Australia and New Zealand Banking Group Limited
Australian Business Number 11 005 357 522
(*incorporated with limited liability in Australia*)
as Issuer

US$30,000,000,000 ANZ Global Covered Bond Programme

unconditionally and irrevocably guaranteed as to payments of interest and principal by

Perpetual Corporate Trust Limited
Australian Business Number 99 000 341 533
(*incorporated in Australia with limited liability in Australia*)
as trustee of the ANZ Residential Covered Bond Trust

Under the US$30,000,000,000 ANZ Global Covered Bond Programme (the "**Programme**") established by Australia and New Zealand Banking Group Limited ("**ANZBGL**" or the "**Issuer**") on the Programme Date, the Issuer may from time to time issue bonds ("**Covered Bonds**") denominated in any currency agreed between the Issuer and the Relevant Dealer(s) (as defined below). The price and amount of the Covered Bonds to be issued under the Programme will be determined by the Issuer and the Relevant Dealer(s) at the time of issue in accordance with prevailing market conditions. Any Covered Bonds issued under the Programme on or after the date of this Prospectus are issued subject to the provisions of the Programme Documents as described herein or, in respect of Covered Bonds to be offered to U.S. persons in reliance on Rule 144A or Section 4(a)(2) under the Securities Act, as described in a separate offering circular. ANZBGL may issue Covered Bonds under the Programme acting through its various branches for certain legal, administrative and regulatory reasons, including (without limitation) to facilitate timely access to funding markets. Investors should be aware that a branch is not a subsidiary and does not comprise a separate legal entity. The obligations under the Covered Bonds issued by ANZBGL acting through its branch are of ANZBGL only and investors' claims under such Covered Bonds are against ANZBGL only.

Perpetual Corporate Trust Limited in its capacity as trustee of the ANZ Residential Covered Bond Trust (the "**Covered Bond Guarantor**") has guaranteed payments of interest and principal under the Covered Bonds pursuant to a guarantee which is secured over the Receivables (as defined below) and the Covered Bond Guarantor's other assets. Recourse against the Covered Bond Guarantor under its guarantee is limited to the Receivables and such assets.

The maximum aggregate nominal amount of all Covered Bonds from time to time outstanding under the Programme will not exceed US$30,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein. The limit includes all Covered Bonds issued under the Programme, whether or not listed, whether or not offered in reliance on Rule 144A or whether they are Australian Registered Covered Bonds.

The Covered Bonds may be issued on a continuing basis to the Dealers specified under "*Programme Overview*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each, a "**Dealer**" and together, the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Prospectus to the Relevant Dealers shall, in the case of an issue of Covered Bonds being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Covered Bonds.

Prospective investors should review the factors described under the section headed "*Risk Factors*" on pages 44 to 115 of this Prospectus. This Prospectus does not describe all of the risks of an investment in the Covered Bonds.

Prospective investors should ensure that they understand the nature of the relevant Covered Bonds and the extent of their exposure to risks and that they consider the suitability of the relevant Covered Bonds as an investment in the light of their own circumstances and financial condition. CERTAIN ASPECTS OF COVERED BONDS INVOLVE A HIGH DEGREE OF RISK AND POTENTIAL INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT. It is the responsibility of prospective investors to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other evaluation of the merits and risks of investing in the Covered Bonds and are not relying on the advice of the Issuer, the Covered Bond Guarantor, the Security Trustee (as defined herein), the Bond Trustee (as defined herein), the Trust Manager (as defined herein) or the Relevant Dealer in that regard.

This Prospectus supersedes and replaces in its entirety all previous prospectuses relating to the Programme. This Prospectus has been approved by the United Kingdom Financial Conduct Authority (the "**FCA**"), as competent authority under Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") and the regulations made under the EUWA (the "**UK Prospectus Regulation**"). The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer, the Covered Bond Guarantor and the quality of the securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in any such Covered Bonds.

Application has been made to the FCA in its capacity as competent authority under the Financial Services and Markets Act 2000 as amended (the "**FSMA**") for Covered Bonds (including Australian Registered Covered Bonds) issued under 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 Covered Bonds (including Australian Registered Covered Bonds) to be admitted to trading on the main market of the London Stock Exchange (the "**main market of the London Stock Exchange**") during the period of 12 months from the date of this Prospectus. The main market of the London Stock Exchange is a UK regulated market for the purposes of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of domestic law by virtue of the EUWA ("**UK MiFIR**"). Admission to the Official List together with admission to the main market of the London Stock Exchange constitutes official listing on the London Stock Exchange. References in this Prospectus to Covered Bonds being "listed" (and all related references) shall, unless the context otherwise requires, mean that such Covered Bonds (including Australian Registered Covered Bonds) have been admitted to trading on the main market of the London Stock Exchange and have been admitted to the Official List.

The requirement to publish a prospectus under the UK Prospectus Regulation only applies to Covered Bonds which are to be admitted to trading on a regulated market in the United Kingdom (the "**UK**") other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the UK Prospectus Regulation. References in this Prospectus to "Exempt Covered Bonds" are to Covered Bonds (other than N Covered Bonds) for which no prospectus is required to be published under the UK Prospectus Regulation. In addition, no prospectus is required to be published under the UK Prospectus Regulation in respect of N Covered Bonds. The FCA has neither approved or reviewed information contained in this Prospectus in connection with Exempt Covered Bonds or N Covered Bonds.

Notice of the aggregate nominal amount of Covered Bonds, interest (if any) payable in respect of Covered Bonds, the issue price of Covered Bonds and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under Terms and Conditions of the Covered Bonds) of Covered Bonds (other than in the case of Exempt Covered Bonds or N Covered Bonds) will be set out in a separate document containing the final terms for that Tranche (each, a "**Final Terms**") which, with respect to Covered Bonds to be listed on the London Stock Exchange, will be delivered to the FCA and the London Stock Exchange on or before the date of issue of such Tranche of Covered Bonds. In the case of Exempt Covered Bonds, notice of the information which is applicable to each Tranche will be set out in a pricing supplement document (the "**Pricing Supplement**"). Copies of Pricing Supplements in relation to Exempt Covered Bonds will only be obtainable by a holder of such Covered Bonds and such holder must produce evidence satisfactory to the Issuer or, as the case may be, the relevant Paying Agent as to its holding of such Covered Bonds and identity.

The Programme provides that Exempt Covered Bonds may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or regulated or any other markets as may be agreed between the Issuer, the Covered Bond Guarantor and the Relevant Dealer(s). The Issuer may also issue Exempt Covered Bonds, which will not be admitted to trading on any regulated or any other market. The Covered Bond Guarantor has not made (but has authorised) the application to the FCA.

The Covered Bonds and the Covered Bond Guarantee (as defined below) have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States and (save as described below) the Covered Bonds (including the N Covered Bonds, as defined in the section of this Prospectus entitled "**Glossary**") may not be offered, sold, pledged or otherwise transferred except outside the United States to non-US persons in accordance with Regulation S under the Securities Act ("**Regulation S**"). See "*Form of the Covered Bonds*" for a description of the manner in which Covered Bonds will be issued. The Covered Bonds are subject to certain restrictions on transfer; see "*Subscription and Sale and Selling Restrictions*". Pursuant to terms and disclosure outlined in a separate U.S. offering memorandum, the Issuer may offer Covered Bonds to qualified institutional buyers, as defined in, and pursuant to, Rule 144A under the Securities Act or to non-US Persons under Regulation S, which Covered Bonds will not be admitted to listing or trading on any stock exchange.

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

The Issuer has long term debt ratings of "AA- (Outlook Negative)" by Standard & Poor's (Australia) Pty Ltd ("**S&P**"), "Aa3 (Outlook Stable)" by Moody's Investors Service Pty Ltd ("**Moody's**") and "A+ (Outlook Stable)" by Fitch Australia Pty Ltd ("**Fitch**") and the Covered Bonds issued under the Programme are expected on issue to be assigned an "Aaa" rating by Moody's and an "AAA" rating by Fitch, together with Moody's, the '**Designated Rating Agencies**"). Neither S&P nor the Designated Rating Agencies are established in the UK nor registered under Regulation (EC) No. 1060/2009 as it forms part of UK domestic law by virtue of the EUWA and the regulations made by the EUWA (the "**UK CRA Regulation**"). S&P Global Ratings UK Limited currently endorses the global scale credit ratings issued by S&P, Fitch Ratings Ltd currently endorses the international credit ratings published by Fitch and Moody's Investors Service Limited currently endorses global scale credit ratings issued by Moody's, for regulatory purposes in the UK in accordance with the UK CRA Regulation. Each of S&P Global Ratings UK Limited, Fitch Ratings Ltd and Moody's Investors Service Limited have been registered under the UK CRA Regulation and, as such are included in the list of credit rating agencies published by the FCA on its website, in accordance with the UK CRA Regulation. There can be no assurance that S&P Global Ratings UK Limited, Fitch Ratings Ltd and Moody's Investors Service Limited will continue to endorse credit ratings issued by S&P, Fitch and Moody's respectively.

Credit ratings and outlooks may be adjusted over time, and so there is no assurance that these credit ratings and outlooks will be effective after this date. **All other credit ratings attributable to persons described in this Prospectus have been issued by one or more of the Designated Rating Agencies**.

The rating of certain Series or Tranches of Covered Bonds to be issued under the Programme may be specified in the applicable Final Terms (or Pricing Supplement, in the case of Exempt Covered Bonds). In relation to each Series or Tranche of Covered Bonds, the applicable Final Terms (or Pricing Supplement, in the case of Exempt Covered Bonds) will disclose whether or not each credit rating applied for in relation to the relevant Series or Tranche of Covered Bonds will be issued by, or endorsed by, a credit rating agency established in the UK and registered under the UK CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or issued by a credit rating agency established in a third country but whose credit ratings are endorsed by the credit rating agency established in the UK and registered under the UK CRA Regulation**.** The list of credit rating agencies registered under the UK CRA Regulation (as updated from time to time) is published on the website of the FCA (https://register.fca.org.uk/BenchmarksRegister/s/?pageTab=Administrators). A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

Neither S&P nor the Designated Rating Agencies are established in the European Union nor registered under Regulation (EC) No. 1060/2009 (as amended, the "**EU CRA Regulation**"). S&P Global Ratings Europe Limited currently endorses the global scale credit ratings issued by S&P, Fitch Ratings Ireland Limited currently endorses the international credit ratings published by Fitch and Moody's Deutschland GmbH currently endorses global scale credit ratings issued by Moody's, for regulatory purposes in the European Union in accordance with the EU CRA Regulation. Each of S&P Global Ratings Europe Limited, Fitch Ratings Ireland Limited and Moody's Deutschland GmbH have been registered under the EU CRA Regulation and, as such are included in the list of registered credit rating agencies published by the European Securities and Markets Authority ("**ESMA**"). There can be no assurance that S&P Global Ratings Europe Limited, Fitch Ratings Ireland Limited and Moody's Deutschland GmbH will continue to endorse credit ratings issued by S&P, Fitch and Moody's respectively.

In relation to each Series or Tranche of Covered Bonds, the applicable Final Terms (or Pricing Supplement, in the case of Exempt Covered Bonds) will disclose whether or not each credit rating applied for in relation to the relevant Series or Tranche of Covered Bonds will be issued by, or endorsed by, a credit rating agency established in the European Union and registered under the EU CRA Regulation. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the EU CRA Regulation or issued by a credit rating agency established in a third country but whose credit ratings are endorsed by the credit rating agency established in the European Union and registered under the EU CRA Regulation. The list of credit rating agencies registered under the EU CRA Regulation (as updated from time to time) is published on the website of ESMA (www.esma.europa.eu/page/List.-registered-and-certified-CRAs). A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.

The Covered Bond Guarantor is not a "covered fund" for purposes of Section 619 of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (such statutory provision together with such implementing regulations are also referred to collectively as the "**Volcker Rule**"). The Covered Bond Guarantor will be relying on an exclusion or exemption from the definition of "investment company" under the Investment Company Act of 1940, as amended (the "**Investment Company Act**") contained in Section 3(c)(5)(C) of the Investment Company Act, although there may be additional exclusions or exemptions available to the Covered Bond Guarantor.

Arrangers and Dealers for the Programme

ANZ

Citigroup

UBS Investment Bank

Dealers for the Programme

Barclays

BNP PARIBAS

Credit Suisse

Deutsche Bank

HSBC

J.P. Morgan

Société Générale Corporate & Investment Banking

The date of this Prospectus is 14 May 2021

This Prospectus (other than in relation to Exempt Covered Bonds and N Covered Bonds) has been approved by the FCA as a base prospectus for the purposes of Article 8 of the UK Prospectus Regulation. This Prospectus is not a prospectus for the purposes of Section 12(a)(2) or any other provision or order under the Securities Act.

The Issuer accepts responsibility for all the information contained in this Prospectus and in each Final Terms and Pricing Supplement. To the best of the knowledge of the Issuer the information contained in this Prospectus is in accordance with the facts and the Prospectus does not omit anything likely to affect the import of such information. The Covered Bond Guarantor (in its capacity as trustee of the Trust) accepts responsibility for the information (so far as such information relates to the Covered Bond Guarantor) contained in the sections of this Prospectus entitled *"Structure Overview – Credit Structure – Asset Coverage Test; Intercompany Loan Agreement; and Covered Bond Guarantee", "Structure Overview – Credit Structure – Covered Bond Guarantor's Liability", "Structure Overview – Credit Structure – Dual recourse: Excess Proceeds to be paid to Covered Bond Guarantor; and Deed of Charge" "Structure Overview – Credit Structure – Cashflow Allocation Methodology", "Programme Overview – Covered Bond Guarantor, Extendable obligations under the Covered Bond Guarantee; Cross Default, Covered Bond Guarantee; and Final Maturity Date and Extendable obligations under the Covered Bond Guarantee", "Risk Factors - Risk factors relating to the Covered Bond Guarantor, including the ability of the Covered Bond Guarantor to fulfil its obligations in relation to the Covered Bond Guarantee", "Terms and Conditions of the Covered Bonds – Status of the Covered Bond Guarantee", "Perpetual Corporate Trust Limited", "Summary of the Principal Documents – The Covered Bond Guarantee; Sale of Selected Receivables following service of a Notice to Pay; and Method of Sale of Selected Receivables", "Credit Structure – Covered Bond Guarantee; and Amortisation Test," the second paragraph in "General Information – Significant or Material Change" and the second paragraph in "General Information – Litigation"* (together, the "**Guarantor Information**"). To the best of the knowledge of the Covered Bond Guarantor, the Guarantor Information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Trust Manager accepts responsibility for the information contained in "*ANZ Capel Court Limited*" (the "**Trust Manager Information**"). To the best of the knowledge of the Trust Manager, the Trust Manager Information is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

Information contained in or accessible from any website referenced in this Prospectus does not form a part of this Prospectus except as specifically incorporated by reference, see "*Documents Incorporated by Reference*".

The information contained in this Prospectus was obtained from the Issuer but no assurance can be given by the Arrangers, the Dealers, the Agents, the Bond Trustee, the Trust Manager (other than in respect of the Trust Manager Information) or the Security Trustee as to the accuracy or completeness of this information. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arrangers, the Dealers, the Agents, the Bond Trustee, the Trust Manager (other than in respect of the Trust Manager Information) or the Security Trustee as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the Programme. None of the Arrangers nor the Dealers nor the Agents nor the Bond Trustee nor the Security Trustee, the Trust Manager, (other than in respect of the Trust Manager Information) nor the Covered Bond Guarantor (other than the Guarantor Information for which it accepts responsibility) accepts any liability in relation to the

information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the Programme.

No person has been authorised by the Issuer, the Covered Bond Guarantor, any of the Arrangers, the Dealers, the Agents, the Bond Trustee, the Trust Manager or the Security Trustee to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the Programme or the Covered Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Covered Bond Guarantor, any of the Arrangers, the Dealers, the Agents, the Bond Trustee or the Security Trustee.

Neither this Prospectus nor any other information supplied in connection with the Programme or any Covered Bonds (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, the Covered Bond Guarantor, the Seller, any of the Arrangers, the Dealers, the Agents, the Bond Trustee, the Trust Manager or the Security Trustee that any recipient of this Prospectus or any other information supplied in connection with the Programme or any Covered Bonds should purchase any Covered Bonds. Each investor contemplating purchasing any Covered Bonds should make its own independent investigation of the financial condition and affairs and its own appraisal of the creditworthiness, of the Issuer and/or the Covered Bond Guarantor. Neither this Prospectus nor any other information supplied in connection with the Programme or the issue of any Covered Bonds constitutes an offer or invitation by or on behalf of the Issuer, the Covered Bond Guarantor, the Seller, any of the Arrangers, the Dealers, the Agents, the Bond Trustee, the Trust Manager or the Security Trustee to any person to subscribe for or to purchase any Covered Bonds.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Covered Bonds shall in any circumstances imply that the information contained herein concerning the Issuer and/or the Covered Bond Guarantor and/or the Seller is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arrangers, the Dealers, the Agents, the Bond Trustee, the Trust Manager and the Security Trustee expressly do not undertake to review the financial condition or affairs of the Issuer, or the Covered Bond Guarantor during the life of the Programme or to advise any investor in the Covered Bonds of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Prospectus when deciding whether or not to purchase any Covered Bonds.

COVERED BONDHOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF UNITED STATES FEDERAL TAX ISSUES IN THIS DOCUMENT IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND MAY NOT BE ABLE TO BE RELIED UPON, BY COVERED BONDHOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON COVERED BONDHOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE ISSUER OF THE TRANSACTIONS ADDRESSED HEREIN; AND (C) COVERED BONDHOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

In making an investment decision, investors must rely on their own examination of the Issuer and the Covered Bond Guarantor and the terms of the Covered Bonds being offered, including the merits and risks involved.

The Covered Bonds are being offered and sold in accordance with Regulation S outside the United States to non-U.S. persons. The Covered Bonds and the Covered Bond Guarantee have not been and will not be registered under the Securities Act and, if in bearer-form, are subject to U.S. tax law requirements. Subject to certain exceptions, Covered Bonds may not be offered,

sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale and Selling Restrictions*"). Pursuant to terms and disclosure outlined in a separate U.S. offering memorandum, the Issuer may offer Covered Bonds to qualified institutional buyers pursuant to Rule 144A under the Securities Act or to non-US Persons under Regulation S, which Covered Bonds will not be admitted to listing or trading on any stock exchange.

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to buy any Covered Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Covered Bonds may be restricted by law in certain jurisdictions. The Issuer, the Covered Bond Guarantor, the Arrangers, the Dealers, the Bond Trustee, the Trust Manager, the Asset Monitor and the Security Trustee do not represent that this Prospectus may be lawfully distributed, or that any Covered Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Covered Bond Guarantor, the Seller, the Arrangers, the Dealers, the Bond Trustee, the Trust Manager, the Asset Monitor or the Security Trustee which would permit a public offering of any Covered Bonds outside the European Economic Area or distribution of this Prospectus in any jurisdiction where action for that purpose is required (and without limitation neither this Prospectus nor any other disclosure document in relation to the Covered Bonds has been, or will be, lodged with the Australian Securities and Investments Commission pursuant to the Australian Corporations Act). Accordingly, no Covered Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Covered Bonds may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Covered Bonds. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of Covered Bonds in Australia, New Zealand, the United States, the United Kingdom, the European Economic Area (including France), Hong Kong, Singapore and Japan (see "*Subscription and Sale and Selling Restrictions*").

This Prospectus has been prepared on the basis that any offer of Covered Bonds in the United Kingdom will be made pursuant to an exemption under the UK Prospectus Regulation from the requirement to publish a prospectus for offers of Covered Bonds. Accordingly any person making or intending to make an offer in the UK of Covered Bonds which are the subject of an offering contemplated in this Prospectus as completed by a Final Terms or a Pricing Supplement or a drawdown prospectus (a "**Drawdown Prospectus**") in relation to the offer of those Covered Bonds may only do so in circumstances in which no obligation arises for the Issuer or the Relevant Dealer to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor the Dealers have authorised, nor do they authorise, the making of any offer of Covered Bonds in circumstances in which an obligation arises for the Issuer or the Dealers to publish or supplement a prospectus for such offer. Any reference in this Prospectus to Final Terms, Pricing Supplement or Drawdown Prospectus shall be construed as a reference to the relevant Final Terms, Pricing Supplement or Drawdown Prospectus, as applicable.

IMPORTANT - EEA RETAIL INVESTORS - The Covered Bonds are not intended to be offered, sold or otherwise made available to and, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"),

where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – The Covered Bonds 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 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 domestic law by virtue of the EUWA and the regulations made under EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds 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 (or the Pricing Supplement, as the case may be) in respect of any Covered Bonds may include a legend entitled "MiFID II Product Governance" which will outline the conclusion of the target market assessment completed by the relevant "manufacturer(s)" in respect of the Covered Bonds and which channels for distribution of the Covered Bonds they consider are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (an "**EU distributor**") should take into consideration the target market assessment; however, an EU distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made by the relevant Dealer(s) in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Covered Bonds is a "manufacturer" in respect of such Covered Bonds, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

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

UK MIFIR Product Governance / target market – The Final Terms (or Pricing Supplement as the case may be) in respect of any Covered Bonds which are to be distributed by any Dealer(s) subject to UK MiFIR will include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Covered Bonds and which channels of distribution for the Covered Bonds are appropriate. Any person subsequently offering, selling or recommending such Notes (a "**UK distributor**") should take into

consideration the target market assessment; however, a UK 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 Covered Bonds (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 Covered Bonds is a manufacturer in respect of such Covered Bonds, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

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

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

EU Benchmarks Regulation: Any such reference rate may also constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (as amended, the "**EU Benchmarks Regulation** "). If any such reference rate does constitute such a benchmark, the Final Terms (or the Pricing Supplement, as the case may be) will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the EU Benchmarks Regulation. The registration status of any administrator under the EU Benchmarks Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms (or the Pricing Supplement, as the case may be) to reflect any change in the registration status of the administrator.

Credit ratings in respect of the Covered Bonds or the Issuer are for distribution to persons in Australia only if such persons are not "retail clients" within the meaning of section 761G of the Australian Corporations Act and are also sophisticated investors, professional investors or other investors in respect of whom disclosure is not required under Part 6D.2 or Part 7.9 of the Australian Corporations Act and, in all cases, in such circumstances as may be permitted by acceptable law in any jurisdiction in which an investor may be located. Accordingly, anyone in Australia who is not such a person is not entitled to receive this Prospectus and anyone who receives this Prospectus must not distribute it to any person who is not entitled to receive it.

Notification under Section 309B(1) of the Securities and Futures Act of Singapore (the "**SFA**"): Unless otherwise stated in the Final Terms (or the Pricing Supplement as the case may be), the Issuer has determined and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Covered Bonds issued or to be issued under this Programme shall be capital markets products other than prescribed capital markets products (as defined in the Securities

and Futures (Capital Markets Products) Regulations 2018) and Specified Investment Products (as defined in the Monetary Authority of Singapore (the "**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

All references to "**U.S. dollars**" and "**U.S.$** " are to the currency of the United States of America, to "**A$**", "**AUD**", "**Australian $**", "**AUD dollars**", "**Australian dollars**" and "**cents**" are to the lawful currency of Australia, to "**NZD$**" are to the lawful currency of the New Zealand, to "**Sterling**" and "**£**" are to the lawful currency of the United Kingdom and to "**euro**" and "**€**" are 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 European Union, as amended. In making an investment decision, investors must rely on their own examination of the Issuer and the Covered Bond Guarantor and the Terms and Conditions of the Covered Bonds being offered and the terms and conditions of the Programme Documents, including the merits and risks involved.

None of the Issuer, the Arrangers, the Dealers, the Covered Bond Guarantor, the Agents, the Security Trustee, the Trust Manager, the Asset Monitor or the Bond Trustee makes any representation to any investor in the Covered Bonds regarding the legality of its investment under any applicable laws. Any investor in the Covered Bonds should be able to bear the economic risk of an investment in the Covered Bonds for an indefinite period of time.

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

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Covered Bonds, the merits and risks of investing in the Covered Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Covered Bonds and the impact the Covered Bonds will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Covered Bonds, including Covered Bonds with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(d) understand thoroughly the terms of the Covered Bonds; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) Covered Bonds are legal

investments for it, (b) Covered Bonds can be used as collateral for various types of borrowing, and (c) other restrictions apply to its purchase or pledge of any Covered Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Covered Bonds under any applicable risk-based capital or similar rules. The only persons authorised to use this Prospectus (and, therefore, acting in association with the Issuer) in connection with an offer of Covered Bonds are the Relevant Dealers.

Copies of the Final Terms will be available from the registered office of the Issuer and the specified office set out below of the Principal Paying Agent or (in the case of Australian Registered Covered Bonds) the Australian Paying Agent (as defined below).

No information in this Prospectus has been sourced from a third party.

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PRINCIPAL CHARACTERISTICS OF THE ANZ GLOBAL COVERED BOND PROGRAMME

The following synopsis does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus. For further information, namely regarding the Asset Coverage Test and the Amortisation Test, please see "Summary of the Principal Documents". A glossary of certain defined terms is contained at the end of this Prospectus.

Issuer:	Australia and New Zealand Banking Group Limited ("**ANZBGL**")
Covered Bond Guarantor:	Perpetual Corporate Trust Limited as trustee of the ANZ Residential Covered Bond Trust
Nature of eligible property:	Receivables (Housing Loans and their Related Securities), Substitution Assets and Authorised Investments
Location of eligible property:	Australia
Asset Coverage Test:	Yes, see "*Credit Structure*"
Amortisation Test:	Yes, see "*Credit Structure*"
Pre-Maturity Test:	Yes, see "*Credit Structure*"
Reserve Fund:	A Reserve Fund will be established and used to trap a specified amount of Available Revenue Receipts or the proceeds of a Term Advance if on a Determination Date the Issuer's short term, unsecured, unsubordinated and unguaranteed obligations are not rated at least F1+ by Fitch and P-1 by Moody's. A Reserve Fund was established in 2020 following the Issuer's short term, unsecured, unsubordinated and unguaranteed obligations being rated F1 by Fitch and, as at the date of this Prospectus, continues to be maintained.
Extendable Maturities:	Available
Hard Bullet Maturities:	Available
Asset Monitor:	KPMG
Terms:	As set out in the Final Terms or the Pricing Supplement in the case of Exempt Covered Bonds (issued in conjunction with this Prospectus) or in the Drawdown Prospectus for the relevant Series or Tranche of Covered Bonds or, in respect of N Covered Bonds, in the relevant N Covered Bond Conditions and N Covered Bond Agreement in relation to any Series. In relation to any N Covered Bonds, any terms described in this Prospectus which, if the relevant Covered Bonds were not N Covered Bonds would be contained in the applicable Final Terms will, where applicable, be set out in the applicable N Covered Bond Conditions and N Covered Bond Agreement.

Clearing Systems:	Covered Bonds (excluding N Covered Bonds) may be traded on the settlement system operated by DTC, the settlement system operated by Euroclear, the settlement system operated by Clearstream and/or any other clearing system specified in the applicable Final Terms (or, in the case of Exempt Covered Bonds, the Pricing Supplement). Australian Registered Covered Bonds may be transacted through the settlement system by Austraclear Ltd ("**Austraclear**" and such system, the "**Austraclear System**") as well as through Euroclear, Clearstream and/or any other Clearing System (each a "**Clearing System**"**)** specified in the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement). Australian Registered Covered Bonds which are held in Austraclear will be registered in the name of Austraclear Limited. Payments through Austraclear may only be made in Australian Dollars. Interests in Australian Registered Covered Bonds traded in Austraclear may be held in Euroclear and/or Clearstream. In these circumstances, entitlements in respect of holdings of interests in Australian Registered Covered Bonds in Euroclear would be held in Austraclear by a nominee of Euroclear (currently HSBC Custody Nominees (Australia) Limited), while entitlements in respect of holdings in Australian Registered Covered Bonds in Clearstream would be held in Austraclear by a nominee of JPMorgan Chase Bank, N.A. as custodian for Clearstream. Australian Registered Covered Bonds which are held in Euroclear and/or Clearstream and not registered in the name of Austraclear Limited will be registered in the name of a nominee for a common depositary for Euroclear and/or Clearstream, as the case may be. Australian Registered Covered Bonds which are held in any other clearing system will be registered in the name of the nominee or depositary for that clearing system. The Issuer announces that: (a) each Tranche of Bearer Covered Bonds will be initially issued in the form of a temporary global covered bond without receipts and interest coupons attached (a "**Temporary Bearer Global Covered Bond**") which will be issued to and lodged on or prior to the issue date of the relevant Tranche to a common depositary for Euroclear and Clearstream and (b) in connection with the issue, Euroclear and Clearstream will confer rights in relation to such Bearer Covered Bonds and will record the existence of those rights; and (c) as a result of the issue of such Bearer Covered Bonds in this manner, these rights will be able to be created.

	N Covered Bonds will not be cleared through any Clearing Systems (including Euroclear, Clearstream, Austraclear or DTC).
Listing:	Application may be made to the UK FCA for Covered Bonds (other than Exempt Covered Bonds and N Covered Bonds) (including Australian Registered Covered Bonds) issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Covered Bonds to be admitted to trading on the main market of the London Stock Exchange during the period of 12 months from the date of this Prospectus. Exempt Covered Bonds may be unlisted or may be listed or admitted to trading, as the case may be, on such stock exchanges or regulated or any other markets, as may be agreed between the Issuer, the Bond Trustee and the Relevant Dealer in relation to each issue. The Pricing Supplement relating to each Series or Tranche of the Exempt Covered Bonds will state whether or not the Covered Bonds are to be listed or admitted to trading and, if so, on which stock exchange(s) or markets. N Covered Bonds will not be listed and/or admitted to trading.
Issuance of U.S. Covered Bonds:	Covered Bonds may be offered under the Programme within the United States or to, or for the account or benefit of, U.S. persons in reliance on Rule 144A and Section 4(a)(2) under the Securities Act, pursuant to the terms of a separate offering circular (the "**U.S. Covered Bonds**"). U.S. Covered Bonds will rank *pari passu* with all other Covered Bonds and all payments of principal and interest payable under the U.S. Covered Bonds will be guaranteed by the Covered Bond Guarantor pursuant to the terms of the Covered Bond Guarantee. As at the date of this Prospectus, U.S. Covered Bonds are not intended to be listed or admitted to trading, as the case may be, on any stock exchanges or regulated or unregulated markets, but this may change in the future.

DOCUMENTS INCORPORATED BY REFERENCE

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

1. for the purpose of any issues of Covered Bonds under this Prospectus which are to be consolidated and form a single Series with an existing Tranche of Covered Bonds, the terms and conditions of the Covered Bonds as set out in the sections entitled "Terms and Conditions of the Covered Bonds" on:

   a) pages 128 to 199 of the prospectus dated 13 November 2019 which can be accessed at https://www.anz.com/content/dam/anzcom/debtinvestors/pages-128-to-199-of-the-prospectus-dated-13-november-2019.pdf;

   b) pages 140 to 204 of the prospectus dated 9 November 2018 (which can be accessed at https://www.anz.com/content/dam/anzcom/debtinvestors/extract-prospectus-9-november-2018-pp-140-204.pdf;

   c) pages 127 to 187 of the prospectus dated 9 November 2017 (which can be accessed at https://www.anz.com/content/dam/anzcom/debtinvestors/pages_127_to_187_of_the_prospectus_dated_9_november_2017-token=3WZARk2g.pdf;

   d) pages 122 to 182 of the prospectus dated 8 November 2016 (which can be accessed at https://www.anz.com/content/dam/anzcom/debtinvestors/pages_122_to_182_of_the_prospectus_dated_8_november_2016_0-token=fnLtAI-d.pdf;

   e) pages 118 to 179 of the prospectus dated 10 November 2015 (which can be accessed at https://www.anz.com/content/dam/anzcom/debtinvestors/pages_118_to_179_of_the_prospectus_dated_10_november_2015_0-token=0RD9e2mS.pdf;

   f) pages 120 to 181 of the prospectus dated 10 November 2014 (which can be accessed at https://www.anz.com/content/dam/anzcom/debtinvestors/pages_120_to_181_of_the_prospectus_dated_10_november_2014_1-token=Ld6_OGEv.pdf;

   g) pages 117 to 178 of the prospectus dated 18 November 2013 (which can be accessed at https://www.anz.com/content/dam/anzcom/debtinvestors/pages_117_to_178_of_the_prospectus_dated_18_november_2013_1-token=nWVELDr_.pdf;

   h) pages 104 to 164 of the prospectus dated 22 November 2012 (which can be accessed at https://www.anz.com/content/dam/anzcom/debtinvestors/pages_104_to_164_of_the_prospectus_dated_22_november_2012_0-token=QsYTnZZg.pdf; and

   i) pages 123 to 182 of the prospectus dated 25 November 2011 (which can be accessed at https://www.anz.com/content/dam/anzcom/debtinvestors/pages_123_to_182_of_the_prospectus_dated_25_november_2011_0-token=8RwK-eyk.pdf.

2. the audited annual consolidated financial statements (including the auditor's report thereon and notes thereto) in respect of the years ended 30 September 2019 (which can be accessed at https://www.anz.com/debtinvestors/centre/covered-bonds/programmes/anz-global-emtn/) (the "**2019 Financial Statements**") and 2020 (which can be accessed at (https://www.anz.com/debtinvestors/centre/covered-bonds/programmes/anz-global-emtn/) (the "**2020 Financial Statements**") (set out on pages 101 to 217 and on pages 111 to 233, respectively of the 2019 and 2020 Annual Reports of the ANZ Group) and the non-consolidated audited financial statements of ANZBGL in respect of the year ended 30 September 2020 (including the independent auditors' audit report thereon and notes thereto) (which can be accessed at https://www.anz.com/debtinvestors/centre/covered-bonds/programmes/anz-global-emtn/), and the unaudited condensed consolidated financial statements (including the independent auditor's review report thereon and notes thereto) in respect of the six months ended 31 March 2021 ("**2021 Interim Financial Statements**") (which can be accessed at https://www.anz.com/debtinvestors/centre/covered-bonds/programmes/anz-global-emtn/), each of which has been previously published and filed with the FCA; and

3. ANZBGL's Basel III Pillar 3 Disclosure dated 31 March 2021 (APS 330: Public Disclosure) (which can be accessed at https://www.anz.com/debtinvestors/centre/covered-bonds/programmes/anz-global-emtn/)

Any statement contained in this Prospectus or in any document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus. Any documents incorporated by reference into the documents incorporated by reference in this Prospectus do not form part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus, as well as the constitution of the Issuer and the Covered Bond Guarantor and the Bond Trust Deed can be obtained from the registered office of the Issuer. Requests for such documents should be directed to the Issuer at its office set out at the end of this Prospectus. In addition, such documents will be available from the specified offices of the Paying Agent for the time being at Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom and can also be viewed, together with the constitution of the Issuer and the Covered Bond Guarantor and the Bond Trust Deed, electronically and free of charge at the Issuer's website (https://www.anz.com/debtinvestors/centre/covered-bonds/programmes/anz-global-emtn/).

