Subordinated Notes and Solvency Condition**

This Condition 3(b) is only applicable in relation to Subordinated Notes.

- (1) The Notes of this Series and the relative Coupons (if any) are direct, subordinated and unsecured obligations of the Issuer and will rank equally among themselves.
- (2) In the event of the Liquidation of the Issuer, the principal amount of, and any interest on, the Notes of this Series will rank:
  - (A) after the claims of all holders of Senior Ranking Obligations;
  - (B) equally among themselves and with Equal Ranking Securities; and
  - (C) ahead of all Junior Ranking Securities.
- (3) The terms and conditions of the Notes of this Series do not limit the Issuer's ability to incur or issue further Senior Ranking Obligations, Equal Ranking Securities or Junior Ranking Securities.

- (4) At any time prior to the Maturity Date or the Liquidation of the Issuer, the Issuer's obligation to make any payment (including of any principal and interest) in respect of the Notes of this Series is conditional on:

- (A) the Issuer being Solvent at the time the relevant payment falls due; and
- (B) the Issuer remaining Solvent immediately after the relevant payment is made, (the "Solvency Condition").

A certificate signed by two authorised signatories of the Issuer, by the Issuer's auditor or, in a Liquidation of the Issuer, by the Issuer's liquidator, as to whether the Solvency Condition is met at any time is (in the absence of manifest error) conclusive evidence of the information contained in the certificate and will be binding on the Issuer, the Noteholders and the Couponholders in respect of the matters certified.

In the absence of such a certificate, the Noteholders and the Couponholders are entitled to assume (unless the contrary is proved) that the Solvency Condition is met.

Any amount not paid by the Issuer in respect of the Notes on account of the Solvency Condition not being met does not give rise to an Event of Default (as defined in Condition 9) and remains a debt owing by the Issuer to the relevant Noteholder or Couponholder which is payable by the Issuer on the earlier of:

- (i) the first business day (as defined in Condition 6(g)) on which the relevant amount may be paid in compliance with the Solvency Condition (whether or not such date is otherwise a payment date); and
- (ii) the Maturity Date.

- (5) In a Liquidation of the Issuer, the claim of a Noteholder for an amount owing by the Issuer in connection with the Notes of this Series is subordinated to the claims of holders of Senior Ranking Obligations, in that:

- (A) all holders of Senior Ranking Obligations must be paid in full before a Noteholder's claim is paid; and
- (B) until the holders of Senior Ranking Obligations have been paid in full, a Noteholder does not have any right to prove in a Liquidation of the Issuer in respect of the Notes.

- (6) Each Noteholder irrevocably acknowledges and agrees that:

- (A) the Issuer's obligations in respect of the Notes of this Series are subordinated to the payment of Senior Ranking Obligations, in the manner provided above in this Condition 3(b);
- (B) in accordance with section 313(3) of the Companies Act, it is accepting a lower priority in relation to the debt represented by the Notes of this Series than that which it would otherwise have under section 313 of the Companies Act;
- (C) nothing in sections 310 or 313 of the Companies Act will prevent these Conditions from having effect in accordance with their terms;
- (D) the subordination set out in this Condition 3(b) is not affected by any act or omission by the Issuer, or of any holder of Senior Ranking Obligations, which might otherwise affect that Noteholder at law or in equity;
- (E) a Noteholder must not exercise its voting rights as an unsecured creditor in the Liquidation of the Issuer or a voluntary administration of the Issuer to defeat the subordination of the Notes of this Series; and

- (F) a Noteholder must pay or deliver to the liquidator any amount or asset received on account of its claim in the Liquidation of the Issuer in respect of the Notes of this Series in excess of its entitlement under this Condition 3(b).
- (7) Nothing in these Conditions shall be taken to require the consent of any holder of Senior Ranking Obligations to any amendment of these Conditions.
- (8) The Issuer has no rights of set off in respect of any amounts owing by it to any Noteholder in respect of any Note of this Series against any claims owing by the Noteholder to the Issuer or to any member of the ASB Group, and no Noteholder has any right of set off in respect of any amounts or any right to merge accounts or to exercise any other rights the effect of which is, or may be, to reduce the amount payable by the Issuer in respect of the Notes of this Series to such Noteholder.
- (9) In these Conditions:
- “ASB Group” means the Issuer and its subsidiaries;
- “Companies Act” means the Companies Act 1993 (NZ);
- “Equal Ranking Securities” means all securities, instruments and other obligations which qualify as Tier 2 Capital (as defined by the RBNZ from time to time) of the Issuer or which rank or are expressed to rank equally with such securities, instruments or other obligations in a Liquidation of the Issuer, present and future;
- “Junior Ranking Securities” means:
- (i) all securities, instruments and other obligations which rank or are expressed to rank junior to the Notes of this Series, including all such securities instruments or other obligations which qualify as Tier 1 Capital (as defined by the RBNZ from time to time) of the Issuer or which rank or are expressed to rank equally with such securities, instruments or other obligations, in a Liquidation of the Issuer, present and future; and
  - (ii) all of the Issuer’s shares (including ordinary and preference shares), present and future;
- “Liquidation of the Issuer” means a liquidation of the Issuer under:
- (i) sections 241(5) or section 317 of the Companies Act; or
  - (ii) any other legislation under which the Issuer will irrevocably cease to be duly incorporated or to validly exist in New Zealand;
- “RBNZ” means the Reserve Bank of New Zealand, or any successor body responsible for prudential regulation of the Issuer;
- “Senior Ranking Obligations” means all deposits and other liabilities, securities, instruments and other obligations of the Issuer other than Equal Ranking Securities or Junior Ranking Securities, present and future;
- “Solvent” means that the Issuer is able to satisfy the solvency test contained in section 4 of the Companies Act; and
- “subsidiary” has the meaning given to that term in section 5 of the Companies Act.

#### **4 Interest**

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes, Floating Rate Notes, Fixed Reset Notes or Zero Coupon Notes.

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

This Condition 4(a) applies to Fixed Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 4(a) for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, the Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

- (1) Each Fixed Rate Note bears interest from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest specified in the applicable Final Terms.

Interest in respect of Fixed Rate Notes will accrue in respect of each Fixed Interest Period. In these Conditions, "Fixed Interest Period" means the period from (and including) an Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

Fixed Interest Periods shall be adjusted ("Adjusted Fixed Rate Notes") or unadjusted ("Unadjusted Fixed Rate Notes") as specified in the applicable Final Terms. In the case of Adjusted Fixed Rate Notes, a Business Day Convention shall also be specified in the applicable Final Terms and (where applicable) Interest Payment Dates shall be postponed or brought forward, as the case may be, in accordance with Condition 4(d)(ii).

In the case of Unadjusted Fixed Rate Notes, if the Notes are in definitive form and if Fixed Coupon Amount is specified in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount or the Broken Amount (if any) so specified.

Interest will be paid subject to and in accordance with the provisions of Condition 6 (unless otherwise specified in the applicable Final Terms). Interest will cease to accrue on each Fixed Rate Note (or, in the case of the redemption of part only of a Fixed Rate Note, that part only of such Note) on the due date for redemption thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before any judgment) until, but excluding, whichever is the earlier of (A) the day on which all sums due in respect of such Fixed Rate Note up to that day are received by or on behalf of the holder of such Fixed Rate Note and (B) the day which is seven days after the date on which the Principal Paying Agent has notified the holder in accordance with Condition 13 that it has received all sums due in respect thereof up to that date.

- (2) Except in the case of Unadjusted Fixed Rate Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount, is specified in the applicable Final Terms, the Principal Paying Agent will calculate the amount of interest (the "Interest Amount") payable in respect of any period by applying the Rate of Interest to:

- (i) in the case of Fixed Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Notes represented by such Global Note or (B) such Registered Notes, unless in each case "Calculation to be on a Calculation Amount Basis" is specified as being applicable in the applicable Final Terms in which case the Rate of Interest shall be applied to the Calculation Amount; or
- (ii) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction.

The resultant figure (including after application of any Fixed Coupon Amount or Broken Amount, as applicable, to the aggregate outstanding nominal amount of Fixed Rate Notes which are Registered Notes in definitive form or the Calculation Amount in the case of Fixed Rate Notes which are Bearer Notes in definitive form) shall be rounded to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Fixed Rate Note which is:

- (i) a Bearer Note in definitive form; or
- (ii) (A) represented by a Global Note or (B) a Registered Note in definitive form, where in each case “Calculation to be on a Calculation Amount Basis” is specified as being applicable in the applicable Final Terms,

is a multiple of the Calculation Amount, the amount of interest payable in respect of such Bearer Note or such Global Note or Registered Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

The calculation of each Interest Amount by the Principal Paying Agent shall (in the absence of manifest error) be final and binding upon all parties.

In this Condition 4(a), “Day Count Fraction” has the meaning given to it in Condition 4(d).

In these Conditions “sub-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 one cent.

**(b) Interest on Fixed Reset Notes**

This Condition 4(b) applies to Fixed Reset Notes only. The applicable Final Terms contains provisions applicable to the determination of the resetting of the Rate of Interest for Fixed Reset Notes and must be read in conjunction with this Condition 4(b) for full information on the manner in which interest is calculated on Fixed Reset Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Reset Date, any Subsequent Reset Date(s), the Reset Margin, the Specified Currency, the Relevant Screen Page, the Floating Leg Reference Rate, the Floating Leg Screen Page and the Initial Mid-Swap Rate or Initial Reference Rate, as applicable.

- (1) If the Notes are specified in the applicable Final Terms as being Fixed Reset Notes, the Notes shall bear interest:

- (i) from (and including) the Interest Commencement Date to (but excluding) the Reset Date at the rate per annum equal to the Initial Interest Rate; and
- (ii) from (and including) the Reset Date to (but excluding) either (A) the Maturity Date or (B) if applicable, the first Subsequent Reset Date and each successive period from (and including) any Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date (if any) (each period in (A) and (B) being a Reset Period), in each case at the rate per annum equal to the relevant Reset Rate,

(in each case rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) (each a Rate of Interest) payable, in each case, in arrear on the Interest Payment Date(s) in each year up to and including the Maturity Date or, if none, the redemption, or purchase and cancellation, of the Notes.

The provisions of this Condition 4(b) shall apply, as applicable, in respect of any determination by the Principal Paying Agent or the Calculation Agent, as applicable, of the Rate of Interest for a Reset Period in accordance with this Condition 4(b) as if the Fixed Reset

Notes were Floating Rate Notes. The Rate of Interest for each Reset Period shall otherwise be determined by the Principal Paying Agent or the Calculation Agent, as applicable, on the relevant Reset Determination Date in accordance with the provisions of this Condition 4(b). Once the Rate of Interest is determined for a Reset Period, the provisions of Condition 4(b) shall apply to Fixed Reset Notes, as applicable, as if the Fixed Reset Notes were Fixed Rate Notes.

- (2) In these Conditions, with respect to any Fixed Reset Notes:

“Reset Determination Date” means the second Business Day immediately preceding the relevant Reset Date or relevant Subsequent Reset Date, as the case may be; and

“Reset Rate” means the sum of the Reset Margin and the Reset Reference Rate for the relevant Reset Period (which rate if not calculated on the basis of a Reset Reference Rate with the same frequency of payments, shall be converted in accordance with market convention to a rate with the frequency with which scheduled interest payments are payable on the Fixed Reset Notes or, if market convention is for the Reset Reference Rate first to be so converted, the Reset Reference Rate for the purposes of determining the Reset Rate shall be the Reset Reference Rate as so converted without any further such conversion).

If the Reset Reference Rate specified in the applicable Final Terms is the Mid-Swap Rate:

“Mid-Swap Rate” means, in relation to the Reset Date or relevant Subsequent Reset Date, as the case may be, and the Reset Period commencing on the Reset Date or that Subsequent Reset Date, the rate for the Reset Date or that Subsequent Reset Date of, in the case of semi-annual or annual Interest Payment Dates, the semi-annual or annual swap rate, respectively for swap transactions in the Specified Currency maturing on the last day of such Reset Period, expressed as a percentage, which appears on the Relevant Screen Page as of approximately 11.00 a.m. in the principal financial centre of the Specified Currency on such Reset Determination Date. If such rate does not appear on the Relevant Screen Page, the Mid-Swap Rate for the Reset Date or relevant Subsequent Reset Date, as the case may be, will be the Reset Reference Bank Rate for the Reset Period;

“Reference Banks” means five leading swap dealers in the interbank market for swap transactions in the Specified Currency with an equivalent maturity to the Reset Period as selected by the Issuer;

“Relevant Screen Page” means the display page on the relevant service as specified in the applicable Final Terms or such other page as may replace it on that information service, or on such other equivalent information service as determined by the Issuer and notified to the Principal Paying Agent or the Calculation Agent, as applicable, for the purpose of displaying equivalent or comparable rates to the relevant swap rates for swap transactions in the Specified Currency with an equivalent maturity to the Reset Period;

“Representative Amount” means an amount that is representative for a single transaction in the relevant market at the relevant time;

“Reset Period Mid-Swap Rate Quotations” means the bid and offered rates for the semi-annual or annual, as applicable, fixed leg (calculated on the day count basis customary for fixed rate payments in the Specified Currency), of a fixed-for-floating interest rate swap transaction in the Specified Currency with a term equal to the Reset Period commencing on the Reset Date or relevant Subsequent Reset Date, as the case may be, 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 the day count basis customary for floating rate payments in the Specified Currency), is equivalent to the Rate of Interest that would apply in respect of the Notes if (a) Screen Rate Determination was specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, (b) the Reference Rate was the

Floating Leg Reference Rate and (c) the Relevant Screen Page was the Floating Leg Screen Page; and

“Reset Reference Bank Rate” means, in relation to the Reset Date or relevant Subsequent Reset Date, as the case may be, and the Reset Period commencing on the Reset Date or that Subsequent Reset Date, the percentage determined on the basis of the arithmetic mean of the Reset Period Mid-Swap Rate Quotations provided by the Reference Banks at approximately 11.00 in the principal financial centre of the Specified Currency on the Reset Determination Date. The Issuer will request the principal office of each of the Reference Banks to provide a quotation of its rate to the Principal Paying Agent or the Calculation Agent, as applicable. If at least three quotations are provided, the rate for the Reset Date or relevant Subsequent Reset Date, as the case may be, 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). If only two quotations are provided, it will be the arithmetic mean of the quotations provided. If only one quotation is provided, it will be the quotation provided. If no quotations are provided, the Mid-Swap Rate will be the Mid-Swap Rate for the immediately preceding Reset Period or, if none, the Initial Mid-Swap Rate.

If the Reset Reference Rate” specified in the applicable Final Terms is the Reset Reference Bond Rate, unless otherwise specified in the applicable Final Terms:

“Reset Determination Time” means, in relation to a Reset Determination Date, 11.00a.m. in the principal financial centre of the Specified Currency (which, if the Specified Currency is euro, shall be Frankfurt, Germany) on such Reset Determination Date;

“Reset Reference Bond” means, in relation to any Reset Period, a government security or securities issued by the government of the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany) (a “Relevant Government Bond”) selected by the Issuer as having the nearest actual or interpolated maturity comparable with such Reset Period and that (in the opinion of the Issuer) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in the Specified Currency and of a comparable maturity to such Reset Period;

“Reset Reference Bond Yield” means, in respect of any Reset Determination Date, the arithmetic average of the Reset Reference Government Bond Dealer Quotations for such Reset Determination Date, as determined by Issuer and notified to the Principal Paying Agent or the Calculation Agent, as applicable, after excluding the highest and lowest such Reset Reference Government Bond Dealer Quotations; provided, however, that (A) if fewer than five but more than one Reset Reference Government Bond Dealer Quotations are received, the Reset Reference Bond Yield shall be equal to the arithmetic average of all such quotations, or (B) if only one Reset Reference Government Bond Dealer Quotation is received, the Reset Reference Bond Yield shall be equal to such quotation, or (C) if no Reset Reference Government Bond Dealer Quotations are received, the Reset Reference Bond Yield will be the Reset Reference Bond Rate for the immediately preceding Reset Period or, if none, the Initial Reference Rate;

“Reset Reference Bond Rate” means, in relation to any Reset Period, the rate per annum equal to the annual yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reset Reference Bond, expressed as a percentage, which equals the Reset Reference Bond Yield for the relevant Reset Determination Date;

“Reset Reference Government Bond Dealers” means five banks or other financial institutions that are (A) primary dealers in Relevant Government Bonds, or (B) market makers in pricing corporate bond issues denominated in the Specified Currency, in each case as selected by the Issuer and notified in writing to the Principal Paying Agent or the Calculation Agent, as applicable; and

“Reset Reference Government Bond Dealer Quotations” means, with respect to each Reset Reference Government Bond Dealer and any Reset Determination Date, the bid and offered yields to maturity or interpolated yields to maturity (on the relevant day count basis) for the Reset Reference Bond (expressed as a percentage) as at or around the Reset Determination Time on such Reset Determination Date, and, if relevant, on a dealing basis for settlement that is customarily used for such Reset Reference Bond at such time, quoted in writing to the Issuer by such Reset Reference Government Bond Dealer.

If the Reset Reference Rate specified in the applicable Final Terms is the CMT Rate, unless otherwise specified in the applicable Final Terms:

“Business Day means a U.S. Government Securities Business Day (as defined in Condition 4(c)(ii)(D)(C));

“CMT Rate” means in relation to any Reset Determination Date:

- (i) the Original Reset Reference Rate Payment Basis yield for U.S. Treasury Securities at "constant maturity" for a period of maturity which is equal or comparable to the duration of the relevant Reset Period, as published in H.15 under the caption "Treasury constant maturities (nominal)", as that yield is displayed on such Reset Determination Date, on the Relevant Screen Page;
- (ii) if the yield referred to in paragraph (i) above is not published on the Relevant Screen Page on such Reset Determination Date, the Original Reset Reference Rate Payment Basis yield for U.S. Treasury Securities at "constant maturity" having a period to maturity which is equal or comparable to the duration of the relevant Reset Period as published in H.15 under the caption "Treasury constant maturities (nominal)" on such Reset Determination Date; or
- (iii) if neither the yield referred to in paragraph (i) above nor the yield referred to in paragraph (ii) above is published on such Reset Determination Date, the Reset Reference Bank Rate on such Reset Determination Date,

in each case, all as determined by the Principal Paying Agent or the Calculation Agent, as applicable;

“H.15” means the daily statistical release designated as H.15, or any successor publication, published by the Board of Governors of the Federal Reserve System at <http://www.federalreserve.gov/releases/H15> or any successor site or publication;

“Original Reset Reference Rate Payment Basis” has the meaning specified in the applicable Final Terms;

“Reference Bond Quotation” means, with respect to each Reset Reference Bank and any Reset Determination Date, the rate of the Original Reset Reference Rate Payment Basis yield-to-maturity based on the secondary market bid price of the relevant Reset U.S. Treasury Security as determined by the Reset Reference Bank at approximately the Reset Determination Time on the Business Day following such Reset Determination Date;

“Reset Reference Bank Rate” means, with respect to any Reset Period and any Reset Determination Date, the rate (expressed as a percentage rate per annum and rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards) determined on the basis of the Reference Bond Quotations provided by the Reset Reference Banks to the Principal Paying Agent or the Calculation Agent, as applicable, at the request of the Issuer at approximately the Reset Determination Time on the Business Day following such Reset Determination Date.

If at least three such Reference Bond Quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean (rounded as aforesaid) of the Reference Bond Quotations provided, 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). If only two Reference Bond Quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean (rounded as aforesaid) of the Reference Bond Quotations provided. If fewer than two Reference Bond Quotations are provided, the Reset Reference Bank Rate for the relevant Reset Period will be the last observable Original Reset Reference Rate Payment Basis yield for U.S. Treasury Securities at "constant maturity" for a period of maturity which is equal or comparable to the duration of the relevant Reset Period, as published in H.15 under the caption "Treasury constant maturities (nominal)", as that yield is displayed on the Relevant Screen Page;

"Reset Reference Banks" means the principal office in the principal financial centre of the Specified Currency of five major banks which are primary U.S. Treasury Securities dealers or market makers in pricing corporate bond issues determined in U.S. dollars, as published on the Federal Reserve Bank of New York's website at <http://www.newyorkfed.org>, or any successor source; and

"U.S. Treasury Securities" means securities that are direct obligations of the United States Treasury, issued other than on a discount basis.

(c) **Interest on Floating Rate Notes**

This Condition 4(c) applies to Floating Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 4(c) for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether ISDA Determination or Screen Rate Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where ISDA Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Floating Rate Option, Designated Maturity and Reset Date. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will specify the applicable Reference Rate, Interest Determination Date(s) and Relevant Screen Page.

(1) *Interest Payment Dates*

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an "Interest Payment Date") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each period from and including an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date or the relevant payment date if the Notes become payable on a date other than an Interest Payment Date (each such period, a "Floating Interest Period" and, together with a Fixed Interest Period, each an "Interest Period").

(2) *Interest Payments and Accrual*

Interest will be paid subject to and in accordance with the provisions of Condition 6 (unless otherwise specified in the applicable Final Terms). Interest will cease to accrue on each Floating Rate Note (or, in the case of the redemption of part only of a Floating Rate Note, that part only of such Note) on the due date for redemption thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (as well after as before any judgement) until, but excluding, whichever is the earlier of (A) the day on which all sums due in respect of such Floating Rate Note up to that day are received by or on behalf of the holder of such Floating Rate Note and (B) the day which is seven days after the date on which the Principal Paying Agent has notified the holder in accordance with Condition 13 that it has received all sums due in respect thereof up to that date.

(3) *Rate of Interest and Interest Amount*

The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined in the manner specified in the applicable Final Terms.

(4) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Floating Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this Condition 4)(c)(4), “ISDA Rate” for a Floating Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or the Calculation Agent, as applicable, under an interest rate swap transaction if the Principal Paying Agent or the Calculation Agent, as applicable, were acting as the Calculation Agent (as defined in the ISDA Definitions (as defined below)) for that swap transaction under the terms of an agreement incorporating the (i) if “2006 ISDA Definitions” is specified in the applicable Final Terms, the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (“ISDA”) and as amended and updated; or (ii) if “2021 ISDA Definitions” is specified in the applicable Final Terms, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions as published by ISDA (together, the “ISDA Definitions”), each as at the Issue Date of the first Tranche of the Notes, and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity, if applicable, is a period specified in the applicable Final Terms;
- (C) the relevant Reset Date is the day specified in the applicable Final Terms;
- (D) the definition of ‘Fallback Observation Day’ in the ISDA Definitions shall be deemed deleted in its entirety and replaced with the following definition: “Fallback Observation Day” means, in respect of a Reset Date and the Calculation Period (or any Compounding Period included in that Calculation Period) to which that Reset Date relates, unless otherwise agreed, the day that is five Business Days preceding the related Payment Date; and
- (E) if the specified Floating Rate Option is an Overnight Floating Rate Option, the Overnight Rate Compounding Method is one of the following as specified in the applicable Final Terms:
  - (a) Compounding with Lookback;
  - (b) Compounding with Observation Period Shift; or
  - (c) Compounding with Lockout; and

- (F) if the specified Floating Rate Option is a Compounded Index Floating Rate Option, the Index Method is Compounded Index Method with Observation Period Shift as specified in the applicable Final Terms.

In connection with the Overnight Rate Compounding Method, references in the ISDA Definitions to numbers or other items specified in the relevant confirmation shall be deemed to be references to the numbers or other items specified for such purpose in the applicable Final Terms.

For the purposes of this Condition 4(c)(4), “Floating Rate”, “Floating Rate Option”, “Designated Maturity”, “Reset Date”, “Overnight Floating Rate Option”, “Overnight Rate Compounding Method”, “Compounding with Lookback”, “Compounding with Observation Period Shift”, “Compounding with Lockout”, “Averaging with Lookback”, “Averaging with Observation Period Shift”, “Averaging with Lockout”, “Compounded Index Floating Rate Option”, “Index Method” and “Compounded Index Method with Observation Period Shift” have the meanings given to those terms in the ISDA Definitions.

When this Condition 4(c)(4) applies, in respect of each relevant Floating Interest Period:

- (i) the Rate of Interest for such Floating Interest Period will be the rate of interest determined by the Principal Paying Agent or the Calculation Agent, as applicable, in accordance with this Condition 4(c)(4); and
  - (ii) the Principal Paying Agent or the Calculation Agent, as applicable, will be deemed to have discharged its obligations under Condition 4(c)(8) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Floating Interest Period in the manner provided in this Condition 4(c)(4).
- (5) *Screen Rate Determination for Floating Rate Notes not referencing Compounded Daily SONIA or Compounded Daily SOFR*

Where "Screen Rate Determination" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified in the applicable Final Terms as being "EURIBOR", the Rate of Interest for a Floating Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (Brussels time, in the case of EURIBOR) (the “Specified Time”) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent or the Calculation Agent, as applicable, for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

In the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the Specified Time, the Issuer shall request each of the Reference Banks (as defined below) to provide the Principal Paying Agent or the Calculation

Agent, as applicable, with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent or the Calculation Agent, as applicable, with offered quotations, the Rate of Interest for the Floating Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent or the Calculation Agent, as applicable.

If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent or the Calculation Agent, as applicable, with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Floating Interest Period shall be the Reserve Interest Rate. The "Reserve Interest Rate" shall be the rate per annum which the Principal Paying Agent or the Calculation Agent, as applicable, determines to be either (i) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (at the request of the Issuer) the Principal Paying Agent or the Calculation Agent, as applicable, by the Reference Banks or any two or more of them, at which such banks offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent or the Calculation Agent, as applicable, with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Principal Paying Agent or the Calculation Agent, as applicable, it is quoting to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), or (ii) in the event that the Principal Paying Agent or the Calculation Agent, as applicable, can determine no such arithmetic mean, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Floating Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Floating Interest Period in place of the Margin relating to that last preceding Floating Interest Period).