The Issuer and the Covered Bond Guarantor will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of any Covered Bonds, prepare a supplement to this Prospectus (a "**Supplementary Prospectus**") or publish a new prospectus for use in connection with any subsequent issue of Covered Bonds other than in respect of N Covered Bonds. The Issuer has undertaken to the Relevant Dealers in the Programme Agreement (as defined herein) that it will prepare and publish a Supplementary Prospectus if it is required, or it has reasonable grounds to believe that it is required to do so to comply with (i) section 87G of the FSMA and the UK Prospectus Regulation rules made under the FSMA in the case of Covered Bonds which are, or are to be, admitted to the Official List or (ii) the rules and regulations relating to prospectuses in force for any other stock exchange on which Covered Bonds are or are to be listed in the case of all other Covered Bonds.

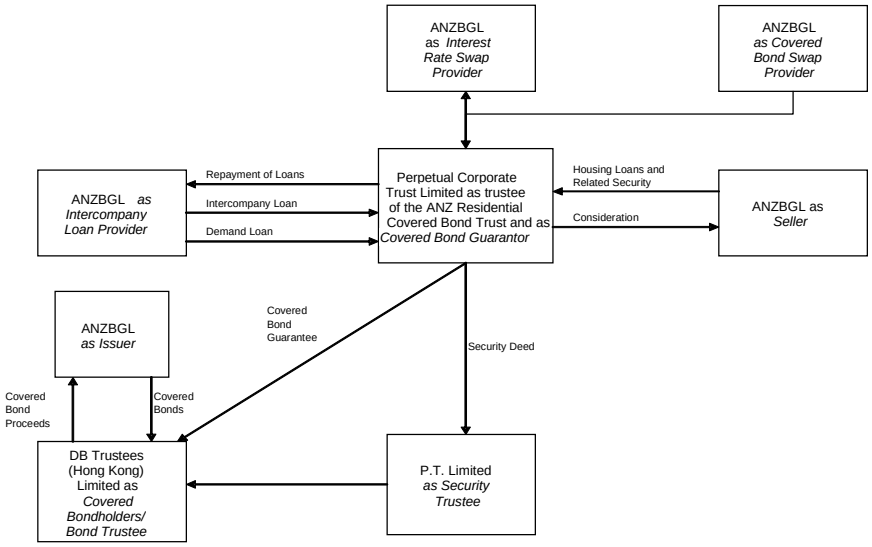
Please note that websites and URLs referred to herein do not form part of this Prospectus.

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

STRUCTURE OVERVIEW

The information in this section is an overview of the structure relating to the Programme and does not purport to be complete. The information is taken from, and is qualified in its entirety by, the remainder of this Prospectus. Words and expressions defined elsewhere in this Prospectus shall have the same meanings in this structure overview. A glossary of certain defined terms used in this document is contained at the end of this Prospectus.

Structure Diagram



Credit Structure

The Covered Bonds will be direct, unsecured and unconditional obligations of the Issuer and will rank *pari passu* without any preference among themselves and save for certain debts of the Issuer required to be preferred by law, including but not limited to, those referred to in Division 2 and 2AA of Part II of the Banking Act 1959 of Australia (the "**Australian Banking Act**") and section 86 of the Reserve Bank Act 1959 of Australia (the "**Australian Reserve Bank Act**") at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time outstanding. The Covered Bond Guarantor has no obligation to pay the Guaranteed Amounts under the Covered Bond Guarantee until the occurrence of:

(a) (i) an Issuer Event of Default, and (ii) service by the Bond Trustee on the Issuer of an Issuer Acceleration Notice (with a copy to the Covered Bond Guarantor) and on the Covered Bond Guarantor (with a copy to the Trust Manager) of a Notice to Pay; or

(b) if earlier, following the occurrence of a Covered Bond Guarantor Event of Default and service by the Bond Trustee on the Covered Bond Guarantor (with a copy to the Trust Manager and the Security Trustee) and the Issuer of a Covered Bond Guarantee Acceleration Notice. The Issuer will not rely on any payments by the Covered Bond Guarantor in order to pay interest or repay principal under the Covered Bonds.

There are a number of features of the Programme which enhance the likelihood of timely and, as applicable, ultimate payments to Covered Bondholders, as follows:

(a) the Covered Bond Guarantee provides credit support to the Issuer;

(b) the Pre-Maturity Test is intended to provide liquidity to the Covered Bond Guarantor in relation to amounts of principal due on the Final Maturity Date of the Hard Bullet Covered Bonds in certain circumstances;

(c) the Asset Coverage Test is intended to test, prior to the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), the asset coverage of the Covered Bond Guarantor's assets in respect of the Covered Bonds on a monthly basis;

(d) the Amortisation Test is intended to test the asset coverage of the Covered Bond Guarantor's assets in respect of the Covered Bonds following the occurrence of an Issuer Event of Default, service on the Issuer of an Issuer Acceleration Notice (with a copy to the Covered Bond Guarantor) and service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager);

(e) a Reserve Fund will be established in the GIC Account to trap Available Revenue Receipts or to credit the proceeds of a Term Advance if on a Determination Date, ANZBGL's short term, unsecured, unsubordinated and unguaranteed debt obligations are not rated at least F1+ by Fitch and P-1 by Moody's. A Reserve Fund was established in 2020 following the Issuer's short term, unsecured, unsubordinated and unguaranteed obligations being rated F1 by Fitch and, as at the date of this Prospectus, continues to be maintained; and

(f) under the terms of the Account Bank Agreement, the Account Bank has agreed to pay a rate of interest per annum equal to the 30 day Bank Bill Rate on that day (or, if that day is not a Local Business Day, the immediately preceding Local Business Day) (calculated on the basis of the actual number of days elapsed and a 365 day year) (as determined by the Account Bank) on the balance from time to time of the GIC Account from (and including) the first day of each Collection Period (or, in the case of the first Collection Period, the first Transfer Date) to (and including) the last day of the Collection Period.

Certain of these factors are considered more fully in the remainder of this section and in the section entitled "*Credit Structure*".

Asset Coverage Test

To protect the value of the Receivables, the Supplemental Deed provides that, prior to the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), the assets of the Covered Bond Guarantor are subject to the Asset Coverage Test. Accordingly for so long as Covered Bonds remain outstanding and prior to the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), the Trust Manager must determine on each Determination Date whether the Adjusted Aggregate Receivable Amount will be an amount equal to or in excess of the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds. The calculations which are required to determine whether the Purchased Receivables are in compliance with the Asset Coverage Test will be undertaken by the Calculation Manager.

If the Adjusted Aggregate Receivable Amount is less than the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of all Covered Bonds on a Determination Date and also on the next following Determination Date, the Asset Coverage Test will be breached and the Bond Trustee must (subject to the Bond Trustee having actual knowledge or express notice of the breach) serve an Asset Coverage Test Breach Notice on the Covered Bond Guarantor and notify each Designated Rating Agency. The Bond Trustee shall be deemed to revoke an Asset Coverage Test Breach Notice if, on the next Determination Date to occur following the service of an Asset Coverage Test Breach Notice, the Asset Coverage Test is

satisfied and neither a Notice to Pay has been served on the Covered Bond Guarantor (and copied to the Trust Manager) nor a Covered Bond Guarantee Acceleration Notice has been served on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee). If the Asset Coverage Test Breach Notice is not revoked on the next Determination Date after service of such Asset Coverage Test Breach Notice, an Issuer Event of Default will occur and the Bond Trustee shall be entitled, and in certain circumstances required, to serve an Issuer Acceleration Notice. Following service of an Issuer Acceleration Notice to the Issuer (with a copy to the Covered Bond Guarantor), the Bond Trustee will be required to serve a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager).

Amortisation Test

In addition, on each Determination Date following service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) (but prior to service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee) and the enforcement of the Charge) and, for so long as Covered Bonds remain outstanding, the Trust Manager must determine whether the Amortisation Test Aggregate Receivable Amount will be in an amount at least equal to the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds. A breach of the Amortisation Test will constitute a Covered Bond Guarantor Event of Default and the Bond Trustee shall be entitled (and, in certain circumstances, may be required) to serve a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee) and the Security Trustee shall be entitled and in certain circumstances may be required, to enforce the Charge.

Pre-Maturity Test

Each Series of Hard Bullet Covered Bonds is subject to a Pre-Maturity Test on each Local Business Day during the Pre-Maturity Test Period prior to the occurrence of an Issuer Event of Default or a Covered Bond Guarantor Event of Default. The Pre-Maturity Test is intended to provide liquidity for such Covered Bonds when the Issuer's credit ratings fall to a certain level within a specified period prior to the maturity of such Covered Bonds. If the Pre-Maturity Test is breached and certain actions are not taken, an Issuer Event of Default will occur (see "*Summary of the Principal Documents – Supplemental Deed – Sale of Selected Receivables if the Pre-Maturity Test is Breached*").

Reserve Fund

If on a Determination Date, ANZBGL's short-term, unsecured, unsubordinated and unguaranteed debt obligations are not rated at least P-1 by Moody's and F1+ by Fitch, the Covered Bond Guarantor is required to establish a reserve fund within the GIC Account and to credit, on the next Trust Payment Date, to the Reserve Fund the proceeds of Available Revenue Receipts or a Term Advance up to an amount equal to the higher of the Australian Dollar Equivalent of the aggregate of (i) the interest due and payable on each Series of Covered Bonds on the next three Trust Payment Dates; and (ii) three months' interest that will accrue on each Series of Covered Bonds, in each case together with an amount equal to one-quarter of the anticipated aggregate annual amount payable in respect of the items specified in paragraphs (a) to (d) of the Pre-acceleration Revenue Allocations.

A Reserve Fund was established in 2020 following the Issuer's short term, unsecured, unsubordinated and unguaranteed obligations being rated F1 by Fitch and, as at the date of this Prospectus, continues to be maintained.

The Programme

Pursuant to the terms of the Programme, the Issuer will issue Covered Bonds to the Covered Bondholders from time to time. The Covered Bonds will be direct, unsecured, unsubordinated and unconditional obligations of the Issuer.

The Issuer's indebtedness in respect of the Covered Bonds is affected by applicable laws which include (but are not limited to) sections 13A and 16 of the Australian Banking Act and section 86 of the Australian Reserve Bank Act. In summary, the effect of these provisions is that in the event that the Issuer becomes unable to meet its obligations or suspends payment, its assets in Australia are to be available to meet its liabilities to, among others, the Australian Prudential Regulation Authority ("**APRA**"), the Reserve Bank of Australia and holders of protected accounts held in Australia, in priority to all other liabilities, including the Covered Bonds.

The Covered Bonds will not be protected accounts or deposit liabilities of the Issuer for the purposes of the Australian Banking Act.

The Covered Bonds will not represent an obligation or be the responsibility of any of the Arrangers, the Dealers, the Agents, the Bond Trustee, the Security Trustee, any member of the ANZ Group including the Trust Manager (other than ANZBGL in its capacity as Issuer under the Programme Documents) or any other party to the Programme, their officers, members, directors, employees, security holders or incorporators, other than the Issuer and the Covered Bond Guarantor. The Issuer and the Covered Bond Guarantor will each be liable solely in their corporate capacity (and in the Covered Bond Guarantor's case, solely in its capacity as trustee of the Trust) for their obligations in respect of the Covered Bonds and such obligations will not be the obligations of their respective officers, members, directors, employees, security holders or incorporators.

In addition, the Issuer's indebtedness is not guaranteed or insured by any government, government agency or compensation scheme of Australia or any other jurisdiction.

Intercompany Loan Agreement

Pursuant to the terms of the Intercompany Loan Agreement, it is anticipated that ANZBGL as Intercompany Loan Provider will make a Term Advance to the Covered Bond Guarantor in an amount equal to either, (i) if a Current Covered Bond Swap is entered into on the relevant Issue Date, the Principal Amount Outstanding on the Issue Date of each Series or, as applicable, each Tranche of Covered Bonds in the Specified Currency of the relevant Series or Tranche of Covered Bonds or (ii) if a Contingent Covered Bond Swap is entered into on the relevant Issue Date, the Australian Dollar Equivalent of the nominal value of each Series or, as applicable, each Tranche of Covered Bonds and for a matching term. Payments by the Issuer of amounts due under the Covered Bonds will not be conditional upon receipt by the Issuer of payments from the Covered Bond Guarantor pursuant to the Intercompany Loan Agreement. Amounts owed by the Covered Bond Guarantor under the Intercompany Loan Agreement will be subordinated to amounts owed by the Covered Bond Guarantor under the Covered Bond Guarantee in accordance with the applicable Cashflow Allocation Methodology.

The Covered Bond Guarantor will use the proceeds of the Term Advances received under the Intercompany Loan Agreement from time to time (if not denominated in Australian Dollars, upon exchange into Australian Dollars under the applicable Current Covered Bond Swap): (i) to fund (in whole or part) the Purchase Price of a New Receivable Portfolio (consisting of Receivables originated by the Seller) from the Seller in accordance with the terms of the Mortgage Sale Agreement (or to fund the repayment of a short-term Demand Loan used for that purpose); and/or (ii) acting on the directions of the Trust Manager, to invest in Substitution Assets in an amount not exceeding the prescribed limit (as specified in the Supplemental Deed) to the extent required to meet the requirements of the Asset Coverage Test; and thereafter or

otherwise the Covered Bond Guarantor may use such proceeds (subject to complying with the Asset Coverage Test as directed by the Trust Manager (as described below)): (A) if an existing Series or Tranche or part of an existing Series or Tranche of Covered Bonds is being refinanced (by the issue of a further Series or Tranche of Covered Bonds to which the Term Advance relates) to repay the Term Advance(s) corresponding to the Covered Bonds being so refinanced (after exchange into the currency of the Term Advance(s) being repaid, if necessary); and/or (B) to make a repayment of the Demand Loan, provided that the Calculation Manager has calculated the Asset Coverage Test as at the Intercompany Loan Drawdown Date having taken into account such repayment and the Calculation Manager has confirmed that the Asset Coverage Test will continue to be met after giving effect to such repayment; and/or (C) to make a deposit of all or part of the proceeds into the GIC Account (including, without limitation, to fund the Reserve Fund to an amount not exceeding the amount by which the Reserve Fund Required Amount exceeds the existing balance of the Reserve Ledger).

Demand Loan Agreement

Pursuant to the Demand Loan Agreement, ANZBGL as Demand Loan Provider will make a Demand Loan Facility available to the Covered Bond Guarantor. The Covered Bond Guarantor may draw Demand Loan Advances denominated in Australian Dollars from time to time under the Demand Loan Facility. The Demand Loan Facility is a revolving credit facility. Demand Loan Advances may be used by the Covered Bond Guarantor: (i) as consideration (in whole or in part) for the acquisition of Receivables from the Seller on a Transfer Date; (ii) to repay a Term Advance on the date on which the Series of Covered Bonds corresponding to such Term Advance matures; (iii) to rectify a failure to meet the Asset Coverage Test; (iv) to rectify a breach of the Pre-Maturity Test; (v) to rectify an Interest Rate Shortfall; or (vi) to pay to the Seller the Purchase Price of a Further Advance or to reimburse the Seller for funding a Redraw. As to item (i) above, if on a Transfer Date the aggregate of the proceeds of the related Term Advance (if any) to be made on that date or (subject to paragraph (e) of the Pre-acceleration Principal Allocations) the Available Principal Receipts (if any) (or both) are not sufficient to pay to the Seller the Purchase Price for the relevant New Receivable Portfolio, the Covered Bond Guarantor (acting on the directions of the Trust Manager) shall request a Demand Loan Advance under the Demand Loan Facility in an amount determined by the Trust Manager to allow the Covered Bond Guarantor to pay the applicable Purchase Price in full in accordance with the Mortgage Sale Agreement. Each Demand Loan Advance will be consolidated to form the Demand Loan. The Senior Portion Outstanding of the Demand Loan is the amount of the Demand Loan which represents the excess of the amount of the Purchased Receivables above the amount required to meet the Asset Coverage Test and the test prescribed by section 31A(1) of Australian Banking Act (described under paragraph (ii) in the second bullet point of "*Background and Australian legislative framework – Issue restriction and maintenance of cover pool*"). The Demand Loan Agreement contains provisions which requires in certain circumstances repayment of the Senior Portion Outstanding of the Demand Loan in kind with Receivables, Substitution Assets and Authorised Investments.

Assets subject to the payment in kind provisions in respect of the Senior Portion Outstanding of the Demand Loan are not available as collateral to secure the Covered Bonds

Subject to the payment in kind provisions in respect of the Senior Portion Outstanding of the Demand Loan, amounts owed by the Covered Bond Guarantor under the Demand Loan Agreement will be subordinated to amounts owed by the Covered Bond Guarantor under the Covered Bond Guarantee and the Intercompany Loan Agreement in accordance with the applicable Cashflow Allocation Methodology (other than the Senior Portion Outstanding in the Pre-acceleration Principal Allocations and other than accrued but unpaid interest in respect of the Senior Portion Outstanding of the Demand Loan, to the Demand Loan Provider pursuant to the terms of the Demand Loan Agreement in the Guarantee Allocations and the Post-enforcement Allocations).

Mortgage Sale Agreement

The Seller will, subject to the satisfaction of certain conditions, be permitted to sell Receivables to the Covered Bond Guarantor from time to time.

Under the terms of the Mortgage Sale Agreement, the consideration payable to the Seller for the sale of Receivables originated by the Seller to the Covered Bond Guarantor on any Transfer Date will be a cash payment paid by the Covered Bond Guarantor to the Seller on the applicable Transfer Date by or on behalf of the Covered Bond Guarantor to the Seller from proceeds of a Term Advance and/or the proceeds of a Demand Loan Advance and/or in accordance with the applicable Cashflow Allocation Methodology. The consideration payable may by agreement between the Seller and Covered Bond Guarantor be set-off in whole or in part against any amount payable on the Transfer Date by the Seller as Intercompany Loan Provider or Demand Loan Provider (or both) under the Intercompany Loan Agreement or Demand Loan Agreement (or both).

Servicing Deed

In its capacity as Servicer, ANZBGL has entered into the Servicing Deed with the Covered Bond Guarantor, the Trust Manager and the Security Trustee, pursuant to which the Servicer has agreed to provide administrative services in respect of, *inter alia*, the Purchased Receivables sold by ANZBGL (in its capacity as Seller) to the Covered Bond Guarantor.

Covered Bond Guarantee

Pursuant to the terms of the Bond Trust Deed, the Covered Bond Guarantor has guaranteed payments of interest and principal under the Covered Bonds (including, for the avoidance of doubt, the N Covered Bonds) issued by the Issuer. Under the guarantee, the Covered Bond Guarantor has agreed to pay amounts equal to Guaranteed Amounts as and when the same shall become Due for Payment. The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee constitute direct, unconditional (following service of a Notice to Pay or a Covered Bond Guarantee Acceleration Notice) and unsubordinated obligations of the Covered Bond Guarantor, secured by the Secured Property under the Deed of Charge. The Bond Trustee will be required to serve a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice to the Issuer (with a copy to the Covered Bond Guarantor) (whereupon the Covered Bonds will become immediately due and payable as against the Issuer but not at such time as against the Covered Bond Guarantor).

A Covered Bond Guarantee Acceleration Notice may (subject to certain limitations) be served by the Bond Trustee on the Issuer and the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee) following the occurrence of a Covered Bond Guarantor Event of Default. If a Covered Bond Guarantee Acceleration Notice is served, the Covered Bonds will become immediately due and payable (if they have not already become due and payable) and the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee will be accelerated and the Security Trustee will be entitled to enforce the Charge. Amounts payable by the Covered Bond Guarantor under the Covered Bond Guarantee will at the relevant time be paid subject to, and in accordance with, the Guarantee Allocations or the Post-enforcement Allocations, as applicable.

Covered Bond Guarantor's Limitation of Liability

The Covered Bond Guarantor enters into the Programme Documents only in its capacity as trustee of the Trust and in no other capacity. A liability arising under or in connection with the Programme Documents or the Trust is limited to and can be enforced against the Covered Bond Guarantor only to the extent to which it can be satisfied out of the Assets of the Trust out of which the Covered Bond Guarantor is actually indemnified for the liability. This limitation of

the Covered Bond Guarantor's liability applies despite any other provision of the Programme Documents and extends to all liabilities and obligations of the Covered Bond Guarantor in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to the Programme Documents or the Trust.

The Covered Bondholders may not sue the Covered Bond Guarantor in any capacity other than as trustee of the Trust, including seeking the appointment of a receiver (except in relation to the Assets), or a liquidator, an administrator or any similar person to the Covered Bond Guarantor or prove in any liquidation, administration or arrangements of or affecting the Covered Bond Guarantor (except in relation to an Asset).

The above limitations of the Covered Bond Guarantor's liability will not apply to any obligation or liability of the Covered Bond Guarantor to the extent that it is not satisfied because under any Programme Document in relation to the Trust or by operation of law there is a reduction in the extent of the Covered Bond Guarantor's indemnification out of the Assets of the Trust, as a result of the Covered Bond Guarantor's fraud, gross negligence or wilful default.

It is acknowledged that the Transaction Parties are responsible under the Programme Documents for performing a variety of obligations relating to the Trust. No act or omission of the Covered Bond Guarantor (including any related failure to satisfy its obligations or breach of representation or warranty under any Programme Document) will be considered fraud, gross negligence or wilful default for the purpose of the preceding paragraph if and to the extent the act or omission was caused or contributed to by any failure by any Transaction Party or any other person appointed by the Covered Bond Guarantor under any Programme Document (other than a person whose acts or omissions the Covered Bond Guarantor is liable for in accordance with any Programme Document) to fulfil its obligations relating to the Trust or by any other act or omission of any relevant Transaction Party or any other such person regardless of whether or not the act or omission is purported to be done on behalf of the Covered Bond Guarantor.

No attorney, agent, receiver or receiver and manager appointed in accordance with the Programme Documents has authority to act on behalf of the Covered Bond Guarantor in a way that exposes the Covered Bond Guarantor to any personal liability and no act or omission of any such person will be considered fraud, gross negligence or wilful default of the Covered Bond Guarantor.

The Covered Bond Guarantor is not obliged to do anything or refrain from doing anything under or in connection with the Programme Documents (including incur a liability) unless the Covered Bond Guarantor's liability is limited in the same manner as set out in this section.

Fraud, Gross Negligence and Wilful Default

A reference to the "fraud", "gross negligence" or "wilful default" of the Covered Bond Guarantor (in its capacity as Covered Bond Guarantor, Seller Trust Trustee and Seller Trust Beneficiary) means the fraud, gross negligence or wilful default of the Covered Bond Guarantor and of its officers, employees, agents and any other person where the Covered Bond Guarantor (in such capacity) is liable for the acts or omissions of such other person under the terms of the relevant Programme Document.

Security Trustee's Limitation of Liability

Except where expressly contemplated in a Programme Document, the Security Trustee enters into the Programme Documents only in its capacity as trustee of the Security Trust and in no other capacity and the Security Trustee has no liability under or in connection with the Programme Documents (whether to the Secured Creditors, the Covered Bond Guarantor or any other person) other than to the extent to which the liability is able to be satisfied out of the property of the Security Trust from which the Security Trustee is actually indemnified for the liability. This limitation will not apply to a liability of the Security Trustee to the extent that it

is not satisfied because, under the Programme Documents or by operation of law, there is a reduction in the extent of the Security Trustee's indemnification out of the Security Trust as a result of the Security Trustee's fraud, gross negligence or wilful default.

Fraud, Gross Negligence and Wilful Default

A reference to the "fraud", "gross negligence" or "wilful default" of the Security Trustee means the fraud, gross negligence or wilful default of the Security Trustee as the case may be and of its officers, employees, agents and any other person where the Security Trustee is liable for the acts or omissions of such other person under the terms of the relevant Programme Document.

Dual recourse: Excess Proceeds to be paid to Covered Bond Guarantor

Following the occurrence of an Issuer Event of Default, the Bond Trustee may serve an Issuer Acceleration Notice on the Issuer (with a copy to the Covered Bond Guarantor) and a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager).

Following service of an Issuer Acceleration Notice and a Notice to Pay, any moneys received by the Bond Trustee from the Issuer (or any administrator, receiver, liquidator or other similar official appointed in relation to the Issuer) and then held by it or under its control ("**Excess Proceeds**") will be paid by the Bond Trustee to the Covered Bond Guarantor and shall be used by the Covered Bond Guarantor in the same manner as all other moneys available to it from time to time.

Following service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), the Covered Bond Guarantor will, subject to and in accordance with the terms of the Bond Trust Deed, pay or procure to be paid on each Scheduled Payment Date to or to the order of the Bond Trustee (for the benefit of the Covered Bondholders) an amount equal to those Guaranteed Amounts which shall have become Due for Payment, but which have not been paid by the Issuer.

Payments by the Covered Bond Guarantor under the Covered Bond Guarantee will be made in accordance with the Guarantee Allocations.

Deed of Charge

To secure its obligations under the Covered Bond Guarantee and the Programme Documents to which it is a party, the Covered Bond Guarantor will grant security over the Secured Property (which consists primarily of the Covered Bond Guarantor's interest in the Receivables, the Substitution Assets, the Authorised Investments, the rights under the Programme Documents to which it is a party and the Trust Accounts) in favour of the Security Trustee (for itself and on trust for the other Secured Creditors) pursuant to the Deed of Charge.

Cashflow Allocation Methodology

Pre-acceleration Revenue Allocations and Pre-acceleration Principal Allocations

Prior to service of a Notice to Pay or the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee) or the enforcement of the Charge, the Covered Bond Guarantor will (subject to the application of payments under Swaps):

(a) apply Available Revenue Receipts (A) to pay interest due and payable on the Term Advances and/or (B) to pay interest due and payable on the Demand Loan. However, these payments will only be made after giving effect to certain payments which may be due to and from certain Swap Providers and payment of certain items ranking higher in

the Pre-acceleration Revenue Allocations (including, but not limited to, certain fees and expenses and amounts due to the Swap Providers); and

(b) subject to the application of the payment in kind provisions in respect of the Senior Portion Outstanding of the Demand Loan as described in "*Summary of the Principal Documents – Demand Loan Agreement*", apply Available Principal Receipts towards making repayments of the Demand Loan and Term Advances but only after payment of certain items ranking higher in the Pre-acceleration Principal Allocations (including, but not limited to, funding any liquidity that may be required in respect of Hard Bullet Covered Bonds following any breach of the Pre-Maturity Test and acquiring New Receivables offered by the Seller to the Covered Bond Guarantor) provided that the Senior Portion Outstanding of the Demand Loan may be repaid, subject to certain conditions and the availability of funds, immediately after funding liquidity that may be required in respect of Hard Bullet Covered Bonds.

Application of moneys following service of an Asset Coverage Test Breach Notice

At any time after service on the Covered Bond Guarantor of an Asset Coverage Test Breach Notice (which has not been revoked), but prior to the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice to the Issuer (with a copy to the Covered Bond Guarantor) (or, if earlier, the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee)) and/or the enforcement of the Charge:

(a) all Available Revenue Receipts will continue to be applied in accordance with the Pre-acceleration Revenue Allocations save that, whilst any Covered Bonds remain outstanding, no moneys will be applied: (i) to repay interest due or to become due and payable to the Intercompany Loan Provider in respect of each Term Advance; (ii) to pay interest on the Demand Loan; or (iii) towards a distribution to the Residual Income Unitholder and the remainder (if any) will be deposited into the GIC Account and applied as Available Revenue Receipts on the next succeeding Trust Payment Date; and

(b) all Available Principal Receipts will continue to be applied in accordance with the Pre-acceleration Principal Allocations save that, whilst any Covered Bonds remain outstanding, moneys will not be applied to acquire New Receivables from the Seller and/or to acquire Substitution Assets pursuant to paragraph (e) of the Pre-acceleration Principal Allocations and the remainder (if any) will be deposited into the GIC Account and applied as Available Principal Receipts on the next succeeding Trust Payment Date.

Application of moneys following service of a Notice to Pay

Following service on the Covered Bond Guarantor (copied to the Trust Manager) of a Notice to Pay (but prior to service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee) or the enforcement of the Charge) the Covered Bond Guarantor will, subject to the application of the payment in kind provisions in respect of the Senior Portion Outstanding of the Demand Loan as described in "*Summary of the Principal Documents – Demand Loan Agreement*" and the application of payments under Swaps, use all Available Revenue Receipts and Available Principal Receipts to pay Guaranteed Amounts in respect of the Covered Bonds when the same shall become Due for Payment, subject to paying certain higher ranking obligations of the Covered Bond Guarantor in the Guarantee Allocations (including, but not limited to, fees and expenses and amounts due to Swap Providers and accrued but unpaid interest in respect of the Senior Portion Outstanding of the Demand Loan). In such circumstances, the Intercompany Loan Provider, the Demand Loan Provider (other than in respect of interest on the Senior

Portion Outstanding of the Demand Loan, which is senior ranking) and the Seller will only be entitled to receive any remaining funds of the Trust after all amounts due under the Covered Bond Guarantee in respect of the Covered Bonds have been paid in full or have otherwise been provided for.

Acceleration of the Covered Bonds

Following the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee), the Covered Bonds will become immediately due and repayable (if not already due and payable as against the Issuer) and each of the Bond Trustee and (if instructed to do so by the Bond Trustee) the Security Trustee may or shall take such proceedings or steps in accordance with the first and third paragraphs, respectively, of Programme Condition 9(c) (*Enforcement*) and the Covered Bondholders shall have a claim against the Covered Bond Guarantor, under the Covered Bond Guarantee, for an amount equal to the Early Redemption Amount in respect of each Covered Bond of each Series together with accrued interest and any other amount due under the Covered Bonds (other than additional amounts relating to such items as prepayments, early redemption premiums, default interest and interest upon interest and amounts payable by the Issuer under Programme Condition 7 (*Taxation*)) and/or Condition 7 (*Taxation*) of the N Covered Bond Conditions (if applicable) and the Charge created by the Covered Bond Guarantor over the Secured Property will become enforceable (if not already realised). Any moneys received or recovered by the Security Trustee following enforcement of the Charge created by the Covered Bond Guarantor over the Secured Property will be distributed, subject to the application of the payment in kind provisions in respect of the Senior Portion Outstanding of the Demand Loan as described in "*Summary of the Principal Documents – Demand Loan Agreement*", according to the Post-enforcement Allocations.

For a more detailed description of the transactions summarised above relating to the Covered Bonds see, amongst other relevant sections of this Prospectus, "*Programme Overview*", "*Market risks associated with Covered Bonds issued under the Programme*", "*Summary Of The Principal Documents*", "*Credit Structure*", "*Cashflows*", "*The Receivables Portfolio*" and "*Terms and Conditions of the Covered Bonds*" below.

Background and Australian legislative framework

Each issue of the Covered Bonds will be subject to, and undertaken in, compliance with Division 3A of Part II of the Australian Banking Act. The Australian Banking Act provides for the issue of covered bonds by Australian authorised deposit-taking institutions ("**ADIs**").

The legislative framework established under the Australian Banking Act for the issuance of covered bonds by ANZBGL is summarised in the following paragraphs.

- *Definition of "covered bonds" and "cover pool"*: In the Australian Banking Act, "covered bonds" are defined to be bonds, notes or other debentures, liabilities to the holders of which, or their representatives, are recoverable from the issuing ADI and secured by assets beneficially owned by a special purpose vehicle (a covered bond special purpose vehicle). Assets beneficially owned by the covered bond special purpose vehicle, to the extent that they secure the liabilities to the holders of covered bonds or their representatives equally or in priority to any other liabilities of the covered bond special purpose vehicle, constitute the cover pool for those covered bonds. The Covered Bonds to be issued by ANZBGL under the Programme will be "covered bonds".

- *Issue restriction and maintenance of the cover pool*: The Australian Banking Act provides that:

(i) ANZBGL must not issue a covered bond if the combined value of assets in cover pools securing all covered bonds (within the meaning of the Australian Banking Act) issued by ANZBGL would exceed 8 per cent, or such other percentage prescribed by regulation, of the value of ANZBGL's assets in Australia. This restriction is only to be tested at the time of the issuance of covered bonds; and

(ii) the value of assets in a cover pool must be at least 103 per cent, or such other percentage prescribed by regulation, of the face value of covered bonds secured by the assets, except as otherwise permitted by the Australian Banking Act. This is an ongoing requirement which applies for so long as the covered bonds are outstanding.

- *Cover pools, eligible assets and cover pool monitor*: Sections 31 and 31A of the Australian Banking Act specify the nature of assets that may comprise the cover pool (which include residential mortgage loans, certain cash deposits and liquid securities and certain derivatives). Pursuant to the terms of the Programme Documents (in particular, the Supplemental Deed and the Mortgage Sale Agreement), the Covered Bond Guarantor is only permitted to hold as part of the cover pool assets which meet the requirements of sections 31 and 31A.

  The Australian Banking Act also provides for the mandatory appointment of a cover pool monitor which must be either a registered auditor under the Australian Corporations Act or an entity which holds an Australian financial services licence that covers the provision of financial services as the cover pool monitor (or is exempt from the requirement to do so). The cover pool monitor cannot be the issuing ADI or an associated entity of the issuing ADI. The Asset Monitor is required under the Asset Monitor Agreement to satisfy the applicable eligibility requirements of the Australian Banking Act for a cover pool monitor and to perform the functions required to be performed by a cover pool monitor under the Australian Banking Act. The role of the Asset Monitor under the Asset Monitor Agreement is described further below under "*Summary of the Principal Documents*".

- *Prudential supervision and standards*: The Australian Banking Act also provides broad administrative powers to APRA to regulate and intervene in the operations of an ADI, including:

  (i) in certain circumstances (including where APRA has reason to believe that the ADI is unable to meet its liabilities, there has been a material deterioration in the ADI's financial condition, the ADI is conducting its affairs in an improper or financially unsound way, the failure to issue a direction would materially prejudice the interests of the ADI's depositors or the ADI is conducting its affairs in a way that may cause or promote instability of the Australian financial system), APRA has the power to direct an ADI not to issue a covered bond or to take, or not take, other action. Subject to certain exclusions relating to covered bonds discussed in sub-paragraphs (a) to (d) below, such directions could apply to any aspect of the business carried on by ANZBGL and its subsidiaries (and include, in the case of the Covered Bonds, a direction that ANZBGL not make a payment to the Covered Bondholders or transfer an asset to the Covered Bond Guarantor even if contractually obliged to do so). The Covered Bond Guarantor is not a subsidiary of ANZBGL for these purposes. An ADI has the power to comply with APRA's direction despite anything in its constitution or any contract or arrangement to which it is a party;

  (ii) if the ADI becomes unable to meet its obligations or suspends payment (and in certain other circumstances), APRA has the power to appoint a "Banking Act

statutory manager" (formerly known as an "ADI statutory manager") to take control of an ADI's business;

(iii) to determine prudential standards which provide for matters relating to covered bonds including in relation to the issuing of covered bonds, assets in cover pools, the maintenance of cover pools and the capital treatment of assets in cover pools and liabilities between an issuing ADI and the covered bond special purpose vehicle; and

(iv) the power to direct a covered bond special purpose vehicle (such as the Covered Bond Guarantor) to return certain assets to the issuing ADI, but only to the extent that, at the time the direction is given, the relevant asset(s) do not secure "covered bond liabilities" (as defined in the Australian Banking Act including, in the case of ANZBGL, the liabilities of ANZBGL to the Covered Bondholders). A covered bond special purpose vehicle has the power to comply with APRA's direction despite anything in its constitution or any contract or arrangement to which it is a party.

These broad administrative powers are of general application and have been provided to APRA to enable it to protect depositors and to maintain the stability of the Australian financial system. APRA's administrative powers have recently been enhanced by the Financial Sector Legislation Amendment (Crisis Resolution Powers and Other Measures) Act 2018 of Australia (the "**Crisis Management Act**") as discussed below. APRA's powers to give directions as described above are also subject to secrecy requirements which means that investors will not necessarily receive any notice or otherwise be aware that APRA has given any direction to ANZBGL or the Covered Bond Guarantor. Notwithstanding these broad administrative powers, sections 11CA(2AA), 31B and 31C of the Australian Banking Act provide that:

(a) APRA must not direct, or give a direction to ANZBGL that would cause or require, the Covered Bond Guarantor to deal, or not deal, with an asset to the extent that the asset secures covered bond liabilities of ANZBGL to the Covered Bondholders, or make a payment, or not make a payment, in relation to a liability of ANZBGL to the Covered Bondholders;

(b) neither the giving of a direction by APRA to ANZBGL nor the fact that a Banking Act statutory manager is in control of ANZBGL's business prevents the exercise of a contractual right in relation to an asset that secures liabilities to the Covered Bondholders, if payments under the Covered Bonds are not made;

(c) neither a Banking Act statutory manager nor an external administrator (as defined in the Australian Banking Act) in control of ANZBGL's business has any powers in relation to an asset to the extent that the asset secures the liabilities to the Covered Bondholders, apart from the contractual powers of ANZBGL; and

(d) a Banking Act statutory manager or external administrator has the same contractual obligations of ANZBGL in relation to an asset to the extent that the asset secures the liabilities to the Covered Bondholders.

In addition to APRA's broad administrative powers under the Australian Banking Act, the Financial Sector (Business Transfer and Group Restructure) Act 1999 of Australia gives APRA the power to compulsorily transfer some or all of ANZBGL's (or its related body corporate's) assets and liabilities to another ADI in certain circumstances. The Covered Bond Guarantor is not a related body corporate of ANZBGL for these purposes.

On 5 March 2018, the Crisis Management Act came into effect. The Crisis Management Act amended the Australian Banking Act (among other statutes applicable to financial institutions in Australia) to enhance APRA's powers. Specifically, the Crisis Management Act enhanced

APRA's powers to facilitate the orderly resolution of the entities it regulates (and their subsidiaries) in times of distress. Additional powers given to APRA under the Crisis Management Act which could impact ANZBGL and potentially the position of Covered Bondholders include greater oversight, management and directions powers in relation to ANZBGL and other ANZ Group entities (including ANZ Capel Court Limited) which were previously not regulated by APRA, increased statutory management powers over regulated entities within the ANZ Group and changes designed to give statutory recognition to the conversion or write-off of regulatory capital instruments. As part of the measures to facilitate the orderly resolution of regulated entities, the Crisis Management Act introduced additional moratoria which would restrict, among other things, the disposal of certain property or the commencement or continuation of certain enforcement action against, or the exercise of certain rights in respect of, property of ANZBGL and other ANZ Group entities in circumstances where a Banking Act statutory manager is in control of the business of the relevant body corporate. However, under section 31B of the Australian Banking Act (as amended by the Crisis Management Act), these moratoria do not prevent the exercise of a contractual right in relation to an asset that secures liabilities to the Covered Bondholders, if payments under the Covered Bonds are not made.

On 12 July 2012, APRA released the prudential standard for ADIs that issue covered bonds: *Prudential Standard APS 121 Covered Bonds*, and such version was revoked and replaced by APRA on 13 June 2019 ("**APS 121**"). The key requirements of APS 121 are that ANZBGL must (i) adopt policies and procedures to manage risks relating to its issuance of Covered Bonds; and (ii) apply an appropriate capital treatment to exposures associated with Covered Bond issuance. APS 121, as updated in 2019, came into effect on 1 July 2019 and applies to covered bonds issued by ANZBGL both before and after that date. Under APS 121, ANZBGL is required, among other things, to maintain an accurate and up-to-date register of the assets in the cover pool, as defined in the Australian Banking Act (being the assets of the Covered Bond Guarantor which secure the liabilities to the Covered Bondholders or their representatives equally or in priority to any other liabilities of the Covered Bond Guarantor).

A failure by ANZBGL to comply with APS 121 may entitle APRA to issue directions to ANZBGL under the Australian Banking Act to require compliance. For more detail regarding APRA's powers to give directions, see "*Background and Australian legislative framework: Prudential supervision and standards*" above.

PROGRAMME OVERVIEW

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus and in relation to the terms and conditions of any particular Series or Tranche of Covered Bonds, the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement or, in the case of N Covered Bonds, the applicable N Covered Bond Conditions and N Covered Bond Agreement). Words and expressions defined elsewhere in this Prospectus shall have the same meanings in this overview. A glossary of certain defined terms is contained at the end of this Prospectus.

The Parties

Issuer:	ANZBGL, incorporated as a company under Australian law with Australian Business Number 11 005 357 522 and having its registered office at Level 9, 833 Collins Street Docklands Vic 3008, Australia. For a more detailed description of the Issuer see "*Australia and New Zealand Banking Group Limited and its subsidiaries*".
Covered Bond Guarantor:	Perpetual Corporate Trust Limited, a company incorporated with limited liability with Australian Business Number 99 000 341 533 and having its registered office at Level 18, 123 Pitt Street, Sydney NSW 2000, Australia, as trustee of the ANZ Residential Covered Bond Trust. In its capacity as trustee of the Trust, the Covered Bond Guarantor's principal business is to acquire, *inter alia*, Receivables (Housing Loans and Related Securities) from the Seller pursuant to the terms of the Mortgage Sale Agreement and to guarantee certain payments in respect of the Covered Bonds. The Covered Bond Guarantor will hold the Receivables forming part of the Assets of the Trust and the other Secured Property as trustee in accordance with the terms of the Programme Documents. The Covered Bond Guarantor has provided a guarantee covering all Guaranteed Amounts when the same become Due for Payment, but only following service on the Issuer (with a copy to the Covered Bond Guarantor) of an Issuer Acceleration Notice and service on the Covered Bond Guarantor (copied to the Trust Manager) of a Notice to Pay, or if earlier, service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee). The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee and the other Programme Documents to which it is a party are secured by the Deed of Charge under which the Covered Bond Guarantor has granted security over the Secured Property.

	The liability of the Covered Bond Guarantor to make payments under the Programme Documents (including under the Covered Bond Guarantee) is limited to its right of indemnity from the Assets of the Trust. Except in the case of and to the extent that the Covered Bond Guarantor's right of indemnification against the Assets of the Trust is reduced as a result of fraud, gross negligence or wilful default, no rights may be enforced against the personal assets of the Covered Bond Guarantor by any person and no proceedings may be brought against the Covered Bond Guarantor except to the extent of the Covered Bond Guarantor's right of indemnity and reimbursement out of the Assets of the Trust. Other than in the exception previously mentioned, the personal assets of the Covered Bond Guarantor are not available to meet payments under the Covered Bond Guarantee.
The Trust:	The ANZ Residential Covered Bond Trust is established for the primary purposes of the Trustee: (a) acquiring (and disposing of) Receivables, Related Securities, Authorised Investments and Substitution Assets in accordance with the Programme Documents in respect of the Trust; (b) guaranteeing the obligations of the Issuer under and in respect of Covered Bonds in accordance with the Programme Documents; and (c) entering into, performing its obligations and exercising its rights under and taking any action contemplated by any of the Programme Documents (as amended from time to time) and including any additional Programme Documents entered into in accordance with the Trust Terms Deed, the relevant Supplemental Deed and the Bond Trust Deed from time to time, and the Trustee, on the direction of the Trust Manager, may exercise any or all of its powers under the Programme Documents for these purposes and any purposes incidental to these purposes.
Residual Income Unitholder and Residual Capital Unitholder:	ANZBGL
Trust Manager:	ANZ Capel Court Limited
Seller:	ANZBGL
Calculation Manager / Servicer / Interest Rate Swap Provider / Covered Bond Swap Provider / Account Bank / Intercompany	ANZBGL

Loan Provider / Demand Loan Provider:	
Bond Trustee:	DB Trustees (Hong Kong) Limited
Security Trustee:	P.T. Limited
Asset Monitor:	KPMG
Arrangers:	Australia and New Zealand Banking Group Limited, Citigroup Global Markets Limited and UBS AG London Branch.
Dealers:	Australia and New Zealand Banking Group Limited, Barclays Capital Asia Limited, BNP Paribas, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, HSBC Continental Europe, J.P. Morgan Securities plc, UBS AG London Branch and Société Générale.
Covered Bond Paying Agent:	Deutsche Bank AG, Hong Kong Branch.
U.S. Paying Agent/U.S. Registrar:	Deutsche Bank Trust Company Americas.
N Covered Bond Paying Agent/N Covered Bond Registrar:	Deutsche Bank Aktiengesellschaft or such other N Covered Bond Paying Agent or N Covered Bond Registrar that is appointed in respect of any Series of N Covered Bonds pursuant to a supplementary agency agreement.
Luxembourg Registrar:	Deutsche Bank Luxembourg S.A.
Australian Registrar:	Austraclear Services Limited ABN 28 003 284 419.
Designated Rating Agencies:	Fitch Australia Pty Ltd and Moody's Investors Service Pty Ltd.
The Covered Bonds	
Programme Size:	Up to US$30,000,000,000 (or its equivalent in other currencies determined as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement. The limit includes all Covered Bonds issued under the Programme, whether or not they are listed, offered in reliance on Rule 144A, Australian Registered Covered Bonds or N Covered Bonds.
Distribution:	Covered Bonds may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis, subject to the restrictions set forth in "*Subscription and Sale and Selling Restrictions*" below.

Specified Currencies:	Subject to any applicable legal or regulatory restrictions, Covered Bonds may be issued in such currency or currencies as may be agreed from time to time by the Issuer, the Relevant Dealer(s), the Principal Paying Agent and the Bond Trustee (as set out in the applicable Final Terms or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement or, in the case of N Covered Bonds, the applicable N Covered Bond Conditions and N Covered Bond Agreement).
Certain Restrictions:	Each issue of Covered Bonds 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 (see "*Subscription and Sale and Selling Restrictions*").
Issue Price:	Covered Bonds may be issued at par or at a premium or discount to par (as set out in the applicable Final Terms or in the case of Exempt Covered Bonds, the applicable Pricing Supplement or, in the case of N Covered Bonds, a purchase agreement entered into by the initial N Covered Bondholder).
Form of Covered Bonds:	The Covered Bonds will be issued in bearer or registered form as described in "*Form of the Covered Bonds*". Registered Covered Bonds will not be exchangeable for Bearer Covered Bonds and Bearer Covered Bonds will not be exchangeable for Registered Covered Bonds. Australian Registered Covered Bonds will be issued in uncertificated registered form. No certificate or other evidence of title will be issued in respect of the Australian Domestic Covered Bonds. US Covered Bonds will be issued in registered form. N Covered Bonds will be issued in the form of Registered Definitive Covered Bonds. Interest on Covered Bonds in bearer form will only be payable outside the United States and its possessions. Covered Bonds may be Fixed Rate Covered Bonds, Floating Rate Covered Bonds, Zero Coupon Covered Bonds, Instalment Covered Bonds, Hard Bullet Covered Bonds or a combination of any of the foregoing, as specified in the applicable Final Terms or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement and subject, in each case, to confirmation from the Designated Rating Agencies that the then current ratings of any

outstanding Series of Covered Bonds will not be adversely affected by the issuance of such Covered Bonds.

Fixed Rate Covered Bonds: Fixed Rate Covered Bonds will bear interest at a fixed rate which will be payable on such date or dates as may be agreed between the Issuer and the Relevant Dealer(s) 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(s) (in each case as set out in the applicable Final Terms or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement).

Floating Rate Covered Bonds: Floating Rate Covered Bonds will bear interest at a rate determined:

(i) 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 the ISDA Definitions; or

(ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service,

in each case as set out in the applicable Final Terms or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement.

The Margin (if any) relating to such floating rate will be agreed between the Issuer and the Relevant Dealer(s) for each issue of Floating Rate Covered Bonds (as set out in the applicable Final Terms or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement).

Other provisions in relation to Floating Rate Covered Bonds: Floating Rate Covered Bonds may also have a maximum interest rate, a minimum interest rate or both.

Interest on Floating Rate Covered Bonds in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer (and in each case as set out in the applicable Final Terms or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement).

Zero Coupon Covered Bonds: Zero Coupon Covered Bonds, bearing no interest, may be offered and sold under the Programme.

Exempt Covered Bonds: The Issuer may agree with any Dealer that Exempt Covered Bonds may be issued in a form not

	contemplated by the Programme Conditions of the Covered Bonds, in which event the relevant provisions will be included in the applicable Pricing Supplement, which will replace, modify or supplement those Programme Conditions.
Designated Rating Agency Confirmation:	The issuance of each Series of Covered Bonds shall be subject to confirmation by each of the Designated Rating Agencies that the then current ratings for any outstanding Covered Bonds will not be adversely affected by the issuance of such types of Covered Bonds.
Maturities:	Subject to compliance with all applicable legal, regulatory and/or central bank requirements, Covered Bonds may be issued with such maturities as may be agreed between the Issuer and the Relevant Dealer(s) (as set out in the applicable Final Terms or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement, or in the case of N Covered Bonds, the applicable N Covered Bond Conditions).
Redemption:	The applicable Final Terms or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement, or in the case of N Covered Bonds, the applicable N Covered Bond Conditions, for a Series of Covered Bonds will indicate either that the relevant Covered Bonds of such Series cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or if it becomes unlawful for any Term Advance or the Demand Loan to remain outstanding) or that such Covered Bonds will be redeemable at the option of the Issuer upon giving notice to the Covered Bondholders, 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 agreed between the Issuer and the Relevant Dealer(s) or that such Covered Bonds will be redeemable at the option of the Covered Bondholders upon giving notice to the Issuer, on a date or dates specified prior to such stated maturity and at their Optional Redemption Amount as specified in the applicable Final Terms or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement. The applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement) may provide that Covered Bonds may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement).
Final Redemption:	Unless an Extended Due for Payment Date is set out in the applicable Final Terms or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement, or

in the case of N Covered Bonds, the applicable N Covered Bond Conditions for a Series of Covered Bonds, if that Series of Covered Bonds has not already been redeemed, purchased or cancelled in full in accordance with their terms and conditions, those Covered Bonds will be finally redeemed at their Final Redemption Amount on the Final Maturity Date for such Covered Bonds, as set out in the applicable Final Terms or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement, or in the case of N Covered Bonds, the applicable N Covered Bond Conditions.

Extendable obligations under the Covered Bond Guarantee:

If an Extended Due for Payment Date is set out in the Final Terms (or in the case of Exempt Covered Bonds, the Pricing Supplement, or in the case of N Covered Bonds, the N Covered Bond Conditions) for a Series of Covered Bonds and (i) the Issuer fails to pay, in full, the Final Redemption Amount for such Covered Bonds on the Final Maturity Date for such Covered Bonds (or by the end of the applicable grace period) and (ii) following the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) by no later than the date falling one Business Day prior to the Extension Determination Date, it fails to pay, in full, the Guaranteed Amounts equal to the unpaid portion of such Final Redemption Amount on the date falling on the earlier of (i) the date which falls two Business Days after service of such Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) or if later the Final Maturity Date (in each case after the expiry of the applicable grace period) and (ii) the Extension Determination Date for such Covered Bonds in accordance with the terms of the Covered Bond Guarantee (for example because, following the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), there are insufficient moneys available to it to pay, in accordance with the Guarantee Allocations, such Guaranteed Amounts in full), then the obligation of the Covered Bond Guarantor to pay the unpaid portion of such Guaranteed Amount, or any part thereof will be deferred (and a Covered Bond Guarantor Event of Default shall not occur as a result of such failure) until the first and subsequent Interest Payment Date thereafter on which sufficient moneys are available (after providing for liabilities ranking in priority thereto or *pari passu* therewith subject to and in accordance with the Guarantee Allocations) to fund the payment of such unpaid portion, or any part thereof, provided that such payment shall not be deferred beyond the Extended Due for Payment Date when the unpaid portion of such Guaranteed Amount (together with accrued interest) shall be due and payable. Interest will accrue on any such unpaid portion during

	such extended period and will be due and payable on each Interest Payment Date up to, and including, the Extended Due for Payment Date in accordance with Programme Condition 4 (*Interest and other Calculations*) and/or, in the case of an N Covered Bond, the relevant Condition of the relevant N Covered Bond Conditions (if applicable).
Denomination of Covered Bonds:	The Covered Bonds will be issued in such denominations as may be agreed between the Issuer and the Relevant Dealer(s) and set out in the applicable Final Terms or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement, or in the case of N Covered Bonds, the applicable N Covered Bond Conditions, save that, except in certain limited circumstances, the minimum denomination of each Covered Bond will be €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000 (or, if the Covered Bonds are denominated in a currency other than euro, the equivalent amount in such currency) or such other higher amount as is required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and, in the case of Australian Registered Covered Bonds offered in Australia, the minimum subscription amount in respect of an issue or transfer is A$500,000 or its equivalent in another currency (disregarding any amount lent by the offeror, the Issuer or any associated person of the offeror or Issuer).
Taxation:	All payments in respect of the Covered Bonds will be made without deduction or withholding for or on account of any taxes whatsoever, unless required by law. For the avoidance of doubt, any amounts withheld or deducted pursuant to the U.S. Foreign Account Tax Compliance Act ("**FATCA**") will be treated as being required by law. In the event that any such deduction is required by law, payment will be made after such amounts have been deducted and the Issuer will, subject to certain limitations and exceptions (as provided in Programme Condition 7 (*Taxation*)) and/or Condition 7 (*Taxation*) of the N Covered Bond Conditions (if applicable), pay such additional amounts as may be necessary in order that the net amounts received by the holders of Covered Bonds after the deduction shall equal the respective amounts which would have been receivable in the absence of such deduction. If any payments made by the Covered Bond Guarantor under the Covered Bond Guarantee are or become subject to any such withholding or deduction, the Covered Bond Guarantor will not be obliged to pay any additional amount as a consequence under Programme Condition 7 (*Taxation*) and/or

	Condition 7 (*Taxation*) of the N Covered Bond Conditions (if applicable).
Cross Default:	If the Issuer fails to pay interest or principal due on any Series of Covered Bonds then, subject to the applicable grace periods, that will constitute an Issuer Event of Default in respect of all other Series of Covered Bonds then outstanding. Similarly, if a Covered Bond Guarantee Acceleration Notice is served in respect of any Series of Covered Bonds, then the obligation of the Covered Bond Guarantor to pay amounts equal to Guaranteed Amounts in respect of all Series of Covered Bonds outstanding will be accelerated. If a Notice to Pay is served in respect of any Series of Covered Bonds, then the Covered Bond Guarantor will be required to make payments of amounts equal to Guaranteed Amounts in respect of all Series of Covered Bonds outstanding as and when the same will become Due for Payment in accordance with the terms of the Covered Bond Guarantee.
Status of the Covered Bonds:	The Covered Bonds will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* without any preference among themselves, and save for certain debts of the Issuer required to be preferred by law, including but not limited to, those referred to in Division 2 and 2AA of Part II of the Australian Banking Act and section 86 of the Australian Reserve Bank Act, at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding. For further detail see "*Programme Overview -Australian Banking Act – priority and ranking of the Covered Bonds*". The Covered Bonds are not insured by any governmental agency.

Covered Bond Guarantee:	Payment of Guaranteed Amounts in respect of the Covered Bonds when Due for Payment will be irrevocably guaranteed by the Covered Bond Guarantor under the Covered Bond Guarantee. The Covered Bond Guarantor will be under no obligation to make payment in respect of the Guaranteed Amounts when Due for Payment unless (i) an Issuer Event of Default has occurred and a Notice to Pay is served on the Covered Bond Guarantor (with a copy to the Trust Manager), or (ii) a Covered Bond Guarantor Event of Default has occurred and a Covered Bond Guarantee Acceleration Notice is served on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee). Subject to its obligation to deliver a Notice to Pay, the Bond Trustee is entitled to enforce the Covered Bond Guarantee following an Issuer Event of Default. The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee will accelerate against the Covered Bond Guarantor and the Guaranteed Amounts will become immediately due and payable upon the service of a Covered Bond Guarantee Acceleration Notice. The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee constitute direct obligations of the Covered Bond Guarantor secured against the assets from time to time of the Covered Bond Guarantor and recourse against the Covered Bond Guarantor is limited to such assets.
Ratings:	Each Series of Covered Bonds (other than N Covered Bonds which may or may not be rated) to be issued under the Programme will, unless otherwise specified in the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement), be rated "Aaa" by Moody's and "AAA" by Fitch. If N Covered Bonds of any Series are rated, the applicable rating will be specified in the applicable N Covered Bond Conditions. Each Series of Covered Bonds (other than N Covered Bonds) is expected on issue to be assigned a rating by each Designated Rating Agency. The rating of certain Series of Covered Bonds to be issued under the Programme may be specified in the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement). Neither S&P nor any of the Designated Rating Agencies is established in the UK nor registered under the UK CRA Regulation. S&P Global Ratings UK Limited currently endorses the international credit ratings issued by S&P, Fitch Ratings Ltd currently endorses the international credit ratings published by Fitch and Moody's Investors Service Limited currently endorses credit ratings issued by Moody's, for regulatory purposes in the UK

in accordance with the UK CRA Regulation. Each of S&P Global Ratings UK Limited, Fitch Ratings Ltd and Moody's Investors Service Limited have been registered under the UK CRA Regulation. All other credit ratings attributable to persons described in this Prospectus have been issued by one or more of the Designated Rating Agencies.

Neither S&P nor the Designated Rating Agencies are established in the EU nor registered under the EU CRA Regulation. S&P Global Ratings Europe Limited currently endorses the international credit ratings issued by S&P, Fitch Ratings Ireland Limited currently endorses the international credit ratings published by Fitch and Moody's Deutschland GmbH currently endorses credit ratings issued by Moody's, for regulatory purposes in the EU in accordance with the EU CRA Regulation. Each of S&P Global Ratings Europe Limited, Fitch Ratings Ireland Limited and Moody's Deutschland GmbH have been registered under the EU CRA Regulation and, as such are included in the list of credit rating agencies published by the ESMA on its website in accordance with the EU CRA Regulation.

In general, European regulated investors are restricted from using a credit rating for regulatory purposes unless such credit rating is issued by a credit rating agency established in the European Union and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended) or issued by a credit rating agency established in a third country but whose credit ratings are endorsed by EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended).

Credit ratings are for distribution to persons in Australia if such persons are not "retail clients" within the meaning of section 761G of the Australian Corporations Act and are also sophisticated investors, professional investors or other investors in respect of whom disclosure is not required under Part 6D.2 or Part 7.9 of the Australian Corporations Act and, in all cases, in such circumstances as may be permitted by applicable law in any jurisdiction in which the person may be located. Accordingly, anyone who is not such a person is not entitled to receive this Prospectus and anyone who receives this Prospectus must not distribute it to any person who is not entitled to receive it.

Credit ratings are not a recommendation or suggestion, directly or indirectly, to any investor or any other

person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. The Designated Rating Agencies are not advisers and nor do the Designated Rating Agencies provide investors or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services.

A credit rating is an assessment of the likelihood of default, and a measure of recovery given default (Fitch) and expected loss (Moody's) and does not address other matters that may be of relevance to Covered Bondholders, including, whether any action proposed to be taken by the Issuer, the Covered Bond Guarantor or any other party to a Programme Document is either (a) permitted by the terms of the relevant Programme Document, or (b) in the best interests of, or not materially prejudicial to, some or all of the Covered Bondholders.

Listing and admission to trading:

Application has been made to the FCA for Covered Bonds (other than Exempt Covered Bonds and N Covered Bonds) issued under the Programme to be admitted to, during the period of 12 months from the date of this Prospectus, the Official List and to the London Stock Exchange for such Covered Bonds to be admitted to trading on the main market of the London Stock Exchange.

Exempt Covered Bonds may be unlisted or may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or regulated or any other markets, as may be agreed between the Issuer, the Covered Bond Guarantor, the Bond Trustee and the Relevant Dealers in relation to each issue. The Pricing Supplement relating to each Series or Tranche, as applicable, of the Exempt Covered Bonds will state whether or not the Exempt Covered Bonds are to be listed or admitted to trading and, if so, on which stock exchange(s) or markets.

Australian Registered Covered Bonds issued under the Programme are currently not intended to be listed but may be listed, subject to compliance with all applicable laws.

US Covered Bonds issued under the Programme are currently not intended to be listed, but may be listed, subject to compliance with all applicable laws.

	N Covered Bonds will not be listed and/or admitted to trading.
Governing Law:	The Covered Bonds (other than any N Covered Bonds or Australian Registered Covered Bonds), the Bond Trust Deed (including the Covered Bond Guarantee) and the Principal Agency Agreement and any non-contractual obligations arising out of or in connection with each of them are governed by, and will be construed in accordance with, English law. Australian Registered Covered Bonds will be governed by the laws of the State of Victoria, Australia. Other than Conditions 3.2 (*Status of the Covered Bond Guarantee*), 4.5 (*Accrual of Interest in case of an extension of Maturity*), 6.2 (*Extension of Maturity*), 7.2 (*Payments by and on behalf of the Covered Bond Guarantor*), 9 (*Events of Default and Enforcement*) and 14 (*Meetings of Covered* Bondholders) of the N Covered Bond Conditions, clause 4 (*Accession to N Covered Bond Agreement*) of the N Covered Bond Assignment Agreement and the N Covered Bond Agreement (which are governed by and shall be construed in accordance with English law), the N Covered Bonds are governed by, and will be construed in accordance with, German law. The Notice of Creation of Trust, the Trust Terms Deed, the Supplemental Deed, the Mortgage Sale Agreement, the Servicing Deed, the Intercompany Loan Agreement, the Demand Loan Agreement, the Deed of Charge, the Definitions Schedule, the Security Trust Deed, the Interest Rate Swap Agreement, each Covered Bond Swap Agreement, the Australian Agency Agreement and the Account Bank Agreement are governed by, and will be construed in accordance with, the laws of the State of Victoria, Australia. The Asset Monitor Agreement is governed by, and will be construed in accordance with, the laws of the State of New South Wales, Australia.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of any Tranche of Covered Bonds (see "*Subscription and Sale and Selling Restrictions*").

Australian Banking Act – priority and ranking of the Covered Bonds

The Issuer is an ADI. Under sections 13A(3) and 16(2) of the Australian Banking Act and section 86 of the Australian Reserve Bank Act, certain debts of the Issuer are preferred by law, as described below.

Section 13A(3) of the Australian Banking Act provides that, in the event an ADI becomes unable to meet its obligations or suspends payment, the ADI's assets in Australia are available to meet specified liabilities of the ADI in priority to all other liabilities of the ADI (including,

in the case of the Issuer, the Covered Bonds). For the purposes of section 13A(3) of the Australian Banking Act:

(a) the assets of the ADI do not include any interest in an asset (or part of an asset) in a cover pool (as defined in the Australian Banking Act); and

(b) the specified liabilities include certain obligations of the ADI to the APRA in respect of amounts payable by APRA to holders of protected accounts, other liabilities of the ADI in Australia in relation to protected accounts, debts to the Reserve Bank of Australia ("**RBA**") and certain other debts to APRA. A "protected account" is broadly an account (i) kept with the ADI where the ADI is required to pay the account-holder, on demand or at an agreed time, the net credit balance of the account; or (ii) that is prescribed by regulation. Protected accounts include current accounts, savings accounts and term deposit accounts.

Covered Bonds do not constitute protected accounts or deposit liabilities for the purposes of the Australian Banking Act.

Under section 16(2) of the Australian Banking Act, certain other debts of an ADI due to APRA shall in a winding-up of the ADI have, subject to section 13A(3) of the Australian Banking Act, priority over all other unsecured debts of the ADI. Further, section 86 of the Australian Reserve Bank Act provides that in a winding-up of a bank, debts due by the bank to the RBA shall, subject to section 13A(3) of the Australian Banking Act, have priority over all other debts of the bank.

The liabilities which are preferred by law to the claim of a holder in respect of a Covered Bond against the Issuer will be substantial and neither the Programme Conditions nor the N Covered Bond Conditions limit the amount of such liabilities which may be incurred or assumed by the Issuer.

RISK FACTORS

Introduction

Any investment in the Covered Bonds issued under the Programme will involve risks including those described in this section. All principal or material risks that have been identified by the Issuer and the Covered Bond Guarantor are included in this section. Prospective investors should carefully consider the following discussion of the risk factors and the other information in this Prospectus and consult their own financial and legal advisers about the risks associated with the Covered Bonds before deciding whether an investment in the Covered Bonds is suitable for them. Prospective investors should be aware that the risks set forth below are not exhaustive (as these will not include those risks that have not been identified by the Issuer or the Covered Bond Guarantor) and should carefully consider the following factors in addition to the matters set out elsewhere in this Prospectus before investing in the Covered Bonds offered under this Prospectus.

As at the date of this Prospectus, the Issuer and the Covered Bond Guarantor believe that the following risk factors may affect the Issuer's ability to fulfil its obligations, or the Covered Bond Guarantor's ability to perform its obligations, under or in respect of the Covered Bonds or the Covered Bond Guarantee and could be material for the purpose of assessing the market risks associated with the Covered Bonds.

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

MARKET RISKS ASSOCIATED WITH COVERED BONDS ISSUED UNDER THE PROGRAMME

Risks related to the nature of all Covered Bonds which may be issued under the Programme

Payment obligations in relation to the Covered Bonds are obligations of the Issuer and, subject to the terms of the Covered Bond Guarantee, obligations of the Covered Bond Guarantor

The payment obligations in relation to the Covered Bonds will be solely obligations of the Issuer and, subject to the terms of the Covered Bond Guarantee, obligations of the Covered Bond Guarantor. The Issuer and the Covered Bond Guarantor will each be liable solely in their corporate capacity (and in the Covered Bond Guarantor's case, solely in its capacity as trustee of the Trust) for their obligations in respect of the Covered Bonds and such obligations will not be the obligations of their respective officers, members, directors, employees, security holders or incorporators.

The Covered Bond Guarantor will have no obligation to pay the Guaranteed Amounts payable under the Covered Bond Guarantee until the occurrence of an Issuer Event of Default, service by the Bond Trustee on the Issuer (copied to the Covered Bond Guarantor) of an Issuer Acceleration Notice and service by the Bond Trustee on the Covered Bond Guarantor (copied to the Trust Manager) of a Notice to Pay. The occurrence of an Issuer Event of Default will not constitute a Covered Bond Guarantor Event of Default.

There is no guarantee or assurance to Covered Bondholders that the Issuer will be able to make payments to Covered Bondholders in relation to the Issuer's obligations under the Covered Bonds. There is also no guarantee that, should an Issuer Event of Default occur and the Covered Bond Guarantor becomes obliged to make payments under the Covered Bond Guarantee, the Covered Bond Guarantor will be able to satisfy obligations under the Covered Bond Guarantee. Should the Issuer be unable to meet its obligations under the Covered Bonds, or should the

Covered Bond Guarantor be unable to meet the claims of Covered Bondholders under the Covered Bond Guarantee, the interests of Covered Bondholders may be adversely affected and Covered Bondholders may not receive payment in full of all amounts due in respect of the Covered Bonds held by them.

Timing subordination of Covered Bonds/No segregation of assets

Save in respect of the first issue of Covered Bonds, Covered Bonds issued under the Programme will either be fungible with an existing Series of Covered Bonds (in which case they will form part of such Series) or have different terms to an existing Series of Covered Bonds (in which case they will constitute a new Series). All Covered Bonds issued from time to time will rank pari passu with each other in all respects (save as set out in the Guarantee Allocations) and will each have the benefit of a share in the security granted by the Covered Bond Guarantor under the Deed of Charge.

The issue of a further series of Covered Bonds may adversely impact the interests of any existing holder of Covered Bonds as a result of a reduction in the level of collateralisation in the cover pool or as a result of the risk associated with timing subordination as described below. Additionally, whilst each Series of Covered Bonds will rank pari passu with all other Series of Covered Bonds (and, save for certain debts of the Issuer required to be preferred by law, including but not limited to, those referred to in Division 2 and 2AA of Part II of the Australian Banking Act and section 86 of the Australian Reserve Bank Act, at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer, from time to time outstanding) pursuant to the terms of the Supplemental Deed, each Series of Covered Bonds is likely to have a different Final Maturity Date. There is a risk that Covered Bonds maturing later will not be paid or will not be paid in full under the Covered Bond Guarantee, as cover pool assets are not segregated for different Series of Covered Bonds and will be used to repay earlier maturing Covered Bonds first. This risk is only partially offset by the Amortisation Test. In essence, the Amortisation Test will be breached if the Amortisation Test Aggregate Receivable Amount is less than the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding under the Covered Bonds. If the Amortisation Test is breached then a Covered Bond Guarantor Event of Default will occur which will (subject to the Programme Conditions) lead to the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee) and the acceleration of the obligations under the Covered Bond Guarantee in relation to all Covered Bonds then outstanding (hence any further timing subordination will cease to exist). However, there is no guarantee that the remaining cover pool assets will be sufficient to meet in full the claims of the remaining Covered Bondholders under the Covered Bond Guarantee and in such circumstances, holders may not receive payment in full of all amounts due in respect of the Covered Bonds held by them.

Covered Bonds cross default

The Covered Bonds will cross-default each other. That is, if the Issuer fails to pay interest or principal due on any Series of Covered Bonds then, subject to the applicable grace periods, that will constitute an Issuer Event of Default in respect of all Series of Covered Bonds then outstanding. Similarly, following the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), if the Covered Bond Guarantor fails to pay any Guaranteed Amounts when Due for Payment in respect of Covered Bonds of any Series then, subject to the applicable grace periods, that will constitute a Covered Bond Guarantor Event of Default in respect of all Series of Covered Bonds then outstanding. If a cross-default occurs in respect of the Covered Bonds of all Series then outstanding as a consequence of the occurrence of an Issuer Event of Default or a Covered Bond Guarantor Event of Default, the assets in the cover pool at that time may not be sufficient to meet the obligations owed to all Covered Bondholders and as a result, Covered Bondholders may not receive payment in full of all amounts due in respect of the Covered Bonds held by them.