In this Condition 4(c)(5) the expression "Reference Banks" means, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case as selected by the Issuer.

(5A) *Screen Rate Determination for Floating Rate Notes referencing Compounded Daily SONIA*

(A) Where "Screen Rate Determination" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified as being "Compounded Daily SONIA", the Rate of Interest for each Floating Interest Period will, subject as provided below, be Compounded Daily SONIA with respect to such Floating Interest Period plus or minus the Margin (if any) as specified in the applicable Final Terms, all as determined and calculated by the Principal Paying Agent or the Calculation Agent, as applicable.

"Compounded Daily SONIA" means, with respect to a Floating Interest Period,

(I) if Index Determination is specified as being applicable in the applicable Final Terms, the rate determined by the Principal Paying Agent or the

Calculation Agent, as applicable, on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left( \frac{\text{SONIA Compounded Index}_y}{\text{SONIA Compounded Index}_x} - 1 \right) \times \frac{365}{d}$$

where:

“SONIA Compounded Index<sub>x</sub>” is the SONIA Compounded Index value for the day falling “p” London Banking Days prior to the first day of the relevant Floating Interest Period;

“SONIA Compounded Index<sub>y</sub>” is the SONIA Compounded Index value for the day falling “p” London Banking Days prior to the Interest Payment Date for the relevant Floating Interest Period or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Floating Interest Period);

“d” is the number of calendar days in the relevant SONIA Observation Period;

*provided* that if the SONIA Compounded Index value required to determine SONIA Compounded Index<sub>x</sub> or SONIA Compounded Index<sub>y</sub> does not appear on the Bank of England's Interactive Statistical Database, or any successor source on which the compounded daily SONIA rate is published by the Bank of England (or any successor administrator of SONIA), at the Specified Time on the relevant London Banking Day (or by 5:00 p.m. London time or such later time falling one hour after the customary or scheduled time for publication of the SONIA Compounded Index in accordance with the then-prevailing operational procedures of the administrator of the SONIA Reference Rate or SONIA authorised distributors, as the case may be), then Compounded Daily SONIA for such Floating Interest Period and each subsequent Floating Interest Period shall be “Compounded Daily SONIA” determined in accordance with paragraph (II) below and for these purposes the “SONIA Observation Method” shall be deemed to be “Shift”; or

- (II) if either (x) Index Determination is specified as being not applicable in the applicable Final Terms, or (y) this Condition 4(c)(5A)(A)(II) applies to such Floating Interest Period pursuant to the proviso in Condition 4(c)(5A)(I) above, the rate determined by the Principal Paying Agent or the Calculation Agent, as applicable, on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards):

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

where:

“d” is the number of calendar days in (where in the applicable Final Terms “Lag” is specified as the SONIA Observation Method) the relevant Floating

Interest Period or (where in the applicable Final Terms “Shift” is specified as the SONIA Observation Method) the relevant SONIA Observation Period;

“ $d_o$ ” is the number of London Banking Days in (where in the applicable Final Terms “Lag” is specified as the SONIA Observation Method) the relevant Floating Interest Period or (where in the applicable Final Terms “Shift” is specified as the SONIA Observation Method) the SONIA Observation Period;

“ $i$ ” is a series of whole numbers from 1 to  $d_o$ , each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in (where in the applicable Final Terms “Lag” is specified as the SONIA Observation Method) the relevant Floating Interest Period or (where in the applicable Final Terms “Shift” is specified as the SONIA Observation Method) the SONIA Observation Period;

“ $n_i$ ”, for any London Banking Day “ $i$ ”, is the number of calendar days from (and including) such London Banking Day “ $i$ ” up to (but excluding) the following London Banking Day;

“ $SONIA_{i-pLBD}$ ” means:

- (a) where in the applicable Final Terms “Lag” is specified as the SONIA Observation Method, in respect of any London Banking Day “ $i$ ” falling in the relevant Floating Interest Period, the SONIA Reference Rate for the London Banking Day falling “ $p$ ” London Banking Days prior to such London Banking Day “ $i$ ”; or
- (b) where in the applicable Final Terms “Shift” is specified as the SONIA Observation Method, “ $SONIA_{i-pLBD}$ ” shall be replaced in the above formula with “ $SONIA_i$ ”, where “ $SONIA_i$ ” means, in respect of any London Banking Day “ $i$ ” falling in the relevant SONIA Observation Period, the SONIA Reference Rate for such London Banking Day “ $i$ ”.

(B) In the event that London Banking Day “ $i$ ” cannot be determined by the Principal Paying Agent or the Calculation Agent, as applicable, in accordance with the foregoing provisions, the Rate of Interest shall be:

- (I) determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Floating Interest Period from that which applied to the last preceding Floating Interest Period, the Margin, the Maximum Rate of Interest and/or the Minimum Rate of Interest (as the case may be) relating to the relevant Floating Interest Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Floating Interest Period); or
- (II) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first scheduled Floating Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Floating Interest Period but ending on (and excluding) the Interest Commencement Date (and applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Floating Interest Period).

(C) For the purposes of this Condition 4(c)(5A):

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

“p” means the number of London Banking Days included in the SONIA Observation Look-Back Period, as specified in the applicable Final Terms;

“SONIA” has the meaning given to it in the definition of SONIA Reference Rate;

“SONIA Compounded Index” means, in respect of any London Banking Day, the compounded daily SONIA rate as published by the Bank of England (or any successor administrator of SONIA) as such rate appears on the Bank of England's Interactive Statistical Database, or any successor source on which the compounded daily SONIA rate is published by the Bank of England (or any successor administrator of SONIA), at the Specified Time on such London Banking Day;

“SONIA Observation Look-Back Period” means the period specified as such in the applicable Final Terms;

“SONIA Observation Period” means, in respect of any Floating Interest Period, the period from (and including) the date falling “p” London Banking Days prior to the first day of such Floating Interest Period to (but excluding) the date falling “p” London Banking Days prior to the Interest Payment Date for such Floating Interest Period or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Floating Interest Period);

“SONIA Reference Rate” means, in respect of any London Banking Day, the daily Sterling Overnight Index Average (“SONIA”) rate for such London Banking Day as provided by the Bank of England, as administrator of such rate (or any successor administrator of such rate) to authorised distributors (the “SONIA authorised distributors”) and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by the SONIA authorised distributors) on the London Banking Day immediately following such London Banking Day, *provided* that if, in respect of any London Banking Day, the applicable SONIA Reference Rate is not made available on the Relevant Screen Page or has not otherwise been published by the SONIA authorised distributors by 5.00 p.m. London time, then (unless the Principal Paying Agent or the Calculation Agent, as applicable, has been notified of any Successor Rate or Alternative Rate (and any related Adjustment Spread and/or Benchmark Amendments) pursuant to Condition 4(f) below, if applicable) the SONIA Reference Rate in respect of such London Banking Day shall be:

- (I) the sum of (i) the Bank of England’s Bank Rate (the “Bank Rate”) prevailing at 5.00 p.m. London time (or, if earlier, close of business) on such London Banking Day; and (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and the lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads); or
- (II) if the Bank Rate described in sub-clause (I) above is not available at such time on such London Banking Day, the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the SONIA authorised

distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the SONIA authorised distributors); and

“Specified Time” means 10:00 a.m., London time, or such other time as is specified in the applicable Final Terms.

(5B) *Screen Rate Determination for Floating Rate Notes referencing Compounded Daily SOFR*

- (A) Where "Screen Rate Determination" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the "Reference Rate" is specified as being Compounded Daily SOFR, the Rate of Interest for each Floating Interest Period will, subject as provided below, be Compounded Daily SOFR for such Floating Interest Period plus or minus (as specified in the applicable Final Terms) the Margin (if any), all as determined and calculated by the Principal Paying Agent or the Calculation Agent, as applicable.

“Compounded Daily SOFR” means, with respect to a Floating Interest Period,

- (I) if Index Determination is specified as being applicable in the applicable Final Terms, the rate determined by the Principal Paying Agent or the Calculation Agent, as applicable, on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left( \frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1 \right) \times \left( \frac{360}{d} \right)$$

where:

“SOFR Index<sub>Start</sub>” is the SOFR Index value for the day falling “p” U.S. Government Securities Business Days prior to the first day of the relevant Floating Interest Period;

“SOFR Index<sub>End</sub>” is the SOFR Index value for the day falling “p” U.S. Government Securities Business Days prior to the Interest Payment Date for the relevant Floating Interest Period or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Floating Interest Period); and

“d” is the number of calendar days in the relevant SOFR Observation Period;

*provided that*, if the SOFR Index value required to determine SOFR Index<sub>Start</sub> or SOFR Index<sub>End</sub> does not appear on the SOFR Administrator's Website at the Specified Time on the relevant U.S. Government Securities Business Day (or by 3:00 pm New York City time on the immediately following US Government Securities Business Day or such later time falling one hour after the customary or scheduled time for publication of the SOFR Index value in accordance with the then-prevailing operational procedures of the administrator of SOFR Index), "Compounded Daily SOFR" for such Floating Interest Period and each Floating Interest Period thereafter will be determined in accordance with Condition 4(c)(5B)(A)(II) below; or



- (II) if either (x) Index Determination is specified as being not applicable in the applicable Final Terms, or (y) this Condition 4(c)(5B)(A)(II) applies to such Floating Interest Period pursuant to the proviso in Condition 4(c)(5B)(A)(I) above, the rate determined by the Principal Paying Agent or the Calculation Agent, as applicable, on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{SOFR_i \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

where:

“d” is the number of calendar days in the relevant SOFR Observation Period;

“d<sub>0</sub>” is the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

“i” is a series of whole numbers from 1 to “d<sub>0</sub>”, each representing the relevant U.S. Government Securities Business Days in chronological order from, and including, the first U.S. Government Securities Business Day in the relevant SOFR Observation Period;

“n<sub>i</sub>”, for any U.S. Government Securities Business Day “i” in the relevant SOFR Observation Period, is the number of calendar days from (and including) such U.S. Government Securities Business Day “i” up to but excluding the following U.S. Government Securities Business Day (“i+1”); and

“SOFR<sub>i</sub>” means, in respect of any U.S. Government Securities Business Day “i” falling in the relevant SOFR Observation Period, the SOFR Reference Rate for such U.S. Government Securities Business Day.

- (B) If the SOFR Benchmark Replacement is at any time required to be used pursuant to paragraph (3) of the definition of SOFR Reference Rate, then, subject to (in the case of any relevant Series of Subordinated Notes) the Issuer giving the RBNZ at least five working days' notice prior to the application of the following provisions of this Condition 4(c)(5B)(B) and the Issuer providing with such notice any required information or documents under the RBNZ's prudential regulatory requirements, which may include a signed opinion from the Issuer's legal counsel confirming that, once any amendments made in accordance with this Condition 4(c)(5B)(B) are in effect, such Notes will continue to qualify as Tier 2 Capital (as defined by the RBNZ from time to time) the Issuer or the SOFR Benchmark Replacement Agent, as applicable, will determine the SOFR Benchmark Replacement in accordance with the definition thereof with respect to the then-current SOFR Benchmark, and if the Issuer or the SOFR Benchmark Replacement Agent, as applicable, has so determined the SOFR Benchmark Replacement, then:

*Holders of Subordinated Notes should note that the Issuer will not be able to comply with the RBNZ notification requirement described in Condition 4(c)(5B)(B) and that, consequently, no SOFR Benchmark Replacement and any related amendments may be effected, if the effect of any such SOFR Benchmark Replacement and related*

*amendments would be that the relevant Series of Subordinated Notes would no longer qualify as Tier 2 Capital (as defined by the RBNZ from time to time).*

- (I) the Issuer or the SOFR Benchmark Replacement Agent, as applicable, shall also determine the method for determining the rate described in sub-paragraph (a) of paragraph (1), (2) or (3) of the definition of SOFR Benchmark Replacement, as applicable (including (i) the page, section or other part of a particular information service on or source from which such rate appears or is obtained (the "Alternative Relevant Source"), (ii) the time at which such rate appears on, or is obtained from, the Alternative Relevant Source (the "Alternative Specified Time"), (iii) the day on which such rate will appear on, or is obtained from, the Relevant Source in respect of each U.S. Government Securities Business Day (the "Alternative Relevant Date"), and (iv) any alternative method for determining such rate if is unavailable at the Alternative Specified Time on the applicable Alternative Relevant Date), which method shall be consistent with industry-accepted practices for such rate;
- (II) from (and including) the Affected Day, references to the Specified Time shall in these Conditions be deemed to be references to the Alternative Specified Time;
- (III) if the Issuer or the SOFR Benchmark Replacement Agent, as applicable, determine that (i) changes to the definitions of Business Day, Business Day Convention, Compounded Daily SOFR, Day Count Fraction, Interest Determination Date, Interest Payment Date, Floating Interest Period, SOFR Observation Period, SOFR Observation Shift Period, SOFR Reference Rate or U.S. Government Securities Business Day and/or (ii) any other technical changes to any other provision in this Condition 4(c)(5B), are necessary in order to implement the SOFR Benchmark Replacement (including any alternative method described in sub-paragraph (iv) of paragraph (I) above) as the SOFR Benchmark in a manner substantially consistent with market practice (or, if the Issuer or the SOFR Benchmark Replacement Agent, as the case may be, decide that adoption of any portion of such market practice is not administratively feasible or if the Issuer or the SOFR Benchmark Replacement Agent, as the case may be, determine that no market practice for use of the SOFR Benchmark Replacement exists, in such other manner as the Issuer or the SOFR Benchmark Replacement Agent, as the case may be, determine is reasonably necessary), the Issuer and the Principal Paying Agent and/or the Calculation Agent, as applicable, shall agree without any requirement for the consent or approval of Noteholders to the necessary modifications to these Conditions and/or the Agency Agreement in order to provide for the amendment of such definitions or other provisions to reflect such changes.

Notwithstanding any other provisions of this Condition 4(c)(5B), no SOFR Benchmark Replacement and SOFR Benchmark Replacement Adjustment shall be adopted and none of the above amendments to the terms and conditions of any Series of Subordinated Notes shall be made if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the treatment of such Subordinated Notes as Tier 2 Capital (as defined by the RBNZ from time to time); and

(IV) the Issuer will give notice or will procure that notice is given as soon as practicable to the Principal Paying Agent and the Calculation Agent, as applicable, and to the Noteholders in accordance with Condition 13, specifying the SOFR Benchmark Replacement, as well as the details described in paragraph (A) above and the amendments implemented pursuant to paragraph (III) above.

(C) For the purposes of this Condition 4(c)(5B):

"Corresponding Tenor" means, with respect to a SOFR Benchmark Replacement, a tenor (including overnight) having approximately the same length (disregarding any applicable Business Day Convention) as the applicable tenor for the then-current SOFR Benchmark;

"ISDA Definitions" means the 2021 ISDA Interest Rate Derivatives Definitions published by ISDA or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"ISDA Fallback Adjustment" means, with respect to any ISDA Fallback Rate, the spread adjustment, which may be a positive or negative value or zero, that would be applied to such ISDA Fallback Rate in the case of derivative transactions referencing the ISDA Definitions that will be effective upon the occurrence of an index cessation event with respect to the then-current SOFR Benchmark for the applicable tenor;

"ISDA Fallback Rate" means, with respect to the then-current SOFR Benchmark, the rate that would apply for derivative transactions referencing the ISDA Definitions that will be effective upon the occurrence of an index cessation date with respect to the then-current SOFR Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"p" means the number of U.S. Government Securities Business Days included in the SOFR Observation Shift Period, as specified in the applicable Final Terms;

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

"SOFR" means, in respect of any U.S. Government Securities Business Day, the daily secured overnight financing rate for such U.S. Government Securities Business Day as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate);

"SOFR Administrator" means the Federal Reserve Bank of New York (or any successor administrator of the daily Secured Overnight Financing Rate or the SOFR Index, as applicable);

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

"SOFR Benchmark" means SOFR, provided that if a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred with respect

to SOFR or such other then-current SOFR Benchmark, then "SOFR Benchmark" means the applicable SOFR Benchmark Replacement;

"SOFR Benchmark Replacement" means, with respect to the then-current SOFR Benchmark, the first alternative set forth in the order presented below that can be determined by the Issuer or the SOFR Benchmark Replacement Agent, if any, as of the SOFR Benchmark Replacement Date with respect to the then-current SOFR Benchmark:

- (1) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current SOFR Benchmark for the applicable Corresponding Tenor and (b) the SOFR Benchmark Replacement Adjustment; or
- (2) the sum of (a) the ISDA Fallback Rate and (b) the SOFR Benchmark Replacement Adjustment;
- (3) the sum of: (a) the alternate rate of interest that has been selected by the Issuer or the SOFR Benchmark Replacement Agent, if any, as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the SOFR Benchmark Replacement Adjustment, provided that, (i) if the Issuer or the SOFR Benchmark Replacement Agent, as the case may be, determine that there is an industry-accepted replacement rate of interest for the then-current Benchmark for U.S. dollar-denominated floating rate notes at such time, it shall select such industry-accepted rate, and (ii) otherwise, it shall select such rate of interest that it has determined is most comparable to the then-current Benchmark, and the SOFR Benchmark Replacement Adjustment;

"SOFR Benchmark Replacement Adjustment" means, with respect to any SOFR Benchmark Replacement, the first alternative set forth in the order below that can be determined by the Issuer or the SOFR Benchmark Replacement Agent, if any, as of the SOFR Benchmark Replacement Date with respect to the then-current Benchmark:

- (1) the spread adjustment, or method for calculating or determining such spread adjustment, which may be a positive or negative value or zero, that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment;
- (3) the spread adjustment, which may be a positive or negative value or zero, that has been selected by the Issuer or the SOFR Benchmark Replacement Agent, if any, to be applied to the applicable Unadjusted SOFR Benchmark Replacement in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Noteholders as a result of the replacement of the then-current SOFR Benchmark with such Unadjusted SOFR Benchmark Replacement for the purposes of determining the SOFR Reference Rate, which spread adjustment shall be consistent with any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, applied to such Unadjusted SOFR Benchmark Replacement where it has replaced the

then-current SOFR Benchmark for U.S. dollar denominated floating rate notes at such time;

"SOFR Benchmark Replacement Agent" means any affiliate of the Issuer or such other person that has been appointed by the Issuer to make the calculations and determinations to be made by the SOFR Benchmark Replacement Agent described in this Condition 4(c)(5B) that may be made by either the SOFR Benchmark Replacement Agent or the Issuer, so long as such affiliate or other person is a leading bank or other financial institution or a person with appropriate expertise, in each case that is experienced in such calculations and determinations. The Issuer may elect, but is not required, to appoint a SOFR Benchmark Replacement Agent at any time. The Issuer will notify the Noteholders of any such appointment in accordance with Condition 13;

"SOFR Benchmark Replacement Date" means, with respect to the then-current SOFR Benchmark, the earliest to occur of the following events with respect thereto:

- (1) in the case of sub-paragraph (1) or (2) of the definition of SOFR Benchmark Transition Event, the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the SOFR Benchmark permanently or indefinitely ceases to provide the SOFR Benchmark; or
- (2) in the case of sub-paragraph (3) of the definition of SOFR Benchmark Transition Event, the date of the public statement or publication of information referenced therein.

If the event giving rise to the SOFR Benchmark Replacement Date occurs on the same day as, but earlier than, the Specified Time in respect of any determination, the SOFR Benchmark Replacement Date will be deemed to have occurred prior to the Specified Time for such determination;

"SOFR Benchmark Transition Event" means, with respect to the then-current SOFR Benchmark, the occurrence of one or more of the following events with respect thereto:

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

- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the SOFR Benchmark announcing that the SOFR Benchmark is no longer representative;

"SOFR Index" means, in respect of any U.S. Government Securities Business Day, the compounded daily SOFR rate as published by the SOFR Administrator as such rate appears on the SOFR Administrator's Website at the Specified Time on such U.S. Government Securities Business Day;

"SOFR Observation Period" means, in respect of any Floating Interest Period, the period from (and including) the date falling "p" U.S. Government Securities Business Days prior to the first day of such Floating Interest Period to (but excluding) the date falling "p" U.S. Government Securities Business Days prior to the Interest Payment Date for such Floating Interest Period or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Floating Interest Period);

"SOFR Observation Shift Period" is as specified in the applicable Final Terms; and

"SOFR Reference Rate" means, in respect of any U.S. Government Securities Business Day:

- (1) a rate equal to SOFR for such U.S. Government Securities Business Day appearing on the SOFR Administrator's Website on or about the Specified Time on the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day; or
- (2) if SOFR in respect of such U.S. Government Securities Business Day does not appear as specified in paragraph (1) above, unless the Issuer or the SOFR Benchmark Replacement Agent, if any, determines that a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred with respect to SOFR on or prior to the Specified Time on the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day, SOFR in respect of the last U.S. Government Securities Business Day for which such rate was published on the SOFR Administrator's Website; or
- (3) if the Issuer or the SOFR Benchmark Replacement Agent, if any, determines that a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred with respect to the then-current SOFR Benchmark on or prior to the Specified Time on the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day (or, if the then-current SOFR Benchmark is not SOFR, on or prior to the Specified Time on the Alternative Relevant Date), then (subject to the subsequent operation of this paragraph (3)) from (and including) the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day (or the Alternative Relevant Date, as applicable) (the "Affected Day"), the SOFR Reference Rate shall mean, in respect of any U.S. Government Securities Business Day, the applicable SOFR Benchmark Replacement for such U.S. Government Securities Business Day appearing on, or obtained from, the Alternative Relevant Source at the Alternative Specified Time on the Alternative Relevant Date.

"Specified Time" means 3:00 p.m. New York City time or such other time as is specified in the applicable Final Terms;

"Unadjusted SOFR Benchmark Replacement" means the SOFR Benchmark Replacement excluding the SOFR Benchmark Replacement Adjustment; and

"U.S. Government Securities Business Day" means any day (other than a Saturday or Sunday) that is not a day on which the Securities Industry and Financial Markets Association or any successor organisation recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

- (D) Notwithstanding the other provisions of this Condition 4(c)(5B), if the Issuer has appointed a SOFR Benchmark Replacement Agent and such SOFR Benchmark Replacement Agent is unable to determine whether a SOFR Benchmark Transition Event has occurred or, following the occurrence of a SOFR Benchmark Transition Event, has not selected the SOFR Benchmark Replacement as of the related SOFR Benchmark Replacement Date, in accordance with this Condition 4(c)(5B) then, in such case, the Issuer shall make such determination or select the SOFR Benchmark Replacement, as the case may be.
- (E) Any determination, decision or election that may be made by the Issuer or the SOFR Benchmark Replacement Agent, if any, pursuant to this Condition 4(c)(5B), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event (including any determination that a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred with respect to the then-current SOFR Benchmark), circumstance or date and any decision to take or refrain from taking any action or any selection, will be made in the sole discretion of the Issuer or the SOFR Benchmark Replacement Agent, as the case may be, acting in good faith and in a commercially reasonable manner.

(5C) *Screen Rate Determination for Floating Rate Notes referencing Compounded Daily SORA*

- (A) Where "Screen Rate Determination" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the "Reference Rate" is specified as being Compounded Daily SORA, the Rate of Interest for each Floating Interest Period will, subject as provided below, be Compounded Daily SORA for such Floating Interest Period plus or minus (as specified in the applicable Final Terms) the Margin (if any), all as determined and calculated by the Principal Paying Agent or the Calculation Agent, as applicable.

"Compounded Daily SORA" means, with respect to a Floating Interest Period:

- (I) if Index Determination is specified as being applicable in the applicable Final Terms, the rate determined by the Principal Paying Agent or the Calculation Agent, as applicable, on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left( \frac{\text{SORA Index}_{end}}{\text{SORA Index}_{start}} - 1 \right) \times \frac{365}{d}$$

where:

"d" is the number of calendar days in the relevant SORA Observation Period;

"SORA Index<sub>start</sub>" is the SORA Index Value for the Singapore Business Day falling "p" Singapore Business Days prior to the first day of the relevant Floating Interest Period;

"SORA Index<sub>end</sub>" is the SORA Index Value for the Singapore Business Day falling "p" Singapore Business Days prior to the Interest Payment Date for the relevant Floating Interest Period or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Floating Interest Period);

"SORA Index Value" means, for any Singapore Business Day:

- (a) the value of the index known as the "SORA Index" administered by the Monetary Authority of Singapore (or any successor administrator thereof) published by the Monetary Authority of Singapore (or any successor administrator) on the Monetary Authority of Singapore's website (currently at <http://www.mas.gov.sg>) or any successor website officially designated by the Monetary Authority of Singapore (or any successor administrator) (or as published by its authorised distributors) at the Specified Time on such Singapore Business Day provided, however, that in the event that the value originally published is subsequently corrected and such corrected value is published by the Monetary Authority of Singapore, as the administrator of SORA (or any successor administrator of SORA) on the original date of publication, then such corrected value, instead of the value that was originally published, shall be deemed the SORA Index Value in relation to such Singapore Business Day; and
- (b) if the index in paragraph (a) above is not published or displayed by the administrator of SORA or other information service at the Specified Time on the relevant Interest Determination Date, then the Compounded Daily SORA for such Floating Interest Period and each Floating Interest Period thereafter will be "Compounded Daily SORA" as determined by the Principal Paying Agent or the Calculation Agent, as applicable, on the relevant Interest Determination Date in accordance with paragraph (II) below; and

"Specified Time" means 11:00 a.m., Singapore time or such other time as is specified in the applicable Final Terms; or

- (II) if either (x) Index Determination is specified as being not applicable in the applicable Final Terms, or (y) this Condition 4(c)(5C)(A)(II) applies to such Floating Interest Period pursuant to sub-paragraph (b) in the definition of "SORA Index Value" in Condition 4(c)(5C)(I) above, the rate determined by the Principal Paying Agent or the Calculation Agent, as applicable, on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards):

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{SORA}_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:



"d" is the number of calendar days in the relevant SORA Observation Period;

"d<sub>0</sub>" is the number of Singapore Business Days in the relevant SORA Observation Period;

"i" is a series of whole numbers from 1 to d<sub>0</sub>, each representing the relevant Singapore Business Days in chronological order from (and including) the first Singapore Business Day in the relevant SORA Observation Period;

"n<sub>i</sub>", for any Singapore Business Day "i" in the relevant SORA Observation Period, is the number of calendar days from (and including) such Singapore Business Day "i" up to (but excluding) the following Singapore Business Day;

"SORA" means, for any Singapore Business Day "i", a reference rate equal to the rate of return of a daily compound interest investment (with the reference rate for the calculation of interest being the Singapore Overnight Rate Average) published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore's website (currently at <http://www.mas.gov.sg>) or any successor website officially designated by the Monetary Authority of Singapore (or any successor administrator) (or as published by its authorised distributors) on the Singapore Business Day immediately following such Singapore Business Day "i", provided that if by 5:00 p.m., Singapore time, on the Singapore business day immediately following such Singapore Business Day "i", SORA in respect of such Singapore Business Day "i" has not been published and a Benchmark Event has not occurred, then SORA for that Singapore Business Day "i" will be SORA as published in respect of the first preceding Singapore business day for which SORA was published;

"SORA<sub>i</sub>" means, in respect of any Singapore Business Day *i* in the relevant SORA Observation Period, the reference rate equal to SORA for that Singapore Business Day; and

(B) In the event that Compounded Daily SORA for any Floating Interest Period cannot be determined by the Principal Paying Agent or the Calculation Agent, as applicable, in accordance with the foregoing provisions, the Rate of Interest for such Floating Interest Period will (subject, if applicable, to Condition 4(c)(5C)(C) below) be:

- (I) determined as at the last preceding Interest Determination Date; or
- (II) if there is no such preceding Interest Determination Date, the Rate of Interest which would have been applicable for the first scheduled Floating Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Floating Interest Period but ending on (and excluding) the Interest Commencement Date (and applying the Margin).