Ratings of the Covered Bonds

The expected ratings of a Series of Covered Bonds will be set out in the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement) for such Series of Covered Bonds. N Covered Bonds of any Series may or may not be rated. If any Series of N Covered Bonds is rated, the rating of that Series of N Covered Bonds will be specified in the applicable N Covered Bond Conditions related to that Series. Any Designated Rating Agency may lower its rating or withdraw its rating if, in the sole judgement of the Designated Rating Agency, the credit quality of the Covered Bonds has declined or is in question. In addition, at any time any Designated Rating Agency may revise its relevant rating methodology with the result that, amongst other things, any rating assigned to the Covered Bonds may be lowered. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time (including as a result of changes to rating methodologies). A credit rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed in these Risk Factors and other factors that may affect the value of the Covered Bonds. A downgrade in the corporate rating of ANZBGL or the sovereign rating of Australia may have a negative impact on the credit ratings of the Covered Bonds.

In the event that a rating assigned to the Covered Bonds or ANZBGL (in its capacity as Issuer) is subsequently lowered or withdrawn or qualified for any reason, no other person or entity is obliged to provide any additional support or credit enhancement with respect to the Covered Bonds. The Issuer may be adversely affected, the market value of the Covered Bonds is likely to be adversely affected and the ability of the Issuer to make payment under the Covered Bonds may be adversely affected. There is no obligation on the Issuer to ensure that an "AAA" rating is maintained by Fitch or an "Aaa" rating is maintained by Moody's and the Issuer is under no obligation to change the Asset Percentage (or any other term) in line with the level of credit enhancement required to ensure an "AAA" rating by Fitch or an "Aaa" rating by Moody's using Moody's expected loss methodology.

In general, investors regulated in the EU are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

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

ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

As a result of the UK CRA Regulation and EU CRA Regulation, if the status of a Designated Rating Agency changes, investors regulated in the UK or the EU may no longer be able to use the rating of that Designated Rating Agency for regulatory purposes and the Covered Bonds may have different regulatory treatment. This may result in investors in the UK or the EU selling the Covered Bonds which may impact the value of the Covered Bonds in any secondary market.

Security Trustee's powers may affect the interests of the Covered Bondholders

Except where expressly provided otherwise in the Deed of Charge or the Security Trust Deed, the Security Trustee will not be required to exercise any right, power, or discretion under the Deed of Charge or the Security Trust Deed and the other Programme Documents, (including to require anything to be done, form any opinion or view, make a determination or give any consent, waiver or approval under the Deed of Charge or the Security Trust Deed and the other Programme Documents) without first obtaining a direction from the Bond Trustee (where the Bond Trustee is the Voting Secured Creditor) or instructions from the Voting Secured Creditors of the Trust given by Extraordinary Resolution (where the Bond Trustee is not the Voting Secured Creditor). If there is at any time a conflict between a duty owed by the Security Trustee to the Covered Bondholders and a duty owed by the Security Trustee to any other Secured Creditor or class of Secured Creditor, then the Security Trustee must give priority to the interests of the Covered Bondholders while any of the Covered Bonds remain outstanding. In so doing, the Security Trustee is required to have regard to the general interests of the Covered Bondholders (or any Series thereof) as a class and not to any interests arising from circumstances particular to individual Covered Bondholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular country, territory or any political subdivision thereof and the Security Trustee is not entitled to require, and no Covered Bondholder, Receiptholder or Couponholder is entitled to claim from, the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Security Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Covered Bondholders, Receiptholders or Couponholders, except to the extent already provided for in Programme Condition 7 (*Taxation*) and/or Condition 7 (*Taxation*) of the N Covered Bond Conditions (if applicable). Additionally, if the Security Trustee receives a direction from the Bond Trustee as a Voting Secured Creditor, the Security Trustee is entitled to assume for the above purposes that the action directed is in the interests of the Covered Bondholders as a class. The exercise by the Security Trustee of its obligation to act in the general interests of the Covered Bondholders as a class may have an adverse impact upon individual Covered Bondholders.

The Bond Trustee and the Security Trustee may in certain circumstances agree to modifications to the Programme Documents without, respectively, the Covered Bondholders or other Secured Creditors' prior consent

Discretion to agree to modifications

Pursuant to the terms of the Bond Trust Deed and the Security Trust Deed, the Bond Trustee and the Security Trustee may (and in the case of modification under clauses (a)(ii) and (b) below, without the consent or sanction of any of the Covered Bondholders of any Series and without the consent or sanction of the other Secured Creditors (other than any Secured Creditor who is a party to the relevant document)) at any time and from time to time concur with the Issuer, the Covered Bond Guarantor (as directed by the Trust Manager), the Trust Manager and any other party to the relevant document to be amended in making any modification to the

Covered Bonds of one or more Series, to the Bond Trust Deed or to the Security Trust Deed or to any other Programme Documents but only if:

(a) in the case of the Security Trustee: (i) except if (ii) applies; (A) while the Bond Trustee is the Voting Secured Creditor, the Security Trustee is so directed by the Bond Trustee; and (B) while the Bond Trustee is not the Voting Secured Creditor, the Security Trustee is so directed by the Voting Secured Creditors; or (ii) at any time, if the modification is: (A) of a formal, minor or technical nature, or (B) made to correct a manifest error or an error established as such to the satisfaction of the Security Trustee; and

(b) in the case of the Bond Trustee, at any time: (i) except in the case of a Series Reserved Matter, if in the opinion of the Bond Trustee such modification is not materially prejudicial to the interests of the Covered Bondholders of any Series; or (ii) if the modification is: (A) of a formal, minor or technical nature, or (B) made to correct a manifest error or an error established as such to the satisfaction of the Bond Trustee or to comply with mandatory provisions of law (and for this purpose the Bond Trustee may disregard whether any such modification relates to a Series Reserved Matter).

Obligation to concur in modifications

Pursuant to the terms of the Bond Trust Deed and the Security Trust Deed, the Security Trustee and the Bond Trustee shall be obliged to concur in and to effect any modifications to the Covered Bonds of one or more Series or to any Programme Document, (a) if such modifications are certified by two Authorised Officers of the Trust Manager in a certificate to the Bond Trustee and the Security Trustee to be (i) required in order for a Programme Document to comply with the ratings criteria of each Designated Rating Agency; (ii) made to comply with provisions of law or regulation or a directive applicable to the Covered Bond Guarantor, the Security Trustee, the Trust Manager or the Seller (in any capacity) provided that (other than where the provisions of the relevant law or the directive are mandatory) a Rating Agency Notification is given; or (iii) made to comply with the requirements of a Designated Rating Agency in order to prevent the occurrence of an Adverse Rating Effect; (b) if such modifications are made to the Representations and Warranties and are requested by the Covered Bond Guarantor or the Trust Manager in order that new types of Receivables may be purchased by the Covered Bond Guarantor; (c) if such modifications are made to the Programme Documents and are requested by the Covered Bond Guarantor or the Trust Manager to accommodate the accession of a new Servicer, new Swap Provider, new Bond Trustee, new Asset Monitor or new Agent to the Programme.

Such modifications do not require the consent or sanction of any Covered Bondholders and Covered Bondholders may therefore be bound by modifications to the Covered Bonds and Programme Documents without their consent.

Certain decisions of Covered Bondholders taken at Programme level

Any Extraordinary Resolution to direct the Bond Trustee to serve an Issuer Acceleration Notice following an Issuer Event of Default, to direct the Bond Trustee to serve a Covered Bond Guarantee Acceleration Notice following a Covered Bond Guarantor Event of Default and any direction to the Bond Trustee to take any enforcement action must be passed at a single meeting of the holders of all Covered Bonds of all Series then outstanding and therefore the holders of a single Series of Covered Bonds may not be able to give any directions to the Bond Trustee without the agreement of the holders of other outstanding Series of Covered Bonds.

A request in writing by the holders of at least 25 per cent of the aggregate Principal Amount Outstanding of Covered Bonds then outstanding to serve an Issuer Acceleration Notice following an Issuer Event of Default or to serve a Covered Bond Guarantee Acceleration Notice

following a Covered Bond Guarantor Event of Default is to be given by reference to the Covered Bonds of all Series then outstanding. Therefore:

(a) the holders of a single Series may be able to dictate whether or not that direction is given regardless of the interests or wishes of the Covered Bondholders of any other Series (if the aggregate Principal Amount Outstanding of the Covered Bonds of any Series is greater than 25 per cent of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series); and

(b) the holders of a single Series of Covered Bonds may not be able to give a direction to the Bond Trustee without the agreement of the holders of other outstanding Series of Covered Bonds.

Covered Bondholders will not have a direct right to vote or take enforcement action

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

Similarly, holders of beneficial interests in the Global Covered Bonds will not have a direct right under the Global Covered Bonds to take enforcement action against the Issuer or the Covered Bond Guarantor in the event of default under the relevant Covered Bonds or other Programme Documents but will have to rely upon their rights under the Bond Trust Deed or mandatory rules in accordance with international private law.

Insolvency of the Issuer may adversely affect the Covered Bonds

If one or more insolvency related events occurred in respect of the Issuer, then this may adversely affect the Covered Bonds and the Issuer's ability to make payments on the Covered Bonds. For instance, it may adversely affect the timing of payments on the Covered Bonds, it may cause the ratings of the Covered Bonds to be adversely affected, it may affect the trading price and liquidity of the Covered Bonds in the secondary market, it may affect the value of the representations and warranties given by ANZBGL as Seller of the Receivables, it may affect the ability of ANZBGL to perform its role as Servicer of the Receivables and/or its other roles and/or it may affect the price at which Selected Receivables can be sold or the value of the Receivables in the cover pool. As described further in the section entitled "*Programme Overview – Australian Banking Act – priority and ranking of the Covered Bonds*", where the Issuer becomes insolvent, certain debts of the Issuer are required to be preferred by law over the Issuer's obligations under the Covered Bonds (including, but not limited to, those referred to in Division 2 and 2AA of Part II of the Australian Banking Act and section 86 of the Australian Reserve Bank Act which include deposit liabilities, protected accounts and certain debts of the Issuer to the Reserve Bank of Australia) which may reduce the amount available to the Issuer to make payments on the Covered Bonds and have one or more of the other consequences described above.

The Current Coronavirus Pandemic May Adversely Affect the Global Economy and the Performance of the Mortgage Loans

As has been widely reported, the emergence in late 2019 of a novel coronavirus (SARS-CoV-2) and a related respiratory disease (COVID-19) in countries throughout the world, including Australia, the United States, the United Kingdom and member states of the European Union, has led to a declaration by the World Health Organization of a global pandemic.

The COVID-19 pandemic has led to severe disruptions in the global supply chain, and in markets and economies around the world, and those disruptions have since intensified and will likely continue for some time.

As a result of the COVID-19 pandemic, measures have been put in place by global governmental bodies at various levels as well as by private enterprises (such as workplaces, trade groups, amateur and professional sports leagues and conferences, places of worship, schools and retail establishments, among others) to contain or mitigate the spread of COVID-19. These measures, and concern about the potential effects of COVID-19 generally, have adversely affected economic conditions and markets globally, and have led to significant, sustained and unprecedented volatility in the financial markets. Measures implemented in Australia to limit the spread of COVID-19, such as travel bans, quarantines, "stay at home" and workplace restrictions, curfews, event cancellations and social distancing, have significantly limited economic activity, resulting in an economic recession, and may result in further economic contraction. There can be no assurance that such measures or other measures implemented from time to time will be successful in limiting the spread of the virus or what effect those measures will have on the economy generally or on Debtors. The duration of the COVID-19 pandemic and the associated measures implemented by governments is uncertain.

In addition to these general concerns, investors should consider what effect the COVID-19 pandemic, as well as the recession or economic slowdown, may have on the ability of Debtors to make timely payments on the mortgage loans, which in turn may have an adverse impact on the performance and market value of the Covered Bonds. Banks and other financial institutions, including ANZBGL, have implemented programs to assist adversely impacted customers. For discussion of the measures ANZBGL has implemented to assist customers impacted by the COVID-19 pandemic, refer to "Australia and New Zealand Banking Group Limited's Mortgage Business—COVID-19".

The Australian Government and the governments of the States and Territories of Australia have also announced and implemented various stimulus packages to provide relief for consumers and businesses in direct or indirect financial difficulty as a result of COVID-19. These are at various stages, and in some cases, have now ceased or are scheduled to be available or continue only until a specified future date, which may be before the end of the COVID-19 pandemic. Although it cannot be predicted, additional policy action may occur. There can be no assurance that any measures undertaken by the Australian Government or the governments of the States and Territories of Australia will be effective to mitigate the negative near-term and potentially longer-term impact of the COVID-19 pandemic on consumer credit performance, property values, the mortgage origination and housing industry and related service providers, and the global economy more generally.

There can also be no assurance that any relief or other support measures by ANZBGL or by other institutions or governments will not result in reductions or delays in payments on the mortgage loans and adversely impact Covered Bondholders.

The cumulative effects of COVID-19 and the measures implemented by governments to combat the pandemic have led (and are likely to continue to lead) to job losses or wage reductions, which in turn may directly or indirectly (including where property is used by Debtors for investment purposes, as a result of reduced ability by the tenants or reduced tenancy of such properties) limit the ability of Debtors to make timely payment on their mortgage loans and may result in significant losses. Disruptions resulting from COVID-19 also may significantly impact volatility, liquidity and the market value of mortgage loans and securities, including the Covered Bonds. The full effect of the COVID-19 pandemic may not be realised until sometime in the future. In addition, there can be no assurance that declining economic conditions precipitated by COVID-19 and the measures implemented by governments to combat the pandemic will not result in downgrades to the ratings of the Covered Bonds or otherwise result in an adverse ratings action from the Designated Rating Agencies.

Risks related to specific types of Covered Bonds which may be issued under the Programme

Risks related to the structure of a particular issue of Covered Bonds

A range of Covered Bonds may be issued under the Programme. A number of these Covered Bonds may have features which contain particular risks for potential investors. Set out below is a description of certain risks relating to particular types of Covered Bonds:

Covered Bonds subject to optional redemption by the Issuer

An optional redemption feature of Covered Bonds is likely to limit their market value. During any period when the Issuer may elect to redeem Covered Bonds, the market value of those Covered Bonds 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 Covered Bonds when its cost of borrowing is lower than the interest rate on the Covered Bonds. 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 Covered Bonds 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.

Fixed Rate Covered Bonds

Investment in Fixed Rate Covered Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Covered Bonds.

Fixed/Floating Rate Covered Bonds

Fixed/Floating Rate Covered Bonds may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Covered Bonds since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the rate converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Covered Bonds may be less favourable than then prevailing spreads on comparable Floating Rate Covered Bonds tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Covered Bonds. If the rate converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Covered Bonds.

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

The London Inter-Bank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other benchmark indices (such as the Australian Bank Bill Swap Rate ("**BBSW**")) are the subject of ongoing national, international and other regulatory guidance and proposals for reform. The implementation of such reforms and consequential changes to benchmark indices may cause such indices to perform differently than in the past, which could have a material adverse effect on the yield on or value of any Floating Rate Covered Bonds where the interest rate is calculated with reference to such benchmark or any Receivables where the interest rate is calculated by reference to benchmarks or may have other consequences that cannot be predicted.

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

The EU Benchmarks Regulation applies to the contribution of input data to a benchmark, the administration of a benchmark, and the use of a benchmark in the EU. Amongst other things, the EU Benchmark Regulation requires EU benchmark administrators to be authorised or

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

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

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

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

The EU Benchmarks Regulation or the UK Benchmarks Regulation could have a material impact on Covered Bonds linked to a "benchmark" rate or index, including in any of the following circumstances:

- a rate or index which is a "benchmark" could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which (subject to applicable transitional provisions) does not satisfy the "equivalence" conditions, is not "recognised" pending such a decision and is not "endorsed" for such purpose. In such event, depending on the particular "benchmark" and the applicable terms of the Covered Bonds, the Covered Bonds could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted; and

- the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the applicable Benchmarks Regulation, and such changes could have the effect of reducing or increasing the rate or level of the benchmark or index or affecting the volatility of the published rate or level of the benchmark or index.

On 5 March 2021, the regulator of LIBOR (the U.K. FCA) announced that all LIBOR settings will either cease to be provided by any administrator or no longer be representative: (a) immediately after 31 December 2021, in the case of the 1-week and 2-month U.S. dollar settings and all non U.S. dollar LIBOR settings, and (b) immediately after 30 June 2023, in the case of the remaining U.S. dollar settings. It is impossible to predict whether and to what extent banks will continue to provide LIBOR submissions to the administrator of LIBOR, whether LIBOR rates will cease to be published or supported before these dates or whether any additional reforms to LIBOR may be enacted in the United Kingdom or elsewhere. In addition, the European Money Market Institute announced the discontinuation of EONIA (Euro Overnight Index Average) after 3 January 2022 and that from 2 October 2019 until its total discontinuation it will be replaced by the Euro Short-Term Rate ("**€STR**") plus a spread of 8.5 basis points.

Among other developments, relevant authorities are strongly encouraging the transition away from Interbank Offered Rates (IBORs), such as LIBOR and EURIBOR, and have identified

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

In Australia, the Treasury Laws Amendment (2017 Measures No. 5) Act 2018 of Australia amended the Corporations Act 2001 of Australia, to, among other things, establish a licensing regime for administrators of significant financial benchmarks (including BBSW) and enable the Australian Securities and Investments Commission ("**ASIC**") to make rules relating to the generation and administration of such benchmark indices. On 6 June 2018 ASIC issued the ASIC Financial Benchmark (Administration) Rules 2018 (the "**Administration Rules**") and the ASIC Financial Benchmark (Compelled) Rules 2018 (the "**Compelled Rules**") pursuant to this power. These Administration Rules require, among other things, a person who is licensed to administer a regulated benchmark (a benchmark administrator licensee) to: (i) use a method for generating that benchmark that is designed to ensure the quality, integrity, availability, reliability and credibility of that benchmark; (ii) to act efficiently, honestly and fairly in generating and administering that benchmark; and (iii) to ensure that arrangements with persons who contribute data to the generation of benchmarks (contributors) meet certain criteria for these purposes. The Compelled Rules, among other things, allow ASIC to require a benchmark administrator licensee to continue to generate or administer a regulated benchmark and to require contributors to continue to provide data required for the generation of the relevant benchmark. Although the Compelled Rules and a number of the other Australian reforms have been designed to support the reliability and robustness of BBSW, it is not possible to predict with certainty whether, and to what extent, BBSW will continue to be supported or the extent to which related regulations, rules, practices or methodologies may be amended going forward. This may cause BBSW to perform differently than it has in the past, and may have other consequences which cannot be predicted. For example, it is possible that these changes could cause BBSW to cease to exist, to become commercially or practically unworkable, or to become more or less volatile or liquid. Any such changes could have a material adverse effect on the Covered Bonds.

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

Additionally, following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Terms and Conditions of the Covered Bonds or result in adverse consequences to holders of securities linked to such benchmark (including but not limited to Floating Rate Covered Bonds whose interest rates are linked to LIBOR or any other such benchmark that is subject to reform). Furthermore, even

prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Covered Bond, the return on the relevant Covered Bond and the trading market for securities based on the same benchmark.

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

The Terms and Conditions of the Covered Bonds provide for certain fallback arrangements in the event that a published Reference Rate, such as LIBOR (not including U.S. Dollar LIBOR and not including SOFR) or BBSW has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered or it is determined that a change in generally accepted market practice has occurred (as further described in the definition of "Benchmark Disruption Event" in Condition 4(i) (*Benchmark Replacement*)), including the possibility that the Reference Rate could be set by reference to a substitute or successor rate that an Independent Advisor (as defined in Condition 4(i) (*Benchmark Replacement*) or (where the Issuer is unable to appoint an Independent Advisor and if it so elects to make such a determination) the Issuer has determined (acting in good faith and in a commercially reasonable manner) in its sole discretion to be (a) the industry-accepted successor rate to the Reference Rate or (b) if no such industry accepted successor rate exists, the most comparable substitute or successor rate to the relevant Reference Rate and, where the Independent Advisor (or the Issuer as the case may be) has determined a substitute or successor rate, that the Independent Advisor (or the Issuer as the case may be) may determine (acting in good faith and in a commercially reasonable manner), any relevant methodology for calculating such substitute or successor rate, including any adjustment factor it determines is needed to make such substitute or successor rate comparable to the relevant Reference Rate, in a manner that is consistent with industry-accepted practices for such substitute or successor rate. For the risks related to the benchmark fallback for U.S. Dollar LIBOR or SOFR Covered Bonds, see "*The occurrence of a Benchmark Transition Event and its related Benchmark Replacement Date in respect of Covered Bonds where the Reference Rate is U.S. Dollar LIBOR or SOFR may adversely affect the return on and the market value of such Covered Bonds".* In such circumstances, it may be difficult for the Covered Bond Guarantor to find any future required replacement Swap Provider to properly hedge its then interest rate exposure on a Floating Rate Covered Bond should a Swap Provider need to be replaced and such Floating Rate Covered Bond at that time uses a different methodology that then differs from products then prepared to be hedged by such Swap Providers. In certain circumstances the ultimate fallback rate of interest for a particular Interest Period or Interest Accrual Period (as applicable) may result in the rate of interest determined for the previous Interest Period or Interest Accrual Period (as applicable) being used. This may result in the effective application of a fixed rate for a Covered Bond linked to such a benchmark based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of substitute or successor rate, the relevant fallback provisions may not operate as intended at the relevant time. No consent of the Covered Bondholders shall be required in connection with effecting any relevant substitute or successor rate or any other related adjustments. The use of a substitute or successor rate may result in interest payments that are substantially lower than or that do not otherwise correlate over time with the payments that could have been made on the relevant Floating Rate Covered Bonds if the relevant Reference Rate remained available in its current form. Any of the above changes or any other consequential changes to LIBOR, EURIBOR or any other benchmark as a result of international, national or other proposals for reform or other initiatives or investigations, could result in adjustment to the Terms and Conditions of the relevant Covered Bond or other consequences, depending on the specific provisions of the relevant Covered Bond and could have a material adverse effect on the yield on and value of and return on any such Covered Bonds linked to a benchmark.

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

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

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

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

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

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

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

Final Maturity Date and Extendable obligations under the Covered Bond Guarantee

If the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement, or in the case of N Covered Bonds, the applicable N Covered Bond Conditions) for a Series of Covered Bonds provide that such Covered Bonds are subject to an Extended Due for Payment Date ("**Extendable Maturity Covered Bonds**") then (subject to the requirements specified in the Programme Conditions (or the N Covered Bond Conditions as applicable)), following the failure by the Issuer to pay, in full, the Final Redemption Amount of the relevant Series of Extendable Maturity Covered Bonds on their Final Maturity Date and a determination being made by the Trust Manager that the Covered Bond Guarantor has insufficient funds available under the Guarantee Allocations to pay the Guaranteed Amounts corresponding to the unpaid portion of such Final Redemption Amount in respect of the relevant Series of Extendable Maturity Covered Bonds, then the payment of such Guaranteed Amounts shall be automatically deferred to the Extended Due for Payment Date for the relevant Series of Extendable Maturity Covered Bonds.

To the extent that the Covered Bond Guarantor has received a Notice to Pay and has sufficient moneys available to pay in whole or in part the Guaranteed Amounts corresponding to the unpaid portion of the Final Redemption Amount in respect of the relevant Series of Extendable Maturity Covered Bonds, the Covered Bond Guarantor may be required to make such payment in accordance with the Guarantee Allocations and as described in Condition 5(a) (*Final redemption*) on any Interest Payment Date (from, and including, subject to applicable grace periods, the Final Maturity Date for such Covered Bonds) up to and including the relevant Extended Due for Payment Date. In these circumstances, except where the Covered Bond Guarantor has failed to apply money in accordance with the Guarantee Allocations, failure by the Covered Bond Guarantor to make payment in respect of the Final Redemption Amount on the Final Maturity Date (or such later date within any applicable grace period) shall not constitute a Covered Bond Guarantor Event of Default. As a result, Covered Bondholders will not be entitled to pursue remedies in respect of a Covered Bond Guarantor Event of Default, even if payments made by the Covered Bond Guarantor do not fully cover the Final Redemption Amount.

Additionally, the Final Maturity Dates for different Series of Covered Bonds may not be the same. In the case of a Series of Extendable Maturity Covered Bonds, if the principal amounts have not been repaid in full by the Extension Determination Date, then the repayment of unpaid principal amounts shall be deferred until the Extended Due for Payment Date. This means that a Series of Covered Bonds having an earlier Final Maturity Date than such Extended Due for

Payment Date may start receiving principal repayments in advance of the Series of Extendable Maturity Covered Bonds in respect of which unpaid principal amounts have been deferred until such Extended Due for Payment Date.

The Extended Due for Payment Dates for different Series of Extendable Maturity Covered Bonds may not be the same. On each Trust Payment Date following the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) (but prior to the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (with a copy to the Trust Manager and the Security Trustee) or the enforcement of the Charge), the Covered Bond Guarantor will apply Available Revenue Receipts and Available Principal Receipts in accordance with the Guarantee Allocations. To the extent that the amount available for distribution under the Guarantee Allocations would be insufficient to pay the Scheduled Interest, the Scheduled Principal or the Final Redemption Amount of any Series of Covered Bonds to which an Extended Due for Payment Date applies, the shortfall will be divided amongst all such Series of Covered Bonds on a pro rata and pari passu basis.

The market continues to develop in relation to SONIA as a reference rate for Covered Bonds

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

The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Conditions and used in relation to Floating Rate Covered Bonds that reference a SONIA rate issued under this Programme. The Issuer may in the future also issue Covered Bonds referencing SONIA that differ materially in terms of interest determination when compared with any previous SONIA referenced Covered Bonds issued by it under this Programme. The development of Compounded Daily SONIA as interest reference rate for the Eurobond markets, as well as continued development of the SONIA-based rate for such markets and the market infrastructure for adopting such rate, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SONIA-referenced Covered Bonds issued under the Programme from time to time. Equally in such circumstances, it may be difficult for the Covered Bond Guarantor to find any future required replacement Swap Provider to properly hedge its then interest rate exposure on such a Floating Rate Covered Bond should a Swap Provider need to be replaced and such Floating Rate Covered Bond at that time uses an application of SONIA that then differs from products then prepared to be hedged by such Swap Providers.

Furthermore, interest on Covered Bonds which reference a SONIA rate are only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for holders of Covered Bonds that reference a SONIA rate to reliably estimate the amount of interest that will be payable on such Covered Bonds and some investors may be unable or unwilling to trade such Covered Bonds without changes to their information technology ("**IT**") systems, both of which could adversely impact the liquidity of such Covered Bonds. Further, if the Covered Bonds become due and payable under Condition 9 (*Events of Default and Enforcement*), the Rate of Interest payable shall be determined on the date the Covered Bonds became due and payable and shall not be reset thereafter. Holders of Covered Bonds should consider these matters when making their investment decision with respect to any such Floating Rate Covered Bonds.

Investors should be aware that the manner of adoption or application of SONIA as a reference rate in the Eurobond markets may differ materially compared with the application and adoption of SONIA in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SONIA as a reference rate across these

markets may impact any hedging or other arrangements which they may put in place in connection with any acquisition, holding or disposal of Covered Bonds referencing SONIA.

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

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

Investors should consider these matters when making their investment decision in relation to Floating Rate Covered Bonds which reference SONIA.

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

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

The market continues to develop in relation to SOFR as a reference rate for Covered Bonds

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

The market or a significant part thereof may adopt an application of SOFR that differs significantly from that set out in the Conditions and used in relation to Floating Rate Covered Bonds that reference a SOFR rate issued under this Programme. The Issuer may in the future also issue Covered Bonds referencing SOFR that differ materially in terms of interest determination when compared with any previous SOFR referenced Covered Bonds issued by it under this Programme. The development of Compounded Daily SOFR and Compounded SOFR Index (each as defined in Condition 4 (*Interest on Floating Rate Covered Bonds*)) as an interest reference rate for the Eurobond markets, as well as continued development of SOFR-based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SOFR-referenced Covered Bonds issued under the Programme from time to time. Equally in such circumstances, it may be difficult for the Covered Bond Guarantor to find any future required replacement Swap Provider to properly hedge its then interest rate exposure on such a Floating Rate Covered Bond should a Swap Provider need to be replaced and such Floating Rate Covered Bond at that time uses an application of SOFR that then differs from products then prepared to be hedged by such Swap Providers.

Furthermore, interest on Covered Bonds which reference a SOFR rate is only capable of being determined on the Interest Determination Date. It may be difficult for holders of Covered Bonds that reference a SOFR rate to reliably estimate the amount of interest that will be payable on such Covered Bonds and some investors may be unable or unwilling to trade such Covered Bonds without changes to their IT systems, both of which could adversely impact the liquidity of such Covered Bonds. Further, if the Covered Bonds become due and payable under Condition 9 (*Events of Default and Enforcement*), the Rate of Interest payable shall be determined on the date the Covered Bonds became due and payable and shall not be reset thereafter. Holders of Covered Bonds should consider these matters when making their investment decision with respect to any such Floating Rate Covered Bonds.

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

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

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

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

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

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

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

Risk related to the development of a market for Covered Bonds which may be issued under the Programme

Absence of secondary market; lack of liquidity

No assurance is provided that there is an active and liquid secondary market for the Covered Bonds and there can be no assurance that a secondary market for the Covered Bonds issued by the Issuer will develop. The Covered Bonds have not been, and will not be, registered under the Securities Act or any other applicable securities laws and are subject to certain restrictions on the resale and transfer thereof as set forth under "*Subscription and Sale and Selling Restrictions*". If a secondary market does develop, it may not continue for the life of the Covered Bonds or it may not provide Covered Bondholders with liquidity of investment with the result that a holder of the Covered Bonds may not be able to find a buyer to buy its Covered Bonds readily or at prices that will enable the holder of the Covered Bonds to realise a desired yield. This is particularly the case for Covered Bonds that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Covered Bonds generally would have a more limited secondary market and more price

volatility than conventional debt securities. The COVID-19 pandemic may also limit secondary market liquidity for the Covered Bonds, so there can be no assurance that you will be able to sell your Covered Bonds at favourable prices or at all. Illiquidity may have a severely adverse effect on the market value of Covered Bonds.

Potential investors must therefore be able to bear the risks of any investment they make in the Covered Bonds for an indefinite period of time.

RISK FACTORS RELATING TO THE ISSUER, INCLUDING THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE COVERED BONDS

The payment obligations under the Covered Bonds are primarily obligations of the Issuer. For that reason, this section sets out certain risk factors related to the Issuer.

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

The risks and uncertainties described below are not the only ones that the Group may face. Additional risks and uncertainties that the Group is unaware of, or that the Group currently deems to be immaterial, may also become important factors that affect it.

If any of the specified or unspecified risks actually occur, the Group's Position may be materially and adversely affected, with the result that the trading price of the Group's equity or debt securities could decline, and investors could lose all or part of their investment. If applicable, references in this section to "securities" include the Covered Bonds. References in this section to the "Group" are to ANZBGL and its subsidiaries.

Risks related to the Issuer's business activities and industry

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

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

Major disruptions to community health and economic activity continue to have wide ranging negative effects across most business sectors in Australia, New Zealand and globally, which in turn has impacted demand for the Group's products and services and resulted in a deterioration of the quality of the Group's credit portfolio. Additionally, many of the Group's borrowers have been and continue to be negatively impacted by the COVID-19 pandemic and the Group is exposed to an increased risk of credit loss from borrowers, particularly in the following sectors: transportation (including airlines, shipping, road and rail); ports, tourism and travel (including accommodation, food and beverage); healthcare; agriculture; entertainment; education; retail

(including e-commerce due to a reduction in logistics activity); property (particularly shopping malls, office buildings and hotels); construction and contractors. See Notes 1 and 15 of the condensed consolidated financial statements for the half year ended 31 March 2021 as set out in the Group's Half Year 31 March 2021 Consolidated Financial Report, Dividend Announcement and Appendix 4D ("**2021 Interim Financial Statements**").

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

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

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

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

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

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

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

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

The Group's financial performance is primarily influenced by the political and economic conditions and the level of business activity in the major countries and regions in which the Group or its customers or counterparties operate, trade or raise funding including, without limitation, Australia, New Zealand, the Asia Pacific, the United Kingdom, Europe and the United States (the "**Relevant Jurisdictions**").

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

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

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

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

Even before COVID-19, the impact of the global financial crisis in 2007 and its aftermath continued to affect regional and global economic activity, confidence and capital markets. Prudential authorities implemented increased regulations in an attempt to mitigate the risk of such events recurring, although there can be no assurance that such regulations will be effective. The Group believes that the global financial crisis has also had a lasting effect on consumer and

business behaviour in advanced economies, including the major countries and regions in which the Group or its customers or counterparties operate. Consumers in recent years have reduced their savings rates in the face of weak income growth, while businesses have been reluctant to invest and inflation has remained low. The escalation in geopolitical risks has also contributed to vulnerability in consumer and business behaviour. Monetary authorities responded to the global financial crisis by introducing close to zero or below zero interest rates across most countries, and the major central banks took unconventional steps to support growth and raise inflation.

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

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

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

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

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

Geopolitical instability, including potential or actual conflict, occurring around the world, such as the ongoing unrest and conflicts in Ukraine, the Democratic People's Republic of Korea, Hong Kong, Myanmar, Syria, Egypt, Afghanistan, Iraq, Iran, Nicaragua, Belarus and elsewhere, as well as the current high threat of terrorist activities, may also adversely affect global financial markets, general business and economic conditions and consequently, the Group's ability to continue operating or trading in an affected country or region which in turn may adversely affect the Group's Position.

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

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

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

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

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

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

- consumers and businesses may choose to transact using, or to invest in, new forms of currency (such as cryptocurrencies) in relation to which the Group may choose not to provide financial services; and

- Open Banking (as described below) may lead to increased competition (see risk factor "*Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group's Position*").

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

Increased competition for deposits may increase the Group's cost of funding. If the Group is not able to successfully compete for deposits, the Group would be forced to rely more heavily on other, less stable or more expensive forms of funding, or to reduce lending. This may adversely affect the Group's Position.

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

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

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

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

- residential housing loans (owner occupier and investment); and

- commercial real estate loans (investment and development).