(C) Compounded SORA Fall Back Provisions

(I) *Independent Adviser*

Notwithstanding the provisions above and disregarding the provisions of Condition 5(f) (which shall not apply in respect of the Notes), subject to (in the case of any relevant Series of Subordinated Notes) the Issuer giving the RBNZ at least five working days' notice prior to the application of the

following provisions of this Condition 4(c)(5C)(C) and the Issuer providing with such notice any required information or documents under the RBNZ's prudential regulatory requirements, which may include a signed opinion from the Issuer's legal counsel confirming that, once any amendments made in accordance with this Condition 4(c)(5C)(C) are in effect, such Notes will continue to qualify as Tier 2 Capital (as defined by the RBNZ from time to time) if a SORA Benchmark Event occurs in relation to an Original SORA Reference Rate prior to the relevant Interest Determination Date when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original SORA Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine the SORA Benchmark Replacement (in accordance with Condition 4(c)(5C)(C)(II) below) and a SORA Adjustment Spread, if any (in accordance with Condition 4(c)(5C)(C)(III) below), and any SORA Benchmark Amendments (in accordance with Condition 4(c)(5C)(C)(IV) below) by the relevant Interest Determination Date.

*Holders of Subordinated Notes should note that the Issuer will not be able to comply with the RBNZ notification requirement described in Condition 4(c)(5C)(C) and that, consequently, no SORA Benchmark Replacement or SORA Adjustment Spread may be effected, if the effect of any such SORA Benchmark Replacement or SORA Adjustment Spread would be that the relevant Series of Subordinated Notes would no longer qualify as Tier 2 Capital (as defined by the RBNZ from time to time).*

An Independent Adviser appointed pursuant to the above paragraph as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Principal Paying Agent, the Calculation Agent or the Noteholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to these provisions or otherwise in connection with the Notes.

If the Issuer is unable to appoint an Independent Adviser after using its reasonable endeavours, or the Independent Adviser appointed by it fails to determine the SORA Benchmark Replacement prior to the relevant Interest Determination Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine the SORA Benchmark Replacement (in accordance with Condition 4(c)(5C)(C)(II) below) and a SORA Adjustment Spread if any (in accordance with Condition 4(c)(5C)(C)(III) below) and any SORA Benchmark Amendments (in accordance with Condition 4(c)(5C)(C)(IV) below).

If the Issuer is unable to determine the SORA Benchmark Replacement prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Floating Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Floating Interest Period. If there has not been a first Interest Payment Date in a Floating Interest Period, the Rate of Interest shall be the initial fixed Rate of Interest. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Floating Interest Period only and any subsequent Floating Interest Periods are subject to the subsequent operation of,

and to adjustments as provided in, the first paragraph of this Condition 4(c)(5C)(C)(I).

(II) *SORA Benchmark Replacement*

The SORA Benchmark Replacement determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(c)(5C)(C)(I) above) shall (subject to adjustment as provided in Condition 4(c)(5C)(C)(III) below) subsequently be used in place of the Original SORA Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of these provisions).

(III) *SORA Adjustment Spread*

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(c)(5C)(C)(I) above) (as the case may be) determines (a) that a SORA Adjustment Spread is required to be applied to the Benchmark Replacement and (b) the quantum of, or a formula or methodology for determining, such SORA Adjustment Spread, then such SORA Adjustment Spread shall be applied to the SORA Benchmark Replacement.

(IV) *SORA Benchmark Amendments*

If the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(c)(5C)(C)(I) above) (as the case may be) determines (a) that SORA Benchmark Amendments are necessary to ensure the proper operation of such SORA Benchmark Replacement and/or SORA Adjustment Spread and (b) the terms of the SORA Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(c)(5C)(C)(V) below, without any requirement for the consent or approval of Noteholders, vary the terms and conditions of any Series of Notes and/or the Agency Agreement to give effect to such SORA Benchmark Amendments with effect from the date specified in such notice and subject further to any SORA Benchmark Amendments not increasing the obligations or duties, or decreasing the rights or protections, of the Principal Paying Agent or the Calculation Agent, as applicable, in these Conditions and/or the Agency Agreement unless agreed between the Issuer and the Principal Paying Agent or the Calculation Agent, as applicable.

Subject as provided above, the Principal Paying Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to this paragraph (iv). Noteholders' consent shall not be required in connection with effecting the SORA Benchmark Replacement or such other changes, including for the execution of any documents or other steps by, the Principal Paying Agent or the Calculation Agent, as applicable.

In connection with any such variation in accordance with this Condition 4(c)(5C)(C)(IV), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(V) *Notices, etc.*

Any SORA Benchmark Replacement, SORA Adjustment Spread and the specific terms of any SORA Benchmark Amendments, determined under this Condition 4(c)(5C)(C) will be notified promptly by the Issuer to the Principal Paying Agent or the Calculation Agent, as applicable, and, in accordance with Condition 16, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the SORA Benchmark Amendments, if any.

(VI) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under Conditions 4(c)(5C)(C)(I), (II), (III) and (IV) above, the Original SORA Reference Rate and the fallback provisions provided for in the provisions for the calculation of Compounded Daily SORA above will continue to apply unless and until the Principal Paying Agent or the Calculation Agent, as applicable, has been notified of the SORA Benchmark Replacement, and any SORA Adjustment Spread and SORA Benchmark Amendments, in accordance with Condition 4(c)(5C)(C)(V) above.

(VII) *Subordinated Notes*

Notwithstanding any other provision of this Condition 4(c)(5C)(C), no SORA Benchmark Replacement, SORA Adjustment Spread or SORA Benchmark Amendments shall be adopted and none of the above amendments to the terms and conditions of any Series of Subordinated Notes shall be made if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the treatment of such Subordinated Notes as Tier 2 Capital (as defined by the RBNZ from time to time).

(VIII) *Definitions*

For the purposes of this Condition 4(c)(5C)(C):

“Compounded SORA” means the compounded average of SORAs for the applicable Corresponding SORA Tenor, with the rate, or methodology for this rate, and conventions for this rate (which will be compounded in arrears with the selected mechanism to determine the interest amount payable prior to the end of each Floating Interest Period) being established by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(c)(5C)(C)(I) above) (as the case may be) in accordance with:

- a) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Nominating Body for determining Compounded SORA; provided that:
- b) if, and to the extent that, the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(c)(5C)(C)(I) above) (as the case may be) determines that Compounded SORA cannot be determined in accordance with sub-paragraph (a) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(c)(5C)(C)(I) above) (as the case may be) giving due consideration to any industry-accepted market practice for the relevant Singapore dollar denominated notes at such time.

Notwithstanding the foregoing, Compounded SORA will include a selected mechanism as specified in the applicable Final Terms to determine the interest amount payable prior to the end of each Floating Interest Period;

“Corresponding SORA Tenor” with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Original Reference Rate;

“Fallback Rate (SOR)” has the meaning ascribed to it in the 2006 ISDA Definitions as amended and supplemented by Supplement number 70, published on 23 October 2020;

“Identified SORA” means the forward-looking term rate for the applicable Corresponding Tenor based on SORA that has been (a) selected or recommended by the Relevant Nominating Body, or (b) determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(c)(5C)(C)(I) above) (as the case may be) having given due consideration to any industry-accepted market practice for the relevant Singapore dollar denominated notes;

“Independent Adviser” means an independent financial institution of good repute or an independent adviser with experience or appropriate expertise in the local or international debt capital markets appointed by and at the cost of the Issuer under Condition 4(c)(5C)(C)(I) above;

“Interpolated SORA Benchmark” with respect to the Original SORA Reference Rate means the rate determined for the Corresponding SORA Tenor by interpolating on a linear basis between: (a) the Original SORA Reference Rate for the longest period (for which the Original SORA Reference Rate is available) that is shorter than the Corresponding SORA Tenor and (b) the Original SORA Reference Rate for the shortest period (for which the Original SORA Reference Rate is available) that is longer than the Corresponding SORA Tenor;

“ISDA Definitions” means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association Inc. or any successor thereto, as may be updated, amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

“ISDA SORA Fallback Adjustment” means the spread adjustment (which maybe positive or negative value or zero) that would apply for derivative transactions referencing the Original SORA Reference Rate in the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original SORA Reference Rate for the applicable tenor;

“Original SORA Reference Rate” means, initially, SORA (being the originally-specified reference rate of applicable tenor used to determine the Rate of Interest) or any component part thereof, provided that if a SORA Benchmark Event has occurred with respect to SORA or the then-current Original SORA Reference Rate, then “Original SORA Reference Rate” means the applicable SORA Benchmark Replacement;

“p” means the number of Singapore Business Days specified as such in the applicable Final Terms;

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (2) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (3) a group of the aforementioned central banks or other supervisory authorities or (4) the Financial Stability Board or any part thereof;

“Singapore Business Day” means a day (other than a Saturday, Sunday or gazetted public holiday) on which commercial banks settle payments in Singapore; and

“SORA” or “Singapore Overnight Rate Average” with respect to any Singapore Business Day means a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website (currently at <http://www.mas.gov.sg>) or any successor website officially designated by the Monetary Authority of Singapore (or any successor administrator) (or as published by its authorised distributors) on the Singapore Business Day immediately following such Singapore Business Day;

“SORA Adjustment Spread” means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(c)(5C)(C)(I) above) (as the case may be) determines is required to be applied to the SORA Benchmark Replacement as a result of the replacement of the Original SORA Reference Rate with the SORA Benchmark Replacement and is the spread, formula or methodology which:

- a) is formally recommended in relation to the replacement of the Original SORA Reference Rate with the applicable SORA Benchmark Replacement by any Relevant Nominating Body; or
- b) if the applicable SORA Benchmark Replacement is the SORA ISDA Fallback Rate, is the SORA ISDA Fallback Adjustment; or
- c) is determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(c)(5C)(C)(I) above) (as the case may be) to be appropriate having given due consideration to any industry accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Original SORA

Reference Rate with the applicable SORA Benchmark Replacement for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same currency as the Notes and having regard to the objective, so far as is reasonably practicable in the circumstances, of reducing or eliminating any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original SORA Reference Rate with the applicable SORA Benchmark Replacement;

“SORA Alternative Rate” means an alternative benchmark or screen rate which the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(c)(5C)(C)(I) above) (as the case may be) determines in accordance with Condition 4(c)(5C)(C)(IId) above has replaced the Original SORA Reference Rate for the Corresponding SORA Tenor in customary market usage in the international or if applicable, domestic debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same currency as the Notes (including, but not limited to, Singapore Government Bonds);

“SORA Benchmark Amendments” means, with respect to any SORA Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Floating Interest Period”, timing and frequency of determining rates and making payments of interest, changes to the definition of “Corresponding SORA Tenor” solely when such tenor is longer than the Floating Interest Period, any other amendments to these Conditions and/or the Agency Agreement, and other administrative matters) that the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(c)(5C)(C)(I) above) (as the case may be) determines may be appropriate to reflect the adoption of such SORA Benchmark Replacement in a manner substantially consistent with market practice (or, if the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(c)(5C)(C)(I) above) (as the case may be) determines that adoption of any portion of such market practice is not administratively feasible or if the Independent Adviser or the Issuer (in the circumstances set out Condition 4(c)(5C)(C)(I) above) (as the case may be) determines that no market practice for use of such SORA Benchmark Replacement exists, in such other manner as the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(c)(5C)(C)(I) above) (as the case may be) determines is reasonably necessary);

“SORA Benchmark Event” means:

- a) the Original SORA Reference Rate ceasing to be published for a period of at least five Singapore Business Days or ceasing to exist; or
- b) a public statement by the administrator of the Original SORA Reference Rate that it has ceased or will, by a specified date within the following six months, cease publishing the Original SORA Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original SORA Reference Rate); or
- c) a public statement by the supervisor of the administrator of the Original SORA Reference Rate that the Original SORA Reference

Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or

- d) a public statement by the supervisor of the administrator of the Original SORA Reference Rate that the Original SORA Reference Rate has been prohibited from being used or that its use has been subject to restrictions or adverse consequences, or that it will be prohibited from being used or that its use will be subject to restrictions or adverse consequences within the following six months; or
- e) it has become unlawful for the Calculation Agent, any Paying Agents, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original SORA Reference Rate; or
- f) a public statement by the supervisor of the administrator of the Original SORA Reference Rate that the Original SORA Reference Rate is no longer representative or will, by a specified date within the following six months, be deemed to be no longer representative,

provided that the SORA Benchmark Event shall be deemed to occur (i) in the case of sub-paragraphs (b) and (c) above, on the date of the cessation of publication of the Original SORA Reference Rate or the discontinuation of the Original SORA Reference Rate, as the case may be, (ii) in the case of sub-paragraph (d) above, on the date of the prohibition or restriction of use of the Original SORA Reference Rate and (iii) in the case of sub-paragraph (f) above, on the date with effect from which the Original SORA Reference Rate will no longer be (or will be deemed to no longer be) representative and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

“SORA Benchmark Replacement” means the Interpolated Benchmark, provided that if the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(c)(5C)(C)(I) above) (as the case may be) cannot determine the Interpolated Benchmark by the relevant Interest Determination Date, then “Benchmark Replacement” means the first alternative set forth in the order below that can be determined by the Independent Adviser or the Issuer (in the circumstances set out in Condition 4(c)(5C)(C)(I) above) (as the case may be):

- a) Identified SORA;
- b) Compounded SORA;
- c) the SORA Successor Rate;
- d) the SORA ISDA Fallback Rate (including Fallback Rate (SOR)); and
- e) the SORA Alternative Rate.

“SORA ISDA Fallback Rate” means the rate that would apply for derivative transactions referencing the Original SORA Reference Rate in the ISDA Definitions to be effective upon the occurrence of an index cessation event



with respect to the Original SORA Reference Rate for the applicable tenor excluding the applicable ISDA SORA Fallback Adjustment;

“SORA Observation Period” means, in respect of any Floating Interest Period, the period from (and including) the day falling “p” Singapore Business Days prior to the first day of such Floating Interest Period to (but excluding) the day falling “p” Singapore Business Days prior to the Interest Payment Date for such Floating Interest Period or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Floating Interest Period); and

“SORA Successor Rate” means a successor to or replacement of the Original SORA Reference Rate which is formally recommended by any Relevant Nominating Body as the replacement for the Original SORA Reference Rate for the applicable Corresponding SORA Tenor.

(5D) *Screen Rate Determination for Floating Rate Notes referencing Compounded Daily CORRA*

- (A) Where "Screen Rate Determination" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the "Reference Rate" is specified as being Compounded Daily CORRA, the Rate of Interest for each Floating Interest Period will, subject as provided below, be Compounded Daily CORRA for such Floating Interest Period plus or minus (as specified in the applicable Final Terms) the Margin (if any), all as determined and calculated by the Principal Paying Agent or the Calculation Agent, as applicable.

“Compounded Daily CORRA” means, with respect to a Floating Interest Period:

- (I) if Index Determination is specified as being applicable in the applicable Final Terms, the rate determined by the Principal Paying Agent or the Calculation Agent, as applicable, on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards):

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

where:

“CORRA Compounded IndexStart” is the CORRA Compounded Index value for the day falling “p” Bank of Canada Business Days prior to first day of the relevant Floating Interest Period;

“CORRA Compounded IndexEnd” is the CORRA Compounded Index value for the day falling "p" Bank of Canada Business Days prior to the Interest Payment Date for the relevant Floating Interest Period or such other date on which the relevant payment of interest falls due (but which

by its definition or the operation of the relevant provisions is excluded from such Floating Interest Period); and

“d” is the number of calendar days in the relevant CORRA Observation Period,

provided that, if (a) the CORRA Compounded Index value required to determine CORRA Compounded IndexStart or CORRA Compounded IndexEnd is not published or displayed by the CORRA Reference Rate Administrator or an authorised distributor by the Specified Time (or an amended publication time, if any, or such later time falling one hour after the customary or scheduled time for publication of the CORRA Compounded Index value, as specified in the CORRA Reference Rate Administrator's methodology for calculating the CORRA Compounded Index) on the Interest Determination Date for such Floating Interest Period, but a CORRA Index Cessation Effective Date with respect to the CORRA Compounded Index has not occurred, or (b) an Index Cessation Effective Date with respect to the CORRA Compounded Index has occurred, then Compounded Daily CORRA will be determined in accordance with Condition 4(c)(5D)(A)(II) below; or

- (II) if either (x) Index Determination is specified as being not applicable in the applicable Final Terms, or (y) this Condition 4(c)(5D)(A)(II) applies to such Floating Interest Period pursuant to the proviso in Condition 4(c)(5D)(I) above, the rate determined by the Principal Paying Agent or the Calculation Agent, as applicable, on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards):

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

where:

“d” is the number of calendar days in the relevant CORRA Observation Period;

“d<sub>o</sub>” is the number of Bank of Canada Business Days in the relevant CORRA Observation Period;

“i” is a series of whole numbers from 1 to d<sub>o</sub>, each representing the relevant Bank of Canada Business Day in chronological order from, and including, the first Bank of Canada Business Day in the relevant CORRA Observation Period;

“n<sub>i</sub>”, for any Bank of Canada Business Day “i” in the relevant CORRA Observation Period, is the number of calendar days from (and including)

such Bank of Canada Business Day “i” up to (but excluding) the following Bank of Canada Business Day (“i+1”); and

“CORRA<sub>i</sub>” means, in respect of any Bank of Canada Business Day “i” falling in the relevant CORRA Observation Period, the CORRA Reference Rate for such Bank of Canada Business Day.

(B) *Temporary Non-Publication of CORRA*

If neither the CORRA Reference Rate Administrator nor authorised distributors provide or publish CORRA and an Index Cessation Effective Date with respect to CORRA has not occurred, then, in respect of any day for which CORRA is required, references to CORRA will be deemed to be references to the last provided or published CORRA.

(C) *CORRA Index Cessation Event*

If a CORRA Index Cessation Effective Date occurs with respect to CORRA, the Rate of Interest for an Interest Determination Date which occurs on or after such CORRA Index Cessation Effective Date will be the CAD Recommended Rate, to which the CORRA Benchmark Replacement Agent will apply the most recently published spread and make such adjustments as are necessary to account for any difference in the term, structure or tenor of the CAD Recommended Rate in comparison to CORRA. Subject to (in the case of any relevant Series of Subordinated Notes) the Issuer giving the RBNZ at least five working days' notice prior to the application of the provisions of this Condition 4(c)(5D) and the Issuer providing with such notice any required information or documents under the RBNZ's prudential regulatory requirements, which may include a signed opinion from the Issuer's legal counsel confirming that, once any amendments made in accordance with this Condition 4(c)(5D) are in effect, such Notes will continue to qualify as Tier 2 Capital (as defined by the RBNZ from time to time).

*Holders of Subordinated Notes should note that the Issuer will not be able to comply with the RBNZ notification requirement described in Condition 4(c)(5D) and that, consequently, no CORRA Index Cessation Event and any related amendments may be effected, if the effect of any such CORRA Index Cessation Event and any related amendments would be that the relevant Series of Subordinated Notes would no longer qualify as Tier 2 Capital (as defined by the RBNZ from time to time).*

If there is a CAD Recommended Rate before the end of the first Bank of Canada Business Day following the CORRA Index Cessation Effective Date with respect to CORRA, but neither the CORRA Reference Rate Administrator nor authorised distributors provide or publish the CAD Recommended Rate and a CORRA Index Cessation Effective Date with respect to the CAD Recommended Rate has not occurred, then, in respect of any day for which the CAD Recommended Rate is required, references to the CAD Recommended Rate will be deemed to be references to the last provided or published CAD Recommended Rate.

If (a) there is no CAD Recommended Rate before the end of the first Bank of Canada Business Day following the CORRA Index Cessation Effective Date with respect to CORRA, or (b) there is a CAD Recommended Rate and a CORRA Index Cessation Effective Date subsequently occurs with respect to the CAD Recommended Rate, the Rate of Interest for an Interest Determination Date which

occurs on or after such applicable CORRA Index Cessation Effective Date will be the BOC Target Rate, to which the CORRA Benchmark Replacement Agent will apply the most recently published spread and make such adjustments as are necessary to account for any difference in the term, structure or tenor of the BOC Target Rate in comparison to CORRA.

In respect of any day for which the BOC Target Rate is required, references to the BOC Target Rate will be deemed to be references to the last provided or published BOC Target Rate as of the close of business in Toronto on that day.

In connection with the implementation of an Applicable Rate, the CORRA Benchmark Replacement Agent may, in consultation with the Issuer, make such adjustments to the Applicable Rate or the spread thereon, if any, as well as the Business Day Convention, the calendar day count convention, Interest Determination Dates, and related provisions and definitions (including observation dates for reference rates), in each case as are consistent with accepted market practice for the use of the Applicable Rate for debt obligations such as the Notes in such circumstances, and the Issuer and the Principal Paying Agent and/or the Calculation Agent, as applicable, shall agree without any requirement for the consent or approval of Noteholders to the necessary modifications to these Conditions and/or the Agency Agreement to give effect to such adjustment, subject to the Issuer having to give notice thereof to the Noteholders in accordance with Condition 16 and any such adjustments not increasing the obligations or duties, or decreasing the rights or protections, of the Principal Paying Agent or the Calculation Agent, as applicable, in these Conditions and/or the Agency Agreement unless agreed between the Issuer and the Principal Paying Agent or the Calculation Agent, as applicable.

Any determination, decision or election that may be made by the Issuer or the CORRA Benchmark Replacement Agent, as applicable, in relation to the Applicable Rate, including any determination with respect to an adjustment or the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (i) will be conclusive and binding, absent manifest error, (ii) if made by the Issuer, will be made in the sole discretion of the Issuer, or, as applicable, if made by the CORRA Benchmark Replacement Agent will be made after consultation with the Issuer and the CORRA Benchmark Replacement Agent will not make any such determination, decision or election to which the Issuer objects and will have no liability for not making any such determination, decision or election, and (iii) shall become effective without consent from the holders of the Notes or any other party.

Notwithstanding any other provision of this Condition 5, if in the Principal Paying Agent's or Calculation Agent's opinion, as applicable, there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 5, the Principal Paying Agent or Calculation Agent, as applicable, shall promptly notify the Issuer thereof and the Issuer shall direct the Principal Paying Agent or Calculation Agent, as applicable, in writing as to which alternative course of action to adopt. If the Principal Paying Agent or Calculation Agent, as applicable, is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Principal Paying Agent or Calculation Agent, as applicable, shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

(D) *Subordinated Notes*

Notwithstanding any other provisions of this Condition 4(c)(5D), no CORRA Index Cessation Event shall be adopted and none of the above amendments to the terms and conditions of any Series of Subordinated Notes shall be made if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the treatment of such Subordinated Notes as Tier 2 Capital (as defined by the RBNZ from time to time).

(E) *Definitions*

For the purposes of this Condition 4(c)(5E):

“Applicable Rate” means one of CORRA Compounded Index, CORRA, the CAD Recommended Rate or the BOC Target Rate, as applicable.

“Bank of Canada Business Day” means a day that Schedule I banks under the Bank Act (Canada) are open for business in Toronto, other than a Saturday or a Sunday or a public holiday in Toronto (or such revised regular publication calendar for an Applicable Rate as may be adopted by the CORRA Reference Rate Administrator from time to time).

“BOC Target Rate” means the Bank of Canada’s Target for the overnight rate as set by the Bank of Canada and published on the Bank of Canada’s website.

“CAD Recommended Rate” means the rate (inclusive of any spreads or adjustments) recommended as the replacement for CORRA by a committee officially endorsed or convened by the Bank of Canada for the purpose of recommending a replacement for CORRA (which rate may be produced by the Bank of Canada or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorized distributor;

“CORRA” means the Canadian Overnight Repo Rate Average, as published by the Bank of Canada, as the administrator of CORRA (or any successor CORRA Reference Rate Administrator), on the website of the Bank of Canada or any successor website;

“CORRA Benchmark Replacement Agent” means a third party trustee or financial institution of national standing in Canada with experience providing such services (which may be an affiliate of the Issuer), which has been selected by the Issuer.

“CORRA Compounded Index” means the measure of the cumulative impact of CORRA compounding over time administered and published by the Bank of Canada (or any successor CORRA Reference Rate Administrator).

“CORRA Index Cessation Effective Date” means, in respect of a CORRA Index Cessation Event, the first date on which the Applicable Rate is no longer provided. If the Applicable Rate ceases to be provided on the same day that it is required to determine the rate for an Interest Determination Date, but it was provided at the time at which it is to be observed (or, if no such time is specified, at the time at which it is ordinarily published), then the CORRA Index Cessation Effective Date will be the next day on which the rate would ordinarily have been published;

“CORRA Index Cessation Event” means:

- a) a public statement or publication of information by or on behalf of the CORRA Reference Rate Administrator or provider of the Applicable Rate announcing that it has ceased or will cease to provide the Applicable Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor CORRA Reference Rate Administrator or provider of the Applicable Rate that will continue to provide the Applicable Rate; or
- b) a public statement or publication of information by the regulatory supervisor for the CORRA Reference Rate Administrator or provider of the Applicable Rate, the Bank of Canada, an insolvency official with jurisdiction over the CORRA Reference Rate Administrator or provider of the Applicable Rate, a resolution authority with jurisdiction over the CORRA Reference Rate Administrator or provider of the Applicable Rate or a court or an entity with similar insolvency or resolution authority over the CORRA Reference Rate Administrator or provider of the Applicable Rate, which states that the CORRA Reference Rate Administrator or provider of the Applicable Rate has ceased or will cease to provide the Applicable Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor CORRA Reference Rate Administrator or provider of the Applicable Rate that will continue to provide the Applicable Rate;

“CORRA Observation Period” means, in respect of any Floating Interest Period, the period from, and including, the date falling “p” Bank of Canada Business Days prior to the first day of such Floating Interest Period to (but excluding) the date falling “p” Bank of Canada Business Days prior to the Interest Payment Date for such Floating Interest Period or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

“CORRA Reference Rate” means, in respect of any Bank of Canada Business Day, a reference rate equal to the daily CORRA rate for that day, as published or displayed by the Reference Rate Administrator or an authorised distributor at the Specified Time (or an amended publication time, if any, as specified in the Reference Rate Administrator's methodology for calculating CORRA) on the immediately following Bank of Canada Business Day;

“CORRA Reference Rate Administrator” means the Bank of Canada or any successor administrator for CORRA and/or the CORRA Compounded Index or the administrator (or its successor) of another Applicable Rate, as applicable;

“p” means the number of Bank of Canada Business Days specified as such in the applicable Final Terms; and

“Specified Time” means 11:00 a.m. Toronto time, or such other time as is specified in the applicable Final Terms.

(5E) *Screen Rate Determination for Floating Rate Notes referencing Compounded Daily TONA*

- (A) Where "Screen Rate Determination" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the "Reference Rate" is specified as being Compounded Daily TONA, the Rate of Interest for each Floating

Interest Period will, subject as provided below, be Compounded Daily TONA for such Floating Interest Period plus or minus (as specified in the applicable Final Terms) the Margin (if any), all as determined and calculated by the Principal Paying Agent or the Calculation Agent, as applicable.

“Compounded Daily TONA” means, with respect to a Floating Interest Period, the rate determined by the Principal Paying Agent or the Calculation Agent, as applicable, on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards):

- (I) if the TONA Observation Method is specified as being “Lookback” in the applicable Final Terms:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{TONA-pTBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“d” is the number of calendar days in the relevant Floating Interest Period;

“do” is the number of Tokyo Banking Days in the relevant Floating Interest Period;

“i” is a series of whole numbers from 1 to do, each representing the relevant Tokyo Banking Day in chronological order from, and including, the first Tokyo Banking Day in the relevant Floating Interest Period;

“ni”, for any Tokyo Banking Day “i” in the relevant Floating Interest Period, is the number of calendar days from (and including) such Tokyo Banking Day “i” up to (but excluding) the following Tokyo Banking Day (“i+1”); and

“TONA-pTBD” means, in respect of any Tokyo Banking Day “i” falling in the relevant Floating Interest Period, the TONA Reference Rate for the Tokyo Banking Day falling “p” Tokyo Banking Days prior to such Tokyo Banking Day “i”; or

- (II) if the TONA Observation method is specified as being “Shift” is specified in the applicable Final Terms:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{\text{TONA}_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“d” is the number of calendar days in the relevant TONA Observation Period;

“do” is the number of Tokyo Banking Days in the relevant TONA Observation Period;

“i” is a series of whole numbers from 1 to  $d_0$ , each representing the relevant Tokyo Banking Day in chronological order from, and including, the first Tokyo Banking Day in the relevant TONA Observation Period;

“ni”, for any Tokyo Banking Day “i” in the relevant TONA Observation Period, is the number of calendar days from (and including) such Tokyo Banking Day “i” up to (but excluding) the following Tokyo Banking Day (“i+1”); and

“TONAi” means, in respect of any Tokyo Banking Day “i” falling in the relevant TONA Observation Period, the TONA Reference Rate for such Tokyo Banking Day.

(B) *Correction of TONA*

If the TONA Reference Rate in respect of any Tokyo Banking Day is subsequently corrected and provided by the administrator of TONA to authorised distributors of TONA and published on the Relevant Screen Page no later than the Correction Cutoff Time (if any) or, if later (or there is no such Correction Cut-off Time), one hour after the rate for such Tokyo Banking Day is published on the Relevant Screen Page, then TONA in respect of such Tokyo Banking Day shall be the subsequently corrected and published rate appearing on the Relevant Screen Page,

where:

“Correction Cut-off Time” means the time specified as such by the administrator of TONA in the TONA benchmark methodology.

(C) *TONA Index Cessation Event*

If the Issuer determines at any time prior to the TONA Reference Time on any Tokyo Banking Day that a TONA Index Cessation Event has occurred, then the TONA Reference Rate in respect of each Tokyo Banking Day falling on or after the TONA Index Cessation Effective Date will be the JPY Recommended Rate.

If there is a JPY Recommended Rate before the end of the first Tokyo Banking Day following the TONA Index Cessation Effective Date, but neither the administrator nor authorised distributors provide or publish the JPY Recommended Rate, then, subject to the below, in respect of any day for which the JPY Recommended Rate is required, references to the JPY Recommended Rate will be deemed to be references to the last provided or published JPY Recommended Rate. However, if there is no last provided or published JPY Recommended Rate, then in respect of any day for which the JPY Recommended Rate is required, references to the JPY Recommended Rate will be deemed to be references to the last provided or published TONA.

The Issuer shall notify the Principal Paying Agent or the Calculation Agent, as applicable, and, in accordance with Condition 13, the Noteholders of any determination by the Issuer of a TONA Index Cessation Event and of any applicable JPY Recommended Rate.

If:

- (I) there is no JPY Recommended Rate before the end of the first Tokyo Banking Day following the TONA Index Cessation Effective Date; or



- (II) there is a JPY Recommended Rate and a JPY Recommended Rate Index Cessation Effective Date subsequently occurs in respect of such JPY Recommended Rate,

then the rate in respect of each Tokyo Banking Day falling on or after the TONA Index Cessation Effective Date or a JPY Recommended Rate Fixing Day occurring on or after the JPY Recommended Rate Index Cessation Effective Date, as the case may be, will be such alternative rate for the TONA Reference Rate or the JPY Recommended Rate, as the case may be, as is determined by the Issuer in accordance with Condition 4(f).

(D) *Definitions*

For the purposes of this Condition 4(c)(5E):

"JPY Recommended Rate" means, in respect of any Tokyo Banking Day, the rate (inclusive of any spreads or adjustments) recommended as the replacement for TONA by a committee officially endorsed or convened by the Bank of Japan for the purpose of recommending a replacement for TONA (which rate may be produced by the Bank of Japan or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorised distributor in respect of such day;

"JPY Recommended Rate Fixing Day" means, in respect of the JPY Recommended Rate and any day, the publication day specified by the administrator of the JPY Recommended Rate for the JPY Recommended Rate in its benchmark methodology;

"JPY Recommended Rate Index Cessation Effective Date" means, in respect of the JPY Recommended Rate and a JPY Recommended Rate Index Cessation Event, the first date on which the JPY Recommended Rate would ordinarily have been published or provided and is no longer published or provided;

"JPY Recommended Rate Index Cessation Event" means, in respect of the JPY Recommended Rate:

- (a) a public statement or publication of information by or on behalf of the administrator of the JPY Recommended Rate announcing that it has ceased or will cease to provide the JPY Recommended Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the JPY Recommended Rate; or
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of the JPY Recommended Rate, the central bank for the currency of the JPY Recommended Rate, an insolvency official with jurisdiction over the administrator of the JPY Recommended Rate, a resolution authority with jurisdiction over the administrator of the JPY Recommended Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the JPY Recommended Rate, which states that the administrator of the JPY Recommended Rate has ceased or will cease to provide the JPY Recommended Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the JPY Recommended Rate;

“p” means the number of Tokyo Banking Days specified as such in the applicable Final Terms;

“TONA” means the daily Tokyo Overnight Average rate administered by the Bank of Japan (or any successor administrator).

"TONA Index Cessation Effective Date" means, in respect of TONA and a TONA Index Cessation Event, the first date on which TONA would ordinarily have been published or provided and is no longer published or provided;

"TONA Index Cessation Event" means, in respect of TONA:

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

"TONA Observation Period" means, in respect of any Floating Interest Period, the period from (and including) the date falling “p” Tokyo Banking Days prior to the first day of such Floating Interest Period to (but excluding) the date falling p Tokyo Banking Days prior to the Interest Payment Date for such Floating Interest Period or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Floating Interest Period);

"TONA Reference Rate" means the rate determined by the Principal Paying Agent or the Calculation Agent, as applicable, in respect of a Tokyo Banking Day, being a reference rate equal to the daily TONA for such Tokyo Banking Day as provided by the administrator of TONA to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) in each case as of approximately 10:00 a.m. (Tokyo time) (or any amended publication time as specified by the administrator of such rate) on the Tokyo Banking Day immediately following such Tokyo Banking Day. If no such rate is published by the administrator of TONA or an authorised distributor and is not otherwise provided by the administrator of TONA other than as a consequence of a TONA Index Cessation Event, then TONA for such Tokyo Banking Day will be TONA as last provided or published on the Relevant Screen Page (or as otherwise published by relevant authorised distributors) that appears at approximately 10:00 a.m. (Tokyo time) on the Bank of Japan's Website on the Tokyo Banking Day immediately following such Tokyo Banking Day.

"TONA Reference Time" means, with respect to any determination of TONA, 10.00 a.m. (Tokyo time) on the Tokyo Banking Day immediately following the date of such determination; and

"Tokyo Banking Day" means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Tokyo;

(6) *Minimum and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a minimum Rate of Interest for any Floating Interest Period, then, in the event that the Rate of Interest in respect of any such Floating Interest Period determined in accordance with the above provisions is less than such minimum Rate of Interest, the Rate of Interest for such Floating Interest Period shall be such minimum Rate of Interest. If the applicable Final Terms specifies a maximum Rate of Interest for any Floating Interest Period, then, in the event that the Rate of Interest in respect of any such Floating Interest Period determined in accordance with the above provisions is greater than such maximum Rate of Interest, the Rate of Interest for such Floating Interest Period shall be the maximum Rate of Interest.

Unless otherwise stated in the applicable Final Terms, the minimum Rate of Interest shall be deemed to be zero.

Subordinated Notes shall not have a Minimum Rate of Interest and/or a Maximum Rate of Interest.

(7) *Business Day, Interest Determination Date and Relevant Screen Page*

- (A) In this Condition, "Business Day" has the meaning given to it in Condition 4(d).
- (B) In this Condition, "Interest Determination Date" has the meaning set out in the applicable Final Terms.
- (C) In this Condition, "Relevant Screen Page" has the meaning set out in the applicable Final Terms.

(8) *Determination of Rate of Interest and Calculation of Interest Amount*

The Principal Paying Agent or the Calculation Agent, as applicable, will, as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and/or calculate the Interest Amount payable on the Floating Rate Notes for the relevant Floating Interest Period as soon as practicable after calculating the same.

Unless otherwise specified in the applicable Final Terms, the Interest Amount payable on the Floating Rate Notes for the relevant Floating Interest Period will be calculated by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Notes represented by such Global Note or (B) such Registered Notes, in each case, unless "Calculation to be on a Calculation Amount Basis" is specified as being applicable in the applicable Final Terms in which case the Rate of Interest shall be applied to the Calculation Amount; or
- (B) in the case of Floating Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note which is:

- (i) a Bearer Note in definitive form; or
- (ii) (A) represented by a Global Note or (B) a Registered Note in definitive form, where in each case, “Calculation to be on a Calculation Amount Basis” is specified as being applicable in the applicable Final Terms,

is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Bearer Note or such Global Note or Registered Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

The determination of the Rate of Interest and calculation of each Interest Amount by the Principal Paying Agent or the Calculation Agent, as applicable, shall (in the absence of manifest error) be final and binding upon all parties.

(9) *Notification of Rate of Interest and Interest Amount*

The Principal Paying Agent or the Calculation Agent, as applicable, will cause the Rate of Interest and the Interest Amount for each Floating Interest Period and the relevant Interest Payment Date to be notified, other than where the Reference Rate is specified in the applicable Final Terms as being “Compounded Daily SONIA”, “Compounded Daily SOFR”, “Compounded Daily SORA”, “Compounded Daily CORRA” or “Compounded Daily TONA”, to the Issuer and, in the case of Floating Rate Notes which are listed on a stock exchange, that stock exchange as soon as possible but in any event not later than the second Business Day after their determination and will cause notice of such information to be given to the holders of the Notes of this Series in accordance with Condition 13 not later than the fourth Business Day after their determination and, in the case of Floating Rate Notes referencing Compounded Daily SONIA, Compounded Daily SOFR, Compounded Daily SORA, Compounded Daily CORRA or Compounded Daily TONA, in the case of notice to the Issuer, any stock exchange and in accordance with Condition 13 as provided above, the Principal Paying Agent or the Calculation Agent, as applicable, will cause such notice to be given as soon as possible after the determination of the relevant Rate of Interest and Interest Amount, and no later than the second London Banking Day (as defined in Condition 4(c)(5A) above) after their determination. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notification as aforesaid in the event of an extension or shortening of the Floating Interest Period. Any such amendment will be promptly notified to any stock exchange on which the Notes affected thereby are for the time being listed.

(10) *Notifications, etc. to be final*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of these Conditions by the Principal Paying Agent or the Calculation Agent will (in the absence of default, bad faith or manifest error by them or any of their directors, officers, employees or agents) be binding on the Issuer, the Principal Paying Agent, the Calculation Agent, the Paying Agents and all holders of the Notes of this Series and Coupons relating thereto and (in the absence of any default, bad faith or manifest error as referred to above) no liability to the Issuer or the holders of the Notes of this Series and Coupons relating thereto shall attach to the Principal Paying Agent or the Calculation Agent in connection with the exercise or non-exercise by them of their powers, duties and discretions under this Condition.

(11) *Linear Interpolation*

Where Linear Interpolation is specified as applicable in respect of a Floating Interest Period in the applicable Final Terms, the Rate of Interest for such Floating Interest Period shall be calculated by the Principal Paying Agent or the Calculation Agent, as applicable, by straight

line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Floating Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Floating Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent or the Calculation Agent, as applicable, shall determine such rate at such time and by reference to such sources as it determines appropriate.

“Designated Maturity” means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(d) **Day Count Fraction and Business Day Convention**

(i) *Day Count Fraction*

“Day Count Fraction” means, unless otherwise specified in the applicable Final Terms:

- (1) if “Actual/Actual (ISDA)” is specified in the applicable Final Terms, the actual number of days in, for the purposes of Condition 4(a), the Fixed Interest Period or, if interest is required to be calculated for a period (the “Relevant Period”) other than a full Interest Period, the Relevant Period, as the case may be, and, for the purposes of Condition 4(c), the Floating Interest Period, in each case divided by 365 (or, if any portion of the relevant period falls in a leap year, the sum of (A) the actual number of days in that portion of the relevant period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the relevant period falling in a non-leap year divided by 365);
- (2) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in, for the purposes of Condition 4(a), the Fixed Interest Period or the Relevant Period, as the case may be, and, for the purposes of Condition 4(c), the Floating Interest Period, in each case divided by 365;
- (3) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in, for the purposes of Condition 4(a), the Fixed Interest Period or the Relevant Period, as the case may be, and, for the purposes of Condition 4(c), the Floating Interest Period, in each case divided by 360;
- (4) if “30/360 (Floating)”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

“M1” is the calendar month, expressed as a number, in which the first day of the Interest Period falls; “M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

- (5) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in, for the purposes of Condition 4(a), the Fixed Interest Period or the Relevant Period, as the case may be, and, for the purposes of Condition 4(c), the Floating Interest Period, in each case divided by 360, calculated on a formula basis as follows:

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

where:

“Y1” is the year, expressed as a number, in which the first day of the Interest Period falls:

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

“M1” is the calendar month, expressed as a number, in which the first day of the Interest Period falls; “M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

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

- (6) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
- (A) in the case of Notes where the number of days in the Interest Period or the Relevant Period, as the case may be, from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “Accrual Period”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; or
  - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and
    - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year;

“Determination Period” means the period from (and including) a Determination Date (as specified in the applicable Final Terms) to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

- (7) if “30/360 (Fixed)” or “30/360, unadjusted” is specified in the applicable Final Terms, the number of days in the Interest Period or the Relevant Period, as the case may be, (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.
- (8) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in, for the purposes of Condition 4(a), the Fixed Interest Period or the Relevant Period, as the case may be, and, for the purposes of Condition 4(c), the Floating Interest Period, in each case divided by 360, calculated on a formula basis as follows:

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

where:

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

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

“M1” is the calendar month, expressed as a number, in which the first day of the Interest Period falls; “M2” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

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

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and D2 will be 30.

(ii) *Business Day Convention*

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then if the Business Day Convention specified is:

- (1) in the case where a Specified Period is specified in accordance with Condition 4(c)(1)(B) above, the Floating Rate Convention, such Interest Payment Date (A) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (b) below shall apply mutatis mutandis or (B) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (a) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (b) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls in the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In this Condition:

“Business Day” means (unless otherwise stated in the applicable Final Terms):

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and, if any Additional Business Centre(s) (other than T2) is specified in the applicable Final Terms, in such Additional Business Centre(s);
  - (B) if T2 is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor or replacement for that system (“T2”) is open; and
  - (C) either (1) in relation to any sum payable in a Specified Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency or (2) in relation to any sum payable in euro, a day on which T2 is open.
- (e) Where a Zero Coupon Note becomes due and repayable prior to the Maturity Date and is not paid when due, the amount due and repayable shall be the Amortised Face Amount of such Note as determined in accordance with Condition 5(f). As from the Maturity Date any overdue principal of such Note shall bear interest at a rate per annum equal to the Accrual Yield. Such interest shall continue to accrue (as well after as before any judgment) until whichever is the earlier of (A) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the holder of such Note and (B) the day which is seven days after the date on which the Principal Paying Agent has notified the holder in accordance with Condition 13 that it has received all sums due in respect thereof up to that date. Such interest will be calculated as provided for the relevant calculation to be made in respect of the applicable Day Count Fraction in Condition 5(f).

(f) **Benchmark Discontinuation**

Notwithstanding the provisions in Condition 4(c) above, (in the case of Floating Rate Notes other than where the Reference Rate is specified in the applicable Final Terms as being Compounded Daily SOFR, Compounded Daily SORA or Compounded Daily CORRA, in which case the provisions of this Condition 4(f) shall not apply), if the Issuer (acting in good faith and in a commercially reasonable manner) determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to that Original Reference Rate, then the following provisions of this Condition 4(f) shall apply, subject to (in the case of any relevant Series of Subordinated Notes) the Issuer giving the RBNZ at least five working days' notice prior to the application of the following provisions of this Condition 4(f) and the Issuer providing with such notice any required information or documents under the RBNZ's prudential regulatory requirements, which may include a signed opinion from the Issuer's legal counsel confirming that, once any amendments made in accordance with this Condition 4(f) are in effect, such Notes will continue to qualify as Tier 2 Capital (as defined by the RBNZ from time to time).

*Holders of Subordinated Notes should note that the Issuer will not be able to comply with the RBNZ notification requirement described in Condition 4(f) and that, consequently, no Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (as applicable) may be effected, if the effect of any such Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (as applicable) would be that the relevant Series of Subordinated Notes would no longer qualify as Tier 2 Capital (as defined by the RBNZ from time to time).*

- (i) *Successor Rate or Alternative Rate*



If there is a Successor Rate, then the Issuer shall, prior to the date which is five Business Days prior to the relevant Interest Determination Date, notify the Principal Paying Agent or the Calculation Agent, as applicable, and, in accordance with Condition 13, the Noteholders of such Successor Rate and that Successor Rate shall (subject to adjustment as provided in Condition 4(f)(ii)) subsequently be used by the Principal Paying Agent or the Calculation Agent, as applicable, in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4(f)).

If there is no Successor Rate but the Issuer, acting in good faith, in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, determines that there is an Alternative Rate, then the Issuer shall, prior to the date which is five Business Days prior to the relevant Interest Determination Date, notify the Principal Paying Agent or the Calculation Agent, as applicable, and, in accordance with Condition 13, the Noteholders of such Alternative Rate and that Alternative Rate shall (subject to adjustment as provided in Condition 4(f)(ii)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 4(f)).

(ii) *Adjustment Spread*

If, in the case of a Successor Rate, an Adjustment Spread is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body, then the Issuer shall, prior to the date which is five Business Days prior to the relevant Interest Determination Date, notify the Principal Paying Agent or the Calculation Agent, as applicable, and, in accordance with Condition 13, the Noteholders of such Adjustment Spread and the Principal Paying Agent or the Calculation Agent, as applicable, shall apply such Adjustment Spread to the Successor Rate for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate.

If, in the case of a Successor Rate where no such Adjustment Spread is formally recommended or provided as an option by any Relevant Nominating Body, or in the case of an Alternative Rate, the Issuer, acting in good faith, in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, determines that there is an Adjustment Spread in customary market usage in the international debt capital markets for transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be), then the Issuer shall, prior to the date which is five Business Days prior to the relevant Interest Determination Date, notify the Principal Paying Agent or the Calculation Agent, as applicable, and, in accordance with Condition 13, the Noteholders of such Adjustment Spread and the Principal Paying Agent or the Calculation Agent, as applicable, shall apply such Adjustment Spread to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

If no such recommendation or option has been made (or made available) by any Relevant Nominating Body, or the Issuer so determines that there is no such

Adjustment Spread in customary market usage in the international debt capital markets and the Issuer further determines, acting in good faith, in a commercially reasonable manner and following consultation with an Independent Adviser, that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be), then the Adjustment Spread shall be:

- (1) the Adjustment Spread determined by the Issuer, acting in good faith, in a commercially reasonable manner and following consultation with an Independent Adviser, as being the Adjustment Spread recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (2) if there is no such industry standard recognised or acknowledged, such Adjustment Spread as the Issuer, acting in good faith, in a commercially reasonable manner and following consultation with an Independent Adviser, determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances, of reducing or eliminating any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

Following any such determination of the Adjustment Spread, the Issuer shall, prior to the date which is five Business Days prior to the relevant Interest Determination Date, notify the Principal Paying Agent or the Calculation Agent, as applicable, and, in accordance with Condition 13, the Noteholders of such Adjustment Spread and the Principal Paying Agent or the Calculation Agent, as applicable, shall apply such Adjustment Spread to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(iii) *Benchmark Amendments*

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4(f) and the Issuer, acting in good faith, in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, determines in its discretion (A) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "Benchmark Amendments") and (B) the terms of the Benchmark Amendments, then the Issuer and the Principal Paying Agent and/or the Calculation Agent, as applicable, shall agree without any requirement for the consent or approval of Noteholders to the necessary modifications to these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice, subject to the Issuer having to give notice thereof to the Noteholders in accordance with Condition 13 and any Benchmark Amendments not increasing the obligations or duties, or decreasing the rights or protections, of the Principal Paying Agent or the Calculation Agent, as applicable, in these Conditions and/or the Agency Agreement unless agreed between the Issuer and the Principal Paying Agent or the Calculation Agent, as applicable.

Notwithstanding any other provision of this Condition 4, if in the Principal Paying Agent's or Calculation Agent's opinion, as applicable, there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 4, the Principal Paying Agent or Calculation Agent, as applicable, shall promptly notify the Issuer thereof and the Issuer shall direct the Principal Paying Agent or Calculation Agent, as applicable, in writing as to which alternative course of action to adopt. If the Principal Paying Agent or Calculation Agent, as applicable, is not promptly provided with such direction, or is otherwise unable to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Principal Paying Agent or Calculation Agent, as applicable, shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so.

In connection with any such modifications in accordance with this Condition 4(f)(iii), if and for so long as the Notes are admitted to trading and listed on the official list of a stock exchange, the Issuer shall comply with the rules of that stock exchange.

Any Benchmark Amendments determined under this Condition 4(f)(iii) shall be notified promptly by the Issuer to the Principal Paying Agent or the Calculation Agent, as applicable, and, in accordance with Condition 13, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of such Benchmark Amendments.

(iv) *Independent Adviser*

In the event the Issuer is to consult with an Independent Adviser in connection with any determination to be made by the Issuer pursuant to this Condition 4(f), the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, for the purposes of any such consultation.

An Independent Adviser appointed pursuant to this Condition 4(f) shall act in good faith and in a commercially reasonable manner and (in the absence of fraud or wilful default) shall have no liability whatsoever to the Issuer or the Noteholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 4(f) or otherwise in connection with the Notes.