Since 2009, the world's major central banks have embarked upon unprecedented monetary policy stimulus. The resulting weight of funds searching for yield continues to be a significant driver underlying property markets in the Group's core property jurisdictions (Australia, New Zealand, Singapore and Hong Kong). However, although values for completed tenanted properties and residential house prices, particularly in metro east coast Australian and New Zealand markets, rose steadily until 2018, the fall in Australian house prices in 2018 was the largest since the global financial crisis. In the latter part of 2019 and early 2020, property prices across Australia had started to increase, and although this trend was disrupted by COVID-19 (see risk factor "*The COVID-19 pandemic has, and future outbreaks of other communicable diseases or pandemics may, materially and adversely affect the Group's Position*"), property prices in Australia are rising again. Similarly, New Zealand residential property prices have increased in recent months.

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

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

- some commercial assets could be further impacted by weakening tenancy credit profiles and increasingly volatile property cash flows from lease renewals at lower rates, rental abatements, increased incentives and tenancy defaults impacting serviceability and increasing refinance risk;

- declining asset prices in certain segments could impact customers, counterparties and the value of security (including residential and commercial property) the Group holds against these loans, impacting the Group's ability to recover amounts owed if customers or counterparties were to default. A decline in valuations will also contribute to increasing refinance risk. Valuations will be impacted by the combined effect of reduction in rental income and softening in yields (risk adjusted returns and implicit rental growth), notwithstanding the low interest rate environment;

- liquidity concerns arising from an emerging capital gap as existing loans are refinanced or new loans are financed within existing senior lending risk appetite parameters but against lower valuations, creating a need for additional equity contributions from owners or developers or alternative sources of funding. This creates an additional cash flow risk for borrowers and the potential for non-bank financiers to disintermediate;

- declining demand for the Group's residential lending products due to buyer concerns about decreases in values that may make the Group's lending products less attractive to potential homeowners and investors; and

- a material decline in residential housing prices may also cause losses in the Group's residential development portfolio if customers who are pre-committed to purchase these dwellings are unable or unwilling to complete their contracts and the Group is forced to re-sell these dwellings at a loss.

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

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

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

Sovereign risk is the risk that governments will default on their debt obligations, be unable to refinance their debts as and when they fall due or nationalise parts of their economy.

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

Sovereign risk exists in many economies, including the United States, the United Kingdom, China, Europe, Australia and New Zealand. Should one sovereign default, there could be a cascading effect to other markets and countries, the consequences of which, while difficult to predict, may be similar to or worse than those experienced during the global financial crisis and subsequent sovereign debt crises. Significant uncertainties exist relating to the COVID-19 crisis that is currently unfolding globally. These COVID-19 related uncertainties, combined with pre-existing sovereign risk have been significantly destabilising global financial markets, and may continue to do so, which in turn could adversely affect the Group's Position. For more information on risks relating to the COVID-19 pandemic see risk factor "*The COVID-19 pandemic has, and future outbreaks of other communicable diseases or pandemics may, materially and adversely affect the Group's Position*".

Market risk events may adversely affect the Group's Position

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

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

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

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

While the Group has put in place hedges to partially mitigate the impact of currency changes, there can be no assurance that the Group's hedges will be sufficient or effective, and any

appreciation in the Australian dollar against other currencies in which the Group earns its revenue may have an adverse impact upon the Group's Position.

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

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

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

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

A large number of loans, securities, derivatives and other financial instruments to which the Group is a party currently use LIBOR as a benchmark rate or are otherwise linked to LIBOR. In some cases, those instruments include terms providing for the relevant interest or payment calculations to be made by reference to an alternative benchmark rate or on some other basis in the event of LIBOR's discontinuation; and such instruments should transition away from LIBOR in accordance with those terms. In cases where an instrument's terms do not include robust fallback provisions or the fallback provisions are considered to be inadequate, the instrument, may need to be amended to add or amend such provisions in line with emerging market standards, or other arrangements may have to be made with regard to such instrument when LIBOR is discontinued. In certain cases, it may not be possible to amend the relevant terms; and the potential legal, regulatory and other consequences if this occurs are uncertain. In any event, implementation of existing fallback provisions or changes made on any other basis may, for example, alter the amounts payable under the relevant instrument, its value and its liquidity, and may result in a mismatch between such instrument and any related contract (such

as a hedging agreement). In addition, the process of taking the necessary action with regard to this large volume of contracts prior to the end of 2021 (for sterling, euro, Swiss franc and Japanese yen settings, or the 1-week or 2-month U.S. dollar settings) and prior to the end of June 2023 (for remaining U.S. dollar settings) involves operational risks for the Group.

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

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

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

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

Integration (or separation) of an acquired (or divested) business can be complex and costly, sometimes including combining (or separating) relevant accounting and data processing systems, and management controls, as well as managing relevant relationships with employees, customers, regulators, counterparties, suppliers and other business partners.

Integration (or separation) efforts could create inconsistencies in standards, controls, procedures and policies, as well as diverting management attention and resources. There is also the risk of counterparties making claims in respect of completed or uncompleted transactions against the Group that could adversely affect the Group's Position. There can also be no assurance that any acquisition (or divestment) would have the anticipated positive results around cost or cost savings, time to integrate and overall performance. All or any of these factors could adversely affect the Group's ability to conduct its business successfully and impact the Group's operations or results. Additionally, there can be no assurance that employees, customers, counterparties, suppliers and other business partners of newly acquired (or retained) businesses will remain post-acquisition (or post-divestment). Further, there is a risk that completion of an agreed transaction may not occur whether in the form originally agreed between the parties or at all, including due to failure of the counterparty to satisfy its completion conditions or because other completion conditions such as obtaining relevant regulatory or other approvals are not satisfied. Should any of these integration or separation risks occur, this could adversely affect the Group's Position.

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

Risks related to the Issuer's financial situation

Credit risk may adversely affect the Group's Position

As a financial institution, the Group is exposed to the risks associated with extending credit to other parties, including incurring credit-related losses that can occur as a result of a counterparty being unable or unwilling to honour its contractual obligations. Credit losses can and have resulted in financial services organisations realising significant losses and in some cases failing altogether.

The risk of credit-related losses has increased as a result of the impact of COVID-19. The risk of credit-related losses may further increase as a result of a number of factors, including deterioration in the financial condition of the economies in which the Group or its customers or counterparties operate, a sustained high level of unemployment in the markets in which the Group or its customers or counterparties operate, more expensive imports into Australia and New Zealand due to the reduced strength of the Australian and New Zealand dollars relative to other currencies, a deterioration of the financial condition of the Group's customers or counterparties, a reduction in the value of assets the Group holds as collateral, and a reduction in the market value of the counterparty instruments and obligations it holds.

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

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

- industries impacted by the COVID-19 pandemic particularly those referred to in risk factor "*The COVID-19 pandemic has, and future outbreaks of other communicable diseases or pandemics may, materially and adversely affect the Group's Position*".

- industries exposed to the unwind of government stimulus packages and/or timing of the opening of borders (both domestic and international) as well as industries reliant on consumer discretionary spending;

- the Commercial property sector (including construction and contractors) which is exposed to a decline in investor demand for large scale inner city apartment buildings and a material decline in net migration. In some markets, contractors and sub-contractors may face cash flow / liquidity issues over the next 12-24 months as current projects run off and their forward books are diminished. Projects are expected to be more competitively bid with tighter profit margins;

- industries at risk of sanctions, geopolitical tensions or trade disputes (e.g. technology, agriculture and communications) and/or declining global growth and disruption to global supply chains;

- customers and industries exposed to disruption from physical climate risk (e.g. bushfires, flood, storm and drought), and transition risk (e.g. industry exposed to carbon reduction requirements and resulting changes in demand for goods and services or liquidity) For more information on climate-related risks, see risk factor "*Impact of future climate events, geological events, plant, animal and human diseases, and other extrinsic events may adversely affect the Group's Position*"; and

- industries exposed to the volatility of the United States Dollar as well as the Australian Dollar and New Zealand Dollar.

The decision by the Group to provide customers impacted by the COVID-19 pandemic the option of suspending or deferring certain mortgage or loan repayments may lead to an increase in the level of credit risk related losses. There can be no guarantee that at the conclusion of the deferral or suspension period, customers will be able to recommence their loan repayment

obligations, leading to a potential increase in credit risk related losses, which could have a material adverse effect on the Group's Position. See Notes 1 and 15 of the 2021 Interim Financial Statements.

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

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

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

The Group holds provisions for credit impairment that are determined based on current information and subjective and complex judgements of the impairment within the Group's lending portfolio. If the information upon which the assessment is made proves to be inaccurate or if the Group fails to analyse the information correctly, the provisions made for credit impairment may be insufficient, which may adversely affect the Group's Position.

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

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

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

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

APRA and the RBNZ have implemented prudential standards to accommodate Basel 3. Certain other regulators have either implemented or are in the process of implementing regulations, including Basel 3, that seek to strengthen, among other things, the liquidity and capital requirements of banks, funds management entities and insurance entities, though there can be

no assurance that these regulations have had or will have their intended effect. These regulations, together with risks arising from any regulatory changes (including those arising from APRA's response to the remaining Financial System Inquiry ("**FSI**") recommendations, further changes from APRA's "unquestionably strong" requirements, the requirements of the Basel Committee on Banking Supervision ("**BCBS**"), the RBNZ's review of capital requirements and the RBNZ's amendments to ANZ New Zealand's Conditions of Registration in response to the COVID-19 pandemic, are described in risk factor "*Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group's Position*". Any inability of the Group to maintain its regulatory capital may have a material adverse effect on the Group's Position.

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

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

The Group's credit ratings or rating outlooks could be negatively affected by a change in the credit ratings or rating outlooks of the Commonwealth of Australia or New Zealand, the occurrence of one or more of the other risks identified in this document, a change in ratings methodologies or by other events. As a result, downgrades in the Group's credit ratings or rating outlooks could occur that do not reflect changes in the general economic conditions or the Group's financial condition. In addition, the ratings of individual securities (including, but not limited to, certain Tier 1 capital and Tier 2 capital securities and covered bonds) issued by the Group (and other banks globally) could be impacted from time to time by changes in the regulatory requirements for those instruments as well as the ratings methodologies used by rating agencies.

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

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

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

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

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

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

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

Reduced liquidity could lead to an increase in the cost of the Group's borrowings and constrain the volume of new lending which may adversely affect the Group's Position.

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

The Group raises funding from a variety of sources, including customer deposits and wholesale funding in domestic and in offshore markets to meet its funding requirements and to maintain or grow its business generally. Developments in major markets can adversely affect liquidity in global capital markets. For example, in times of liquidity stress, if there is damage to market confidence in the Group or if funding inside or outside of domestic markets is not available or constrained, the Group's ability to access sources of funding and liquidity may be constrained and it will be exposed to liquidity and funding risk.

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

The availability of alternative funding, and the terms on which it may be available, will depend on a variety of factors, including prevailing market conditions and the Group's credit ratings at that time (which are strongly influenced by Australia's and New Zealand's sovereign credit rating). Even if available, the cost of these funding alternatives may be more expensive or on unfavourable terms that may adversely affect the Group's Position.

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

The Group applies accounting standards that require that various financial instruments, including derivative instruments, assets and liabilities classified as fair value through other comprehensive income, and certain other assets and liabilities (as per as per Note 16 of the 2021 Interim Financial Statements are measured at fair value with changes in fair value recognised in earnings or equity.

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

In addition, the Group may be exposed to a reduction in the value of non-lending related assets as a result of impairments that are recognised in earnings. The Group is required to test the recoverability of goodwill balances and intangible assets with indefinite useful lives or not yet available for use at least annually and other non-lending related assets including premises and equipment, investment in associates, capitalised software and other intangible assets where there are indicators of impairment.

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

In respect of other non-lending related assets, in the event that an asset is no longer in use, or that the cash flows generated by the asset do not support the carrying value, impairment charges may be recorded. This, in conjunction with the other potential changes above, could impact the Group's Position.

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

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

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

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

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

Legal and regulatory risk

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

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

COVID-19 has had, and may continue to have an impact on the regulation and supervision of, and enforcement against, financial services groups such as the Group. Any future ramifications of COVID-19 remain uncertain and, as of the date of this document, difficult to predict. There

have been delays and deferrals to the implementation of regulatory reforms in Australia and New Zealand and a re-ranking of priorities, including enforcement priorities.

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

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

In Australia:

Prudential Developments

Developments in prudential regulation continue to impact the Group in a material way. Given the number of items that are currently open for consultation with APRA and the RBNZ, the potential impacts on the Group remain uncertain. Further changes to APRA's or the RBNZ's prudential standards could increase the level of regulatory capital that the Group is required to maintain, restrict the Group's flexibility, require it to incur substantial costs and/or impact the profitability of one or more business lines any of which may adversely affect the Group's Position. Particular points include:

- APRA continues to be impacted by the evolving situation arising from COVID-19 although certain engagements have resumed as a result of eased restrictions. Primary areas of interest include the impact on funding and liquidity, markets, operational resilience and payments.
- In October 2019, APRA released a discussion paper on draft revisions to the prudential standard APS 111 "Capital Adequacy: Measurement of Capital" ("**APS 111**") for consultation. The most material change from APRA's proposal is in relation to the treatment of capital investments for each banking and insurance subsidiary at Level 1, with the tangible component of the investment changing from a 400% risk weighting to:
    - 250% risk weighting up to an amount equal to 10% of ANZBGL's net Level 1 Common Equity Tier 1 ("**CET1**") capital; and
    - o the remainder of the investment will be treated as a CET1 capital deduction.
- APRA maintained the above proposals, in an update in May 2021, which also includes APRA responses to submissions made by the industry in relation to the issues raised from the October 2019 discussion paper. ANZBGL continues to review the implications of APRA's proposal for its current investments. The net impact on the

Group is unclear and will depend upon a number of factors including the capitalisation of the affected subsidiaries at the time of implementation, the final form of the prudential standard, as well as the effect of management actions being pursued that have the potential to materially offset the impact of these proposals. Based on ANZBGL's current investment as at 31 March 2021 in its affected subsidiaries and in the absence of any offsetting management actions, the above proposals imply a reduction in ANZBGL's Level 1 CET1 capital ratio of up to approximately A$2 billion (approximately 60 basis points). There would be no impact on the Group's Level 2 CET1 capital ratio arising from these proposed changes. The proposed implementation date has been deferred by APRA to 1 January 2022. In a further update during November 2020, APRA announced, that until the new APS 111 is finalised and implemented, APRA will require any new or additional equity investments in banking and insurance subsidiaries, where the amount of that new or additional investments takes the aggregate value of the investment above 10% of an ADI's CET1 capital, to be fully funded by equity capital at the ADI parent company level. This treatment would apply to the proportion of the new or additional investment that is above 10% of an ADI's CET1 capital.

- In August 2019, APRA announced that it will amend APS 222 "Associations with Related Entities" ("**APS 222**") to reduce the limits for Australian ADIs' individual entity exposure to related ADIs (or overseas equivalents) from 50% of Level 1 total capital to 25% of Level 1 Tier 1 capital, and aggregate exposures from 150% of Level 1 total capital to 75% of Level 1 Tier 1 capital. As exposures are measured net of capital deductions, the proposed changes to APRA's capital regulations (contained in APS 111) will affect the measurement of ADI exposures. The implementation date for these changes has been deferred by APRA from 1 January 2021 to 1 January 2022.

- In July 2019, APRA announced its decision on loss-absorbing capacity pursuant to which it will require Australian domestic systemically important banks ("**D-SIBs**"), including ANZBGL, to increase their total capital by 3% of risk-weighted assets by January 2024. Based on the Group's capital position as at 31 March 2021 this represents an incremental increase in the total capital requirement of approximately A$4.0 billion, with an equivalent decrease in other senior funding. APRA has stated that it anticipates that D-SIBs would satisfy the requirement predominantly with additional Tier 2 capital. APRA is considering, over the next four years, feasible alternative methods for raising an additional 1% to 2% of risk weighted assets. As part of APRA’s update on the APS 111 consultation in May 2021, APRA has indicated their intention to work with the industry and the RBNZ on how the RBNZ’s proposed new definitions of AT1 ("**AT1**") and Tier 2 capital could contribute towards the overall loss absorbing capacity of banking groups. APRA has also indicated that, subject to appropriate strengthening of cross-border resolution arrangements, APRA could take into account the RBNZ qualifying AT1 and Tier 2 capital when determining the financial resources needed to support the orderly resolution of major banks.

- Implementation of APRA's revisions to the capital framework for ADIs, resulting from the BCBS Basel 3 capital reforms and the recommendations of the FSI, will continue over the coming years. However, in response to the challenging economic environment resulting from disruption caused by COVID-19, APRA announced a temporary change to its expectations with regards to ADIs maintaining bank capital ratios at the "unquestionably strong" benchmark of 10.5% for CET1. APRA advised all banks that during this period of disruption resulting from the COVID-19 pandemic, APRA would not be concerned if banks are not meeting this benchmark as the current large buffers may be needed to facilitate ongoing lending to the Australian economy, provided that they continue to meet their other minimum capital requirements.

- APRA has deferred its scheduled implementation of changes to ADIs risk-weighting framework and other capital requirements (capital reforms) by one year. The majority of the capital reforms were initially due for implementation on 1 January 2022, but these have now been revised to 1 January 2023. In December 2020, APRA released a consultation paper regarding proposed changes to the capital framework for ADIs aimed at embedding ‘unquestionably strong' levels of capital, improving the flexibility of the framework, and improving the transparency of ADI capital strength. These proposals replaced previous consultation packages released by APRA in 2018 and 2019 in relation to proposed revisions to the capital framework for ADIs. The key aspects of APRA's latest proposal, published in December 2020 proposals are:

    - Increased alignment with internationally agreed Basel standards;

    - Implementing more risk-sensitive risk weights for residential mortgage lending;

    - Introduction of the Basel II capital floor that limits the risk-weighted assets (the "**RWA**") outcome for internal ratings-based authorised deposit-taking institutions ("**IRB ADIs**") to no less than 72.5% of the RWA outcome under the standardised approach;

    - Improving the flexibility of the capital framework through the introduction of a default level of the countercyclical capital buffer ("**CCyB**") of 100 basis points of RWA and increasing the capital conservation buffer ("**CCB**") for IRB ADIs by 150 basis points (from 250 basis points to 400 basis points);

    - Improving the transparency and comparability of ADIs' capital ratios, including by requiring IRB ADIs to also publish their capital ratios under the standardised approach; and;

    - Implementing a Minimum Leverage Ratio for IRB ADIs at 3.5%.

- APRA has indicated in their proposals a decrease in RWA by approximately 10% for IRB ADIs, but this would be offset by the increased capital allocation to regulatory buffers. APRA has also indicated that, as ADIs are currently meeting the ‘unquestionably strong' benchmarks, it is not APRA's intention to require ADIs to raise additional capital. Accordingly, APRA has therefore sought to calibrate the proposed capital requirements for ADIs, measured in dollar terms, to be consistent at an industry level with the existing ‘unquestionably strong' capital benchmarks for ADIs under the current capital framework. The impact of these proposed changes on individual ADIs (including ANZBGL), however, will vary depending on the final form of requirements implemented by APRA.

- In response to COVID-19, in April 2020 APRA provided guidance on capital management, which included an expectation that ADIs seriously consider deferring decisions on the appropriate level of dividends. In July 2020, APRA provided an update to their guidance, which included an expectation that ADIs maintain caution on dividends and, for the remainder of the 2020 calendar year, the ADIs seek to retain at least half of their earnings when making decisions on capital distributions. In December 2020, APRA further updated its guidance, whereby from the 2021 calendar year, APRA will no longer hold banks to a minimum level of earnings retention but ADIs will need to maintain vigilance and careful planning in capital management. APRA stated that the onus will be on Boards to carefully consider the sustainable rate for dividends, taking into account the outlook for profitability, capital and economic environment. The Group's interim dividend of 25 cents per share (paid to shareholders on 30 September 2020) and 2020 final dividend of 35 cents per share (paid on 16 December 2020) took into account the July 2020 guidance.

- The RBNZ has completed a comprehensive review of the capital adequacy framework for registered banks in New Zealand, and released its final decisions on key components of the capital review in December 2019. The net impact on the Group is an increase in CET1 capital of approximately A$2.1 billion over the transition period. The RBNZ has delayed the start date for the increase in bank capital arising from the capital reforms for New Zealand incorporated banks to July 2022. Some other aspects of the capital reforms will proceed from 1 July 2021, including the rules around capital instruments. The conclusion of the transition period is 1 July 2028. The implementation timetable may be revised if deemed necessary by the RBNZ. The net impact will be reduced by approximately A$0.5 billion if ANZ New Zealand's NZ$500 million mandatory convertible perpetual subordinated securities ("**Capital Notes**") are converted into new Group ordinary shares in May 2022 (described further below).

- On 31 March 2021, the RBNZ announced that it would ease the dividend restrictions to allow for a maximum of 50% of bank earnings to be paid as dividends to shareholders. The 50% dividend restriction will remain in place until 1 July 2022, at which point the RBNZ intends to remove restrictions entirely. The RBNZ also informed ANZ New Zealand, and other New Zealand-incorporated registered banks, that they should not redeem capital instruments at this time. Accordingly ANZ New Zealand was not permitted to redeem its Capital Notes in May 2020, although ANZ New Zealand can continue making interest payments on those Capital Notes (subject to certain conditions). Further, ANZ New Zealand announced that it would not exercise its option to convert the Capital Notes in May 2020. The terms of the Capital Notes provide for their conversion into a variable number of ANZBGL ordinary shares in May 2022 (subject to certain conditions). Conversion would result in an increase in the Group's CET1 capital (approximately 10 basis points) at Level 2.

Recalibration of ASIC's Regulatory Priorities

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

Royal Commission

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

Competition Laws, Regulations and Inquiries

There is a strong focus on the regulation of competition in the financial services sector. In February 2021, the Australian Competition and Consumer Commission (the "**ACCC**") announced its enforcement priorities for the year and financial services has returned as a key priority. The ACCC noted that it would be following through on the recommendations from the ACCC's Home Loan Price Inquiry final report which was released in December 2020. The recommendations included a prompt to encourage borrowers to consider if they could benefit from switching loan providers, changes to the mortgage discharge process, and an ongoing role for the ACCC to monitor competition and prices in the home loan market. These changes are likely to result in increased compliance costs being incurred by the Group. The ACCC has noted it will heavily scrutinize any mergers or acquisitions, particularly by any of the big four Australian banks and will also keep a close watch on any issues arising from collections as loan deferral periods come to an end.

Product Laws, Regulations and Inquiries

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

Increasing Regulatory Powers, Corporate Penalties and Funding for Regulators

There are increased penalties for breaches of laws in Australia, including the Australian consumer law, as well as increased powers to regulators and funding for regulators to enforce breaches. Increasing regulatory powers include ASIC's product intervention power and

proposed expansions of ASIC directions powers. The Australian Government announced in March 2019 that ASIC would be provided with more than A$400 million and APRA with more than A$150 million in additional funding to support enforcement actions and increase regulation and supervision. The Treasury Laws Amendment (Strengthening Corporate and Financial Sector Penalties) Act 2019 significantly increased the sanctions applicable to the contravention of a range of corporate and financial sector obligations. The imposition of such penalties on the Group may adversely affect the Group's Position.

Senior Executive Accountability Laws and Regulations

There are increasing penalties and specialised rules applicable to senior executives in the banking sector. The Banking Executive Accountability Regime ("**BEAR**") was introduced as a new responsibility and accountability framework for the directors and most senior executives in ADI groups. The Australian Government announced in January 2020 that BEAR will be replaced by the Financial Accountability Regime ("**FAR**"), which proposes to extend the regime to other APRA-regulated entities. FAR would be jointly administered by APRA and ASIC and could impose larger civil penalties for any breaches, including for individuals. Potential risks to the Group from the BEAR legislation and FAR include the risk of penalties and the risk to the Group's ability to attract and retain high-quality directors and senior executives.

Other Government or regulatory interventions in the financial sector

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

Industry self-regulation

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

Open Banking Laws

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

On 23 December 2020, the Australian Government released the report of the Inquiry into Future Directions of the Consumer Data Right. The report contains 100 recommendations for the expansion of the consumer data right (CDR) which currently underpins open banking. It includes a recommendation to enable general action initiation (e.g. opening, managing and closing products) and payment initiation by accredited persons through the CDR regime. If the recommendations are implemented by the Government this may lead to a further increase in competition. The Government has not yet responded to the report.

Cyber Security

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

Outside of Australia:

New Zealand Developments

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

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

Other Offshore Developments

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

discontinuation of LIBOR and developments affecting other benchmark rates could have adverse consequences on the Group's securities issuances and its capital markets and investment activities" above.

A failure by the Group to comply with laws, regulations or policies in any of the Relevant Jurisdictions could result in regulatory investigations, legal or regulatory sanctions, financial or reputational loss, litigation, fines, penalties, restrictions on the Group's ability to do business, revocation, suspension or variation of conditions of relevant regulatory licences or other enforcement or administrative action or agreements (such as enforceable undertakings) that may adversely affect the Group's Position.

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

Such failures may also result in the Group being exposed to the risk of litigation brought by third parties (including through class action proceedings). The outcome of any litigation (including class action proceedings) may result in the payment of compensation to third parties and/or further remediation activities. For information in relation to the Group's litigation and contingent liabilities, see risk factor "*Litigation and contingent liabilities may adversely affect the Group's Position*" and Note 21 of the 2021 Interim Financial Statements.

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

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

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

Note 21 includes, among other things, descriptions of:

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

In recent years there has been an increase in the number of matters on which the Group engages with its regulators. There have also been significant increases in the nature and scale of regulatory investigations, surveillance and reviews, civil and criminal enforcement actions (whether by court action or otherwise), formal and informal inquiries, regulatory supervisory activities and the quantum of fines issued by regulators, particularly against financial institutions both in Australia and globally. The Group has received various notices and requests

for information from its regulators as part of both industry-wide and Group-specific reviews and has also made disclosures to its regulators at its own instigation. The nature of these interactions can be wide ranging and, for example, include or have included a range of matters including responsible lending practices, regulated lending requirements, product suitability and distribution, interest and fees and the entitlement to charge them, customer remediation, wealth advice, insurance distribution, pricing, competition, conduct in financial markets and financial transactions, capital market transactions, anti-money laundering and counter-terrorism financing obligations, reporting and disclosure obligations and product disclosure documentation. There may be exposures to customers which are additional to any regulatory exposures. These could include class actions, individual claims or customer remediation or compensation activities. The outcomes and total costs associated with such reviews and possible exposures remain uncertain.

There is a risk that contingent liabilities may be larger than anticipated or that additional litigation, regulatory actions, legal or arbitration proceedings or other contingent liabilities may arise.

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

Anti-money laundering ("**AML**"), counter-terrorism financing ("**CTF**") and sanctions compliance have been the subject of significant regulatory change and enforcement in recent years. The increasingly complicated environment in which the Group operates has heightened these operational and compliance risks. Furthermore, the increased transparency of the outcomes of compliance breaches by financial institutions both domestically and globally and the related fines and settlement sums mean that these risks continue to be an area of focus for the Group.

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

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

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

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

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

Consequences can include fines, criminal and civil penalties, civil claims, reputational harm and limitations on doing business in certain jurisdictions. These consequences, individually or collectively, may adversely affect the Group's Position. The Group's foreign operations may place the Group under increased scrutiny by regulatory authorities, and subject the Group to increased compliance costs.

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

Central monetary authorities (including the RBA, the RBNZ, the United States Federal Reserve, the Bank of England and the monetary authorities in the Asian jurisdictions in which the Group operates) set official interest rates or take other measures to affect the demand for money and credit in their relevant jurisdictions. In addition, in some jurisdictions, currency policy is also used to influence general business conditions and the demand for money and credit. These measures and policies can significantly affect the Group's cost of funds for lending and investing and the return that the Group will earn on those loans and investments. These factors impact the Group's net interest margin and can affect the value of financial instruments it holds, such as debt securities and hedging instruments. The measures and policies of the central monetary authorities can also affect the Group's borrowers, potentially increasing the risk that they may fail to repay loans.

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

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

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

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

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

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

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

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

Under the CRS, the Group:

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

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

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

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

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

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

Internal control, operations and reputational risk

Operational risk events may adversely affect the Group's Position

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

Operational risk categories include but are not limited to:

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

- damage to physical assets; and
- execution, delivery and process management (for example, processing errors or data management failures).

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

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

COVID-19 challenges have resulted in a number of changes in terms of how the Group is undertaking its operations. including to adapt to remote working arrangement. While the lifting of restrictions in Australia and New Zealand has allowed a number of ANZ staff to return to work on ANZ premises, many ANZ staff continue to work remotely. Although technology has been successfully deployed to ensure remote working capabilities are available to the relevant staff, greater reliance on digital channels creates heightened risks associated with cyber-attacks and the impact those attacks might have on our systems and service availability, which could affect. ANZ technology assets as well as third party technology suppliers and critical services on which the Group relies, such as telecommunications operators.

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

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

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

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

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

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

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

- failures related to fulfilment of identification obligations;
- failures related to new product development;
- failures related to ongoing product monitoring activities;
- failures related to suitability requirements when products are sold outside of the target market;
- market manipulation or anti-competitive behaviour;
- failure to comply with disclosure obligations;
- inappropriate crisis management/response to a crisis event;
- inappropriate handling of customer complaints;
- inappropriate third party arrangements;
- privacy breaches; and
- unexpected risks (e.g. credit, market, operational or compliance).

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

Conduct risk events may adversely affect the Group's Position

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

Conduct risks include:

- the provision of unsuitable or inappropriate advice to customers;
- the representation of, or disclosure about, a product or service which is inaccurate, or does not provide adequate information about risks and benefits to customers;
- a failure to deliver product features and benefits in accordance with terms, disclosures, recommendations and/or advice;
- a failure to appropriately avoid or manage conflicts of interest;
- inadequate management of complaints or remediation processes;
- a failure to respect and comply with duties to customers in financial hardship; and
- unauthorised trading activities in financial markets, in breach of the Group's policies and standards.

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

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

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

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

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

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

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

The Group has disaster recovery and business continuity measures in place designed to ensure that critical IT systems will continue to operate during both short-lived and prolonged disruption events. However, COVID-19 has highlighted that these arrangements must cater for vast and improbable events, like a global pandemic, and ensure critical information systems can be supported and accessed by a large number of multi-jurisdictional technology and business

users for extended periods. If such measures cannot be effectively implemented, this may adversely affect the Group's Position.

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

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

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

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

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

Additionally, failures in the Group's cybersecurity policies, procedures or controls, could result in loss of data or other sensitive information (including as a result of an outage) and may cause associated reputational damage. Any of these events could result in significant financial losses (including costs relating to notification of, or compensation for customers), regulatory investigations or sanctions or may affect the Group's ability to retain and attract customers, and thus may adversely affect the Group's Position.

Environmental, social and governance risks

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

The Group and its customers are exposed to climate-related events. These events include severe storms, drought, fires, cyclones, hurricanes, floods and rising sea levels. The Group and its customers may also be exposed to other events such as geological events (including volcanic seismic activity or tsunamis), plant, animal and human diseases or a pandemic such as COVID-19, which is causing significant impacts on the Group's operations and its customers. The COVID-19 pandemic has resulted in a widespread health crisis that could continue to adversely affect the economies and financial markets of many countries, including Australia and New Zealand, resulting in an economic downturn that could affect the Group and its customers. See risk factor "*The COVID-19 pandemic has, and future outbreaks of other communicable diseases or pandemics may, materially and adversely affect the Group's Position*" for further details regarding the different impacts from COVID-19.

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

position in relation to credit facilities extended to customers, which in turn may adversely affect the Group's Position.

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

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

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

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

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

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

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

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

The risk to the Group through credit-related issues with the Group's customers could result directly from climate-related events, and indirectly from changes to laws, regulations, or other policies such as carbon pricing and climate risk adaptation or mitigation policies, which may

impact the customer's supply chain. This may result in credit-related losses as a result of the customer being unable or unwilling to repay debt, which may adversely affect the Group's Position.

RISK FACTORS RELATING TO THE COVERED BOND GUARANTOR, INCLUDING THE ABILITY OF THE COVERED BOND GUARANTOR TO FULFIL ITS OBLIGATIONS IN RELATION TO THE COVERED BOND GUARANTEE

Risks related to the Secured Property and to the structure and terms of the Covered Bond Guarantee

Finite resources available to the Covered Bond Guarantor to make payments due under the Covered Bond Guarantee

The Covered Bond Guarantor's ability to meet its obligations under the Covered Bond Guarantee will depend on (a) the realisable value of Selected Receivables in the Assets of the Trust, (b) the amount of Receivables Revenue Receipts and Receivables Principal Receipts generated by the Receivables Portfolio and the timing thereof, (c) amounts received from the Swap Providers, (d) the realisable value of Substitution Assets and Authorised Investments held by it and (e) the receipt by it of credit balances and interest on credit balances on the GIC Account.

Covered Bondholders should be aware that all obligations of the Covered Bond Guarantor to the Covered Bondholders (and to any other Transaction Party) are limited in recourse to the Secured Property of the Covered Bond Guarantor. Covered Bondholders will not have recourse to any of the other assets of the Covered Bond Guarantor. The Covered Bond Guarantor enters into the Bond Trust Deed in its capacity as Covered Bond Guarantor and no other capacity. A liability arising under or in connection with the Bond Trust Deed is limited to and can be enforced against the Covered Bond Guarantor only to the extent to which it can be satisfied out of the Assets of the Trust out of which the Covered Bond Guarantor is actually indemnified for the liability. This limitation of the Covered Bond Guarantor's liability applies despite any other provision of the Bond Trust Deed and the relevant Programme Documents and extends to all liabilities and obligations of the Covered Bond Guarantor in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to the Bond Trust Deed. For further information on the scope of the limited recourse and non-petition provisions, see Programme Condition 16 (*Limited Recourse and non-petition*).

Additionally, while Secured Creditors who, following enforcement of the Charge, have not received the full amount due to them pursuant to the terms of the Programme Documents may still have an unsecured claim against the Issuer for the shortfall, there is no guarantee that the Issuer will have sufficient funds to pay that shortfall.

While the Asset Coverage Test, the Amortisation Test, the Interest Rate Shortfall Test, the Yield Shortfall Test and the Pre-Maturity Test have in the aggregate been structured to ensure that the Assets are sufficient to fund the payment of amounts due on the Covered Bonds and senior expenses (which will include costs relating to the maintenance, administration and winding-up of the Trust whilst the Covered Bonds are outstanding), no assurance can be given that the Assets will in fact generate sufficient amounts for such purposes (see "*Summary of the Principal Documents – Supplemental Deed – Asset Coverage Test*" and "*Credit Structure – Asset Coverage Test*", "*Summary of the Principal Documents – Supplemental Deed – Amortisation Test*" and "*Credit Structure – Amortisation Test*", "*Summary of the Principal Documents – Servicing Deed – Interest Rate Shortfall Test*", "*Summary of the Principal Documents – Servicing Deed - Yield Shortfall Test*", "*Summary of the Principal Documents – Supplemental Deed – Pre-Maturity Test*" and "*Credit Structure – Pre-Maturity Test*"). Where there is a shortfall in the value of the Assets required to make such payments, Covered Bondholders may

not receive payment of all amounts due in respect of the Covered Bonds and the market value of the Covered Bonds may be adversely impacted.