If the Issuer consults with an Independent Adviser as to whether there is an Alternative Rate and/or any Adjustment Spread is required to be applied and/or in relation to the quantum of, or any formula or methodology for determining such Adjustment Spread and/or whether any Benchmark Amendments are necessary and/or in relation to the terms of any such Benchmark Amendments, a written determination of that Independent Adviser in respect thereof shall be conclusive and binding on all parties, save in the case of manifest error, and (in the absence of fraud or wilful default) the Issuer shall have no liability whatsoever to the Noteholders in respect of anything done, or omitted to be done, in relation to that matter in accordance with any such written determination.

No Independent Adviser appointed in connection with the Notes (acting in such capacity), shall have any relationship of agency or trust with the Noteholders.

(v) *Survival of Original Reference Rate Provisions*

Without prejudice to the obligations of the Issuer under this Condition 4(f), the Original Reference Rate and the fallback provisions provided for in Condition 4(c), the Agency Agreement and the applicable Final Terms, as the case may be, will continue to apply unless and until the Issuer has determined the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with the relevant provisions of this Condition 4(f).

(vi) *Subordinated Notes*

Notwithstanding any other provision of this Condition 4(f), no Successor Rate, Alternative Rate or Adjustment Spread will be adopted, nor will any other amendment to the terms and conditions of any Series of Subordinated Notes or the Agency Agreement be made, to effect the Benchmark Amendments, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the treatment of such Subordinated Notes as Tier 2 Capital (as defined by the RBNZ from time to time).

(vii) *Definitions*

In this Condition 4(f):

“Adjustment Spread” means either a spread, or the formula or methodology for calculating a spread and the spread resulting from such calculation, which spread may in either case be positive or negative and is to be applied to the Successor Rate or the Alternative Rate (as the case may be) where the Original Reference Rate is replaced with the Successor Rate or the Alternative Rate (as the case may be).

“Alternative Rate” means an alternative benchmark or screen rate which the Issuer determines in accordance with this Condition 4(f) is used in place of the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the Notes.

“Benchmark Event” means the earlier to occur of:

- (A) the Original Reference Rate ceasing to be published for at least five Business Days or ceasing to exist or be administered;
- (B) the later of (i) the making of a public statement by the administrator of the Original Reference Rate that it will, by a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to such specified date;
- (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued, is prohibited from being used or is no longer representative, or that its use is subject to restrictions or adverse consequences or, where such discontinuation, prohibition, restrictions or adverse consequences are to apply from a specified date after the making of any public statement to such effect, the later of the date of the making of such

public statement and the date falling six months prior to such specified date;  
and

- (D) it has or will prior to the next Interest Determination Date become unlawful for the Calculation Agent, any Paying Agent or the Issuer to determine any Rate of Interest and/or calculate any Interest Amount using the Original Reference Rate (including, without limitation, under (i) Regulation (EU) No. 2016/1011 and/or (ii) Regulation (EU) No. 2016/1011 as it as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018, if applicable).

“Independent Adviser” means an independent financial institution of international repute or other independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense;

“Original Reference Rate” means the benchmark or screen rate (as applicable) originally specified in the applicable Final Terms for the purposes of determining the relevant Rate of Interest (or any component part thereof) in respect of the Notes (provided that if, following one or more Benchmark Events, such originally specified Reference Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term “Original Reference Rate” shall include any such Successor Rate or Alternative Rate);

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities, or (iv) the Financial Stability Board or any part thereof; and

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

## **5 Redemption and Purchase**

### **(a) Final Redemption**

Unless previously redeemed or purchased and cancelled as provided below, each Note of this Series will be redeemed at its Final Redemption Amount in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

### **(b) Redemption for Tax Reasons**

Subject to Condition 5(g) and, in the case of a Series of Subordinated Notes, Condition 5(i), the Notes of this Series may be redeemed at the option of the Issuer in whole, but not in part,

at any time (in the case of Notes other than Floating Rate Notes) or on any Interest Payment Date (in the case of Floating Rate Notes), on giving not less than 30 nor more than 60 days' notice in accordance with Condition 13 (which notice shall be irrevocable), at the Early Redemption Amount provided in, or calculated in accordance with, paragraph (g) or (h) (as applicable) below, together with (if provided in such paragraphs) interest accrued up to, but excluding, the date fixed for redemption, if:

- (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7;
- (ii) in order to reduce the applicable level of any New Zealand non-resident withholding tax (under current law or change of law) to zero, the Issuer becomes obliged to pay approved issuer levy at a rate exceeding the rate of the levy being charged at the date of issue of the Notes under section 86J of the Stamp and Cheque Duties Act 1971 of New Zealand or incurs any other cost in excess of that applicable under New Zealand law at the date of issue of the Notes; or
- (iii) in the case of a Series of Subordinated Notes, the Issuer determines in its reasonable opinion that it would incur a materially increased cost in performing its payment obligations in respect of such Subordinated Notes,

in each case as a result of any change in, or amendment to, the laws or regulations of a Taxing Jurisdiction (as defined in Condition 7), or any change in the application or official interpretation of such laws or regulations (including the manner of exercising any official discretion thereunder), which change or amendment becomes known generally or to the Issuer on or after the Issue Date (or, in the case of a second or subsequent Tranche of Notes of this Series, the Issue Date for the original Tranche) provided that (A) the Issuer shall only be entitled to redeem any Subordinated Notes pursuant to this Condition 5(b) if such change or amendment is not minor and could not reasonably have been anticipated by the Issuer as at the Issue Date, and (B) no such notice of redemption shall be given in respect of the Notes of this Series earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts or incur such increased cost, as applicable, and, for the purpose only of determining the earliest date on which such notice may be given, it shall be deemed that a payment, in respect of which the Issuer would be obliged to pay such additional amounts or incur such increased cost, as applicable, is due in respect of the Notes of this Series on the day on which any such change or amendment becomes effective.

**(c) Redemption at the Option of the Issuer (Issuer Call)**

This Condition 5(c) applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons or, in the case of Subordinated Notes, on account of a Regulatory Capital Event as defined in Condition 5(e)), such option being referred to as an "Issuer Call". The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 5(c) for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may (subject to, in the case of a Series of Subordinated Notes, Condition 5(i)) on any Optional Redemption Date specified in the applicable Final Terms (in the case of a Series of Subordinated Notes, such date being at least five years after the Issue Date) at its option, on giving not less than the period of notice specified in the applicable Final Terms to the holders of the Notes of this Series (which notice shall be irrevocable and shall specify the date fixed for redemption and where any such period of notice is expressed as a specified number of business days, the expression "business day" shall have the meaning given in Condition 6g)) in accordance with Condition 13, redeem all or from time to time some only of the Notes of

this Series then outstanding on the relevant Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together with (in the case of Fixed Rate Notes) interest accrued to, but excluding, the relevant Optional Redemption Date.

In the event of a redemption of some only of such Notes, such redemption must be for an amount being not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount (if any) specified in the applicable Final Terms. In the case of a partial redemption of Notes, Notes to be redeemed will be selected individually by lot (without involving any part only of a Bearer Note) not less than 40 days prior to the date fixed for redemption. In the case of a partial redemption where some or all of the Notes are represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, such redemption with respect to those Notes will take place in accordance with the procedures of Euroclear and/or Clearstream, Luxembourg from time to time. Each notice of redemption will specify the date fixed for redemption and, in the case of a partial redemption, the aggregate nominal amount, and, where some or all of the Notes are in definitive form, the serial numbers, of the Notes to be redeemed and, in each case, the aggregate nominal amount of the Notes of this Series which will be outstanding after the partial redemption. In addition, in the case of a partial redemption of a Series of Notes which includes Registered Notes, the Issuer will publish an additional notice of redemption not less than 80 nor more than 95 days before the date fixed for redemption which notice will specify the period during which exchanges or transfers of Notes may not be made as provided in Condition 2.

**(d) Redemption at the Option of the Noteholders (Investor Put)**

This Condition 5(d) applies only to Senior Notes which are subject to redemption prior to the Maturity Date at the option of the Noteholder, such option being referred to as an “Investor Put”. The applicable Final Terms contains provisions applicable to any Investor Put and must be read in conjunction with this Condition 5(d) for full information on any Investor Put. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

If Investor Put is specified as being applicable in the applicable Final Terms for any Series of Senior Notes, upon any Noteholder giving to the Issuer in accordance with Condition 13 not less than the period of notice specified in the applicable Final Terms (the “notice period”), the Issuer will, upon the expiry of such notice redeem in whole (but not in part) the Notes the subject of the notice on the Optional Redemption Date and at the Optional Redemption Amount together with (in the case of Fixed Rate Notes) interest accrued up to, but excluding, the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form, and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) on any business day (as defined in Condition 6g)) falling within the notice period a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or from the Registrar (a “Put Notice”) and, in the case of a Put Notice in respect of Bearer Notes, in which the holder must specify a bank account outside New Zealand to which payment is to be made under this Condition. If this Note is in definitive form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on their instruction by

Euroclear or Clearstream, Luxembourg or any common depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

A Put Notice or other notice given by a holder of any Note pursuant to this Condition 5(d), once delivered, shall be irrevocable and the Issuer shall redeem all Notes delivered therewith on the applicable redemption date.

(e) **Redemption upon a Regulatory Capital Event**

This Condition 5(e) is only applicable in relation to Subordinated Notes.

Subject to Condition 5(i), if a Regulatory Capital Event occurs at any time the Issuer may, on giving not less than 30 nor more than 60 days' notice to the holders of the Subordinated Notes of this Series (which notice shall be irrevocable and shall specify the date fixed for redemption) in accordance with Condition 13, redeem all, but not some only, of the Subordinated Notes then outstanding at any time at their Early Redemption Amount, together with interest accrued up to, but excluding, the date fixed for redemption.

For the purposes of this Condition 5(e), a "Regulatory Capital Event" occurs if the Issuer determines, in its absolute discretion, that:

- (i) there is or will be a change in or any amendment to:
  - (A) the laws or regulations of New Zealand; or
  - (B) any official administrative pronouncement or action or judicial decision interpreting or applying any law, regulation or directive in New Zealand; or
  - (C) any order, direction, standard, requirement (including any prudential regulation requirement), guideline or statement of the RBNZ (whether or not having the force of law),

which change or amendment becomes effective on or after the Issue Date (any such change or amendment, a "Regulatory Change"); and

- (ii) as a result of such Regulatory Change, either:
  - (A) the Issuer is or will be adversely affected in relation to its regulatory capital treatment of the Subordinated Notes of this Series; or
  - (B) the Issuer is not or will not be entitled to treat all or some of the Subordinated Notes of this Series as Tier 2 Capital (as defined by the RBNZ from time to time),

provided that such adverse effect as referred to in paragraph (ii)(A) above or such non-treatment of the Notes as Tier 2 Capital as referred to in paragraph (ii)(B) above, as applicable, is not minor and could not reasonably have been anticipated by the Issuer as at the Issue Date.

(f) **Zero Coupon Notes**

This Condition 5(f) is only applicable in relation to Senior Notes.

- (1) The amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to paragraph (b), (c) or (d) above or upon it becoming due and repayable as provided in Condition 9 shall be an amount (the "Amortised Face Amount") calculated in accordance with the formula for the Accrual Method specified in the applicable Final Terms:

Linear Accrual: Amortised Face Amount = Reference Amount x (1+Accrual Yield x y)



Compounding Accrual: Amortised Face Amount = Reference Amount x (1+Accrual Yield)<sup>y</sup>

where:

“Reference Amount” means:

- (A) the product of the Issue Price and:
  - (i) in the case of a Zero Coupon Note represented by a Global Note where the Zero Coupon Notes are being redeemed in full, the aggregate Outstanding Principal Amount of the Notes represented by such Global Note, unless “Calculation to be on a Calculation Amount Basis” is specified as being applicable in the applicable Final Terms; or
  - (ii) in the case of a Zero Coupon Note in definitive form or where some only of the Zero Coupon Notes are being redeemed or where “Calculation to be on a Calculation Amount Basis” is specified as being applicable in the applicable Final Terms, the Calculation Amount; and
- (B) where the Specified Denomination of:
  - (i) a Zero Coupon Note in definitive form; or
  - (ii) the Global Note or a Zero Coupon Note represented by a Global Note, as applicable, where “Calculation to be on a Calculation Amount Basis” is specified as being applicable in the applicable Final Terms or the Reference Amount is otherwise to be determined by reference to the Calculation Amount,

is a multiple of the Calculation Amount, the Reference Amount in respect of such Zero Coupon Note or such Global Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding;

“Accrual Yield” means the rate specified as such in the applicable Final Terms; and

“y” is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (Fixed) or 30/360 unadjusted (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (Fixed) (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of

the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

- (2) If the amount payable in respect of any Zero Coupon Note upon redemption of such Note pursuant to paragraph (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Note shall be the amount calculated as provided in Condition 5(f)(1) above as though the references therein to the date fixed for the redemption or the date upon which such Note becomes due and payable were replaced by references to the date which is the earlier of:
- (a) the date on which all amounts due in respect of such Note have been paid; and
  - (b) the date on which the full amount of the moneys payable in respect of such Notes has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

(g) **Early Redemption Amounts**

For the purposes of paragraph (b) above and Condition 9, unless otherwise indicated in the applicable Final Terms, Notes will be redeemed at their Early Redemption Amount, being (1) in the case of Fixed Rate Notes or Floating Rate Notes the Final Redemption Amount or (2) in the case of Zero Coupon Notes at the Amortised Face Amount of such Notes determined in accordance with paragraph (f) above, in each case in the relevant Specified Currency together with, in the case of Fixed Rate Notes redeemed pursuant to paragraph (b) above, interest accrued to, but excluding, the date fixed for redemption.

(h) **Purchase and Cancellation**

The Issuer may (subject to, in the case of a Series of Subordinated Notes, Condition 5(i)) at any time purchase Notes of this Series (provided that all unmatured Coupons appertaining to such Notes, if in definitive bearer form, are attached thereto or surrendered therewith) in any manner and at any price.

All Notes of this Series together, in the case of definitive Notes in bearer form, with all unmatured Coupons appertaining thereto, purchased by or on behalf of the Issuer (other than those Notes purchased in the ordinary course of the business of dealing in securities) will be cancelled forthwith.

(i) **RBNZ approval required to redeem or purchase Subordinated Notes prior to Maturity Date**

This Condition 5(i) is only applicable in relation to Subordinated Notes.

The Issuer may only redeem or purchase Subordinated Notes of this Series under Conditions 5(b), 5(c), 5(e) or 5(h), as applicable, if:

- (i) either:
- (A) before or concurrently with the redemption or purchase, the Issuer replaces the relevant Subordinated Notes with a capital instrument which is of the same or better quality (for the purposes of the RBNZ's capital adequacy requirements as they apply to the Issuer at the relevant time) than the Subordinated Notes of this Series and the replacement of the Notes is done under terms and conditions that are sustainable for the income capacity of the ASB Group; or
  - (B) if the Issuer does not intend to replace the relevant Subordinated Notes, the Issuer has demonstrated, to the RBNZ's satisfaction, that after the

redemption, the ASB Group's capital ratios would be sufficiently above their respective minimums and the prudential capital buffer ratio (as defined in the RBNZ's Banking Prudential Requirements document BPR001) would be sufficiently above its buffer trigger ratio (as defined in the RBNZ's Banking Prudential Requirements document BPR001);

- (ii) the Issuer has provided any information and supporting documentation required by the RBNZ's prudential regulatory requirements to the RBNZ; and
- (iii) the RBNZ has given its prior written approval for the redemption or purchase.

*Noteholders should not expect that the RBNZ's approval will be given for any redemption or purchase of the Subordinated Notes of this Series.*

(j) **Variation**

This Condition 5(j) is only applicable in relation to Subordinated Notes.

If at any time (i) an event occurs that would entitle the Issuer to redeem the Subordinated Notes of this Series under Condition 5(b) or (ii) a Regulatory Capital Event occurs, the Issuer may, instead of giving notice to redeem the Notes under Condition 5(b) or Condition 5(e), as the case may be, and without any requirement for the consent or approval of the Noteholders, but subject to (A) the Issuer having provided any information and supporting documentation required by the RBNZ's prudential regulatory requirements to the RBNZ, (B) the RBNZ having given its prior written approval for the variation, and (C) the Issuer having given not less than 30 nor more than 60 days' notice to the holders of the relevant Subordinated Notes in accordance with Condition 13 (which notice shall be irrevocable), at any time vary the terms of the Subordinated Notes accordingly, provided that they remain or, as appropriate, so that they become, Qualifying Notes.

In these Conditions, "Qualifying Notes" means any securities or other instruments issued directly or indirectly by the Issuer that:

- (I) have terms not materially less favourable to a Noteholder, as reasonably determined by the Issuer, than the terms of the Subordinated Notes of this Series, provided that they shall (1) include a ranking at least equal to that of the Subordinated Notes of this Series, (2) have the same Rate of Interest and Interest Payment Dates as those from time to time applying to the Subordinated Notes of this Series, (3) have the same redemption rights as the Subordinated Notes of this Series, (4) comply with the then current requirements of the RBNZ in relation to eligibility for inclusion in the Tier 2 Capital (as defined by the RBNZ from time to time) of the Issuer, and (5) preserve any existing rights under the Subordinated Notes of this Series to any accrued interest which has not been paid in respect of the period from (and including) the Interest Payment Date last preceding the date of variation; and
- (II) are listed on a recognised stock exchange if the Subordinated Notes of this Series were so listed immediately prior to such variation.

**6 Payments and Exchange of Talons**

(a) **Payments in respect of definitive Bearer Notes**

- (1) Payments of principal and interest (if any) in respect of definitive Bearer Notes (if issued) will (subject as provided below) be made against surrender (or, in the case of part payment only, presentation and endorsement) of definitive Bearer Notes or Coupons (which expression, in this Condition and Condition 8, shall not include Talons), as the case may be, at any specified office of any Paying Agent outside New Zealand.
- (2) All payments of principal and interest with respect to definitive Bearer Notes will be made outside New Zealand and (except as otherwise provided in paragraph (d) below) the United

States. Payments in any currency other than euro in respect of definitive Bearer Notes will (subject as provided below) be made by transfer to an account (in the case of payment in Yen to a non-resident of Japan, a non-resident account) in the Specified Currency maintained by the payee with a bank in the principal financial centre of the country of the Specified Currency (or, if the Specified Currency is New Zealand dollars or U.S. dollars, in London or another place outside New Zealand and (except as otherwise provided in paragraph (d) below) the United States) provided that if at any time such payments cannot be so made, then payments will be made outside New Zealand and (except as otherwise provided in paragraph (d) below) the United States in such other manner as the Issuer may determine and notify in accordance with Condition 13. Payments in euro in respect of definitive Bearer Notes will be made by transfer to a euro account outside New Zealand and (except as otherwise provided in paragraph (d) below) the United States (or any other account outside New Zealand and (except as otherwise provided in paragraph (d) below) the United States to which euro may be credited or transferred) specified by the payee.

**(b) Payments in respect of Registered Notes**

Payments of principal in respect of Registered Notes (whether or not in global form) will (subject as provided in this Condition) be made against presentation and surrender of such Registered Notes at the specified office outside New Zealand of the Registrar by a cheque in the Specified Currency drawn on a bank in the principal financial centre of the country of the Specified Currency. Payments of interest in respect of Registered Notes will (subject as provided in this Condition) be made by a cheque in the Specified Currency drawn on a bank in the principal financial centre of the country of the Specified Currency and posted on the business day in the city in which the Registrar has its specified office immediately preceding the relevant due date to the holder (or to the first named of joint holders) of the Registered Note appearing on the register of holders of the Registered Notes maintained by the Registrar (the “Register”) (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the “Record Date”) at their address shown on the register on the Record Date. Upon application of the holder to the specified office of the Registrar not less than three business days in the city in which the Registrar has its specified office before the due date for any payment in respect of a Registered Note, the payment of principal and/or interest may be made (in the case of payment of principal against presentation and surrender of the relevant Registered Note as provided above) by transfer on the due date to an account in the Specified Currency maintained by the payee with a bank in the principal financial centre of the country of the Specified Currency subject to the provisions of the following two sentences. If the Specified Currency is New Zealand dollars, payment will be made (in the case of a transfer to a bank account) by transfer to an account in London or another place outside New Zealand and, if the Specified Currency is Yen, payment will be made (in the case of payment to a non-resident of Japan) by cheque drawn on, or by transfer to a non-resident account. If the Specified Currency is euro, payment will be made in euro to a euro account outside New Zealand (or any other account outside New Zealand to which euro may be credited or transferred, as the case may be), specified by the payee.

**(c) Payments in respect of global Bearer Notes**

- (1) Payments of principal and interest (if any) in respect of Notes represented by any global Bearer Note will (subject as provided below) be made in the manner specified in the relevant global Note against presentation and endorsement or surrender, as the case may be, of such global Note at the specified office of any Paying Agent outside New Zealand. A record of each payment made on such global Note, distinguishing between any payment of principal and interest, will be made on such global Note by the Paying Agent to which such global

Note is presented for the purpose of making such payment, and such record shall (save in the case of manifest error) be conclusive evidence that the payment in question has been made.

- (2) The holder of a global Bearer Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of Notes must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for their share of each payment so made by the Issuer to, or to the order of, the holder of the relevant global Note. No person other than the holder of a global Bearer Note shall have any claim against the Issuer in respect of any payments due on that global Note.

(d) **Payments of interest in U.S. dollars in respect of Bearer Notes**

Notwithstanding the foregoing, payments of interest in U.S. dollars in respect of Bearer Notes will only be made at the specified office of any Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and District of Columbia and its possessions)) (1) if (A) 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 at such specified offices outside the United States of the full amount of interest on the Bearer Notes in the manner provided above when due, (B) payment of the full amount of such interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (C) such payment is then permitted under United States law and (2) at the option of the relevant holder if such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(e) **Payments subject to applicable laws**

Payments in respect of the Notes will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or any official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement) (collectively referred to as "FATCA"), and any such amounts withheld or deducted will be treated as paid for all purposes under the Notes, and no additional amounts will be paid on or in respect of the Notes with respect to any such withholding or deduction.

(f) **Unmatured Coupons and Talons**

- (1) Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined in subparagraph (2)) and save as provided in Condition 6(e)) should be presented for redemption together with all unmaturing Coupons (which expression shall include Coupons falling to be issued on exchange of Talons which will have matured on or before the relevant redemption date) appertaining thereto, failing which, the amounts of any missing unmaturing Coupons (or, in the case of payment of principal not being made in full, that proportion of the aggregate amount of such missing unmaturing Coupons that the sum of principal so paid bears to the total principal amount due) will be deducted from the sum due for payment. Any amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupons at any time in the period expiring 10 years after the Relevant Date (as defined in Condition 7) for the payment of such principal, whether or not such Coupon would otherwise have become void pursuant to Condition 8 or, if later, five years from the due date for payment of such Coupon. Upon any Fixed Rate Note in definitive bearer form

becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons in respect of any such Talons will be made or issued, as the case may be.

- (2) Upon the due date for redemption of any Floating Rate Note or Long Maturity Note in definitive bearer form, any unmatured Coupons or Talons relating to such Note (whether or not attached) shall become void and no payment or exchange, as the case may be, shall be made in respect of them. Where any such Note is presented for redemption without all unmatured Coupons or Talons relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require. A Long Maturity Note is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Fixed Interest Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

(g) **Payments due on non-business days**

If any date for payment of principal, interest or any other payment in respect of any Bearer Note or Coupon is not a business day, then the holder thereof shall not be entitled to payment at the place of presentation of the amount due until either (A) if the Payment Business Day Convention is specified as Following Business Day Convention in the applicable Final Terms, the next following business day or (B) if the Payment Business Day Convention is specified as Modified Following Business Day Convention in the applicable Final Terms, the next day which is a business day unless it would thereby fall into the next calendar month, in which event the holder shall be entitled to such payment at the place of presentation on the immediately preceding business day (in each case, unless otherwise specified in the applicable Final Terms) and shall not be entitled to any interest or other sum in respect of any such postponed payment.

If any date for payment of principal, interest or any other amount in respect of any Registered Note is not a business day, then the holder thereof shall not be entitled to payment, in the case of principal, at the place of presentation or, in the case of interest or any other amount, by transfer to an account specified by the holder until either (A) if Following Business Day Convention is specified in the applicable Final Terms, the next following business day or (B) if Modified Following Business Day Convention is specified in the applicable Final Terms, the next day which is a business day unless it would thereby fall into the next calendar month, in which event the holder shall be entitled to payment at the place of presentation or to such account as applicable on the immediately preceding business day (in each case, unless otherwise specified in the applicable Final Terms) and shall not be entitled to any interest or other sum in respect of any such postponed payment.

In this Condition “business day” means, subject as provided in the applicable Final Terms:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (A) in the case of Notes in definitive form only, the relevant place of presentation;
  - (B) any Additional Financial Centre (other than T2) specified in the applicable Final Terms; and
  - (C) if T2 is specified as an Additional Financial Centre in the applicable Final Terms, a day on which T2 is open, and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and

are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (2) in relation to any sum payable in euro, a day on which T2 is open.

(h) **Payment of accrued interest**

If the due date for redemption of any interest bearing Bearer Note in definitive form is not a due date for the payment of interest relating thereto, interest accrued in respect of such Note from, and including, the last preceding due date for the payment of interest (or, if none, from the Interest Commencement Date) will be paid only against surrender (or, in the case of part payment, presentation and endorsement) of such Note.

(i) **Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Paying Agent in Luxembourg (or any other Paying Agent notified by the Issuer to the Noteholders in accordance with Condition 13 for the purposes of this paragraph) in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to, and including, the final date for the payment of interest due in respect of the Bearer Note in definitive form to which it appertains) a further Talon, subject to the provisions of Condition 8. Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the Coupon sheet in which that Talon was included on issue matures.