Certain amounts due to other creditors of the Covered Bond Guarantor will rank ahead of the claims of the Covered Bondholders

Under the terms of the Guarantee Allocations, there are certain amounts due to other Secured Creditors and third parties which rank ahead of, or pari passu with, the claims of the Covered Bondholders under the Covered Bond Guarantee. Assets subject to the payment in kind provisions in respect of the Senior Portion Outstanding of the Demand Loan are not available as collateral to secure the Covered Bonds.

If a Covered Bondholder or another Secured Creditor receives a sum from or on behalf of the Covered Bond Guarantor which, in accordance with the terms of the Supplemental Deed, it should not have received, then it will be obliged to repay such sum to the Covered Bond Guarantor or the Security Trustee (depending on when the amount is received), so that the sum can be applied in accordance with the terms of the Supplemental Deed.

Enforcing the obligations of a Secured Creditor to repay any such amount may result in a significant period of time – particularly if the Covered Bond Guarantor or the Trust Manager is obliged to involve it in court or arbitration proceedings (which may or may not be successful). Furthermore, if that Secured Creditor becomes insolvent prior to repaying the monies to the Covered Bond Guarantor or the Trust Manager, there is then a risk that such sums will not be repaid in its entirety – that is, they may fall into the insolvency estate of that Secured Creditor. The occurrence of either of these situations may cause an overall loss or delay of payments due to the Covered Bondholders.

There are also certain creditors of the Covered Bond Guarantor that are not party to the Supplemental Deed, such as tax authorities and Debtors. These creditors are not bound by the limited recourse (as against the Covered Bond Guarantor) and non-petition provisions in the Programme Documents. Under the Guarantee Allocations, amounts due to certain of such creditors will also rank ahead of the claims of the Covered Bondholders. The application of such claims may reduce the amounts available for making payment to Covered Bondholders.

Limited description of the portfolio

Covered Bondholders may not receive detailed statistics or information in relation to the Purchased Receivables because it is expected that the constitution of the Purchased Receivables will frequently change due to, inter alia, the sale of additional Receivables and the Related Security (or Receivables of New Product Types and Related Security) to the Covered Bond Guarantor; payments by the Debtors on those Receivables; or the Seller repurchasing Receivables and the Related Security in accordance with the Mortgage Sale Agreement.

There is no assurance that the characteristics of the New Receivables sold to the Covered Bond Guarantor on any Transfer Date will be the same as those of the other Purchased Receivables as at the relevant Transfer Date. At the time of sale of any new Receivables and the Related Security to the Covered Bond Guarantor, representations and warranties will be given by the Seller to the Covered Bond Guarantor and the Security Trustee that those new Receivables were originated in all material respects in accordance with the Seller's Servicing Procedures then applicable at the time the Receivables were originated. However, the Servicing Procedures may be amended or revised by ANZBGL without notice from time to time and as a consequence, the characteristics of the Purchased Receivables sold to the Covered Bond Guarantor could change over time, leading to a delay or reduction in payments received by the Covered Bondholders under the Covered Bond Guarantee. A change in the characteristics of Receivables constituting the portfolio may adversely affect the ability of the Covered Bond Guarantor to meet its obligations under the Covered Bond Guarantee.

Sale of Selected Receivables and the Related Security following the occurrence of certain events

Following the service of an Asset Coverage Test Breach Notice on the Covered Bond Guarantor or a breach of the Pre-Maturity Test or the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) (but prior to service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee) or the enforcement of the Charge), the Covered Bond Guarantor (at the direction of the Trust Manager), shall sell Selected Receivables (selected on a basis that is representative of the Purchased Receivables as a whole and that if a Purchased Receivable is selected, its Related Security is also selected unless the Related Security also secures a Purchased Receivable that is not also a Selected Receivable). The proceeds from any such sale shall be deposited into the GIC Account and applied in accordance with the applicable Cashflow Allocation Methodology (see "*Summary of the Principal Documents – Supplemental Deed – Sale of Selected Receivables*").

There is no guarantee the Covered Bond Guarantor will, where the Covered Bond Guarantor is obliged to sell Selected Receivables, find a buyer to buy Selected Receivables at the times required and there can be no guarantee or assurance as to the price which may be able to be obtained, which may affect payments under the Covered Bond Guarantee. The Covered Bond Guarantor must offer the Selected Receivables (subject to a right of pre-emption in favour of the Seller for no lesser amount) for not less than the Selected Receivables' market price (if there is one) or otherwise for the best price reasonably obtainable having regard to the circumstances existing when they are sold but in any event:

(a) following the service of an Asset Coverage Test Breach Notice (but prior to the service of a Notice to Pay) the Selected Receivables may not be sold by the Covered Bond Guarantor for an amount less than the Current Principal Balance of the Selected Receivables plus the arrears of interest and fees and accrued interest thereon; and

(b) following a breach of the Pre-Maturity Test or service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), the Selected Receivables may not be sold by the Covered Bond Guarantor for an amount less than the Adjusted Required Redemption Amount for the relevant Series of Covered Bonds.

However, if the Selected Receivables have not been sold by the date which is six months prior to either (a) the Final Maturity Date in respect of the Earliest Maturing Covered Bonds, or (b) the Extended Due for Payment Date in respect of the Earliest Maturing Covered Bonds, or (c) in respect of a sale in connection with the Pre-Maturity Test, the Final Maturity Date of the relevant Series of Hard Bullet Covered Bonds, the Covered Bond Guarantor (acting on the direction of the Trust Manager) must (subject to, only if required by a law, a right of pre-emption in favour of the Seller) offer the Selected Receivables for sale for not less than the Selected Receivables' market price (if there is one) or otherwise for the best price reasonably obtainable having regard to the circumstances existing when they are sold notwithstanding that such amount may be less than the Adjusted Required Redemption Amount.

If Selected Receivables are not sold for an amount equal to or in excess of the Adjusted Required Redemption Amount, the Covered Bond Guarantor may have insufficient funds available to make payment in respect of the Covered Bonds.

On each Trust Payment Date the Covered Bond Guarantor will apply Available Revenue Receipts and Available Principal Receipts to redeem or repay in part the relevant Series of Covered Bonds, to the extent that the Covered Bond Guarantor has sufficient moneys available to make such payments in accordance with the Cashflow Allocation Methodology. Available Principal Receipts will include the sale proceeds of Selected Receivables (including any excess sale proceeds resulting from the sale of Selected Receivables sold in respect of another Series

of Covered Bonds) and all principal repayments received on the Purchased Receivables generally. This may adversely affect repayment of later maturing Series of Covered Bonds if the Selected Receivables sold to redeem or repay in part an earlier maturing Series of Covered Bonds are sold for less than the Adjusted Required Redemption Amount and accordingly the Covered Bond Guarantor is required to apply other assets in the Purchased Receivables (such as Receivable Principal Receipts) to redeem that earlier maturing Series of Covered Bonds.

Certain factors may affect the realisable value of the Purchased Receivables or any part thereof or the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee

The realisable value of Selected Receivables and the Related Security comprised in the Purchased Receivables may be adversely impacted by a wide range of factors including but not limited to:

(a) restrictions in the Programme Documents on the ability of the Covered Bond Guarantor to provide representations or warranties on the sale of Selected Receivables and Related Security unless expressly agreed by the Security Trustee or otherwise agreed with the Seller;

(b) default by Debtors of amounts due on their Receivables;

(c) a failure by Debtors to comply with insurance covenants in Receivable Conditions related to Properties in the Purchased Receivables;

(d) changes to the Servicing Procedures of the Seller;

(e) the Covered Bond Guarantor not having legal title to the Purchased Receivables;

(f) risks in relation to some types of Receivables which may adversely affect the value of the Purchased Receivables or any part thereof;

(g) changes in interest rates which may adversely affect the value of fixed rate Receivables;

(h) limited recourse to the Seller;

(i) possible regulatory changes by the Australian Securities and Investments Commission and other regulatory authorities;

(j) regulations in Australia that could lead to some terms of the Receivables being unenforceable;

(k) the sale of All Moneys Mortgages that secure Associated Debt of the Seller being subject to trust back arrangements in favour of the Seller;

(l) other issues which impact on the enforceability of the Receivables; and

(m) the occurrence of an insolvency event in respect of the Issuer may negatively affect the Australian mortgage market and the value of the real property underlying the Assets, thereby impairing the realisation of the Receivables and the ability of the Covered Bond Guarantor to make payments to Covered Bondholders.

Any reduction in the realisable value of the Selected Receivables and the Related Security may result in the Covered Bond Guarantor having insufficient funds to meet its obligations under the Covered Bond Guarantee.

Realisation of Secured Property following the occurrence of a Covered Bond Guarantor Event of Default and/or the commencement of winding up proceedings against the Covered Bond Guarantor

If a Covered Bond Guarantor Event of Default occurs and a Covered Bond Guarantee Acceleration Notice is served on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee), then the Security Trustee will be entitled to enforce the Charge created under and pursuant to the Deed of Charge and the proceeds from the realisation of the Secured Property will be applied by the Security Trustee towards payment of all secured obligations in accordance with the Post-enforcement Allocations described in "*Cashflows*" below.

There is no guarantee that the proceeds of realisation of the Secured Property will be in an amount sufficient to repay all amounts due to the Secured Creditors (including the Covered Bondholders) under the Covered Bonds and the Programme Documents.

If a Covered Bond Guarantee Acceleration Notice is served on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee) then the Covered Bonds may be repaid sooner or later than expected or not at all.

Value of the Purchased Receivables

The guarantee granted by the Covered Bond Guarantor in respect of the Covered Bonds, will, inter alia, be backed by the Covered Bond Guarantor's interest in the Purchased Receivables. Since the economic value of the Purchased Receivables may increase or decrease, the value of the Covered Bond Guarantor's assets may decrease (for example if there is a general decline in property values). Neither the Issuer nor the Covered Bond Guarantor makes any representation, warranty or guarantee that the value of a Property will remain at the same level as it was on the date of the origination of the related Receivable or at any other time. The value of the Purchased Receivables may be significantly reduced by any overall decline in property values experienced by the residential property market in Australia and may also be further reduced by any additional decline in the value of properties within the Purchased Receivables. In addition, to the extent that the Debtors do not comply with insurance covenants in the Receivable Conditions, there is a risk that certain Properties in the Purchased Receivables will not be insured, which may affect the value of the Properties in Purchased Receivables and what might be recovered if the security over those Properties is required to be enforced when the Properties have been damaged or destroyed by an event that is ordinarily insurable. This, ultimately, may result in losses to the Covered Bondholders if such security is required to be enforced. These risks may be more pronounced as a result of the impact of the COVID-19 pandemic.

Geographic concentration of the Receivables

To the extent that specific geographic regions have experienced or may experience in the future weaker regional economic conditions and housing markets than other regions, a concentration of the Receivables in such a region may be expected to exacerbate any or all of the risks relating to the Receivables described in this section. In addition, specific geographic regions may experience natural disasters (including, but not limited to, bushfires, cyclones and floods), which may not be fully insured against and which may result in property damage, deterioration in economic conditions in those regions and losses on the Purchased Receivables. The Covered Bond Guarantor can predict neither when nor where such regional events may occur nor to what extent or for how long such conditions may continue but if the timing and payment of the Purchased Receivables is adversely affected as described above, the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee could be reduced or delayed.

Default by Debtors in paying amounts due on their Receivables

Debtors may default on their obligations due under the Receivables. Defaults may occur for a variety of reasons. The Receivables are affected by credit, liquidity and interest rate risks. Various factors influence mortgage delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal on the Receivables. These factors include changes in the national, regional or international economic climate such as: volatility in interest rates; lack of liquidity in wholesale funding markets in periods of stressed economic conditions, economic or political crisis; housing market illiquidity and downward price pressure; commencement of recession and employment fluctuations; the availability of financing; consumer perception as to the continuing availability of credit and price competition which may have an adverse impact on delinquency and repossession rates; inflation; yields on alternative investments; pandemics (for example influenza and coronavirus) and political developments and government policies, including changes in tax laws. Other factors in Debtors' individual, personal or financial circumstances may also affect the ability of Debtors to repay the Receivables. Loss of earnings, illness, separation, divorce, unemployment and other similar factors may lead to an increase in delinquencies by and bankruptcies of Debtors and could ultimately have an adverse impact on the ability of Debtors to repay the Receivables.

The origination, lending and underwriting, administration, arrears and enforcement policies and procedures of the Seller and Servicer are subject to continuous review and amendment by the Seller and Servicer. Some Seller and Servicer processes rely on information or documents provided by Debtors and their agents, including in relation to income, indebtedness and expenses. Conduct by Debtors or their agents, such as fraud or deception, could affect delinquency and default rates. Incidents of fraud and deception by borrowers or their agents have occurred in the industry (including ANZBGL).

In addition, the ability of a Debtor to sell a property charged by a Mortgage which secures a Receivable at a price sufficient to repay the amounts outstanding under that Receivable will depend upon a number of factors, including the availability of buyers for that property, the value of that property and property values and the property market in general at the time of such proposed sale.

Further, the mortgage loan market in Australia is highly competitive. This competitive environment may affect the rate at which the Seller originates new Receivables and may also affect the repayment rate of existing Receivables.

Climatic events, geological events, such as volcanic or seismic activity, plant, animal or human diseases or other extrinsic events, such as pandemics (for example influenza and coronavirus), could have a negative effect on a Debtor's ability to pay interest or repay principal on their Receivable. For example, as a result of the COVID-19 pandemic, Debtors may face difficulty in paying amounts due on their mortgage loans as a result of illness or other circumstances, including inability to work or reduced income as a result of social distancing measures adopted by the Australian Government.

If the timing and payment of the Receivables is adversely affected by any of the risks described above, the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee could be reduced or delayed.

Limited recourse to the Seller

The Covered Bond Guarantor, the Bond Trustee and the Security Trustee will not undertake any investigations, searches or other actions on any Receivable or the Related Security and will rely instead on the Representations and Warranties given in the Mortgage Sale Agreement by the Seller in respect of the Receivables sold by the Seller to the Covered Bond Guarantor.

In the event of a material breach of any of the Representations and Warranties made by the Seller or if any of the Representations and Warranties proves to be materially untrue, in each

case in respect of any Purchased Receivable as at any date on which such Representations and Warranties are deemed to be given, and further provided where such material breach or untruth is (a) not capable of remedy; or (b) is capable of remedy, but is not remedied by the Seller to the satisfaction of, or waived by, the Covered Bond Guarantor (at the direction of the Trust Manager) or the Security Trustee within 28 days of receipt of the notice specified in the Mortgage Sale Agreement or such longer period as the Covered Bond Guarantor (at the direction of the Trust Manager) or the Security Trustee may direct or agree, then the Covered Bond Guarantor (acting at the direction of the Trust Manager) may serve upon the Seller a Receivable Repurchase Notice whereupon the Seller will be required to repurchase the relevant Receivable (and Related Security, unless the Related Security also secures another Purchased Receivable) for the Repurchase Price payable no later than the date of the next Trust Payment Date to occur following expiry of a period of five days following the date of service by the Covered Bond Guarantor of the Receivable Repurchase Notice.

There can be no assurance that the Seller, in the future, will have the financial resources to repurchase from the Covered Bond Guarantor a Receivable or Receivables and the Related Security. However, if the Seller does not repurchase those Receivables and the Related Security which are in material breach of the Representations and Warranties then the Current Principal Balance of those Receivables will be excluded from the calculation of the Asset Coverage Test. There is no further recourse to the Seller in respect of a material breach of a Representation or Warranty.

Covered Bondholders must act through Bond Trustee and Security Trustee

Only the Bond Trustee may enforce the provisions of the Bond Trust Deed. No Covered Bondholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or the Covered Bond Guarantor to enforce the performance of any of the provisions of the Bond Trust Deed or to directly enforce the provisions of any other Programme Document unless the Bond Trustee having become bound to so proceed fails to do so within a reasonable time and such failure is continuing, in which event any Covered Bondholder, Receiptholder or Couponholder may, on giving an indemnity and/or prefunding and/or security satisfactory to the Bond Trustee, in the name of the Bond Trustee (but not otherwise) institute such proceedings and/or prove in the winding up, administration or liquidation of the Issuer or the Covered Bond Guarantor to the same extent and in the same jurisdiction (but not further or otherwise than the Bond Trustee would have been entitled to do so in respect of the Covered Bonds, Receipts and Coupons and/or the Bond Trust Deed).

Further, only the Security Trustee may enforce the Security Trust Deed and the Charge. No Secured Creditor is entitled to enforce the Charge or the provisions of the Security Trust Deed or to appoint or cause to be appointed a receiver, manager or receiver and manager to any of the Secured Property or otherwise to exercise any power conferred by the terms of any applicable law on charges except as provided in the Security Trust Deed and the Deed of Charge in respect of the Trust.

There can be no assurance that the actions, or the failure to act, by the Bond Trustee or the Security Trustee, as the case may be, will not adversely affect any Covered Bondholders.

No tax gross-up or certain other payments under the Covered Bond Guarantee

Where the Covered Bond Guarantor becomes liable to make payment of Guaranteed Amounts in accordance with the terms of the Bond Trust Deed, all such payments of principal and interest (if any) in respect of Covered Bonds by the Covered Bond Guarantor will be made subject to withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges required by law. In the event of a withholding or deduction being made by the Covered Bond Guarantor, the Covered Bond Guarantor will not be obliged to pay any additional amounts as a consequence. In addition, the Covered Bond Guarantor will not be

obliged at any time to make any payments in respect of additional amounts which may become payable by the Issuer under Programme Condition 7 (*Taxation*) and/or Condition 7 (*Taxation*) of the N Covered Bond Conditions (if applicable). Prior to service on the Covered Bond Guarantor of a notice in accordance with the Bond Trust Deed, the Covered Bond Guarantor will not be obliged to make payment in respect of any additional amounts relating to prepayments, early redemption, broken funding indemnities, penalties, premiums, default interest or interest upon interest which may accrue on or in respect of the Covered Bonds.

Additionally, following the occurrence of a Covered Bond Guarantor Event of Default, the Bond Trustee will, subject to the provisions of the Bond Trust Deed, have a claim under the Covered Bond Guarantee for an amount equal to the Early Redemption Amount of each Covered Bond, together with accrued interest and all other amounts then due under the Covered Bonds. However this will exclude additional amounts payable under Programme Condition 7 (*Taxation*) and/or Condition 7 (*Taxation*) of the N Covered Bond Conditions (if applicable) and the Covered Bond Guarantor will not be obliged to gross up in respect of any withholding which may be required in respect of any payment.

Accordingly, if any such withholding or deduction were to apply to the payment of any Guaranteed Amounts, Covered Bondholders may receive less than the full amount in respect of such Covered Bonds which would otherwise have been payable by the Issuer and the market value for such Covered Bonds may be adversely impacted.

Risks related to the Covered Bond Guarantor, service providers and counterparties

Insolvency of the Covered Bond Guarantor likely to adversely affect the Covered Bonds

If one or more insolvency related events occurred in respect of the Covered Bond Guarantor then this would constitute a Covered Bond Guarantor Event of Default, which is likely to adversely affect the Covered Bonds. For instance, all of the Covered Bonds will become immediately due and payable, the ratings of the Covered Bonds are likely to be adversely affected, the trading price and liquidity of the Covered Bonds in the secondary market is likely to be adversely affected and the price at which Selected Receivables can be sold or the value of the Receivables in the cover pool may be adversely affected.

Reliance of the Covered Bond Guarantor on third parties

The Covered Bond Guarantor has entered into agreements with a number of third parties, which have agreed to perform services for the Covered Bond Guarantor including, without limitation, the Servicer, the Trust Manager, the Calculation Manager, the Asset Monitor and the Account Bank (see "*Summary of the Principal Documents*").

In the event that any of those third parties fails to perform its obligations under the relevant agreement to which it is a party, the mechanics and procedures prescribed by the Programme Documents designed to ensure that the Programme works as intended may be affected and the realisable value of the Purchased Receivables and other assets that comprise the Assets or any part thereof or pending such realisation (if the Purchased Receivables and other assets that comprise the Assets or any part thereof cannot be sold) the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee may be adversely affected.

Following the occurrence and during the continuance of a Servicer Termination Event, subject to the terms of the Programme Documents, the appointment of the Servicer may be terminated and, with effect from the date of termination unless and until a substitute servicer that satisfies certain criteria has been appointed, the Covered Bond Guarantor shall be taken to be the Substitute Servicer, shall perform all obligations and shall be entitled to exercise all rights, of the Servicer under the Programme Documents. While following such termination, the Covered Bond Guarantor will use reasonable endeavours to appoint a substitute servicer ("**Substitute Servicer**"), there can be no assurance that a substitute servicer with sufficient experience of

administering mortgages of residential properties would be found who would be willing and able to service the Purchased Receivables on the terms of the Servicing Deed. Any delay or inability to appoint a replacement servicer may affect payments on the Purchased Receivables, the realisable value of such Receivables and/or the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee.

The Servicer has no obligation itself to advance payments that Debtors fail to make in a timely fashion. Covered Bondholders will have no right to consent to or approve of any actions taken by the Servicer under the Servicing Deed.

The Servicer is required to act as an independent contractor, except as expressly provided for in the Servicing Deed, in collecting amounts owing on the Receivables for the Covered Bond Guarantor in respect of all payments in respect of the Purchased Receivables (including, without limitation, a Receivable Scheduled Payment). However, the Servicer agrees to act on behalf of and in the best interests of the Covered Bond Guarantor in its exercise and performance of such duties. If the Servicer receives, during a Collection Period, any money whatsoever arising from the Purchased Receivables which money belongs to the Covered Bond Guarantor and such money is to be credited to the GIC Account pursuant to the Servicing Deed, the Servicer shall hold such money on trust for the Covered Bond Guarantor. The Servicer is entitled to commingle such money with any other money held by it. In the event of an insolvency of the Servicer, the ability of the Covered Bond Guarantor to trace and recover any such commingled money may be impaired.

In addition, following the occurrence of a Trust Manager Default or a Calculation Manager Default, the appointment of the Trust Manager or the Calculation Manager, as applicable may be terminated in accordance with the Trust Terms Deed (subject to similar limitations on its obligations and liabilities as those described above in relation to it acting as substitute Servicer). There can be no assurance that a replacement trust manager would be found who would be willing and able to provide such trust management services on the terms of the Supplemental Deed and the Trust Terms Deed. Neither the Security Trustee nor the Bond Trustee will be obliged in any circumstances to act as a Trust Manager or to monitor or supervise the performance by the Trust Manager (or any replacement trust manager) of its obligations.

There can be no assurance that a substitute calculation manager would be found who would be willing to act as Calculation Manager and able to provide such Calculation Management Services on the terms of the Supplemental Deed. Neither the Covered Bond Guarantor, the Security Trustee nor the Bond Trustee will be obliged in any circumstances to act as the Calculation Manager or to monitor or supervise the performance by the Calculation Manager (or any replacement calculation manager) of its obligations.

Any delay or inability to appoint a replacement trust manager or substitute calculation manager may affect, among other things, payments to and from the Trust Accounts in accordance with the terms of the Programme Documents and/or the provision of the Asset Coverage Reports and other information to, inter alia, the Designated Rating Agencies, the Security Trustee and the Covered Bond Guarantor and may ultimately affect the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee.

None of the Trust Manager, ANZBGL (in any capacity) or the Calculation Manager has any obligation itself to advance payments that Debtors fail to make in a timely fashion. Covered Bondholders will have no right to consent to or approve of any actions taken by the Trust Manager under the Supplemental Deed or the Trust Terms Deed.

Upon the occurrence of certain events, the appointment of the Account Bank may, or in the case of the occurrence of an Insolvency Event in relation to the Account Bank or if the Account Bank ceases to be an Eligible Bank and does not obtain a guarantee from an Eligible Bank of its obligations under the Account Bank Agreement within 30 Local Business Days must, be

terminated. Following such a termination, there can be no assurance that a replacement bank will be found within a particular period or that any replacement bank will be an Eligible Bank. In the event that a transfer of accounts does not occur before the Account Bank becomes insolvent, then the Covered Bond Guarantor would have only a claim as an unsecured creditor of the Account Bank. Accordingly, there is a potential risk of loss of the Covered Bond Guarantor's funds held with the Account Bank if the Account Bank has insufficient funds to meet all the claims of its unsecured creditors.

Change of counterparties

The parties to the Programme Documents who receive and hold moneys pursuant to the terms of such documents (such as the Account Bank) will be required to satisfy certain criteria in order to continue to receive and hold such moneys. These criteria will include requirements in relation to the short-term and/or long-term, unguaranteed and unsecured ratings ascribed to such party by Fitch and Moody's.

If the party concerned ceases to satisfy the applicable criteria, including such ratings criteria, then the rights and obligations of that party (including the right or obligation to receive moneys on behalf of the Covered Bond Guarantor) may be required to be transferred to another entity which does satisfy the applicable criteria, unless the Bond Trustee is satisfied that maintaining the existing arrangements (or modifying them) with the existing counterparty would not adversely affect the then current ratings of the Covered Bonds. If the rights and obligations of that counterparty are transferred to another entity, then the terms agreed with the replacement entity may not be as favourable as those agreed with the original party pursuant to the Programme Documents. In addition, there is no guarantee that a replacement counterparty could be found. The occurrence of either of these factors may adversely affect the ratings assigned to the Covered Bonds or the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee.

In addition, should the applicable criteria cease to be satisfied, the parties to the relevant Programme Document may agree to amend or waive certain of the terms of such document, including the applicable criteria, in order to avoid the need for a replacement entity to be appointed. The consent of Covered Bondholders may not be required in relation to such amendments and/or waivers.

Reliance on Swap Providers

In order to hedge certain interest rate, currency or other risks in respect of amounts received by the Covered Bond Guarantor under the Receivables, the amounts standing to the credit of the GIC Accounts, any Substitution Assets or Authorised Investments and any other assets that the Covered Bond Guarantor may hold from time to time and amounts payable by the Covered Bond Guarantor under the Intercompany Loan Agreement and/or the Demand Loan Agreement to ANZBGL and/or amounts payable by the Covered Bond Guarantor under the Covered Bond Guarantee to Covered Bondholders in respect of the Covered Bonds on issue, the Covered Bond Guarantor will enter into certain swap transactions with swap providers (each, a "**Swap Provider**").

If the Covered Bond Guarantor fails to make timely payments of amounts due under any Swap Agreement then it will have defaulted under that Swap Agreement and such Swap Agreement may be terminated. Further, a Swap Provider is only obliged to make payments to the Covered Bond Guarantor if the Covered Bond Guarantor complies with its payment obligations under the relevant Swap Agreement. If a Swap Agreement terminates or the relevant Swap Provider is not obliged to make payments or if it defaults in its obligations to make payments of amounts in the relevant currency equal to the full amount to be paid to the Covered Bond Guarantor on the payment date under such Swap Agreement, the Covered Bond Guarantor will be exposed to changes in the relevant currency exchange rates to Australian Dollars (where relevant) and

to any changes in the relevant rates of interest. Unless a replacement swap is entered into, the Covered Bond Guarantor may have insufficient funds to make payments under the Intercompany Loan Agreement, the Demand Loan Agreement or the Covered Bond Guarantee.

If a Swap Agreement terminates, then the Covered Bond Guarantor may be obliged to make a termination payment to the relevant Swap Provider. There can be no assurance that the Covered Bond Guarantor will have sufficient funds available to make a termination payment under the relevant Swap Agreement or to make any upfront payment required by a replacement swap counterparty, nor can there be any assurance that the Covered Bond Guarantor will be able to find a replacement swap counterparty which has both sufficiently high ratings as may be required by any of the Designated Rating Agencies and which agrees to enter into a replacement swap agreement on similar commercial terms. Any such downgrade could lead to a reduction in market value of the Covered Bonds.

If the Covered Bond Guarantor is obliged to pay a termination payment under any Swap Agreement, any such termination payment in respect of:

(i) the Interest Rate Swap will rank ahead of amounts due on the Covered Bonds; and

(ii) the Covered Bond Swap will rank pari passu with amounts due on the Covered Bonds,

except where the Swap Agreement has been terminated due to a default by the relevant Swap Provider or a failure by the relevant Swap Provider to comply with its obligations under the Swap Agreement following a downgrade of the Swap Provider.

The obligation to pay a termination payment may adversely affect the ability of the Covered Bond Guarantor to meet its obligations under the Covered Bond Guarantee.

Rating Agency Notification in respect of Covered Bonds

The terms of certain of the Programme Documents provide that, in respect of certain planned or proposed events or actions, the Trust Manager must issue a Rating Agency Notification confirming that it has provided written notice to each Designated Rating Agency at least 10 Business Days prior to the implementation of such planned or proposed event or action, or such shorter period ending upon each Designated Rating Agency confirming in writing receipt of such notice and, in certain cases, that the Trust Manager has formed the view that the implementation of such planned or proposed event or action will not have an Adverse Rating Effect. If a Designated Rating Agency confirmation is required for the purposes of the Programme Documents and the Designated Rating Agency does not consider such confirmation necessary, the Trust Manager shall be entitled to assume that the then current rating of the Covered Bonds from that Designated Rating Agency will not be downgraded or withdrawn by such Designated Rating Agency as a result of such event or circumstance. The Trust Manager may exercise its judgment in this regard that a proposed event or action will not cause an Adverse Rating Effect and that judgment may subsequently turn out to be wrong in that an Adverse Rating Effect is the consequence of such event or action. Such a decision may adversely affect Covered Bondholders.

Differences in timings of obligations of the Covered Bond Guarantor and the Covered Bond Swap Provider under the Covered Bond Swaps

The Covered Bond Guarantor will, following service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), pay or provide for payment of an amount to each corresponding Covered Bond Swap Provider on a monthly basis. The Covered Bond Swap Provider may not be obliged to make corresponding swap payments to the Covered Bond Guarantor under a Covered Bond Swap until amounts are Due for Payment under the Covered Bond Guarantee. If a Covered Bond Swap Provider does not meet its payment obligations to the Covered Bond Guarantor under the relevant Covered Bond Swap Agreement or such

Covered Bond Swap Provider does not make a termination payment that has become due from it to the Covered Bond Guarantor under the relevant Covered Bond Swap Agreement, the Covered Bond Guarantor may have a larger shortfall in funds with which to make payments under the Covered Bond Guarantee with respect to the Covered Bonds than if the Covered Bond Swap Provider's payment obligations coincided with the Covered Bond Guarantor's payment obligations under the Covered Bond Swap. Hence, the difference in timing between the obligations of the Covered Bond Guarantor and the obligations of the Covered Bond Swap Providers under the Covered Bond Swaps may affect the Covered Bond Guarantor's ability to make payments, following service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), under the Covered Bond Guarantee with respect to the Covered Bonds.

Conflict of interest

The Trust Manager is a subsidiary of ANZBGL and members of the board of the Trust Manager are currently employed by ANZBGL in senior positions. The Programme Documents contain undertakings of the Trust Manager and under the Programme Documents the Trust Manager will need to give directions to the Trustee in relation to many matters where the interests of the Trustee and the Trust Manager on the one hand and the interest of ANZBGL may conflict. For instance (but without limiting the generality of the foregoing), the Trustee (at the direction of the Trust Manager) may need to make claims against ANZBGL under the Mortgage Sale Agreement if there has been a breach of a representation by ANZBGL. Additionally, ANZBGL fulfils duties under the Programme Documents, some of which may conflict indirectly with the position or rights of ANZBGL in other capacities. Neither the Trust Manager nor ANZBGL is required to ensure that no actual or potential conflicts of interest of the sort described in this paragraph arises and Covered Bondholders are taken to acknowledge that actual and potential conflicts of interest may exist in connection with the roles of ANZBGL (in various capacities) and the Trust Manager.

The exercise by the Trust Manager of its powers, certain actions or claims by the Trustee under the Programme Documents and/or the fulfilment by ANZBGL of its duties under the Programme Documents may be undertaken or performed in a way that favours the interests of a party that any of Trust Manager, the Trustee or ANZBGL, respectively, are affiliated or associated with, and as a result, the interests of the Covered Bondholders may be adversely affected.

Legal and Regulatory Risks related to the Covered Bond Guarantee and Guarantor

Insolvency proceedings and subordination provisions

There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, recent cases have focused on provisions involving the subordination of a hedging counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty. Such provisions are similar in effect to the terms which will be included in the Programme Documents relating to the subordination of Excluded Swap Termination Amounts.

The English Supreme Court has held that a flip clause as described above is valid under English law. It is likely (but not certain) an Australian court would consider the current Australian law to have the same effect in relation to a flip clause under the Programme Documents (see the following section entitled "*Australian insolvency laws – ipso facto moratorium*" below). Contrary to this, the U.S. Bankruptcy Court for the Southern District of New York has held that such a subordination provision is unenforceable under U.S. bankruptcy law and that any action

to enforce such provision would violate the automatic stay which applies under such law in the case of a U.S. bankruptcy of the counterparty. However, in a subsequent decision in relation to a similar matter, the U.S. Bankruptcy Court for the Southern District of New York held that such a subordination provision can be enforceable in certain circumstances. The outcome of these decisions is that U.S. law is unsettled.

If a creditor of the Covered Bond Guarantor (such as a Swap Provider) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales or Australia (including, but not limited to, the U.S.) and it is owed a payment by the Covered Bond Guarantor, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully enforce the subordination provisions included in the English law governed Programme Documents (such as a provision of the Cashflow Allocation Methodology which refers to the ranking of the Swap Providers' payment rights in respect of Excluded Swap Termination Amounts). In particular, there is a risk that such subordination provisions would not be upheld under U.S. law. Such laws may be applicable in certain circumstances with respect to entities which may act as Swap Provider, including U.S. established entities and certain non-U.S. established entities that are eligible to be a debtor under the United States' Bankruptcy Code or similar insolvency laws of the U.S. In general, if the enforceability of a subordination provision included in the Programme Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales or Australia and any relevant foreign judgment or order was recognised by the English courts or Australian courts, there can be no assurance that such actions would not adversely affect the rights of the Covered Bondholders, the market value of the Covered Bonds and/or the ability of the Covered Bond Guarantor to satisfy its obligations under the Covered Bond Guarantee.

Given the general relevance of the issues under discussion in the judgments referred to above and that the Programme Documents will include terms providing for the subordination of Excluded Swap Termination Amounts, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English courts or Australian courts) may result in negative rating pressure in respect of the Covered Bonds. If any rating assigned to the Covered Bonds is lowered, the market value of the Covered Bonds may reduce.