(j) **Initial Paying Agents**

The initial Principal Paying Agent and the other initial Paying Agents in respect of this Series of Notes are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer may at any time vary or terminate the appointment of any Paying Agent and appoint additional or other Paying Agents, provided that it will, so long as any of the Notes of this Series is outstanding, maintain:

- (i) a Principal Paying Agent,
- (ii) a Paying Agent (which may be the Principal Paying Agent) in a jurisdiction within Europe, and
- (iii) so long as any Notes of this Series are admitted to the official list of the United Kingdom Financial Conduct Authority (the “FCA”) and to trading on the London Stock Exchange plc’s market for listed securities or on another stock exchange, a Paying Agent (which may be the Principal Paying Agent) having a specified office in London or other place as may be required by that stock exchange.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in paragraph (d) of this Condition. Notice of any variation, termination or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 13.

- (k) All payments in respect of the Notes in RMB will be made solely by credit to a RMB account maintained by the payee at a bank in Hong Kong or such other financial centre(s) as may be specified in the applicable Final Terms as RMB Settlement Centre(s) in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of RMB in Hong Kong or any relevant RMB Settlement Centre(s)).

(1) **RMB Currency Event**

If “RMB Currency Event” is specified as being applicable in the applicable Final Terms and a RMB Currency Event, as determined by the Issuer acting in good faith, exists on a date for payment of any amount in respect of any Note or Coupon, the Issuer’s obligation to make a payment in RMB under the terms of the Notes, may be replaced by an obligation to pay such amount in the Relevant Currency converted using the Spot Rate for the relevant Rate Calculation Date.

Upon the occurrence of a RMB Currency Event, the Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 13 stating the occurrence of the RMB Currency Event, giving details thereof and the action proposed to be taken in relation thereto.

For the purpose of this Condition 6(1) and unless stated otherwise in the applicable Final Terms:

“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;

“Rate Calculation 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 Auckland, Wellington, Hong Kong, London and New York City;

“Rate Calculation Date” means the day which is two Rate Calculation Business Days before the due date of the relevant payment under the Notes;

“Relevant Currency” means U.S. dollars or such other currency as may be specified in the applicable Final Terms;

“RMB Currency Events” means any one of RMB Illiquidity, RMB Non-Transferability and RMB Inconvertibility;

“RMB Illiquidity” means the general RMB exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient RMB in order to make a payment under the Notes as determined by the Issuer in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active on the RMB exchange market in Hong Kong;

“RMB Inconvertibility” means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes into RMB on any payment date at the general RMB 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 the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer due to an event beyond the control of the Issuer, to comply with such law, rule or regulation);

“RMB Non-Transferability” means the occurrence of any event that makes it impossible for the Issuer to deliver RMB between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including where the RMB clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), 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 the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer due to an event beyond its control, to comply with such law, rule or regulation);

“Spot Rate” means, unless specified otherwise in the applicable Final Terms, the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-



the-counter RMB exchange market in Hong Kong for settlement in two Rate Calculation Business Days, as determined by the RMB Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the Rate Calculation 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 RMB Calculation Agent shall determine the rate taking into consideration all available information which the RMB Calculation Agent deems relevant, including pricing information obtained from the RMB non-deliverable exchange market in Hong Kong or elsewhere and the CNY/U.S. dollar exchange rate in the PRC domestic foreign exchange market.

## 7 Taxation

All payments of, or in respect of, principal and interest on the Notes of this Series by or on behalf of the Issuer will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (“Taxes”) imposed or levied by or on behalf of any Taxing Jurisdiction unless such Taxes are required by law to be withheld or deducted. In that event, the Issuer will pay such additional amounts of, or in respect of, principal and/or interest as will result (after deduction of the Taxes) in payment to the holders of the Notes of this Series and/or the Coupons relating thereto of the amounts which would otherwise have been payable in respect of the Notes of this Series or, as the case may be, Coupons relating thereto, except that no such additional amounts shall be payable with respect to any Note of this Series or Coupon relating thereto:

- (a) the holder of which is subject to such Taxes in respect of such Note or Coupon by reason of being connected with a Taxing Jurisdiction other than by reason only of the holding of the Note or Coupon or the receipt of payment thereon;
- (b) for or on account of (i) New Zealand resident withholding tax, or (ii) New Zealand non-resident withholding tax imposed at a resident withholding tax rate as a consequence of a holder deriving interest under such Note jointly with one or more other persons at least one of which is a resident of New Zealand for income tax purposes;
- (c) if such withholding or deduction may be avoided (and has not been so 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 of which proves that they are not entitled so to comply or to make such declaration or claim;
- (d) the holder of which is an associated person of the Issuer for New Zealand income tax purposes, or a person who otherwise holds the Notes as a “related-party debt” as that term is defined in the Income Tax Act 2007 of New Zealand; or
- (e) presented for payment more than 30 days after the Relevant Date, except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on the last day of such period of 30 days.

For the avoidance of doubt, in no event will the Issuer, Paying Agent or any other person be required to pay any additional amounts in respect of the Notes for, or on account of, any withholding or deduction required pursuant to FATCA.

Prior to any interest payment date or the maturity date of the Notes of this Series, any holder who is a resident of New Zealand for income tax purposes, a person who carries on business in New Zealand through a fixed establishment (as defined for New Zealand income tax purposes) in New Zealand and holds the Notes for the purpose of the business carried on by that fixed establishment, or a registered bank (as defined for New Zealand income tax purposes) engaged in business through a fixed establishment in New Zealand (a “New Zealand Holder”):

- (a) must notify the Issuer and a Paying Agent (1) that the New Zealand Holder is the holder of a Note and (2) whether it derives beneficially interest under a Note jointly with any other person; and
- (b) must notify the Issuer and a Paying Agent of any circumstances, and provide the Issuer and the Paying Agent with its New Zealand tax file number and any information (including notifying whether it has 'RWT-exempt status' (as that term is defined in the Income Tax Act 2007 of New Zealand)), that may enable the Issuer 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 the Issuer, prior to any interest payment date or the maturity date of the Notes of any change in the New Zealand Holder's circumstances from those previously notified that could affect the Issuer's payment obligations in respect of such Note.

Only a New Zealand Holder will be obliged to make the notifications referred to above.

By accepting payment of the full face amount of any Note on its maturity:

- (a) a New Zealand Holder agrees to indemnify the Issuer for all purposes in respect of any liability that the Issuer or may incur for not deducting any amount from such payment on account of New Zealand resident withholding tax; and
- (b) in the case of a Note in respect of which a person, who is not a New Zealand Holder, derives a beneficial interest jointly with one or more persons, and one or more of those persons is tax resident in New Zealand, such non-New Zealand Holder agrees to indemnify the Issuer for all purposes in respect of any liability that the Issuer may incur for not deducting any amount from such payment on account of New Zealand non-resident withholding tax applicable to such non-New Zealand Holder.

The "Relevant Date" in relation to any Note or Coupon of this Series means whichever is the later of:

- (i) the date on which payment in respect of such Note or Coupon first becomes due and payable; or
- (ii) if the full amount of the moneys payable in respect of such Note or Coupon has not been duly received by the Principal Paying Agent on or prior to such date, the date on which notice is duly given to the Noteholders of this Series in accordance with Condition 13 that such moneys have been so received.

The "Taxing Jurisdiction" in relation to any Note or Coupon of this Series means New Zealand or any political subdivision or any authority thereof or therein having power to tax.

References in these Conditions to principal and interest shall be deemed also to refer (as appropriate) (i) to any additional amounts which may be payable under this Condition 7, (ii) in relation to Zero Coupon Notes, to the Amortised Face Amount and (iii) to any premium which may be payable in respect of the Notes.

Where used in this Condition, "interest" means interest (as defined for New Zealand income tax purposes in relation to withholding taxes), 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.

## 8 Prescription

Claims for payment of principal under the Notes (whether in bearer or registered form) shall be prescribed upon the expiry of 10 years, and claims for payment of interest (if any) in respect of the Notes (whether in bearer or registered form) shall be prescribed upon the expiry of five years, in each case from the Relevant Date (as defined in Condition 7) therefor subject

to the provisions of Condition 6. There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.

## **9 Events of Default**

### **(a) Senior Notes**

This Condition 9(a) is only applicable in relation to Senior Notes.

If any one or more of the following events (each an “Event of Default”) shall occur and be continuing:

- (a) the Issuer fails to pay the principal of the Senior Notes of this Series when due or fails to pay any interest due thereon within 14 days of the due date; or
- (b) the Issuer defaults in performance or observance of or compliance with any of its other undertakings set out in the Senior Notes of this Series which default is incapable of remedy or which, if capable of remedy, is not remedied within 30 days after notice of such default shall have been given to the Issuer by a Noteholder; or
- (c) the Issuer becomes insolvent or it is unable to pay its debts as they mature or the Issuer applies for or consents to or suffers the appointment of a liquidator or receiver of the Issuer or the whole or any part of the undertaking, property, assets or revenues of the Issuer or takes any proceeding under any law for a readjustment or deferment of its obligations or any part thereof or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors; or
- (d) any law is passed the effect of which is to dissolve the Issuer, or the Issuer ceases to carry on a general banking business in New Zealand or ceases to be authorised to carry on a general banking business within New Zealand.

then any holder of a Note may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at the amount provided in, or calculated in accordance with, Condition 5(g), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

### **(b) Subordinated Notes**

This Condition 9(b) is only applicable in relation to Subordinated Notes.

- (1) If any one or more of the following events (each an “Event of Default”) shall occur and be continuing:

- (i) a failure by the Issuer to pay any amount of principal or interest in respect of the Subordinated Notes of this Series when due and such default continues for a period of 15 business days (as defined in Condition 6(g)), provided that no Event of Default shall arise under this paragraph (i) on account of any non-payment if the non-payment is the result of the Solvency Condition (as described in Condition 3(b)(4)) not being met; or
- (ii) the commencement of the Liquidation of the Issuer,

then any holder of a Note of this Series may:

- (I) in the case of an Event of Default as specified in paragraph (i) above, institute proceedings:

- (A) to recover the amount that the Issuer has failed to pay, provided that the Issuer may only be compelled to pay that amount to the extent that the Solvency Condition is met;
  - (B) for specific performance of any other obligation in respect of the relevant Subordinated Notes; or
  - (C) for the Liquidation of the Issuer; and
- (II) in the case of an Event of Default as specified in paragraph (ii) above, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Subordinated Note of this Series held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its nominal amount, together with accrued interest to the date of repayment, without presentment, demand, protest or other notice of any kind.

## **10 Meetings of Noteholders; Modifications of Conditions; Waiver**

The Agency Agreement contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of holders of the Notes of this Series to consider any matters affecting their interests, including modifications of the terms and conditions of the Notes of this Series and the Agency Agreement. Any such modification must be authorised by an Extraordinary Resolution which is defined in the Agency Agreement to mean a resolution passed by a majority consisting of not less than three-quarters of the votes cast at a meeting of the holders of the Notes of this Series duly convened and held. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority in nominal amount of the Notes of this Series for the time being outstanding or, at any adjourned meeting, one or more persons being or representing the holders of the Notes of this Series whatever the nominal amount of Notes of this Series so held or represented; provided that at any meeting the business of which includes the modification of certain terms, including any reduction or cancellation of, or modification of the method of calculating, the amount payable in respect of the Notes of this Series, any modification of, or of the method of calculating, the date of payment of principal or interest in respect of the Notes of this Series or any modification of the currency of payment of the Notes of this Series or the Coupons relating thereto, the quorum will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting, not less than one-third, in nominal amount of Notes of this Series for the time being outstanding. The Agency Agreement provides that (i) a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority consisting of not less than 75 per cent. of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of holders of not less than 75 per cent. in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Principal Paying Agent) by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the holders of the Notes. A resolution duly passed by the holders of the Notes of this Series will be binding on all the holders of the Notes of this Series (whether present at any meeting and whether or not they voted on the resolution) and on all the holders of Coupons relating thereto.

The Principal Paying Agent and the Issuer may agree without the consent of the holders of the Notes of this Series or the holders of Coupons relating thereto to any modifications to the terms and conditions of the Notes of this Series or the Coupons relating thereto or to the provisions of the Agency Agreement which in the opinion of the Issuer are of a formal, minor or technical nature, are made to correct a manifest error or (not being such a modification as

is mentioned in the proviso to the third sentence of the preceding paragraph) are not prejudicial to the interests of the holders of the Notes of this Series.

Any modification, amendment or supplement to the Agency Agreement or the terms and conditions of any Series of Subordinated Notes that will have the effect of amending such Notes is subject to the Issuer having given at least five working days' prior notice of such modification, amendment or supplement to the RBNZ and having provided with such notice any required information or documents under the RBNZ's prudential regulatory requirements which may include a signed opinion from the Issuer's New Zealand legal counsel confirming that, once the modification, amendment or supplement is in effect, the relevant Subordinated Notes will continue to qualify as Tier 2 Capital (as defined by the RBNZ from time to time).

*Holders of Subordinated Notes should note that the Issuer will not be able to comply with the RBNZ notification requirement described in Condition 10 and that, consequently, no modification, amendment or supplement described in Condition 10 may be effected, if the effect of any such modification, amendment or supplement would be that the relevant Subordinated Notes would no longer qualify as Tier 2 Capital (as defined by the RBNZ from time to time).*

## **11 Substitution**

This Condition 11 is only applicable in relation to Senior Notes.

- (1) The Issuer may, without the consent or sanction of the Noteholders, the Couponholders or the Talonholders, agree to the substitution in place of the Issuer as the principal debtor under the Notes of any corporation (hereinafter in this Condition referred to as the "Substituted Company") provided that:
  - (i) a deed poll and such other documents (if any) shall be executed by the Issuer and the Substituted Company as may be necessary to give full effect to the substitution (together, the "Documents") and (without limiting the generality of the foregoing) pursuant to which the Substituted Company shall undertake in favour of each Noteholder, Couponholder and Talonholder to be bound by these Conditions and the provisions of the Agency Agreement and the Deed of Covenant as if the Substituted Company had been named in the Notes, the Agency Agreement and the Deed of Covenant as the principal debtor in respect of the Notes in place of the Issuer (or any previous substitute);
  - (ii) any applicable solicited credit rating of the Substituted Company is the same or higher than any such rating of the Issuer immediately prior to the substitution;
  - (iii) each stock exchange or market on which the Notes are listed shall have confirmed in writing that following the proposed substitution of the Substituted Company the Notes will continue to be listed on such stock exchange or market;
  - (iv) without prejudice to the generality of paragraphs (b)(1)(i) and (ii) of this Condition, where the Substituted Company is incorporated, domiciled or resident in a territory other than the United Kingdom or New Zealand an undertaking or covenant shall be given by the Substituted Company in terms corresponding to the provisions of Condition 7 with the addition to or substitution of the references to the United Kingdom or New Zealand or any political sub-division thereof or authority thereof or therein having power to tax by references to that other territory or any political sub-division thereof or any authority thereof or therein having power to tax in which the Substituted Company is incorporated, domiciled or resident and Condition 5(b) shall be

modified so that references to such latter territory are added to or substituted for the United Kingdom or New Zealand;

- (v) the Documents shall contain a warranty and representation by the Substituted Company that (A) the Substituted Company has obtained all necessary governmental and regulatory approvals and consents necessary for or in connection with the assumption by the Substituted Company of liability as principal debtor in respect of, and of its obligations under, the Documents and the Notes; (B) such approvals and consents are at the time of substitution in full force and effect; and (C) the obligations assumed by the Substituted Company under the Documents are legal, valid and binding in accordance with their respective terms;
  - (vi) the Issuer shall have delivered or procured the delivery to the Principal Paying Agent and the Registrar a copy of a legal opinion addressed to the Issuer and the Substituted Company from a leading firm of lawyers in the country of incorporation of the Substituted Company to the effect that the Documents constitute legal, valid and binding obligations of the Substituted Company, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Company for the Issuer and to be available for inspection by Noteholders, Couponholders and Talonholders at the specified offices of the Principal Paying Agent and the relevant Registrar;
  - (vii) the Issuer shall have delivered or procured the delivery to the Principal Paying Agent and the Registrar a copy of a legal opinion addressed to the Issuer and the Substituted Company from a leading firm of New Zealand lawyers to the effect that the Documents constitute legal, valid and binding obligations of the Issuer, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Company for the Issuer and to be available for inspection by Noteholders, Couponholders and Talonholders at the specified offices of the Principal Paying Agent and the relevant Registrar;
  - (viii) the Issuer shall have delivered or procured the delivery to the Principal Paying Agent and the Registrar a copy of a legal opinion addressed to the Issuer and the Substituted Company from a leading firm of English lawyers to the effect that the Documents constitute legal, valid and binding obligations of the parties thereto under English law, such opinion to be dated not more than seven days prior to the date of substitution of the Substituted Company for the Issuer and to be available for inspection by Noteholders, Couponholders and Talonholders at the specified offices of the Principal Paying Agent and the relevant Registrar; and
  - (ix) if the Substituted Company is incorporated in a jurisdiction other than England and Wales, it shall have appointed a process agent in England to receive service of process on its behalf in relation to any legal action or proceedings arising out of or in connection with the Notes or the Documents.
- (2) Following the execution of the Documents and compliance with the requirements referred to in paragraph (a)(1) of this Condition, upon the date on which the substitution of the Substituted Company in place of the Issuer as the principal debtor under the Notes becomes effective (the **Issuer Substitution Effective Date**) as set out in the Documents, and, the Substituted Company shall be deemed thenceforth to be named in the Notes as principal debtor in place of the Issuer (or of any previous substitute under these provisions), and the Notes shall thereupon be deemed to be amended in such manner as shall be necessary to give effect thereto. The execution of

the Documents and compliance with such requirements shall operate to release the Issuer (or such previous substitute as aforesaid) from all of its obligations in respect of the Notes from the Issuer Substitution Effective Date.

- (3) The Documents shall be deposited with and held by the Principal Paying Agent and the Registrar for so long as any Note remains outstanding and for so long as any claim made against the Substituted Company by any Noteholder, Couponholder or Talonholder in relation to the Notes or the Documents shall not have been finally adjudicated, settled or discharged. The Substituted Company shall acknowledge in the Documents the right of every Noteholder, Couponholder and Talonholder to the production of the Documents for the enforcement of any of the Notes or the Documents.
- (4) Not later than 14 days after the Issuer Substitution Effective Date and compliance with the requirements referred to in paragraph (a)(1) of this Condition, the Substituted Company shall give notice thereof to the Noteholders in accordance with Condition 13.

## **12 Replacement of Notes and Coupons**

If any Note (including a global Note) or Coupon is mutilated, defaced, stolen, destroyed or lost, it may be replaced at the specified office of the Principal Paying Agent on payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacement Notes or Coupons will be issued.

## **13 Notices**

- (a) All notices regarding Registered Notes of this Series (if any) will be valid if mailed to the holders (or the first named of joint holders) at their respective addresses in the register of holders and will be deemed to have been given on the fourth weekday after the date of mailing.
- (b) All notices regarding the Bearer Notes of this Series (if any) will be valid if published in one leading London daily newspaper (which is expected to be the Financial Times) or, if this is not practicable, one other English language daily newspaper with general circulation in Europe and in the United Kingdom and shall, if published more than once, be deemed to be given on the date of the first such publication. Holders of Coupons appertaining to Bearer Notes in definitive form of this Series will be deemed for all purposes to have notice of the contents of any notice given to the holders of the Bearer Notes of this Series in accordance with this paragraph (b).
- (c) Until such time as any definitive Notes are issued, there may, so long as all the global Notes for this Series are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted, in relation only to this Series, for such publication as aforesaid the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg, as appropriate, for communication by it or them to the holders of the Notes of this Series. Any such notice shall be deemed to have been given to the holders of the Notes of this Series on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg, as the case may be.
- (d) Notwithstanding paragraph (b) of this Condition 13, in any case where the identity and addresses of all the holders of Bearer Notes in definitive form is known to the Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.
- (e) Notices to be given to the Issuer by any holder of Notes under Condition 5(d) shall be in writing and given by lodging the same, together with the relative definitive Note or Notes, with the Principal Paying Agent (in the case of definitive Bearer Notes) or the Registrar (in

the case of definitive Registered Notes). Whilst any Notes are represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, such notices may be given by a holder of any Notes so represented to the Principal Paying Agent or the Registrar via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent or the Registrar, as the case may be, and Euroclear and/or Clearstream, Luxembourg may approve for this purpose.

#### **14 Further Issues**

The Issuer shall be at liberty from time to time without the consent of the holders of the Notes of this Series or the Coupons (if any) relating thereto to create and issue further Notes (the “Fungible Notes”) ranking *pari passu* in all respects (or in all respects save for the Issue Date or Interest Commencement Date, as the case may be, the Issue Price and the amount of the first payment of interest (if any) on such further Notes) and so that the same shall be consolidated and form a single series with the outstanding Notes of a particular Series (including the Notes of this Series); provided, however that, in the case of a Series of Subordinated Notes, the Fungible Notes meet the requirements of the RBNZ to be eligible to be treated as Tier 2 Capital (as defined by the RBNZ from time to time).

#### **15 Disapplication of Contracts (Rights of Third Parties) Act 1999**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of any Note but this does not affect any right or remedy of any person which exists or is available apart from that Act.

#### **16 Governing Law**

The Notes of this Series, Coupons and Talons (if any) relating thereto, the Agency Agreement, the Deed of Covenant and any non-contractual obligations arising out of or in connection with the Notes of this Series, Coupons and Talons (if any) relating thereto, the Agency Agreement and the Deed of Covenant are governed by, and will be construed in accordance with, English law (except, in the case of Subordinated Notes, for Condition 3(b) which will be governed by and will be construed in accordance with the laws of New Zealand).

The courts of each of England and New Zealand are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes of this Series and Coupons and Talons relating thereto, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Notes of this Series and Coupons and Talons relating thereto and accordingly any legal action or proceedings arising out of or in connection with the Notes of this Series and Coupons and Talons relating thereto and any non-contractual obligations arising out of or in connection with the Notes of this Series and Coupons and Talons relating thereto may be brought in such courts.

The Issuer agrees that the service of process in any action which may be instituted in England based on any of such Notes, Coupons or Talons (including any action relating to any non-contractual obligations arising out of or in connection with any of such Notes, Coupons or Talons) may be served on it by being delivered to Commonwealth Bank of Australia Bank, London Branch (currently at 1 New Ludgate, 60 Ludgate Hill, London EC4M 7AW, United Kingdom).

#### **17 CMU Notes**

Where the Notes are CMU Notes, these Conditions shall be modified as specified in this Condition 17 and to the extent any provision of these Conditions is otherwise inconsistent with the terms of this Condition 17 it shall be deemed to have been modified accordingly.



References in these Conditions to the Principal Paying Agent, the Registrar, a Paying Agent and a Transfer Agent shall, unless the context otherwise requires, be construed as a reference to the CMU lodging and paying agent appointed in relation to the CMU Notes as specified in the applicable Final Terms (the “CMU Lodging and Paying Agent”).

References in these Conditions to Euroclear and Clearstream, Luxembourg shall, unless the context otherwise requires, be construed as a reference to the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the “CMU Service”).

In this Condition “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, initially cleared through the CMU Service.

#### *Payments*

If a Note is held through the CMU Service, any payment that is made in respect of such Note shall be made at the direction of the bearer or the registered holder to the person(s) for whose account(s) interests in such Note are credited as being held through the CMU Service in accordance with the rules of the CMU Service (the “CMU Rules”) at the relevant time as notified to the CMU Lodging and Paying Agent by the CMU Service in a relevant CMU Instrument Position Report (as defined in the CMU Rules) 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 as to the identity of any accountholder and the principal amount of any Note credited to its account, save in the case of manifest error) (the “CMU Accountholders”).

The CMU Accountholders at the direction of the bearer or the registered holder of a Note held through the CMU Service shall be the only persons entitled to receive payments in respect of such Note and the Issuer will be discharged by payment to, or to the order of, such CMU Accountholder, 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 nominal amount of CMU Notes must look solely to the CMU Service for its share of each payment so made by the Issuer to the order of the bearer or the registered holder of such Note.

### **Use of Proceeds**

The net proceeds from each issue of Notes issued by the Issuer will be applied for its general corporate purposes, which include making a profit. If, in respect of an issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## **ASB Bank Limited**

### **Overview**

ASB Bank is a full service, nationally operating registered bank and financial services provider in New Zealand.

It is the parent company and the main operating company of the ASB Group.

ASB Bank is a wholly owned subsidiary of ASB Holdings Limited which in turn is wholly owned by CBA.

ASB Bank was re-registered pursuant to the Companies Act 1993 on 30 June 1995 with the company number 398445. ASB Bank is governed by, and operates within the ambit of and as required by, its constitution, the Companies Act 1993 (New Zealand), the Reserve Bank of New Zealand Act 1989 (the “RBNZ Act”), the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Reporting Act 2013 (New Zealand) (which constitute the corporate governance regime of New Zealand applicable to ASB Bank).

ASB Bank’s registered office is at Level 2, ASB North Wharf, 12 Jellicoe Street, Auckland 1010, New Zealand, telephone number +64 9377 8930.

ASB Bank’s Board of Directors and management operate autonomously from the Board of Directors and management of CBA.

The RBNZ has set minimum regulatory capital requirements for banks that are consistent with Basel III developed by the BCBS. These requirements define what is acceptable as capital and provide for methods of measuring the risks incurred by the ASB Group. ASB Bank must comply with RBNZ minimum capital adequacy ratios under its conditions of registration as a registered bank under the RBNZ Act.

As at 31 December 2022, ASB Bank’s consolidated CET1 capital ratio was 14.1 per cent., its Tier One capital ratio was 14.1 per cent. and its Total Capital ratio was 15.5 per cent. against RBNZ requirements of 4.5 per cent., 6 per cent. and 8 per cent. respectively.

As at the date of this Programme Circular, ASB Bank has been rated AA- by S&P, A1 by Moody’s and A+ by Fitch.

### **History**

The Auckland Savings Bank was founded in June 1847.

Following deregulation of the banking industry in late 1986, it became a full-service bank offering personal, corporate and business banking services and treasury operations, and changed its name to ASB Bank in August 1987. As a result of the now repealed Trustee Banks Restructuring Act 1988, ASB Bank was incorporated on 16 August 1988 in New Zealand.

CBA acquired a 75 per cent. shareholding in February 1989, with the ASB Bank Community Trust retaining a 25 per cent. shareholding.

In 1992 ASB Bank commenced its national expansion programme by moving outside its traditional Auckland and Northland areas of operation.

On 30 March 1999, the direct shareholding of ASB Bank changed from Commonwealth Investments New Zealand Limited (75 per cent.) and ASB Bank Community Trust (25 per cent.) to being a wholly owned subsidiary of ASB Group Limited; ASB Group Limited then being owned by CBA (75 per cent.) and the ASB Bank Community Trust (25 per cent.).

On 3 October 2000, CBA purchased the remaining 25 per cent. of ASB Group Limited from the ASB Bank Community Trust.

Effective 1 July 2001, CBA restructured its New Zealand operations and moved the ultimate New Zealand ownership of ASB Bank to ASB Holdings Limited. Commonwealth Bank of Australia owns 100 per cent. of ASB Holdings Limited, which in turn owns 100 per cent. of ASB Bank.

### **Business Overview**

ASB Bank is a full service, nationally operating bank and financial services company. It provides a seamless, total service that covers a comprehensive range of financial solutions that can be tailored to the needs of more than 1.8 million corporate, business, rural and personal customers.

### **Significant segments of ASB Bank's business operations at the date of this Programme Circular include the following:**

#### *Personal Banking*

This segment provides banking, investment and insurance services to personal customers.

#### *Business Banking*

This segment provides services to commercial, rural and small business customers.

#### *Corporate Banking*

This segment provides services to corporate customers, transactional banking services and retail broking services. It also comprises ASB Bank's financial markets activities, including financial instruments trading and sales of financial instruments to customers bank wide.

### **Overview of Commonwealth Bank of Australia**

CBA is ASB Bank's ultimate parent through its ownership of ASB Holdings Limited. CBA is incorporated in Australia and is an authorised deposit-taking institution under the Banking Act 1959 (Cth) (the "Australian Banking Act"). CBA is one of Australia's leading financial services providers, offering services including retail, business and institutional banking, funds management, and insurance and broking services. CBA is one of the largest companies listed on the Australian Securities Exchange.

CBA does not guarantee the obligations of the ASB Group.

### **Limits on CBA's ability to provide financial support to the Bank**

CBA is subject to prudential regulation by the Australian Prudential Regulation Authority ("APRA") and other regulatory bodies. Under APRA's Prudential Standards, CBA's ability to provide material financial support to ASB Bank is subject to certain requirements and, unless APRA provides otherwise, CBA must comply with, among other prudential requirements, APS 222. APS 222 contains the following prudential requirements, including revisions released by APRA in August 2019 which applied from 1 January 2022:

- CBA's exposure to ASB Bank (being a "related ADI" as defined in APS 222) must not exceed 25 per cent. of CBA's Level 1 Tier One Capital, and its aggregate exposures to all related ADIs (including ASB Bank and other overseas based equivalents) must not exceed 75 per cent. of that capital base (currently, these limits are 50 per cent. and 150 per cent., respectively, of CBA's Level 1 Total capital);
- CBA must not hold unlimited exposures to ASB Bank (i.e. no general guarantee covering any of its obligations);
- CBA must not enter into cross-default clauses whereby a default by ASB Bank on an obligation (whether financial or otherwise) triggers or is deemed to trigger a default by CBA on its obligations; and
- when determining limits on acceptable levels of exposure to ASB Bank, the Board of Directors of CBA must have regard to:

- the level of exposures that would be approved to third parties of broadly equivalent credit status; and
- the impact on CBA's stand-alone capital and liquidity positions, and its ability to continue operating, in the event of a failure by ASB Bank or any other related entity to which it is exposed.

Sufficient capacity exists under the limits to accommodate CBA's exposures to its related entities, including ASB Bank.

From 1 January 2022, APRA implemented the revised Prudential Standard APS 111: Capital Adequacy: Measurement of Capital, which included a change in the existing capital treatment of investments in Australian ADIs' regulated subsidiaries to be risk-weighted at 250 per cent. up to 10 per cent. of the ADI's Level 1 CET1 capital, with any excess deducted from the ADI's Level 1 CET1 capital. The proposal may impact CBA's Level 1 CET1 ratio if CBA is required to inject additional capital into ASB Bank, and this impact will depend on the future capital requirements of ASB Bank.

In addition, APRA limits the level of financial exposures that can be provided to New Zealand's four largest banks, including ASB Bank, by their Australian parent banks. CBA meets the requirement that no more than 5 per cent. of CBA's Level 1 Tier One capital base can comprise non-equity exposures to ASB Bank. This limit does not include holdings of capital instruments or eligible contingent funding support provided to ASB Bank during times of financial stress.

APRA has also stated that it will allow, on terms agreeable to APRA, CBA to provide contingent funding support to ASB Bank during times of financial stress. At present, only covered bonds meet APRA's criteria for contingent funding arrangements.

## **Recent Developments**

On 20 July 2022, ASB Bank invested an additional NZ\$1.8 million in Trade Window Holdings Limited. Trade Window Holdings Limited remains an associate of the ASB Group.

On 4 December 2022, Mortgage Holding Trust Company Limited was amalgamated into ASB Bank. Mortgage Holding Trust Company Limited was previously a wholly-owned subsidiary of ASB Bank. There was no material impact on the consolidated financial statements of the ASB Group.

On 15 June 2023, ASB Finance Limited was amalgamated into ASB Bank. ASB Finance Limited was previously a wholly-owned subsidiary of ASB Bank. There was no material impact on the consolidated financial statements of the ASB Group.

## *High Court Proceedings*

Save as disclosed below, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the twelve months immediately preceding the date of this Programme Circular which may have, or have had in the recent past, a significant effect on the financial position or profitability of the ASB Group.

Proceedings were served on ASB Bank on 29 September 2021 by plaintiffs seeking to bring a representative action on behalf of a class of plaintiffs (the "Plaintiffs") against ASB Bank in the High Court of New Zealand, Auckland Registry (the "High Court proceedings"). These proceedings relate to ASB Bank's variation disclosure obligations under the CCCFA.

On 29 July 2022, the High Court granted leave for the Plaintiffs to bring the action against ASB Bank as an opt out representative action on behalf of a class (the "High Court determination"), being customers who had a home or personal loan with ASB Bank between 6 June 2015 and 18 June 2019, and who requested a variation to such loan during such time period. ASB Bank is appealing the High Court determination. That class and the breaches alleged are not confined to those referred to in ASB Bank's settlement with the Commerce Commission dated 23 February 2021.

The Plaintiffs' statement of claim in the High Court proceedings seeks three declarations: (1) that ASB Bank breached section 22 of the CCCFA by failing to provide the Plaintiffs with variation disclosure; (2) that ASB Bank breached section 48 of the CCCFA by failing to fully refund or credit to the Plaintiffs their costs of borrowing in relation to the period of ASB Bank's alleged breach; and (3) that a breach of section 22 of the CCCFA triggers sections 99(1A) and/or 99(1) and 48 of the CCCFA, and that where a defendant has not complied in full with section 48, a plaintiff is entitled to orders under section 94(1)(a) requiring the defendant to refund or credit all costs of borrowing received by it during the period of the alleged breach (except to the extent that such costs of borrowing have already been refunded or credited) without any adjustment or discretion being applied. The Plaintiffs are seeking a range of relief including that ASB Bank is not entitled to retain costs of borrowing (interest and fees) for the period during which the Plaintiffs allege that ASB Bank did not provide and has not subsequently provided requisite variation disclosure under the CCCFA. To the extent that the High Court is not prepared to grant that, the Plaintiffs are seeking an order directing ASB Bank to pay statutory damages under sections 88(1)(b) and 89(1)(d) of the CCCFA. They are also claiming interest and costs. ASB Bank is defending the High Court proceedings.

It is currently not possible to determine the ultimate impact of this claim, if any, on the ASB Group. The ASB Group has provided for current legal costs expected to be incurred in defence of this claim. See *"Risk Factors – Factors that may affect ASB Bank's ability to fulfil its obligations under Notes issued under the Programme – ASB Bank is subject to extensive regulation, which could have an adverse impact on ASB Bank's results of operations, financial condition and reputation"*.

**Reconciliation of Statutory Profit to Cash Profit and certain performance measures calculated on a Cash Profit basis**

The following table includes the reconciliation of the ASB Group's Statutory Profit to Cash Profit and certain performance measures calculated on a Cash Profit basis for the years ended 30 June 2022 and 2021. This information should not be considered in isolation from, or as a substitute for, financial information presented in the audited consolidated financial statements of ASB Group for the year ended 30 June 2022 (including the notes thereto and the independent auditor's report thereon) (together, the "ASB Financial Statements") and should be read in conjunction with the ASB Financial Statements.

For the year ended 30 June	2022	2021 <sup>1</sup>
<b>Reconciliation of statutory profit to cash profit</b>	<b>(NZ\$ millions)</b>	
<b>Net profit after tax (“Statutory Profit”)</b>	1,471	1,321
Reconciling items		
Hedging and International Financial Reporting Standards (“IFRS”) volatility <sup>2</sup>	(49)	(13)
Notional inter-group charges <sup>3</sup>	(13)	(7)
Reporting structure differences <sup>4</sup>	(12)	(15)
Tax on reconciling items and prior period adjustments <sup>5</sup>	21	10
<b>Cash net profit after tax (“Cash Profit”)</b>	1,418	1,296

For the year ended 30 June	2022	2021 <sup>6</sup>
<b>Performance<sup>7</sup></b>		
Return on average total equity <sup>8</sup>	14.8%	15.2%
Return on average total assets <sup>9</sup>	1.2%	1.2%
Net interest margin <sup>10</sup>	2.22%	2.22%
Total operating expenses as a percentage of total operating income <sup>11</sup>	37.1%	39.0%

<sup>1</sup> Certain comparatives have been restated to ensure consistency with the presentation in the current period year.

<sup>2</sup> Hedging and IFRS volatility includes unrealised fair value gains or losses on economic hedges that do not qualify for hedge accounting and also includes unrealised fair value gains or losses on the ineffective portion of economic hedges that do qualify for hedge accounting under IFRS. Fair value gains or losses on all of these economic hedges are excluded from Cash Profit since the asymmetric recognition of the gains or losses does not affect ASB’s performance over the life of the hedge.

<sup>3</sup> Notional inter-group charges represents the recognition of a notional cost of capital from CBA and other allocated costs which are not included in Statutory Profit.

<sup>4</sup> The results of certain business units are excluded from Cash Profit for management reporting purposes, but included in Statutory Profit.

<sup>5</sup> Tax on reconciling items and prior period adjustments is the tax relating to the reconciling items set out under “Reconciling items” above, which are reflected on a pre-tax basis.

<sup>6</sup> Certain comparatives have been restated to ensure consistency with the presentation in the current period year.

<sup>7</sup> These performance metrics are calculated on a Cash Profit basis. The Cash Profit basis is used by management to present a clear view of the ASB Group’s underlying operating results, excluding items that introduce volatility and/or one-off distortions of the ASB Group’s current period performance. These items, such as hedging and IFRS volatility, are calculated consistently with the prior year disclosures and do not discriminate between positive and negative adjustments. A list of items excluded from statutory profit is provided in the reconciliation of the Cash Profit above.

<sup>8</sup> Return on average total equity is calculated as Cash Profit divided by the average total equity (being, in relation to each financial year ended 30 June (each a “Financial Year”), the average of total shareholders’ equity as at the last day of the Financial Year and the last day of the previous Financial Year).

<sup>9</sup> Return on average total assets is calculated as Cash Profit divided by the average total assets (being, in relation to each Financial Year, the average of total assets as at the last day of the Financial Year and last day of the previous Financial Year, in each case excluding assets allocated to other CBA business units for management reporting purposes).

<sup>10</sup> Net interest margin is calculated as net interest earnings on a Cash Profit basis divided by the average total interest earning and discount bearing assets (being, in relation to each Financial Year, the average daily balance of total interest earning and discount bearing assets during that Financial Year, excluding assets allocated to other CBA business units for management reporting purposes).

<sup>11</sup> Total operating expenses as a percentage of total operating income is calculated as total operating expenses, divided by total operating income (both on a Cash Profit basis).



## **Board Audit Committee**

The Board Audit Committee (the “BAC”) is a committee of the Board. Its primary purpose is to provide objective review and oversight across the ASB Group of the accounting, financial and climate reporting processes, the audit process and the ASB Group’s system of internal controls.

All non-executive directors of ASB are members of the BAC. The current chairman of the BAC is Ross Buckley.

The BAC ensures the integrity of the ASB Group’s financial controls, reporting systems and internal audit standards and it assists the Board in discharging its responsibilities on a range of matters including:

- the external reporting of financial information for the ASB Group;
- the internal control framework for the ASB Group;
- oversight of the internal auditor (“Chief Internal Auditor”), the internal audit function (“Audit & Assurance”) and the external auditors (“External Auditors”);
- accounting policy and practice; and
- without limiting the above, compliance with laws and regulatory standards relating to accounting, financial and climate reporting.

The Board has approved the ASB External Auditor Services Policy, which supports the independence of the External Auditor by regulating the services provided by the External Auditor to the ASB Group and its fund affiliates. The objective of the policy is to avoid prejudice to the independence of the External Auditor and to prevent undue reliance by the External Auditor on revenue from ASB Group. The policy ensures that the External Auditor does not provide services which are likely to:

- create a mutual or conflicting business, financial or other interest between the External Auditor and the ASB Group or its fund affiliates;
- result in the External Auditor auditing its own work;
- result in the External Auditor performing management functions or acting as an employee of or contractor to the ASB Group; or
- place the External Auditor in a position of acting as an advocate for the ASB Group or its fund affiliates.

Under the policy, the External Auditor will not provide the following services:

- the design or implementation of internal controls over financial report and accounting records;
- services involving payment of a contingency fee, commission or success fee;
- bookkeeping or services relating to accounting records;
- financial information systems design and implementation;
- appraisal or valuation and fairness opinions;

- actuarial services;
- internal auditing outsourcing services;
- executive recruitment or extensive human resource functions;
- acting as a broker-dealer, promoter or underwriter;
- legal services;
- assurance or other services relating to remediation activities connected to regulatory investigations or potential contraventions of legislation;
- advice on deal structuring and related documentation; and
- tax planning and strategic advice.

The Chief Internal Auditor has a direct reporting line to the Chair of the BAC. Consequently, the Chief Internal Auditor function reports directly to the BAC through the Chair. This seeks to ensure the objectivity and independence of the internal audit function.

The Board may make other delegations to the BAC from time to time.

### **Board Risk and Compliance Committee**

The Board Risk and Compliance Committee (the “BRCC”) is a committee of the Board. Its primary purpose is to provide objective review and oversight across the ASB Group of all categories of risk, risk appetite and the ASB Group’s risk framework.

All non-executive directors of ASB Bank are members of the BRCC. The current chairman of the BRCC is Dr Rod Carr.

The BRCC assists the Board in discharging its responsibilities on a range of matters, including:

- the oversight and governance of risks impacting the ASB Group;
- the design, implementation and operation of the ASB Group’s Risk Management Framework;
- monitoring the risk appetite and assessing the risk profile of the ASB Group;
- monitoring the effectiveness of the compliance management framework impacting the material risk types; and
- risk culture and behaviours.

The BRCC has established the Credit Approvals Committee (“CAC”) as a sub-committee of the BRCC. The CAC has been delegated the power to approve, note or monitor credit risk decisions in accordance with the CAC Charter as approved by the BRCC.

The Board may make other delegations to the BRCC from time to time.

## **Directors of ASB Bank Limited**

The directors of ASB Bank, the business address of each of whom should be regarded for the purposes of this Programme Circular as being the same as that of ASB Bank and their principal outside activities, where significant, are set out below. The directors of ASB Bank may change from time to time. As at the date of this Document, the Directors are listed below:

### **DIRECTORS**

#### **Dame Therese Walsh (Chair)**

Position	Independent Non-Executive Director
Appointed	13 October 2015
Occupation	Company director
Country of residence	New Zealand
Other company directorships	Air New Zealand Limited, Therese Walsh Consulting Limited, On Being Bold Limited
Qualifications	B.C.A, F.C.A, CMIInstD

#### **V.A.J. (Vittoria) Shortt**

Position	Managing Director
Appointed	5 March 2018
Occupation	Chief Executive Officer ASB Bank Limited
Country of residence	New Zealand
Other company directorships	ASB Holdings Limited
Qualifications	BMS, F.C.A

#### **R.M. (Rod) Carr**

Position	Independent Non-Executive Director
Appointed	12 September 2018
Occupation	Company director
Country of residence	New Zealand
Other company directorships	Waingawa Forest Corporation Limited, JRC (NZ) Limited
Qualifications	BCom (Hons), LLB (Hons), MBA, MA, PhD

#### **S.R.S. (Simon) Blair**

Position	Non-Executive Director
Appointed	1 October 2012
Occupation	Company director
Country of residence	New Zealand
Other company directorships	BUPA Chile S.A.
Qualifications	B.A. (Hons), GradDip.B.A, M.S.c.

#### **D.A.K (David) Cohen**

Position	Non-Executive Director
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Appointed	11 February 2019
Occupation	Deputy Chief Executive Officer Commonwealth Bank of Australia
Country of residence	Australia
Other company directorships	PT Bank Commonwealth, Superannuation and Investments HoldCo Pty Limited
Qualifications	B.A., LLB, FAPI

**R.J.P. (Ross) Buckley**

Position	Independent Non-Executive Director
Appointed	1 October 2020
Occupation	Company director
Country of residence	New Zealand
Other company directorships	Stride Property Limited, Stride Investment Management Limited, Stride Holdings Limited, Investore Property Limited, Services Foods Limited
Qualifications	BBS, F.C.A, FCPA, CMInstD

**C.A. (Colin) MacDonald**

Position	Independent Non-Executive Director
Appointed	2 March 2022
Occupation	Company director
Country of residence	New Zealand
Other company directorships	The Network for Learning Limited
Qualifications	BSc Computer Science, CPEng, MinstD

**V.H. (Victoria) Crone**

Position	Independent Non-Executive Director
Appointed	12 April 2022
Occupation	Company director
Country of residence	New Zealand
Other company directorships	Contact Energy Ltd, True North Seville Limited
Qualifications	MCA

**Conflicts of Interest**

ASB Bank has in place a Conflicts Management Policy and procedures whereby any actual, potential, or perceived conflicts between the directors' duties to the company and their other interests are declared and managed. As at the date of this Programme Circular, there are no actual or potential conflicts of interest between the directors' duties to ASB Bank and their other interests and/or duties.

## **SUPERVISION AND REGULATION OF ASB BANK LIMITED**

### **The supervisory role of the RBNZ**

The Banking Prudential Supervision Act 1989 (formerly the Reserve Bank of New Zealand Act 1989) (“BPS Act”) requires the RBNZ to exercise its powers of registration of banks and prudential supervision of registered banks for the purposes of:

- promoting the maintenance of a sound and efficient financial system; or
- avoiding significant damage to the financial system that could result from the failure of a registered bank.

The RBNZ’s policy around the registration of banks aims to ensure that only financial institutions of appropriate standing and repute are able to become registered banks. Subject to this requirement, the RBNZ has stated that it intends to keep to a minimum any impediments to the entry of new registered banks, in order to encourage competition in the banking system.

The RBNZ’s supervisory functions are aimed at encouraging the soundness and efficiency of the financial system as a whole, and are not aimed at preventing individual bank failures or at protecting creditors. The RBNZ seeks to achieve this by drawing on and enhancing disciplines that are naturally present in the market.

As a consequence, the RBNZ places considerable emphasis on its quarterly “dashboard” and on banks’ own six-monthly disclosure statements, which make information on financial performance and risk positions publicly available, and that directors attest to certain key matters in every disclosure statement. 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 of the banks.

The main elements of the RBNZ’s supervisory role include:

- requiring all banks to comply with certain minimum prudential requirements, which are applied through Conditions of Registration. These include constraints on connected exposure, minimum capital adequacy requirements and minimum standards for liquidity risk management;
- monitoring each registered bank’s financial condition and compliance with its Conditions of Registration, principally on the basis of published disclosure statements and regulatory reporting to RBNZ. This monitoring is intended to ensure that the RBNZ maintains familiarity with the financial condition of each bank and the banking system as a whole, and maintains a state of preparedness to invoke crisis management powers should this be necessary;
- consulting with the senior management of registered banks;
- using crisis management powers available to it under the BPS Act to intervene where a bank distress or failure situation threatens the soundness of the financial system;
- assessing whether a bank is carrying on business prudently;
- issuing guidelines on banks’ compliance with anti-money laundering and countering financing of terrorism requirements;
- monitoring banks’ outsourcing arrangements to determine whether a bank’s management of risks associated with outsourcing are appropriately managed;
- issuing guidelines on banks’ internal capital adequacy process and liquidity policy;
- issuing guidelines on corporate governance; and

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

The disclosure statements that are required to be issued semi-annually by registered banks contain comprehensive corporate 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 (other than the capital adequacy and regulatory liquidity disclosures which are subject to review by the external auditor) 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.

In connection with quarterly financial information, the RBNZ publishes a 'dashboard' of information on New Zealand locally incorporated banks on its website.

The RBNZ implemented the Basel III capital adequacy requirements, modified to reflect New Zealand conditions. See "ASB Bank Limited - Overview" for further detail.

The RBNZ requires all registered banks to obtain and maintain a credit rating from an approved organisation and publish that rating in its 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 consult 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, amongst other things:

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

As part of the RBNZ's supervisory powers, a person must obtain the written consent of the RBNZ before giving effect to a transaction resulting in that person acquiring or increasing a "significant influence" over a registered bank. "Significant influence" means the ability to directly or indirectly appoint 25 per cent. or more of the board of directors of a registered bank (or other persons exercising the powers of management) or a qualifying interest (for example, 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.

### **The supervisory role of the FMA**

The Financial Markets (Conduct of Financial Institutions) Amendment Act 2022 ("CoFI Act")

provides the framework for a new conduct licensing regime for banks, insurers, and non-bank deposit takers (together, for the purposes of this section “financial institutions”) (see “Supervision and Regulation of ASB Bank Limited - *Regulatory environment in New Zealand — Review into Bank Conduct and Culture*” below for further detail). This regime will be monitored and enforced by the FMA, thereby extending the FMA's current mandate and supervisory powers. The regime is expected to come fully into force in early 2025.

The conduct licensing regime introduces a requirement for financial institutions that provide financial products and services to consumers and retail customers to apply for and hold a licence issued by the FMA in respect of their general conduct towards consumers. It is expected that licensing applications will open on 25 July 2023.

The FMA have communicated that they intend to use their new mandate to regulate the conduct of banks and insurers to ensure equitable and fair outcomes are achieved in the provision of, and access to, financial services for consumers and retail customers.

The main elements of the FMA's supervisory role under the conduct licensing regime will include:

- assessing applications for, and issuing, licences to financial institutions under the conduct licensing regime;
- monitoring compliance by financial institutions with the requirement to establish, implement, and maintain a fair conduct programme that complies with certain minimum requirements set out in the CoFI Act;
- taking enforcement action in relation to non-compliance with the conduct licensing regime, including having the power to suspend or cancel a licence (subject to the prior consent of the RBNZ); and
- engaging with industry and developing regulatory guidance to provide clarity about the FMA's expectations for various aspects of the regime.

### **Regulatory environment in New Zealand**

In New Zealand, there are significant regulatory changes under review or development for the financial services industry as at the date of this Programme Circular. These changes are being led by the RBNZ, the FMA and the New Zealand Government. Some of the most material examples impacting ASB Bank are set out below.

RBNZ and FMA led:

#### *Review into Bank Conduct and Culture*

- In response to issues raised during the Royal Commission, the RBNZ and FMA completed a review of the conduct and culture of New Zealand banks and published a report of their findings in November 2018. The FMA published a thematic review on bank incentive structures in 2018. Each individual bank received a specific report detailing the RBNZ's and the FMA's (as applicable) observations and recommendations for both of these areas. ASB Bank provided its response and plan to address the RBNZ and FMA observations and recommendations in March 2019.
- The New Zealand Government has passed the CoFI Act to establish a new regime to regulate the conduct of banks, insurers and non-bank deposit takers, details of which are outlined in the ‘*Regulatory changes*’ section below.

RBNZ led:

#### *Capital Review*

- The RBNZ has completed a comprehensive review of the capital adequacy framework applying to New Zealand incorporated banks.
- The RBNZ has introduced a revised capital adequacy framework with a seven-year transition period. The new requirements came into effect on 1 October 2021 and the full transition to the new regime is scheduled to be completed by 1 July 2028.
- On 26 April 2023, the RBNZ opened consultation on a proposed easing of Loan-to-Value Restriction (“LVR”) settings on residential mortgage lending, previously updated in November 2021. The RBNZ revised ASB Bank’s Conditions of Registration effective from 1 June 2023. The changes are as follows:

From:

- 10% limit for loans with LVR above 80% for owner occupiers, and
- 5% limit for loans with LVR above 60% for investors.

To:

- 15% limit for loans with LVR above 80% for owner occupiers, and
- 5% limit for loans with LVR above 65% for investors.