Australian insolvency laws – 'ipso facto' moratorium

On 18 September 2017, the Treasury Laws Amendment (2017 Enterprise Incentives No.2) Act 2017 of Australia was enacted in Australia. The legislation amended the Australian Corporations Act to introduce a stay on enforcement of certain rights (known as "**ipso facto**" rights) arising under a contract (such as a right entitling a creditor to terminate the contract or to accelerate payments or providing for automatic acceleration) for a certain period of time (and in some cases indefinitely) if the reason for enforcement is the occurrence of certain events relating to specified insolvency proceedings (namely (i) the appointment of an administrator, (ii) the appointment of a managing controller (that is, a receiver or other controller with management functions or powers), (iii) an application for a scheme of arrangement for the purpose of avoiding being wound up in insolvency or (iv) from 1 January 2021, the appointment of a restructuring practitioner in respect of a company which has liabilities of less than A$1,000,000) or the company's financial position during those proceedings. The specified proceedings do not include a winding-up or liquidation.

The length of the stay depends on the type of specified insolvency proceedings and the type of stay concerned. Generally, the stay would end once the proceedings have ended, unless extended by the court. The stay may also end later in certain circumstances specified under the provisions of the Australian Corporations Act which apply to the relevant proceedings.

The stay applies to ipso facto rights arising under contracts, agreements or arrangements entered into after 1 July 2018 (including, from 1 July 2023, contracts, agreements or arrangements

entered into from that date as a result of novations or variations of a contract, agreement or arrangement entered into before 1 July 2018), subject to certain exclusions. Such exclusions include rights exercised under a kind of contract, agreement or arrangement prescribed by the regulations. On 21 June 2018, the Australian federal government introduced regulations setting out the types of contracts and contractual rights which will be excluded from the "ipso facto" stay (the "**Regulations**").

The Regulations provide, among other things, that any ipso facto rights under a contract, agreement or arrangement that is a covered bond (within the meaning of the Australian Banking Act) or for issuing such a covered bond or directly connected with such a covered bond or the issuing of such a covered bond will not be the subject of the stay. Accordingly, the Regulations exclude the Covered Bonds from the scope of the stay and should also exclude the Programme Documents from the scope of the stay. However, as the legislation and the Regulations are new to the insolvency regime in Australia, there remains some uncertainty as to their scope. In particular, there is no guidance as to the circumstances in which a contract, agreement or arrangement will be "directly connected" with a covered bond or its issue within the meaning of the Regulations. If the Regulations are determined not to exclude certain provisions of the Programme Documents, from their operation under the exclusion mentioned above or any other exclusion under the Regulations, this may render unenforceable in Australia provisions of the Covered Bonds or the Programme Documents conditioned solely on the occurrence of events giving rise to ipso facto rights.

APRA may exercise certain powers under the Australian Banking Act

APRA has a range of powers under the Australian Banking Act the exercise of which, may adversely impact the ability of the Issuer and the Covered Bond Guarantor to meet its obligations (see "*Structure Overview - Background and Australian legislative framework*"). These powers include:

Power to direct the return of certain assets

In order to protect depositors and to maintain the stability of the Australian financial system, APRA has the power under certain circumstances to direct a covered bond special purpose vehicle (such as the Covered Bond Guarantor) to return certain assets to the issuing ADI, but only to the extent that, at the time the direction is given, the relevant asset(s) do not secure "covered bond liabilities" (as defined in the Australian Banking Act including, in the case of ANZBGL, the liabilities of ANZBGL to the Covered Bondholders). A covered bond special purpose vehicle has the power to comply with APRA's direction despite anything in its constitution or any contract or arrangement to which it is a party. As a consequence, APRA has the power to direct the Covered Bond Guarantor to return to the Issuer any assets which are referable to the Senior Portion Outstanding of the Demand Loan (which will have the effect of discharging the Covered Bond Guarantor's obligation to repay the Demand Loan to the extent of the value of the assets returned).

If APRA exercises the power to direct the return of assets to the Issuer, then depending on the manner in which APRA exercises the power, the value of the remaining assets held by the Covered Bond Guarantor and/or the ability of the Covered Bond Guarantor to meet its obligations under the Covered Bond Guarantee, may be adversely affected.

Power to prevent additional sales to meet Asset Coverage Test on any day

The Australian Banking Act also permits APRA, as part of its broad administrative powers to give directions to ADIs under the Australian Banking Act in certain circumstances (described in more detail in "*Structure Overview - Background and Australian legislative framework - Prudential supervision and standards*"), to direct the Issuer not to transfer any asset to the Covered Bond Guarantor (that is, to prevent the Issuer "topping up" the Assets of the Trust).

The exercise of this power could potentially lead to the depletion of the Assets of the Trust which may adversely affect the ability of the Covered Bond Guarantor to meet its obligations under the Covered Bond Guarantee.

Issues affecting the Covered Bond Guarantor's title to the Purchased Receivables

The Seller will initially retain legal title to the Receivables and custody of the mortgage title documents. On the relevant Transfer Date, the Covered Bond Guarantor will only take an equitable assignment of the Receivables and will not have legal title to such Receivables. The Receivables will be legally assigned to the Covered Bond Guarantor only upon the occurrence of a Title Perfection Event.

Covered Bondholders will be subject to the following risks arising from the manner in which title to the Receivables is held by the Covered Bond Guarantor:

(a) until notice of the assignment is received by a Debtor and the additional requirements under section 80(7) of the Personal Property Securities Act 2009 ("PPSA") (described below) are complied with, any payment by that Debtor to the Seller discharges the Debtor's debt to the extent of the payment. As the Covered Bond Guarantor will not have the right to give notice of the assignment to the Debtor until a Title Perfection Event has occurred, there is, therefore, a risk that a Debtor may make payments to the Seller after the Seller has become insolvent, but before the Debtor receives notice of the assignment of the relevant Receivable. These payments may not be able to be recovered by the Covered Bond Guarantor;

(b) the Covered Bond Guarantor's rights to any Receivables will be subject to both any equities which have arisen in favour of the relevant Debtor from claims which are sufficiently closely connected to the relevant Receivables, and otherwise, to any equities affecting the Receivables which come into existence before the first time, under section 80 of the PPSA, at which payment by the relevant Debtor to the Seller no longer discharges the obligations of the relevant Debtor (which can only occur after notice of the assignment has been given to the relevant Debtor to effect a legal assignment of the Receivables (as described below) and the additional requirements of section 80(7) of the PPSA (as described below) have been complied with); and

(c) until legal title is transferred to the Covered Bond Guarantor, the Covered Bond Guarantor may need to join the Seller as a party to any legal proceedings to enforce its rights under the Receivables.

To effect a legal assignment of Receivables the following is required:

(a) the provision of notice in writing to Debtors by the Seller or the Covered Bond Guarantor in accordance with section 12 of the Conveyancing Act 1919 (NSW) or the applicable equivalent provision in each other State and Territory of Australia;

(b) in relation to each Mortgage, the execution and registration of instruments of transfer under the applicable real property legislation in the relevant State or Territory of Australia; and

(c) depending on the situs of the mortgage loan, the payment of stamp duty, if any, on the transfer of the mortgage loan.

In addition, section 80(7) of the PPSA provides that a Debtor will be entitled to make payments and obtain a good discharge from the Seller rather than directly to, and from, the Covered Bond Guarantor until such time as the Debtor receives a notice of the assignment that complies with the requirements of section 80(7)(a) of the PPSA, including, without limitation, a statement that payment is to be made to the Covered Bond Guarantor, unless the Debtor requests the Covered

Bond Guarantor to provide proof of the assignment and the Covered Bond Guarantor fails to provide that proof within 5 business days of the request, in which case the Debtor may continue to make payments to the Seller. Accordingly, a Debtor may nevertheless make payments to the Seller and obtain a good discharge from the Seller notwithstanding the legal assignment of a mortgage loan to the Covered Bond Guarantor, if the Covered Bond Guarantor fails to comply with these requirements.

For details as to the circumstances in which the Covered Bond Guarantor can give the relevant notices to Debtors of the assignment of Receivables, refer to "*Summary of the Principal Documents – Transfer of Title to the Receivables to the Covered Bond Guarantor*" below.

Irrespective of whether the assignment of a Receivable has taken effect as a legal assignment, section 80 of the PPSA also provides that, unless the Debtor has otherwise agreed, a modification of, or substitution for, a Receivable between a Debtor and the Seller is effective against the Covered Bond Guarantor if:

(a) the relevant Debtor and the Seller have acted honestly in modifying or substituting the relevant Receivable;

(b) the manner in which modification or the substitution is made is commercially reasonable; and

(c) the modification or substitution does not have a material adverse effect on:

  (i) the Covered Bond Guarantor's rights under the relevant Receivable; or

  (ii) the Covered Bond Guarantor's ability to perform under the relevant Receivable.

Accordingly, it is possible that in the above circumstances, the terms of a Receivable could be amended by the Debtor and the Seller even after the Covered Bond Guarantor holds legal title to that Receivable.

If the risks described above in relation to the Covered Bond Guarantor's title to the Receivable materialise, then the realisable value of the Purchased Receivables or any part thereof and/or the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee may be affected.

RISK FACTORS RELATING TO THE COVER POOL

Set-Off

The Receivables can only be sold free of set-off (as between the Seller and a Debtor) to the Covered Bond Guarantor to the extent permitted by law. The consequence of this is that if a Debtor in connection with the Receivables has funds standing to the credit of an account with the Seller or amounts are otherwise payable to a Debtor by the Seller, that Debtor may have a right on the enforcement of the relevant Receivable or the Related Security or on the insolvency of the Seller to set-off the Seller's liability to that Debtor in reduction of the amount owing by that Debtor in connection with the relevant Receivable.

If the Seller becomes insolvent, it can be expected that Debtors will exercise their set-off rights to a significant degree.

To the extent that, on the insolvency of the Seller set-off is claimed in this respect, the amount available for payment to the Covered Bondholders may be reduced to the extent that those claims are successful.

The Mortgage Insurance Policies

Certain Receivables may have the benefit of Mortgage Insurance Policies, but this is not a requirement for a Receivable to be a Qualifying Receivable. The Mortgage Insurance Policies are subject to some exclusions from coverage and rights of refusal or reduction of claims. The availability of funds under these Mortgage Insurance Policies will also ultimately be dependent on the financial strength of the insurers. A Debtor's payments that are expected to be covered by the Mortgage Insurance Policies may not be covered because of these exclusions, refusals or reductions or because of financial difficulties impeding the mortgage insurer's ability to perform its obligations. If such circumstances arise the Covered Bond Guarantor may not have enough money to make timely and full payments of principal and interest on the Covered Bonds.

A claim under a Mortgage Insurance Policy may be refused or reduced in certain circumstances including in the event of a misrepresentation or a breach of any duty of disclosure by the Covered Bond Guarantor or ANZBGL as Servicer. This may affect the ability of the Covered Bond Guarantor to pay the Guaranteed Amounts in respect of the Covered Bonds in full and when due.

Consumer credit laws

Some of the Receivables are regulated under the National Consumer Credit Protection Act 2009 (Cth) (the "**NCCP Act**"), which includes the National Credit Code contained in Schedule 1 of the NCCP Act (the "**Consumer Credit Law**"). The Consumer Credit Law imposes a range of disclosure and conduct obligations (including certain "responsible lending" obligations) on persons engaging in a credit activity in addition to imposing authorisation and licencing requirements on participants. It applies to all Housing Loans made to individuals or strata corporations predominantly for personal, domestic or household purposes (or, after July 2010, loans for investment in residential property or to refinance such loans).

In September 2020, the Australian Government announced proposed changes to Australia's credit framework. If implemented, the proposed changes would exempt ADIs from the requirement to comply with the responsible lending obligations under the NCCP Act (except in respect of small amount credit contracts of $2,000 or less, with a term of between 16 days and one year where the responsible lending obligations will continue to apply). ADIs will continue to be regulated under APRA's existing standards. They will also continue to be subject to other disclosure and conduct obligations under the NCCP Act. As the bill containing the proposed changes has not yet passed, and may not pass or may be amended during the parliamentary process, the precise effect of these proposed reforms remains to be seen.

Failure to comply with the Consumer Credit Law may result in court action being brought by a Debtor or by ASIC. In respect of such actions, a court may inter alia grant an injunction preventing a regulated Receivable from being enforced; order compensation to be paid for loss or damage suffered; vary the terms of the Receivables to which the affected Debtor is a party on the grounds of hardship and, in certain circumstances, reduce or cancel any interest rate payable by the affected Debtor or declare that all or certain provisions of a Receivable are unenforceable. Applications may also be made to the Australian Financial Complaints Authority ("**AFCA**"), an external dispute resolution scheme which has the power to resolve disputes where the amount in dispute is below the relevant threshold.

Any such order (by a court or AFCA) may affect the timing or amount of interest, fees or charges, or principal payments under the relevant Receivable which may in turn adversely affect the timing or ability of the Covered Bond Guarantor to meet its payment obligations, including under the Covered Bond Guarantee.

Where a systemic contravention affects multiple Receivables, there is a risk of a representative or class action. If a Debtor suffers any loss, orders for compensation may be made.

Under the Consumer Credit Law, ASIC will have standing to make an application to vary the terms of a contract or a class of contracts on grounds, including hardship or unjust terms, if this is in the public interest.

In addition, breaches of the Consumer Credit Law may also lead to civil penalties or criminal fines being imposed on the Seller, for so long as it holds legal title to the Receivables. If the Covered Bond Guarantor acquires legal title, it will then become primarily responsible for compliance with the Consumer Credit Law. The amount of any civil penalty payable may be set off against any amount payable by the debtor under the Housing Loans. The Covered Bond Guarantor will be indemnified out of the Assets of the Trust for liabilities it incurs under the Consumer Credit Law. Where the Covered Bond Guarantor is held liable for breaches of the Consumer Credit Law, the Covered Bond Guarantor must seek relief initially under any indemnities provided to it by the Servicer before exercising its rights to recover against any assets of the Trust. Any reduction in the amounts payable by debtors may have an adverse impact on the value of the Purchased Receivables and Related Security and any claim by the Covered Bond Guarantor against the assets of the Trust will have a corresponding impact on the value of the Trust each of which may in turn, result in a reduction in the value of the Secured Property and consequently adversely impact the ability of the Covered Bond Guarantor to meet its obligations under the Covered Bond Guarantee.

Unfair Terms

In certain circumstances, where the terms of the Housing Loans have been entered into by individuals or small businesses, their terms may be subject to review under Part 2 of the Australian Securities and Investments Commission Act 2001[1] (the "**National Unfair Terms Regime**") and/or Part 2B of the Fair Trading Act 1999 (Vic)[2] (the "**Victorian Unfair Terms Regime**") for being unfair.

Under the Australian Securities and Investments Commission Act 2001, a term of a standard-form consumer contract or (from 12 November 2016) a small business contract will be unfair and therefore void, if it causes a significant imbalance in the parties' rights and obligations under the contract, is not reasonably necessary to protect the supplier's legitimate interests and it would cause financial or non-financial detriment to a party if it was relied on. Under the National Unfair Terms Regime, a consumer contract is one with a natural person, whose use of what is provided under the contract is predominantly for personal, domestic or household use or consumption. A small business contract is one where at the time the contract is entered into, at least one party to the contract is a business that employs fewer than 20 persons and either:

(a) the upfront price payable under the contract is A$300,000 or less; or

(b) the contract has a duration of more than 12 months and the upfront price payable under the contract does not exceed A$1,000,000.

A term that is unfair will be void, however, in such a case, the contract will continue if it is capable of operating without the unfair term.

Under the Victorian Unfair Terms Regime, a term in a consumer contract would be unfair and therefore void if it is a prescribed unfair term or if a court or tribunal determines that in all the circumstances it causes a significant imbalance in the parties' rights and obligations arising under the contract to the detriment of the consumer.

The National Unfair Terms Regime commenced on 1 July 2010 while the application of the Victorian Unfair Terms Regime to credit contracts commenced on 11 June 2009. The Victorian

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[1] As amended by the *Trade Practices Amendments (Australian Consumer Law*) Act (No. 1) 2010 of Australia.

[2] As amended by the *Fair Trading and Other Acts Amendment Act 2009* (Vic).

and/or the National Unfair Terms Regimes may apply to the Housing Loans, depending on when the Housing Loans were entered into. However, the Victorian version of the regime ceased to apply to new contracts from 1 January 2011.

Housing Loans and Related Securities entered into before the application of the Victorian unfair terms regime or the National Unfair Terms Regime will become subject to the Australian Securities and Investments Commission Act 2001 going forward if those contracts are renewed or a term is varied (although, where a term is varied, the regime only applies to the varied term).

If a provision of any of the Housing Loans were found to be unfair, this may affect the timing or amount of collections under the relevant Housing Loans and Related Securities which may in turn affect the ability of the Covered Bond Guarantor to make payments due under the Covered Bond Guarantee.

In November 2020, the Commonwealth, state and territory Consumer Affairs ministers announced that they had agreed to reform the unfair terms regime by removing the monetary thresholds relating to the upfront price payable, expanding the scope of the provisions and introducing civil penalties for breaches. No exposure draft legislation or bills have been published so it remains unclear when these reforms will become law or how they might affect the mortgage loans and Covered Bonds.

Effect of orders

Any order made under any of the above consumer credit laws may affect the timing or amount of collections under the relevant Housing Loans and Related Securities which may in turn affect the ability of the Covered Bond Guarantor to make payments due under the Covered Bond Guarantee.

Recharacterisation of transfer of Housing Loans

The transfer of the Housing Loans and Related Securities from the Seller to the Covered Bond Guarantor is intended by the parties to be and has been documented as a sale. However, the Seller will not treat the transfer of the Housing Loans and Related Securities as a sale for accounting purposes. If the Seller were to become insolvent, a liquidator or other person that assumes control of the Seller could attempt to recharacterise the sale of the Housing Loans and Related Securities as a loan or to consolidate the Housing Loans and Related Securities with the assets of the Seller, as applicable. Any such attempt could result in a delay in or reduction of collections on the Housing Loans and Related Securities available and have an adverse effect on the ability of the Covered Bond Guarantor to make payments due under the Covered Bond Guarantee. The risk of such a recharacterisation with respect to the Housing Loans may be increased by the treatment of the transfer of these Housing Loans as an imputed loan for accounting purposes.

Personal Property Securities Regime

The PPSA established a national system in Australia for the registration of security interests in personal property, and also introduced new rules for the creation, priority and enforcement of security interests in personal property. The PPSA took effect on 30 January 2012 (the "**PPSA Start Date**"), with a transitional period which ended on 30 January 2014. The PPSA has a retrospective effect on security interests and security agreements arising before the PPSA Start Date by operation of the transitional provisions.

Security interests for the purposes of the PPSA include traditional securities such as charges and mortgages. However, they also include transactions that in substance, secure payment or performance of an obligation (referred to as "in-substance" security interests), including transactions that were not regarded as securities under the law that existed prior to the introduction of the PPSA. Further, certain other interests are deemed to be security interests

whether or not they secure payment or performance of an obligation. These deemed security interests include assignments of receivables.

A person who holds a security interest under the PPSA will need to register (or otherwise perfect) the security interest within a limited period of time to ensure that the security interest has priority over competing interests (and in some cases, to ensure that the security interest survives the insolvency of the grantor). If they do not do so:

(a) another security interest may take priority;

(b) another person may acquire an interest in the assets which are subject to the security interest free of their security interest; or

(c) they may not be able to enforce the security interest against a grantor who becomes insolvent (because the security interest will vest in the grantor).

The security granted by the Covered Bond Guarantor under the Charge is a security interest under the PPSA. Each assignment of Receivables from the Seller to the Covered Bond Guarantor is also a security interest under the PPSA. The Trust Manager has caused registrations to be made on the Personal Property Securities Register in relation to the Charge and assignments of Receivables. The Programme Documents may also contain other security interests and, in this regard, each of the Covered Bond Guarantor, the Security Trustee, the Seller and the Servicer have, under the Supplemental Deed, agreed to comply with directions that may be given by the Trust Manager in relation to the registration of security interests under the Programme Documents.

Any failure to register (or otherwise perfect) a security interest arising under the Programme Documents may, among other things, adversely impact the Covered Bond Guarantor's interest in the Purchased Receivables (or any part thereof) and the priority and enforceability of the Charge or any other such security interest. This may in turn adversely affect the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee or the Security Trustee to recover moneys for the benefit of Covered Bondholders and other Secured Creditors following a Covered Bond Guarantor Event of Default.

Enforcement of Housing Loans can involve substantial costs and delays

In order to enforce the Housing Loans in certain situations, a court order or other judicial or administrative proceedings may be needed in order to establish the Debtor's obligation to pay and to enable a sale by executive measures. Such proceedings may involve substantial legal costs and delays before the Servicer is able to enforce such Housing Loan. Furthermore, pursuant to the Servicing Deed, the Servicer is not required to pursue such enforcement if it reasonably believes that a prudent mortgage lender in Australia in its position would not do so, provided that such inaction does not materially prejudice the interests of the Covered Bond Guarantor and the Security Trustee. The actions by the Servicer in enforcing Housing Loans may adversely impact the value of the Purchased Receivables or any part thereof and consequently, the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee.

LEGAL AND OTHER CONSIDERATIONS

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

Covered Bonds issued under the Programme may be represented by one or more Global Covered Bonds. Such Global Covered Bonds will be deposited with a common depositary for Euroclear and/or Clearstream and/or DTC and/or a clearing system other than Euroclear and/or

Clearstream and/or DTC (an "**Alternative Clearing System**"). Apart from the circumstances described in the relevant Global Covered Bond, investors will not be entitled to Covered Bonds in definitive form. Euroclear and/or Clearstream and/or DTC and/or any relevant Alternative Clearing System will maintain records of the beneficial interests in the Global Covered Bonds and Austraclear Ltd ("**Austraclear**") and/or any Alternative Clearing System will maintain records of the beneficial interests in Australian Registered Covered Bonds. While the Covered Bonds are represented by one or more Global Covered Bonds, investors will be able to trade their beneficial interests only through Euroclear and/or Clearstream and/or DTC and, in the case of Australian Registered Covered Bonds, Austraclear and/or any relevant Alternative Clearing System.

While the Covered Bonds are represented by one or more Global Covered Bonds, the Issuer will discharge its payment obligations under the Covered Bonds by making payments to the common depositary for Euroclear and/or Clearstream and/or DTC and, in the case of Australian Registered Covered Bonds, to Austraclear and/or any relevant Alternative Clearing System for distribution to their relevant account holders. A holder of a beneficial interest in a Global Covered Bond must rely on the procedures of Euroclear and/or Clearstream and/or DTC and, in the case of Australian Registered Covered Bonds, to Austraclear and/or any relevant Alternative Clearing System to receive payments under the relevant Covered Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Covered Bonds or the Australian Registered Covered Bonds, as the case may be.

Holders of beneficial interests in the Global Covered Bonds will not have a direct right to vote in respect of the relevant Covered Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and/or Clearstream and/or DTC and/or any relevant Alternative Clearing System to appoint appropriate proxies.

Withholding Tax Obligations

There may be occasions in which an amount of, or in respect of, tax is required to be withheld from a payment in respect of any Covered Bond and in respect of which neither the Issuer, the Covered Bond Guarantor, any Paying Agent nor any other person would be obliged to pay additional amounts with respect to such Covered Bond as set out in Condition 7 (*Taxation*).

Covered Bonds where denominations involve integral multiples: Definitive Covered Bonds

In relation to any issue of Covered Bonds that have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Covered Bonds may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case, a Covered Bondholder who, as a result of trading such amounts, holds a principal amount which (after deducting integral multiples of such minimum Specified Denomination) is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a Definitive Covered Bond in respect of such holding (should Definitive Covered Bonds be printed) and would need to purchase an additional principal amount of Covered Bonds such that its holding amounts to the minimum Specified Denomination. If Definitive Covered Bonds are issued, Covered Bondholders should be aware that Definitive Covered Bonds that have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Covered Bonds and the Covered Bond Guarantor will make any payments under the Covered Bond Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial

activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency or the Specified Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Covered Bonds, (2) the Investor's Currency-equivalent value of the principal payable on the Covered Bonds and (3) the Investor's Currency-equivalent market value of the Covered Bonds. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Changes of law and/or regulatory, accounting and/or administrative practices

The structure of the issue of the Covered Bonds and the ratings which are to be assigned to them are based on Australian law, regulatory, accounting and administrative practice in effect as at the date of this Prospectus, and having due regard to the expected tax treatment of all relevant entities under Australian tax law and the published practice of the ATO in force or applied in Australia as at the date of this Prospectus. No assurance can be given as to the impact of any possible change to Australian law, regulatory, accounting or administrative practice in Australia or to Australian tax law, or the interpretation or administration thereof, or to the published practice of the ATO as applied in Australia after the date of this Prospectus. Investors should be aware that the introduction of any changes may adversely affect the ability of the Issuer to make payments under the Covered Bonds when due or the ability of the Covered Bond Guarantor to make payments under the Covered Bond Guarantee when due.

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

A withholding tax as high as 30% may be imposed on payments made with respect to the Covered Bonds, but such withholding will not apply to payments made before the date that is two years after the date on which final regulations defining the term "foreign passthru payment" are enacted, and only with respect to Covered Bonds, issued or modified at least six months after the date on which final regulations implementing the rules for calculating the amount of such withholding tax are published in final form. The withholding tax, when it applies, may be imposed at any point in a series of payments unless the relevant payee (including a bank, broker or individual) at each point complies with information reporting, certification and related requirements. Accordingly, a Covered Bondholder that holds Covered Bonds through a bank or broker could be subject to withholding if, for example, its bank or broker is subject to withholding because the bank or broker fails to comply with these requirements even though the Covered Bondholder itself might not otherwise have been subject to withholding. If a payment on the Covered Bonds is subject to this withholding tax, no additional amounts will be paid, and a Covered Bondholder will receive less than the expected amount of the payment.

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

Restrictions on Transfer

The Covered Bonds and the Covered Bond Guarantee have not been and will not be registered under the Securities Act, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons unless such securities are registered under the Securities Act

or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

No sale, assignment, participation, pledge or transfer of a Covered Bond or any interest therein may be made unless made in compliance with the transfer and selling restrictions set forth under *"Subscription and Sale and Selling Restrictions (Conflicts of Interets)"* below.

Volcker Rule

ANZBGL is subject to certain provisions of the Volcker Rule, which prohibits banks and their affiliates from engaging in certain "proprietary trading" (but allows certain activities such as underwriting, market making-related and risk-mitigating hedging activities) and limits the sponsorship of, and investment in, "covered funds" (which include private equity funds and hedge funds) subject to certain important exceptions and exemptions.

Under the Volcker Rule, unless jointly determined otherwise by specified federal regulators, a "covered fund" does not include an issuer that may rely on an exclusion or exemption from the definition of "investment company" under the Investment Company Act other than the exclusions contained in Section 3(c)(1) and Section 3(c)(7) of the Investment Company Act. The Covered Bond Guarantor is not a "covered fund" for purposes of the Volcker Rule and will be relying on an exclusion or exemption from the definition of "investment company" under the Investment Company Act contained in Section 3(c)(5)(C) of the Investment Company Act, although there may be additional exclusions or exemptions available to the Covered Bond Guarantor.

It is possible that U.S. regulators could determine, as they are permitted to do under the Volcker Rule, that vehicles such as the Covered Bond Guarantor should not be excepted or exempt under the Volcker Rule. In that event, certain activities of the Covered Bond Guarantor may need to be modified to comply with the Volcker Rule, which could adversely affect prospective investors.

Any prospective investor that is subject to the Volcker Rule, including a U.S. or foreign bank or a subsidiary or other affiliate thereof, should consult its own legal advisors regarding the Volcker Rule in considering whether to invest in the Covered Bonds.

FORM OF THE COVERED BONDS

The Covered Bonds of each Series will be in either bearer form, with or without receipts, interest coupons and/or talons attached, or registered form, without receipts, interest coupons and/or talons attached. Bearer Covered Bonds and Registered Covered Bonds (including Australian Registered Covered Bonds) will be issued outside the United States to non-U.S. persons in reliance on Regulation S and (other than the Bearer Covered Bonds and N Covered Bonds) within the United States to U.S. persons in reliance on Rule 144A or Section 4(a)(2) under the Securities Act as described in a separate U.S. offering memorandum.

Bearer Covered Bonds

Each Tranche of Bearer Covered Bonds will be initially issued in the form of a temporary global covered bond without receipts and interest coupons attached (a "**Temporary Global Covered Bond**") which will:

(a) if the Bearer Global Covered Bonds (as defined below) are issued in new global covered bond ("**NGCB**") form, be delivered on or prior to the issue date of the relevant Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, ("**Clearstream**"); and

(b) if the Bearer Global Covered Bonds are not issued in NGCB form, be delivered on or prior to the issue date of the relevant Tranche to a common depositary (the "**Common Depositary**") for Euroclear and Clearstream.

Bearer Covered Bonds will only be delivered outside the United States and its possessions.

Whilst any Bearer Covered Bond is represented by a Temporary Global Covered Bond, payments of principal, interest (if any) and any other amount payable in respect of the Bearer Covered Bonds due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Covered Bond if the Temporary Global Covered Bond is not issued in NGCB form) only outside the United States and its possessions and to the extent that certification (in a form to be provided by Euroclear and/or Clearstream) to the effect that the beneficial owners of interests in such Bearer Covered Bond are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream and Euroclear and/or Clearstream, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Global Covered Bond is issued, interests in such Temporary Global Covered Bond will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a permanent global covered bond without receipts and interest coupons attached (a "**Permanent Global Covered Bond**" and, together with the Temporary Global Covered Bonds, the "**Bearer Global Covered Bonds**" and each a "**Bearer Global Covered Bond**") of the same Series or (b) Bearer Definitive Covered Bonds of the same Series with, where applicable, receipts, interest coupons and talons attached, in each case against certification of non-U.S. beneficial ownership as described above unless such certification has already been given. Purchasers in the United States and certain U.S. persons will not be able to receive Bearer Definitive Covered Bonds or interests in the Permanent Global Covered Bond. The holder of a Temporary Global Covered Bond will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Covered Bond for an interest in a Permanent Global Covered Bond or for Bearer Definitive Covered Bonds is improperly withheld or refused. Bearer Covered Bonds will be subject to certain restrictions on transfer set forth therein or will bear a legend regarding such restrictions.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Covered Bond will be made outside the United States and its possessions and through Euroclear and/or Clearstream against presentation or surrender (as the case may be) of the Permanent Global Covered Bond (if the Permanent Global Covered Bond is not issued in NGCB form) without any requirement for certification.

The applicable Final Term will specify that a Permanent Global Covered Bond will be exchangeable (free of charge) by the Issuer in whole but not in part only for Definitive Covered Bonds: (a) upon not less than 60 days' written notice being given to the Principal Paying Agent by Euroclear and/or Clearstream (acting on the instructions of any holder of an interest in this Permanent Bearer Global Covered Bond); or (b) upon the occurrence of an Exchange Event. An Exchange Event means the Issuer has been notified that both Euroclear and Clearstream have been closed for business for a continuous period of fourteen days (other than by reason of holiday, whether 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.

The Issuer will promptly give notice to Covered Bondholders of each Series of Permanent Global Covered Bond in accordance with Programme Condition 14 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear, Clearstream (acting on the instructions of any holder of an interest in such Permanent Global Covered Bond) or the Bond Trustee may give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The exchange upon not less than 60 day's written notice option, as described in paragraph (a) above, should not be expressed to be applicable if the Covered Bonds are issued in denominations comprising a minimum Specified Denomination (such as €100,000 (or its equivalent in another currency)) plus one or more higher integral multiples of another smaller amount (such as €1,000 or its equivalent in another currency)). Furthermore, such denomination construction is not permitted in relation to any issue of Covered Bonds which is to be represented on issue by a Temporary Global Covered Bond exchangeable for Definitive Covered Bonds.

Bearer Global Covered Bonds, Bearer Definitive Covered Bonds and any Coupons, Talons or Receipts attached thereto will be issued pursuant to the Principal Agency Agreement.

The following legend will appear on all Bearer Covered Bonds (other than Temporary Global Covered Bonds) that have an original maturity of more than one year and on all receipts, talons and interest coupons relating to such Bearer Covered Bonds:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that U.S. persons (as defined for U.S. federal tax purposes), with certain exceptions, will not be entitled to deduct any loss on Bearer Covered Bonds, receipts, talons or interest coupons and will not be entitled to capital gains treatment of any gain on any sale or other disposition in respect of such Bearer Covered Bonds, receipts, talons or interest coupons.

Covered Bonds which are represented by a Bearer Global Covered Bond will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, as the case may be.

Registered Covered Bonds (other than N Covered Bonds)

The Registered Covered Bonds of each Tranche offered and sold in reliance on Regulation S will initially be represented by a global covered bond in registered form (a "**Regulation S Global Covered Bond**"). Prior to expiry of the Distribution Compliance Period (as defined in Regulation S) applicable to each Tranche of Covered Bonds, beneficial interests in a Regulation S Global Covered Bond may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Programme Condition 2 (*Transfers of Registered Covered Bonds*) and may not be held otherwise than through Euroclear or Clearstream and such Regulation S Global Covered Bond will bear a legend regarding such restrictions on transfer (see "*Subscription and Sale and Selling Restrictions*").

Registered Global Covered Bonds will be deposited with the Common Depositary or Common Safekeeper, as the case may be, for Euroclear and Clearstream and registered in the name of a common nominee of, Euroclear and Clearstream, or in the name of a nominee of the Common Safekeeper.

Persons holding beneficial interests in Registered Global Covered Bonds will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Definitive Covered Bonds in fully registered form.

Payments of principal, interest and any other amount in respect of the Registered Global Covered Bonds will, in the absence of any provision to the contrary, be made to the person shown on the Register as the registered holder of the Registered Global Covered Bonds. None of the Issuer, the Covered Bond Guarantor, the Bond Trustee, 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 Covered Bonds 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 Registered Covered Bonds in definitive form will, in the absence of any provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Programme Condition 6(e) (*Payments in respect of Registered Covered Bonds*)) immediately preceding the due date for payment in the manner provided in that Programme Condition.

Interests in a Registered Global Covered Bond will be exchangeable (free of charge), in whole but not in part, for Registered Definitive Covered Bonds without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that in the case of Covered Bonds registered in the name of a nominee for a common depositary for Euroclear and Clearstream or in the name of a nominee of the Common Safekeeper, the Issuer has been notified that both Euroclear and Clearstream have been closed for business for a continuous period of 14 days (other than by reason of holiday, whether 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 (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Covered Bonds represented by the Registered Global Covered Bond in definitive form. The Issuer will promptly give notice to Covered Bondholders of each Series of Registered Global Covered Bonds in accordance with Programme Condition 14 (*Notices*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear, Clearstream (acting on the instructions of any registered holder of an interest in such Registered Global Covered Bond) or the Bond Trustee may give notice to the Registrar requesting exchange, and in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Registrar 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.