- The RBNZ is conducting a review of the RBNZ Liquidity Policy following an industry thematic review of compliance with the existing policy. The RBNZ’s second round of consultation on the policy closed on 12 May 2023. The RBNZ has indicated that the entire review will span to 2025 or 2026, with at least two more consultation papers to be issued. See *“Risk Factors – Liquidity and funding risks could adversely impact ASB Bank’s results of operations and financial condition”* for further detail.
- The RBNZ announced in April 2022 that it intended to proceed with designing a framework for operationalising debt-to-income restrictions but not an interest rate floor (although it did not rule out imposing an interest rate floor subject to market conditions). Following consultation in late 2022, the framework was published on 3 April 2023, but the RBNZ has indicated that the earliest that restrictions could be introduced is March 2024, if required.

New Zealand Government led:

#### *Review of the RBNZ Act*

- The New Zealand Government announced that, as part of its review of the RBNZ Act, the RBNZ Act would be replaced with two separate Acts – an “Institutional Act” and a “Deposit Takers Act”, the latter of which would establish a depositor protection regime in New Zealand.
- The Reserve Bank of New Zealand Bill (to be referred to as the Institutional Act) received Royal assent on 16 August 2021 and contains the governance and accountability arrangements for the RBNZ. The Institutional Act came into effect on 1 July 2022.
- The Deposit Takers Act proposes to implement, among other things, a depositor compensation scheme that will provide coverage for up to NZ\$100,000 per depositor at each deposit taking institution. Following its third parliamentary reading on 29 June 2023, the bill introduces a new crisis management regime for deposit takers (which is expected to include ASB Bank) with powers for the RBNZ to make directions and put the deposit taker into resolution in certain circumstances, including where the RBNZ is satisfied on reasonable grounds that the deposit taker is insolvent or is likely to become insolvent. While a deposit taker is in resolution, management of that deposit taker vests in the RBNZ and, among other things, no person may commence or continue a proceeding against that deposit taker. Priority has been given to depositor compensation ahead of the rest of the Deposit Takers Act, and is expected to be in place in 2024.



- The New Zealand Government has agreed in-principle to the development of an integrated prudential and market conduct ‘executive accountability regime’ to cover both deposit takers and insurers. Such a move would bring New Zealand broadly in line with similar regimes in other jurisdictions such as Australia and the UK.

### *Regulatory changes*

- As noted above (see "*Supervisory Role of the Financial Markets Authority*"), the CoFI Act is currently being implemented.
- The Credit Contracts Legislation Amendment Act 2019 (“CCLAA”) made a number of significant changes to the CCCFA, including strengthening requirements to lend responsibly, especially in relation to requirements regarding how affordability and suitability tests should be conducted, limiting the accumulation of interest and fees on high-cost loans, and providing new remedies and penalties for non-compliance. The CCLAA and associated CCCFA regulations came fully into force on 1 December 2021. To address perceived unintended consequences of these changes, further amendments to the CCCFA regulations were made in July 2022 and the Government consulted on further amendments in September and October 2022. The further amendments took effect on 4 May 2023. From 2024, the CCCFA will require every creditor under a consumer credit contract to provide an annual return to the Commerce Commission in relation to the consumer credit contracts they provide.
- The Credit Contracts Legislation Amendment Act 2019 made a number of significant changes to the CCCFA, in part to further enhance responsible lending requirements.
- The Financial Markets Conduct Act 2013 was amended in 2021 to make climate-related disclosures for certain financial institutions and listed issuers mandatory. This requires an annual climate statement covering governance arrangements, risk management, strategies and metrics and targets for mitigating and adapting to climate change impacts, with the new regime applying to financial years beginning in 2023, being FY24 for ASB Group’s financial statements.
- Following the RBNZ’s consultation on DTI restrictions which closed in February 2022, the RBNZ announced in April 2022 that it intended to proceed with designing a framework for operationalising DTI restrictions but not an interest rate floor (although it did not rule out imposing an interest rate floor subject to market conditions). Following further consultation that opened on 9 November 2022 and closed on 14 December 2022, the framework was published on 3 April 2023, but the earliest that that restrictions could be introduced is March 2024, if required.
- In October 2021, the New Zealand Government released a consultation document on a statutory review of the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 (“AML/CFT Act”). The consultation was substantive and is divided between institutional arrangements and stewardship; the scope of the AML/CFT Act; supervision, regulation, and enforcement; preventive measures; and other issues or topics that fall outside the above topics. A report from the consultation was published on 7 November 2022, which signalled future significant reform of the AML/CFT Act and associated regulations. On 1 March 2023 the Ministry of Justice began consultation on changes to the Anti-Money Laundering and Countering Financing of Terrorism Regulations Amendment Regulations. The consultation closed on 14 April 2023.
- On 20 June 2023, the New Zealand Government announced that it would have the Commerce Commission undertake a market study into competition in New Zealand’s personal banking sector. The study is intended to focus on the barriers to new competitors entering or expanding in the personal banking market, barriers to new or innovative products and services, and barriers that limit a consumer’s ability to switch banks. The study will allow the Commerce Commission to investigate any factors that may be affecting competition in the supply and use of personal

banking services in New Zealand. The scope of the study will include current, deposit, and overdraft account services, personal loans and mortgage and credit card lending. It is expected that the Commerce Commission will release a preliminary issues paper in August 2023, with a final report to be published by 20 August 2024.

## **Subscription and Sale**

The Dealers have in an Amended and Restated Programme Agreement dated 30 June 2023 (as modified and/or supplemented and/or restated from time to time, the “Programme Agreement”) agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement for any particular purchase will extend to those matters stated under “*Form of the Notes*” and “*Conditions of the Notes*” above. In the Programme Agreement, each Issuer has agreed to reimburse the Dealers for certain of their expenses. The Dealers are entitled in certain circumstances to be released and discharged from their obligations under the Programme Agreement prior to the closing of the issue of the Notes, including in the event that certain conditions precedent are not delivered or met to their satisfaction on the Issue Date. In this situation, the issuance of the Notes may not be completed. Investors will have no rights against the Issuer or the Dealers in respect of any expense incurred or loss suffered in these circumstances.

The selling restrictions agreed between the Issuer and the Dealers are set out in a Schedule of Selling Restrictions dated 30 June 2023 and are summarised below. The restrictions may be amended from time to time by agreement between the Issuer and the Dealers. The selling restrictions are as follows:

### **United States of America**

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or the securities laws of any state or 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 in certain transactions exempt from or not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Bearer Notes are subject to U.S. federal tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and Treasury regulations promulgated thereunder.

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 offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

### **Prohibition of sales to EEA Retail Investors**

Unless the Final Terms in respect of any Notes specifies “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 this Programme Circular as completed by the Final Terms in relation thereto to any retail investor in the EEA. 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”);
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded), 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 EU Prospectus Regulation; and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA, 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 made and will not make an offer of Notes which are the subject of the offering contemplated by this Programme Circular as completed by the Final Terms in relation thereto to the public in that Member State, except that it may make an offer of such Notes to the public in that Member State:

- (A) at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;
  - (B) at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
  - (C) at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,
- provided that no such offer of Notes referred to in sub-paragraphs (A) to (C) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision the expression an “offer of Notes to the public” in relation to any Notes in any 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.

## **United Kingdom**

### ***Prohibition of sales to UK Retail Investors***

Unless the Final Terms in respect of any Notes specifies “Prohibition of Sales to UK 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 this Programme Circular as completed by the Final Terms in relation thereto to any retail investor in the UK. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA;

- (ii) (a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, in relation to the UK, 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 made and will not make an offer of Notes which are the subject of the offering contemplated by this Programme Circular as completed by the Final Terms in relation thereto to the public in the UK, except that it may make an offer of such Notes to the public in the UK:

- (A) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (C) at any time in any other circumstances falling within section 86 of the FSMA.

For the purposes of this provision the expression an “offer of Notes to the public” in relation to any Notes 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.

#### ***Other regulatory restrictions***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Notes having a maturity of less than one year, (a) 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 (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) 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.

## **The Grand Duchy of Luxembourg**

In addition to the cases described in the Public Offer Selling Restriction under the EU Prospectus Regulation selling restrictions in which the Dealers can make an offer of Notes to the public in a Member State of the EEA (including the Grand Duchy of Luxembourg), the Dealers can also make an offer of Notes to the public in the Grand Duchy of Luxembourg:

- (a) at any time, to national and regional governments, central banks, international and supranational institutions (such as the International Monetary Fund, the European Central Bank, the European Investment Bank) and other similar international organisations;
- (b) at any time, to legal entities which are authorised or regulated to operate in the financial markets (including, credit institutions, investment firms, other authorised or regulated financial institutions, undertakings for collective investment and their management companies, pension and investment funds and their management companies, insurance undertakings and commodity dealers) as well as entities not so authorised or regulated whose corporate purpose is solely to invest in securities; and
- (c) at any time, to certain natural persons or small and medium-sized enterprises (as defined in the Luxembourg act dated 16 July 2019 relating to prospectuses for securities and the EU Prospectus Regulation) recorded in the register of natural persons or small and medium-sized enterprises considered as qualified investors as held by the Commission de surveillance du secteur financier as competent authority in Luxembourg in accordance with the EU Prospectus Regulation.

## **Belgium**

Each Dealer represents and agrees and each further Dealer appointed under the Programme will be required to represent and agree that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a "Belgian Consumer") and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

## **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 each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## **Australia**

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the "Corporations Act")) in relation to the Programme or any Notes has been or will be lodged with the Australian Securities and Investments Commission (the "ASIC"). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that in connection with the distribution of each Tranche of Notes it:

- (a) will not make (directly or indirectly) any offer or invitation in Australia or any offer or invitation which is received in Australia in relation to the issue, sale or purchase of any Notes; and

- (b) has not distributed or published, and will not distribute or publish, any information memorandum, advertisement, disclosure document or other offering material relating to the Notes in Australia,

unless (i) the aggregate consideration payable by each offeree or invitee is at least A\$500,000 for the Notes or its foreign currency equivalent (in either case disregarding moneys, if any, lent by the Issuer or other person offering the Notes or its associates (within the meaning of those expressions in Part 6D.2 of the Corporations Act)), or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act, (ii) the offer or invitation is not made to a person who is a retail client (as defined in section 761G or 761GA of the Corporations Act), (iii) such action complies with all applicable laws, regulations and directives and (iv) such action does not require any document to be lodged or registered with ASIC.

### **New Zealand**

No action has been taken to permit the Notes to be offered or sold to any retail investor, or otherwise under any regulated offer, in terms of the Financial Markets Conduct Act 2013 of New Zealand (the “FMCA”). In particular, no product disclosure statement or limited disclosure document under the FMCA has been or will be prepared or lodged in New Zealand in relation to the Notes.

Accordingly, 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 in New Zealand and it will not distribute any offering memorandum or advertisement in relation to any offer of Notes, in New Zealand other than to “wholesale investors” as that term is defined in clauses 3(2)(a), (c) and (d) of Schedule 1 to the FMCA, being a person who is:

- (i) an “investment business”;
- (ii) “large”; or
- (iii) a “government agency”,

in each case as defined in Schedule 1 to the FMCA. For the avoidance of doubt, Notes may not be offered or transferred to, among others, any “eligible investors” (as defined in clause 41 of Schedule 1 to the FMCA) or to any person who, under clause 3(2)(b) of Schedule 1 to the FMCA, meets the investment activity criteria specified in clause 38 of that Schedule.

In addition, no person may distribute any offering material or advertisement (as defined in the FMCA) in relation to any offer of Notes in New Zealand other than to such persons as referred to in the paragraph above.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Notes to persons whom it believes to be:

- (a) persons who are resident in New Zealand for New Zealand income tax purposes;
- (b) persons who carry on business in New Zealand through a fixed establishment (as defined for New Zealand income tax purposes) in New Zealand and hold the Notes for the purposes of a business carried on through that fixed establishment; or
- (c) a registered bank engaged in business through a fixed establishment in New Zealand,

unless such persons certify that they have ‘RWT-exempt status’ (as that term is defined in the Income Tax Act 2007 of New Zealand) and provide a New Zealand tax file number to such Dealer (in which event the Dealer shall provide details thereof to the Issuer or to a Paying Agent).

### **Switzerland**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that this Programme Circular is not intended to constitute an offer

or solicitation to purchase or invest in the Notes and the Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act, as amended (the "FinSA") and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Programme Circular nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Programme Circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

### **Canada**

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has offered and sold and will offer and sell the Notes only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations.

### **Republic of Italy**

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no Notes may be offered, sold or delivered, nor may copies of this Programme Circular (including the applicable Final Terms) or of any other document relating to the Notes be distributed in the Republic of Italy ("Italy"), except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the EU Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the "Financial Services Act") and the regulations of the Commissione Nazionale per le Società e la Borsa of Italy (the "CONSOB"); or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the EU Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11973 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of this Programme Circular (including the applicable Final Terms) or any other document relating to the Notes in Italy under subparagraphs (i) or (ii) above must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "Banking Act"); and
- (b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

### **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 Hong Kong, by means of any document, any Notes other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (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 "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; 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.

### **Macau**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no Notes have been or will be registered or otherwise authorised for public offer under the Financial System Act of Macau (Decree-Law no. 32/93M of July 5, 1993) (the “Financial System Act”) or promoted, distributed, sold or delivered in Macau, and no document relating to any Notes will be distributed or circulated in Macau, except by Macau licensed entities following notification to the Macau Monetary Authority and under the terms of, and in compliance with, the Financial System Act and any other laws, guidelines and recommendations in Macau that may apply from time to time to the offer and sale of any Notes in Macau.

### **Republic of Korea**

The Notes have not been and will not be registered with the Financial Services Commission of Korea for public offering in the Republic of Korea (“Korea”) under the Financial Investment Services and Capital Markets Act (the “FSCMA”).

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, directly or indirectly, any Notes in Korea or to any resident of Korea except as otherwise permitted under the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the “FETL”).

For a period of one year from the issue date of the Notes, any acquirer of the Notes who was solicited to buy the Notes in Korea is prohibited from transferring any of the Notes to another person in any way other than as a whole to one transferee. Furthermore, the purchaser of the Notes shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Notes.

### **Singapore**

Each Dealer has acknowledged that and each further Dealer appointed under the Programme will be required to acknowledge that this Programme Circular has not been and will not be registered as a prospectus with the MAS. Accordingly, 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 any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Programme Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

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

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) of the SFA or Section 276(4)(c)(ii) 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) pursuant to Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Notification under Section 309B(1)(c) of the SFA – Unless otherwise stated in the applicable Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and in the MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

### **The PRC**

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Notes in the PRC, except as permitted by the applicable laws or regulations of the PRC.

### **Taiwan**

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that the Notes (i) have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of the Republic of China ("Taiwan") and/or other regulatory authority of Taiwan pursuant to the relevant securities laws and regulations and (ii) may not be offered, issued or sold within Taiwan through a public offering or in circumstances that constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or any other relevant laws and regulations that require a registration or filing with, or approval of, the Financial Supervisory Commission of Taiwan and/or other regulatory authority of Taiwan. Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that no person or entity in Taiwan has been authorised or will be authorised to offer or sell the Notes in Taiwan.

### **General**

No action (other than the approval of this Programme Circular as an approved prospectus for the purposes of the UK Prospectus Regulation, by the FCA) has been taken by the Issuer or any of the Dealers that would, or is intended to, permit an offer of any Notes in any country or jurisdiction where any such action for that purpose is required.

Accordingly, 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, directly or indirectly, offer or sell any Notes or distribute or publish any offering circular, prospectus, form of application, advertisement

or other document or information in any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

Without prejudice to the generality of the preceding paragraph each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that, except as provided in the Programme Agreement, it will obtain any consent, approval or permission which is required for the offer, purchase or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such offers, purchases or sales and it will comply with all such laws and regulations.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

## **General Information**

### **1 Admission of the Notes to the Official List**

The admission of Notes to the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading by the London Stock Exchange will be admitted separately as and when issued, subject only to the issue of a global Note or Notes representing the Notes of such Tranche. Application has been made to the FCA for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's main market. The listing of the Programme in respect of such Notes is expected to be granted on or around 5 July 2023.

### **2 Authorisation**

The establishment of the Programme was authorised by the Managing Director of CBA. The increase of the size of the Programme to its present limit of U.S.\$70,000,000,000 was authorised by the Chief Financial Officer of CBA. ASB Bank's accession to the Programme as an Issuer was authorised by the board of directors of ASB Bank in 2019.

The update of the Programme has been duly authorised by the General Manager Treasury of ASB Bank (acting under delegated authority).

### **3 Consents**

No authorisations, consents or approvals are required by the Issuer from government agencies or other official bodies in New Zealand in connection with the creation of the Programme, the issue of any Notes thereunder or the execution and delivery (where applicable) of the Programme Agreement, the Agency Agreement and the Deed of Covenant or the performance by the Issuer of its obligations thereunder.

### **4 Litigation**

Save as disclosed in "ASB Bank Limited – Recent Developments – High Court Proceedings" in respect of ASB, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the twelve months immediately preceding the date of this Programme Circular which may have or have had in the recent past a significant effect on the financial position or profitability of the ASB Group.

### **5 Significant or Material Change**

Save as disclosed in the risk factor entitled "*ASB Bank may incur losses associated with its counterparty exposures and counterparty lending*" in the section entitled "*Risk Factors – Factors that may affect ASB's ability to fulfil its obligations under Notes issued under the Programme*", and the section entitled "*ASB Bank Limited – Recent Developments*", there has been no significant change in the financial performance or financial position of the ASB Group, taken as a whole, since 31 December 2022, the last day of the financial period in respect of which the most recent independently reviewed financial statements have been published, nor has there been any material adverse change in the prospects of the ASB Group, taken as a whole, since 30 June 2022, the last day of the financial period in respect of which the most recent audited financial statements have been published.

### **6 Audited Financial Statements**

ASB Bank's consolidated financial statements for the years ended 30 June 2021 and 30 June 2022 were audited as described in the audit report thereon, without qualification, by PricewaterhouseCoopers New Zealand, Chartered Accountants, of 15 Customs Street West, Auckland, New Zealand. The auditors of ASB Bank have no material interest in ASB Bank.

## **7 Euroclear and Clearstream, Luxembourg**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN and, if applicable, the FISN and/or CFI Code for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be contained in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg, is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg.

## **8 Documents Available for Inspection**

Copies of the following documents will, when published, be available for inspection on the Issuer's website at <https://www.asb.co.nz/legal/emtn-programme.html> for so long as the Programme remains in existence:

- (i) the Constitution of the Issuer;
- (ii) the Agency Agreement, the Deed of Covenant and the Schedule of Forms (as modified and/or supplemented and/or restated from time to time) dated 30 June 2023 (which contains the forms of the Notes, Coupons and Talons); and
- (iii) this Programme Circular, any supplementary listing particulars published and each Final Terms relating to Notes admitted to the Official List.

## **9 New Zealand Taxation**

The following is a general description of certain New Zealand tax considerations as at the date hereof relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in that country or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes, and the consequences of such actions under the tax laws of those countries.

### *New Zealand Resident Withholding Tax*

A deduction on account of New Zealand resident withholding tax will be made from the payment of interest (as defined for New Zealand income tax purposes in relation to withholding taxes) made by the Issuer under the Notes where:

- (a) the recipient is:
  - (i) a resident of New Zealand for income tax purposes;
  - (ii) a person who carries on business in New Zealand through a fixed establishment (as defined for New Zealand income tax purposes) in New Zealand and holds the Notes for the purpose of the business carried on through that fixed establishment; or
  - (iii) a registered bank (as defined for New Zealand income tax purposes) engaged in business through a fixed establishment in New Zealand,(a "New Zealand Holder"); and
- (b) at the time of such payment the New Zealand Holder does not have 'RWT-exempt status' (as that term is defined in the Income Tax Act 2007 of New Zealand).

Prior to any interest payment date or the maturity date of any of the Notes, any New Zealand Holder:

- (i) must notify the Issuer and a Paying Agent (i) that the New Zealand Holder is the holder of a Note and (ii) whether it derives beneficially interest under a Note jointly with any other person; and
- (ii) must notify the Issuer and a Paying Agent of any circumstances, and provide the Issuer and the Paying Agent with its New Zealand tax file number and any information (including notifying whether it has 'RWT-exempt status'), that may enable the Issuer 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 the Issuer, prior to any interest payment date or the maturity date of the Notes of any change in the New Zealand Holder's circumstances from those previously notified that could affect the Issuer's payment obligations in respect of such Note.

Only a New Zealand Holder will be obliged to make the notifications referred to above.

#### *New Zealand Non-Resident Withholding Tax*

In respect of any Note held by a person who is not a New Zealand Holder, New Zealand law requires the Issuer under the Notes to deduct New Zealand non-resident withholding tax from the payment of interest in respect of such a Note. However, the Issuer may, and intends (for so long as the relevant party does not incur any increased cost or detriment from doing so) to reduce the applicable rate of non-resident withholding tax to zero per cent. by registering the Notes or the Programme under which the Notes are issued with the New Zealand Inland Revenue whereby the Notes will be a "registered security" (as defined for New Zealand tax purposes), and paying, on the relevant party's own account, an approved issuer levy (which is currently equal to two per cent. of the relevant interest payment).

Where interest is paid in respect of a Note and the recipient:

- (a) is not a New Zealand Holder; and
- (b) derives such interest jointly with one or more persons, and one or more of those persons is a New Zealand resident for New Zealand income tax purposes,

the approved issuer levy regime will not apply to reduce the rate of non-resident withholding tax to nil in respect of interest paid to the non-New Zealand Holder. Subject to any applicable double tax treaty, the New Zealand non-resident withholding tax imposed will equate to the applicable rate of New Zealand resident withholding tax.

#### *Indemnity and Other Taxation Matters*

By accepting payment of the full face amount of any Note on its maturity:

- (a) a New Zealand Holder agrees to indemnify the Issuer for all purposes in respect of any liability that the Issuer may incur for not deducting any amount from such payment on account of New Zealand resident withholding tax; and
- (b) in the case of a Note under which a person, who is not a New Zealand Holder, derives a beneficial interest jointly with one or more persons, and one or more of those persons is tax resident in New Zealand, such non-New Zealand Holder agrees to indemnify the Issuer for all purposes in respect of any liability that the Issuer may incur for not deducting any amount from such payment on account of New Zealand non-resident withholding tax applicable to such non-New Zealand Holder.

A Noteholder will not become resident, or deemed to be resident, or domiciled, in New Zealand for New Zealand income tax purposes by reason only of the holding of a Note or the execution, performance, delivery and/or enforcement of the Notes.

New Zealand has no wealth, estate or inheritance taxes, or gift duty. There is no New Zealand goods and services tax (which is a type of value added tax) payable in respect of payments in consideration for the issue of Notes or the transfer of a Note.

No stamp, registration, documentary or other similar tax is payable in New Zealand in respect of the issue of Notes or in relation to any enforcement proceedings in respect of the Notes brought in the Courts of New Zealand.

The Issuer makes no statement about the treatment for taxation purposes of payments or receipts in respect of Notes. Persons contemplating acquiring Notes should consult their tax advisers as to the consequences (including the withholding tax consequences) relating to the acquisition, retention and disposition of Notes.

## **10 The Proposed Financial Transactions Tax**

On 14 February 2013, the European Commission published a proposal (the "Commission's Proposal") for a Directive for a common financial transactions tax (the "FTT") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "participating Member States"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No. 1287/2006 are expected to 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 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.

However, 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 Notes are advised to seek their own professional advice in relation to the FTT.

## **11 Foreign Account Tax Compliance Withholding**

Pursuant to certain provisions of the U.S. Internal Revenue Code, commonly known as FATCA, a "foreign financial institution" (as defined by FATCA), investment funds and other non-U.S. persons may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting or related requirements. ASB Bank is classified as a foreign financial institution. A number of jurisdictions (including the UK and New Zealand) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions.

Under the provisions of IGAs as currently in effect, a foreign financial institution, investment funds and other non-U.S. persons in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining passthru payments are published in the

U.S. Federal Register and Notes issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). However, if additional Notes that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

## **12 Common Reporting Standard**

The Organisation for Economic Co-operation and Development Standard for Automatic Exchange of Financial Account Information (the “CRS”) requires certain financial institutions to report information regarding certain accounts 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 competent authority agreement may provide this information to other jurisdictions that have signed a competent authority agreement.

Prospective investors should consult their tax advisers on how the CRS may apply to such investor.

## **13 Post-issuance information**

Save as set out in the Final Terms, the Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

## **14 Dealers transacting with ASB Bank**

Certain of the Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of them have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for ASB Bank and its affiliates in the ordinary course of business and/or for companies involved directly or indirectly in the sector in which the Issuer and/or its affiliates operate, and for which such Dealers have received or may receive customary fees, commissions, reimbursement of expenses and indemnification. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their 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 activities may involve securities and/or instruments of ASB Bank and its affiliates. The Dealers and/or their affiliates may receive allocations of the Notes (subject to customary closing conditions), which could affect future trading of the Notes. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the 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 positions could adversely affect future trading prices of Notes issued under the Programme. 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.

<b>Registered and Head Offices of the Issuer</b>	<b>ASB Bank Limited</b> Level 2 ASB North Wharf 12 Jellicoe Street Auckland 1010 New Zealand		
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<b>Registrar</b>	<b>Deutsche Bank Luxembourg S.A.</b> 2 Boulevard Konrad Adenauer L-1115 Luxembourg Grand Duchy of Luxembourg		
<b>Paying and Transfer Agents</b>	<b>Deutsche Bank AG, London Branch</b> Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom	<b>Deutsche Bank Luxembourg S.A.</b>  2 Boulevard Konrad Adenauer L-1115 Luxembourg Grand Duchy of Luxembourg	
<b>Auditors to the Issuer</b>	<b>PricewaterhouseCoopers New Zealand</b>  15 Customs Street West Auckland New Zealand		
<b>Dealers</b>	<b>Barclays Bank PLC</b> 1 Churchill Place London E14 5HP United Kingdom	<b>BNP Paribas</b> 16, boulevard des Italiens 75009 Paris France	
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