Australian Registered Covered Bonds

The Australian Registered Covered Bonds are constituted pursuant to the Deed Poll and are issued in registered form and are reflected by an entry in the Australian Register as maintained by the Australian Registrar.

Entry of the name of the person in the Australian Register in respect of an Australian Registered Covered Bond constitutes the obtaining or passing of title and is conclusive evidence that the person so entered is the registered holder of the Australian Registered Covered Bonds.

Unless otherwise specified in the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement), on issue of any Australian Registered Covered Bonds the Issuer will arrange for Australian Registered Covered Bonds to be entered into the settlement system operated by Austraclear Ltd ("**Austraclear**") ABN 94 002 060 773 (such system, the "**Austraclear System**"). Australian Registered Covered Bonds held in the Austraclear System will be registered in the name of Austraclear and Austraclear will be the legal owner of such Australian Registered Covered Bonds. Subject to the rules and regulations known as the "Austraclear System Regulations" established by Austraclear (as amended or replaced from time to time) ("**Austraclear Regulations**") to govern the use of the Austraclear System, participants of the Austraclear System ("**Accountholders**") may acquire rights against Austraclear in relation to those Australian Registered Covered Bonds as beneficial owners and Austraclear is required to deal with such Australian Registered Covered Bonds in accordance with the directions and instructions of such Accountholders. All payments by the Issuer in respect of such Australian Registered Covered Bonds will be made directly to an account agreed with Austraclear or as it directs in accordance with the Austraclear Regulations.

Accountholders who acquire an interest in Australian Registered Covered Bonds lodged in the Austraclear System must look solely to Austraclear for their rights in relation to such Australian Registered Covered Bonds and will have no claim directly against the Issuer in respect of such Australian Registered Covered Bonds, provided that under the Austraclear Regulations, Austraclear may direct the Issuer to make payments direct to the relevant Accountholders.

Where Austraclear is registered as the holder of any Australian Registered Covered Bond that is lodged in the Austraclear System, Austraclear may, where specified in the Austraclear System Regulations, transfer the Australian Registered Covered Bonds to the person in whose Security Record (as defined in the Austraclear Regulations) those Australian Registered Covered Bonds are recorded, and as a consequence, remove those Australian Registered Covered Bonds from the Austraclear System.

Potential investors in Australian Registered Covered Bonds should inform themselves of, and satisfy themselves with, the Austraclear Regulations and (if applicable) the arrangements between them and their nominees in the Austraclear System.

No certificate or other evidence of title will be issued to holders of the Australian Registered Covered Bonds unless the Issuer determines that certificates should be available or it is required to do so pursuant to any applicable law or regulation.

Registered Covered Bonds - N Covered Bonds

The Issuer may issue registered definitive bonds in the form of N Covered Bonds (*Namensschuldverschreibungen*) (as scheduled to the Bond Trust Deed) governed by German law and evidenced by a certificate made out in the name of the holder of the N Covered Bond.

Transfer of Interests

Interests in a Registered Global Covered Bond may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered

Global Covered Bond. No beneficial owner of an interest in a Registered Global Covered Bond will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear, Clearstream, in each case to the extent applicable. Registered Covered Bonds are also subject to the restrictions on transfer set forth herein and will bear a legend regarding such restrictions (see "*Subscription and Sale and Selling Restrictions*").

Transfers of interest in Australian Registered Covered Bonds held in the Austraclear System may be conducted in accordance with the Austraclear Regulations and the Australian Registry Agreement and subject to the Conditions of those Australian Registered Covered Bonds and the Deed Poll.

Registered Covered Bonds are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see "*Subscription and Sale and Selling Restriction*".

General

Pursuant to the Principal Agency Agreement (as defined under Conditions of the Covered Bonds), the Principal Paying Agent (other than in relation to Australian Registered Covered Bonds or N Covered Bonds) shall arrange that, where a further Tranche of Covered Bonds is issued which is intended to form a single Series with an existing Tranche of Covered Bonds, the Covered Bonds of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Covered Bonds of any other Tranche of the same Series until at least the expiry of the Distribution Compliance Period applicable to the Covered Bonds of such Tranche.

The Issuer will make an application for any Australian Registered Covered Bonds to be accepted for trading in the Austraclear System and to arrange for a common code and ISIN for those Covered Bonds.

Any reference herein to Euroclear and/or Clearstream shall, whenever the context so permits, be deemed to include a reference to any successor operator and/or successor clearing system and/or additional or Alternative Clearing System specified in the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement) or as may otherwise be approved by the Issuer, the Principal Paying Agent (other than in the case of Australian Registered Covered Bonds) and the Bond Trustee.

No Covered Bondholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or the Covered Bond Guarantor unless the Bond Trustee having become so bound to proceed, fails so to do within a reasonable period and the failure shall be continuing. The security granted by the Covered Bond Guarantor for its obligations under its guarantee of the Covered Bonds may only be enforced by the Security Trustee.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Covered Bonds issued under the Programme (other than Exempt Covered Bonds and N Covered Bonds). Text in this section appearing in italics does not form part of the Final Terms but denotes directions for completing the Final Terms.

IMPORTANT - PROHIBITION OF SALES TO EEA RETAIL INVESTORS: The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area **("EEA")**. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU **(**as amended, **"MiFID II"**); (ii) a customer within the meaning of Directive (EU) 2016/97) (as amended the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **"EU Prospectus Regulation"**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **"EU PRIIPs Regulation"**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

IMPORTANT - PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Covered Bonds 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 domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") and the regulations made under EUWA; or (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 domestic law by virtue of the EUWA or the regulations made under EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[**MiFID II product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of [the Dealer's/the Managers'/each relevant Manager's] product approval process as [a] MiFID II [(as defined below)] "manufacturer[s]", the target market assessment completed by the relevant [Dealer/Managers/Manager] in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds 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 Covered Bonds to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Covered Bonds (an **"EU distributor"**) should take into consideration the manufacturer['s/s'] target market assessment; however, an EU distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.] The Issuer is not subject to MiFID II and any implementation thereof by an EU Member State. The Issuer is therefore not a "manufacturer"

for the purposes of the MiFID Product Governance Rules under EU Delegated Directive 2017/593 and has no responsibility or liability for identifying a target market, or any other product governance obligation set out in MiFID II, for financial instruments it issues (including the foregoing target market assessment for the Covered Bonds described in this legend).]

[UK MiFIR product governance / target market – Solely for the purposes of [the Dealer's/the Managers'/each relevant Manager's] product approval process as [a] UK MiFIR [(as defined below)] "manufacturer[s]", the target market assessment completed by the relevant [Dealer/Managers/Manager] in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is only eligible counterparties as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in UK MiFIR ("**UK MiFIR**" being Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a "**UK distributor**") should take into consideration the target market assessment; however, a UK 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 Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.]

[**Notification under Section 309B(1) of the Securities and Futures Act of Singapore (the "SFA"):** The Covered Bonds are capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Specified Investment Products (as defined in the Monetary Authority of Singapore (the "**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

[*Date*]

Australia and New Zealand Banking Group Limited [Acting through its [*specify branch*] Branch]

ABN 11 005 357 522

Legal Entity Identifier (LEI): JHE42UYNWWTJB8YTTU19

Issue of [Aggregate Principal Amount of Tranche] [Title of Covered Bonds] irrevocably and unconditionally guaranteed as to payment of principal and interest by Perpetual Corporate Trust Limited as trustee of the ANZ Residential Covered Bond Trust under the US$30,000,000,000 Global Covered Bond Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Prospectus dated [●] [and the supplemental Prospectus dated [*date*]] which [together] constitute[s] a base prospectus for the purposes of UK Prospectus Regulation. This document constitutes the final terms of the Covered Bonds described herein for the purposes of the UK Prospectus Regulation and must be read in conjunction with the Prospectus [as so supplemented]. Full information on the Issuer and the Covered Bond Guarantor and the offer of the Covered Bonds is only available on the basis of the combination of this Final Terms and the Prospectus. Copies of the Prospectus [and the supplemental Prospectus] are available free of charge to the public at [●] and from the specified office of the Covered Bond Paying Agent and for viewing at https://www.anz.com/debtinvestors/centre/

1. (a) Series Number: [●]

	(b)	Tranche Number:	[●]
2.	Specified Currency or Currencies:		[●]
3.	Aggregate Principal Amount of Covered Bonds:		
	[(a)	Series:	[●]]
	[(b)	Tranche:	[●]]
4.	Issue Price:		[●] per cent. of the Aggregate Principal Amount [plus accrued interest from [●]]
5.	(a)	Specified Denominations:	[●]
	(b)	Calculation Amount:	[●]
6.	(a)	Issue Date:	
	(b)	Interest Commencement Date:	[●] [Issue Date/Not Applicable]
7.	(a)	Final Maturity Date:	Interest Payment Date falling in or nearest to [●]
	(b)	Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee:	Interest Payment Date falling in or nearest to [●] /Not Applicable
8.	Interest Basis:		[[●] per cent. Fixed Rate] [[●] +/- [●] per cent. Floating Rate] [Zero Coupon]
9.	Redemption Basis:		[99]/[100]/[101] per cent. of their nominal amount
10.	Payment Basis:		
	(a)	Instalment Covered Bonds:	[Applicable/Not Applicable]
		(i) Instalment Date(s):	[●]
		(ii) Instalment Amount(s):	[●]
	(b)	Hard Bullet Covered Bonds:	[Applicable/Not Applicable]
11.	Change of Interest Basis or Redemption/Payment Basis:		[Coupon Switch Option applicable in accordance with paragraph 17 below]
12.	Put/Call Options:		[Investor Put] [Issuer Call]
13.	[Date of [Board] approval for issuance of Covered Bonds obtained:		[●]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Covered Bond provisions:		[Applicable/Not Applicable]
	(a)	Rate of Interest:	[●] per cent. per annum payable on each Interest Payment Date in arrear
	(b)	Interest Payment Date(s):	[[●] in each year up to and including the Maturity Date or the Extended Due for Payment Date, if applicable]
	(c)	Fixed Coupon Amount(s):	[●] per Calculation Amount
	(d)	Broken Amount(s):	[[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]]/ [Not Applicable]
	(e)	Day Count Fraction:	[Actual/Actual (ICMA)] [30/360]
	(f)	Determination Date(s):	[[●] in each year]/[Not Applicable]
15.	Floating Rate Covered Bond provisions:		[Applicable/Not Applicable]
	(a)	Specified Period(s):	[●]
	(b)	Interest Payment Dates:	[●][, subject to adjustment in accordance with the Business Day Convention specified in paragraph 15(c)]
	(c)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/No Adjustment]
	(d)	Additional Business Centre(s):	[●]
	(e)	Manner in which the Rate of Interest and Interest Amount are to be determined:	[Screen Rate Determination/ISDA Determination/BBSW Covered Bonds]
	(f)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Covered Bond Paying Agent /Calculation Agent):	[●]
	(g)	Screen Rate Determination:	
		(A) Reference Rate:	[●] month [LIBOR] [EURIBOR] [STIBOR] [HIBOR] [SIBOR] [TIBOR] [Dollar LIBOR][SONIA [(Non-Index Determination)]/[(Index Determination)]] [SOFR [(Non-Index

			Determination)]/[(Index Determination)]]
	(B)	Interest Determination Date(s):	[●][[●] U.S. Government Securities Business Day prior to Interest Payment Date]
	(C)	Relevant Screen Page:	[●]
	(D)	Relevant Time:	[●] or such other time at which the Reference Rate customarily appears on the Relevant Screen Page
	(E)	Relevant Financial Centre:	[[●] [London] / [Brussels] / [Stockholm] / [Hong Kong] / [Singapore] / [Tokyo]]
	(F)	Observation Look Back Period:	[[●] London Banking Days] [Not Applicable]
	(G)	Observation Method:	[Lookback][Suspension Period][Observation Shift][Not Applicable]
	(H)	Relevant Number:	[●]/[Not Applicable]
	(I)	Suspension Determination Period:	[[●] U.S. Government Securities Business Day(s)] [Not Applicable]
(h)	ISDA Determination:		[Applicable/Not Applicable]
	Floating Rate Option:		[●]
	Designated Maturity:		[●]
	Reset Date:		[●]
(i)	BBSW Covered Bonds:		
	Interest Determination Date(s):		[●]
	Relevant Time:		[●] or such other time at which BBSW customarily appears on the BBSW Reuters Page
(j)	Margin(s):		[+/-] [●] per cent per annum
(k)	Minimum Rate of Interest:		[●] per cent per annum
(l)	Maximum Rate of Interest:		[●] per cent per annum
(m)	Day Count Fraction:		[Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [30E/360] [30E/360 (ISDA)] [Actual/365 (Sterling)] [Actual/Actual]

			[30/360/(ICMA)] [360/360] [Bond Basis] [Eurobond Basis] [adjusted/not adjusted]
16.	Zero Coupon Covered Bond provisions:		[Applicable/Not Applicable]
	(a)	Accrual Yield:	[●] per cent per annum
	(b)	Reference Price:	[●]
	(c)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[30/360] [Actual/365] [Actual/360]
17.	Coupon Switch Option:		[Applicable/Not Applicable]
	Coupon Switch Option Date:		[●]

PROVISIONS RELATING TO REDEMPTION

18.	Redemption at the option of the Issuer (Call):		[Applicable/Not Applicable]
	(a)	Optional Redemption Date(s) (Call):	[●]
	(b)	Series redeemable in part:	[Yes/No]
	(c)	Optional Redemption Amount of each Covered Bond (Call):	[[●] per Calculation Amount]
	(d)	If redeemable in part:	[●]
		(i) Minimum Redemption Amount:	[[●] per Calculation Amount]
		(ii) Maximum Redemption Amount:	[[●] per Calculation Amount]
	(e)	Notice Period:	[●]
19.	Redemption at the option of the Covered Bondholders (Put):		[Applicable/Not Applicable]
	(a)	Optional Redemption Date(s):	[●]
	(b)	Optional Redemption Amount(s) of each Covered Bond:	[[●] per Calculation Amount]
	(c)	Notice Period:	[●]
20.	Final Redemption Amount of each Covered Bond:		[[●] per Calculation Amount]
21.	Early Redemption Amount payable for tax reasons, illegality or event of default:		[[●] per Calculation Amount]

22.	Notice Periods for redemption for tax reasons or due to illegality		[●]

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

23.	(a)	Form of Covered Bonds:	[Bearer Covered Bonds: [Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Bearer Definitive Covered Bonds [on 60 days' written notice given at any time/only upon an Exchange Event]] [Temporary Global Covered Bond exchangeable for Bearer Definitive Covered Bonds] [Permanent Global Covered Bond exchangeable for Bearer Definitive Covered Bonds [on 60 days' notice given at any time/only after an Exchange Event]]] [Registered Covered Bonds: Regulation S Global Covered Bond registered in the name of a nominee for [a common depositary for Euroclear and Clearstream/a common safekeeper for Euroclear and Clearstream]] [Australian Registered Covered Bonds [to be lodged in the Austraclear System and registered in the name of Austraclear Ltd]]
	(b)	New Global Note:	[Yes][No]
	(c)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes][No] [Note that the designation "yes" simply means that the Covered Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.][Include this text if "yes" selected, in which case

		bearer Covered Bonds must be issued in NGN form] [Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Covered Bonds are capable of meeting them the Covered Bonds may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)] [include this text for Registered Covered Bonds]. [Note that this does not necessarily mean that the Covered Bonds will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [Include this text if "no" is selected.]
24.	Additional Financial Centre(s):	[Not Applicable / [●]]
25.	Redenomination:	[Not Applicable/The provisions in Condition 6(i) apply]
26.	Governing law:	[England and Wales/ the State of Victoria, Australia]

PURPOSE OF FINAL TERMS

This Final Terms comprises the final terms required for issue and admission to trading on [*the London Stock Exchange's main market/specify other relevant market or exchange*] of the Covered Bonds described herein pursuant to the US$[●] Global Covered Bond Programme of Australia and New Zealand Banking Group Limited and Perpetual Corporate Trust Limited as trustee of the ANZ Residential Covered Bond Trust.

PART B – OTHER INFORMATION

1.	**LISTING AND ADMISSION TO TRADING:**	[Application has been made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on the London Stock Exchange's main market with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on [●] with effect from [●]] [Not Applicable]
2.	**RATINGS:**	
	Ratings:	The Covered Bonds to be issued have been rated: [Fitch Australia Pty Ltd: [●]] [Moody's Investors Service Pty, Limited: [●]] [*Insert the legal name of the relevant credit rating agency entity*] [is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended)/is established in the United Kingdom and is registered under Regulation (EC) No 1060/2009 as it forms part of United Kingdom domestic law by virtue of the European (Withdrawal) Act 2018] [ ] *(Include a brief explanation of the meaning of the rating if published)*.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE:

[Save for the fees payable to [●], [●] and [●] (the "**Relevant Dealers**"), so far as the Issuer and the Covered Bond Guarantor are aware, no person involved in the offer of the Covered Bonds has an interest material to the offer. The Relevant Dealers and their affiliates have engaged and may in future engage in investment banking and/or commercial banking transactions with and may perform other services (such as acting as Covered Bond Swap Counterparty) for the Issuer, the Covered Bond Guarantor and their affiliates in the ordinary course of business.]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES:

(i)	[Reasons for the offer:]	[[●]/[See "Use of Proceeds" in Prospectus]]
(ii)	[Estimated net proceeds:]	[●]
(iii)	[Estimated total expenses:]	[●]

5. YIELD: (FIXED RATE COVERED BONDS ONLY)

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. HISTORIC INTEREST RATES

[Details of [Name Reference Rate] rates can be offered from [Reuters].]

7. BENCHMARKS

Relevant Benchmark[s]	[LIBOR / EURIBOR / STIBOR / HIBOR / SIBOR / TIBOR / Dollar LIBOR / SONIA / SOFR is provided by [administrator legal name]][*repeat as necessary*]. [As at the date hereof, [[administrator legal name][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 (Register of administrators and benchmarks) of Regulation (EU) 2016/1011 as it forms part of United Kingdom domestic law by virtue of the EUWA and the regulations made under the EUWA, as amended]/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of Regulation (EU) 2016/1011 as it forms part of United Kingdom domestic law by virtue of the EUWA and the regulations made under the EUWA, as amended.] / [Not Applicable] [LIBOR / EURIBOR / STIBOR / HIBOR / SIBOR / TIBOR / Dollar LIBOR / SONIA / SOFR is provided by [administrator legal name]][*repeat as necessary*]. [As at the date hereof, [[administrator legal name][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of Regulation (EU) 2016/1011, as amended]/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of Regulation (EU) 2016/1011, as amended.] / [Not Applicable]

8. OPERATIONAL INFORMATION:

(a)	ISIN:	[●]
(b)	Common Code:	[●]
(c)	CUSIP:	[●]
(d)	Any clearing system(s) other than [Austraclear], Euroclear, Clearstream DTC and the relevant identification number(s):	[Not Applicable/[●]]
(e)	Delivery:	Delivery [against/free of] payment
(f)	Name and address of initial Paying Agent(s) in relation to the Covered Bonds (other than the Australian Registered Covered Bonds):	[●]

(g)	Names and addresses of additional Paying Agent(s) (if any) in relation to the Covered Bonds (other than the Australian Registered Covered Bonds):	[●]
(h)	Name(s) and address(es) of the Australian Registrar in relation to the Australian Registered Covered Bonds:	[●]

9. DISTRIBUTION

U.S. Selling Restrictions:	[Reg S Compliance Category [1/2/3]] [TEFRA D/TEFRA C/TEFRA not applicable]

Signed on behalf of the Issuer:

By:

Duly authorised

Signed on behalf of Perpetual Corporate Trust Limited in its capacity as trustee of the ANZ Residential Covered Bond Trust

By:

Duly authorised

FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement which will be completed for each Tranche of Exempt Covered Bonds issued under the Programme.

IMPORTANT - PROHIBITION OF SALES TO EEA RETAIL INVESTORS: The Covered Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area **("EEA")**. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU **(**as amended, **"MiFID II"**); (ii) a customer within the meaning of Directive (EU) 2016/97) (as amended the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the **"EU Prospectus Regulation"**). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **"EU PRIIPs Regulation"**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

IMPORTANT - PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Covered Bonds 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 domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") and the regulations made under EUWA; or (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 domestic law by virtue of the EUWA or the regulations made under EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Covered Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

[**MiFID II product governance / Professional investors and eligible counterparties only target market** – Solely for the purposes of [the Dealer's/the Managers'/each relevant Manager's] product approval process as [a] MiFID II [(as defined below)] "manufacturer[s]", the target market assessment completed by the relevant [Dealer/Managers/Manager] in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds 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 Covered Bonds to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Covered Bonds (an **"EU distributor"**) should take into consideration the manufacturer['s/s'] target market assessment; however, an EU distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.] The Issuer is not subject to MiFID II and any implementation thereof by an EU Member State. The Issuer is therefore not a "manufacturer" for the purposes of the MiFID Product Governance Rules under EU Delegated Directive 2017/593 and has no responsibility or liability for identifying a target market, or any other

product governance obligation set out in MiFID II, for financial instruments it issues (including the foregoing target market assessment for the Covered Bonds described in this legend).]

[UK MiFIR product governance / target market – Solely for the purposes of [the Dealer's/the Managers'/each relevant Manager's] product approval process as [a] UK MiFIR [(as defined below)] "manufacturer[s]", the target market assessment completed by the relevant [Dealer/Managers/Manager] in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is only eligible counterparties as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in UK MiFIR ("**UK MiFIR**" being Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA); and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a **"UK distributor"**) should take into consideration the target market assessment; however, a UK 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 Covered Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.].

[**Notification under Section 309B(1) of the Securities and Futures Act of Singapore (the "SFA"):** The Covered Bonds are capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Specified Investment Products (as defined in the Monetary Authority of Singapore (the "**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 AND THE REGULATIONS MADE THEREUNDER FOR THE ISSUE OF COVERED BONDS DESCRIBED BELOW. ACCORDINGLY, SUCH COVERED BONDS ARE NOT ISSUED IN COMPLIANCE WITH REGULATION (EU) 2017/1129 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 AND THE REGULATIONS MADE THEREUNDER. THE UK FINANCIAL CONDUCT AUTHORITY HAS NEITHER APPROVED NOR REVIEWED THIS PRICING SUPPLEMENT.

[*Date*]

Australia and New Zealand Banking Group Limited [Acting through its [specify branch] Branch]

ABN 11 005 357 522

Legal Entity Identifier (LEI): JHE42UYNWWTJB8YTTU19

Issue of [Aggregate Principal Amount of Tranche] [Title of Covered Bonds] irrevocably and unconditionally guaranteed as to payment of principal and interest by Perpetual Corporate Trust Limited as trustee of the ANZ Residential Covered Bond Trust under the US$30,000,000,000 Global Covered Bond Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Prospectus dated [date] [and the supplemental Prospectus dated [date]]. This document constitutes the pricing supplement of the Covered Bonds described herein. Full information on the Issuer and the Covered Bond Guarantor and the offer of the Covered Bonds is only available on the basis of the combination of this Pricing Supplement and the Prospectus. Copies of the Prospectus [and the supplemental Prospectus] are available free of charge to the public at [●] and from the specified office of the Covered Bond Paying Agent and for viewing at https://www.anz.com/debtinvestors/centre/.

1.	(a)	Series Number:	[●]
	(b)	Tranche Number:	[●]
2.	Specified Currency or Currencies:		[●]
3.	Aggregate Principal Amount of Covered Bonds:		
	[(a)	Series:	[●]]
	[(b)	Tranche:	[●]]
4.	Issue Price:		[●] per cent. of the Aggregate Principal Amount [plus accrued interest from [●]]
5.	(a)	Specified Denominations:	[●]
	(b)	Calculation Amount:	[●]
6.	(a)	Issue Date:	

	(b)	Interest Commencement Date:	[●] [Issue Date/Not Applicable]
7.	(a)	Final Maturity Date:	Interest Payment Date falling in or nearest to [●]
	(b)	Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee:	Interest Payment Date falling in or nearest to [●] /Not Applicable
8.	Interest Basis:		[[●] per cent. Fixed Rate] [[●] +/- [●] per cent. Floating Rate] [Zero Coupon]
9.	Redemption Basis:		[99]/[100]/[101] per cent. of their nominal amount
10.	Payment Basis:		
	(a)	Instalment Covered Bonds:	[Applicable/Not Applicable]
		(i) Instalment Date(s):	[●]
		(ii) Instalment Amount(s):	[●]
	(b)	Hard Bullet Covered Bonds:	[Applicable/Not Applicable]
11.	Change of Interest Basis or Redemption/Payment Basis:		[Coupon Switch Option applicable in accordance with paragraph 17 below]
12.	Put/Call Options:		[Investor Put] [Issuer Call]
13.	[Date of [Board] approval for issuance of Covered Bonds obtained:		[●]]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Covered Bond provisions:		[Applicable/Not Applicable]
	(a)	Rate of Interest:	[●] per cent. per annum payable on each Interest Payment Date in arrear
	(b)	Interest Payment Date(s):	[[●] in each year up to and including the Maturity Date or the Extended Due for Payment Date, if applicable]
	(c)	Fixed Coupon Amount(s):	[●] per Calculation Amount
	(d)	Broken Amount(s):	[[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]]/[Not Applicable]

	(e)	Day Count Fraction:	[Actual/Actual (ICMA)] [30/360]
	(f)	Determination Date(s):	[[●] in each year]/[Not Applicable]
15.	Floating Rate Covered Bond provisions:		[Applicable/Not Applicable]
	(a)	Specified Period(s):	[●]
	(b)	Interest Payment Dates:	[●][, subject to adjustment in accordance with the Business Day Convention specified in paragraph 15(c)]
	(c)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/No Adjustment]
	(d)	Additional Business Centre(s):	[●]
	(e)	Manner in which the Rate of Interest and Interest Amount are to be determined:	[Screen Rate Determination/ISDA Determination/BBSW Covered Bonds]
	(f)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Covered Bond Paying Agent /Calculation Agent):	[●]
	(g)	Screen Rate Determination:	
		(A) Reference Rate:	[●] month [LIBOR] [EURIBOR] [STIBOR] [HIBOR] [SIBOR] [TIBOR] [Dollar LIBOR] [SONIA [(Non-Index Determination)]/[(Index Determination)]] [SOFR [(Non-Index Determination(]/[(Index Determination)]]
		(B) Interest Determination Date(s):	[●] *(Fifth (or other number specified under Observation Look-Back Period below) London Banking Day prior to the end of each Interest Period if SONIA (Non-Index Determination))* [[●]] / [[●] U.S. Government Securities Business Day prior to Interest Payment Date]] *(if Reference Rate is SOFR specify number under Reset Period below)*
		(C) Relevant Screen Page:	[●]
		(D) Relevant Time	[●] or such other time at which the Reference Rate customarily appears on the Relevant Screen Page

	(E) Relevant Financial Centre:	[●] [London] / [Brussels] / [Stockholm] / [Hong Kong] / [Singapore] / [Tokyo]
	(F) Observation Look Back Period:	[[●] London Banking Days] [Not Applicable] *(NB: minimum of 5 London Banking Days unless otherwise agreed with Calculation Agent)*
	(G) Observation Method:	[Lookback][Suspension Period][Observation Shift][Not Applicable]
	(H) Relevant Number:	[●]/[Not Applicable]
	(I) Suspension Determination Period:	[[ ] U.S. Government Securities Business Day(s)] [Not Applicable]
(h)	ISDA Determination:	[Applicable/Not Applicable]
	Floating Rate Option:	[●]
	Designated Maturity:	[●]
	Reset Date:	[●]
(i)	BBSW Covered Bonds:	
	Interest Determination Date(s):	[●]
	Relevant Time:	[●] or such other time at which BBSW customarily appears on the BBSW Reuters Page
(j)	Margin(s):	[+/-] [●] per cent per annum
(k)	Minimum Rate of Interest:	[●] per cent per annum
(l)	Maximum Rate of Interest:	[●] per cent per annum
(m)	Day Count Fraction:	[Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30/360] [30E/360] [30E/360 (ISDA)] [Actual/365 (Sterling)] [Actual/Actual]

[30/360/(ICMA)]

[360/360]

[Bond Basis]

[Eurobond Basis]

[adjusted/not adjusted]

16. Zero Coupon Covered Bond provisions: [Applicable/Not Applicable]

    (a) Accrual Yield: [●] per cent per annum

    (b) Reference Price: [●]

    (c) Day Count Fraction in relation to Early Redemption Amounts and late payment: [30/360] [Actual/365] [Actual/360]

17. Coupon Switch Option: [Applicable/Not Applicable]

    Coupon Switch Option Date: [●]

PROVISIONS RELATING TO REDEMPTION

18. Redemption at the option of the Issuer (Call): [Applicable/Not Applicable]

    (a) Optional Redemption Date(s) (Call): [●]

    (b) Series redeemable in part: [Yes/No]

    (c) Optional Redemption Amount of each Covered Bond (Call): [●] per Calculation Amount

    (d) If redeemable in part: [●]

        (i) Minimum Redemption Amount: [[●] per Calculation Amount]

        (ii) Maximum Redemption Amount: [[●] per Calculation Amount]

    (e) Notice Period: [●]

19. Redemption at the option of the Covered Bondholders (Put): [Applicable/Not Applicable]

        (a) Optional Redemption Date(s): [●]

	(b)	Optional Redemption Amount(s) of each Covered Bond:	[[●] per Calculation Amount]
	(c)	Notice Period:	[●]
20.	Final Redemption Amount of each Covered Bond:		[●] per Calculation Amount
21.	Early Redemption Amount payable for tax reasons, illegality or event of default:		[[●] per Calculation Amount]
22.	Notice Periods for redemption for tax reasons or due to illegality		[●]

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

23.	(a)	Form of Covered Bonds:	[Bearer Covered Bonds: [Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Bearer Definitive Covered Bonds [on 60 days' written notice given at any time/only upon an Exchange Event]] [Temporary Global Covered Bond exchangeable for Bearer Definitive Covered Bonds] [Permanent Global Covered Bond exchangeable for Bearer Definitive Covered Bonds [on 60 days' notice given at any time/only after an Exchange Event]] *(N.B. The exchange upon notice option should not be expressed to be applicable if the Specified Denomination of the Covered Bonds in paragraph 5(a) includes language substantially to the following effect: "€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000". Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Covered Bonds which is to be represented on issue by a Temporary Global Covered Bond exchangeable for Definitive Covered Bonds.)*] [Registered Covered Bonds: Regulation S Global Covered Bond registered in the name of a nominee for [a common depositary for Euroclear and Clearstream/a

		common safekeeper for Euroclear and Clearstream]] [Australian Registered Covered Bonds [to be lodged in the Austraclear System and registered in the name of Austraclear Ltd]]
	(b) New Global Note:	[Yes][No]
	(c) Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes][No] [Note that the designation "yes" simply means that the Covered Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Covered Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.][Include this text if "yes" selected, in which case bearer Covered Bonds must be issued in NGN form] [Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Covered Bonds are capable of meeting them the Covered Bonds may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)] [include this text for Registered Covered Bonds]. [Note that this does not necessarily mean that the Covered Bonds will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [Include this text if "no" is selected.]
24.	Additional Financial Centre(s):	[Not Applicable / [●]]
25.	Redenomination:	[Not Applicable/The provisions in Programme Condition 6(i) apply]
26.	Governing law:	[England and Wales/ the State of Victoria, Australia]
27.	Other final terms:	[None/*give details*]

PART B – OTHER INFORMATION

1.	**LISTING AND ADMISSION TO TRADING:**	[Application [is expected to be]/[has been] made by the Issuer (or on its behalf) for the Covered Bonds to be [admitted to/listed on] [●] [and for the Covered Bonds to be admitted to trading on [●] with effect from [●]]]/[Not Applicable]
2.	**RATINGS:**	
	Ratings:	The Covered Bonds to be issued have been rated: [Fitch Australia Pty Ltd: [●]] [Moody's Investors Service Pty, Limited: [●]]
3.	**REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES:**	
	(i) [Reasons for the offer:]	[●]
	(ii) [Estimated net proceeds:]	[●]
	(iii) [Estimated total expenses:]	[●]
4.	**YIELD: (FIXED RATE COVERED BONDS ONLY)**	
	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.

5. **HISTORIC INTEREST RATES**

[Details of [Name Reference Rate] rates can be offered from [Reuters].]

6. **BENCHMARKS**

Relevant Benchmark[s]	[LIBOR / EURIBOR / STIBOR / HIBOR / SIBOR / TIBOR / Dollar LIBOR / SONIA / SOFR is provided by [administrator legal name]][repeat as necessary]. [As at the date hereof, [[administrator legal name][appears]/[does not appear]][repeat as necessary] in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 (Register of administrators and benchmarks) of Regulation (EU) 2016/1011 as it forms part of United Kingdom domestic law by virtue of the EUWA and the regulations made under the EUWA, as amended]/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not

			fall within the scope of Regulation (EU) 2016/1011 as it forms part of United Kingdom domestic law by virtue of the EUWA and the regulations made under the EUWA, as amended.] / [Not Applicable]
7.	**OPERATIONAL INFORMATION:**		
	(a)	ISIN:	[●]
	(b)	Common Code:	[●]
	(c)	CUSIP:	[●]
	(d)	Any clearing system(s) other than [Austraclear], Euroclear, Clearstream DTC and the relevant identification number(s):	[Not Applicable/[●]]
	(e)	Delivery:	Delivery [against/free of] payment
	(f)	Name and address of initial Paying Agent(s) in relation to the Covered Bonds (other than the Australian Registered Covered Bonds):	[●]
	(g)	Names and addresses of additional Paying Agent(s) (if any) in relation to the Covered Bonds (other than the Australian Registered Covered Bonds):	[●]
	(h)	Name(s) and address(es) of the Australian Registrar in relation to the Australian Registered Covered Bonds:	[●]
8.	**DISTRIBUTION**		
	U.S. Selling Restrictions:		[Reg S Compliance Category [1/2/3]] [TEFRA D/TEFRA C/TEFRA not applicable]

Signed on behalf of the Issuer:

By:

Duly authorised

Signed on behalf of Perpetual Corporate Trust Limited in its

capacity as trustee of the ANZ Residential Covered Bond Trust

By:

Duly authorised

TERMS AND CONDITIONS OF THE COVERED BONDS

The following are the Terms and Conditions of the Covered Bonds (other than N Covered Bonds) which will apply to each Global Covered Bond (as defined below) and each Definitive Covered Bond. The Terms and Conditions of the Covered Bonds will be incorporated by reference into each Registered Global Covered Bond and each Definitive Covered Bond, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the Relevant Dealer(s) at the time of issue but, if not so permitted and agreed, such Definitive Covered Bond will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms or Pricing Supplement or, as the case may be, the Drawdown Prospectus (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Covered Bond and Definitive Covered Bond. The following Terms and Conditions, together with applicable Final Terms or Pricing Supplement or, as the case may be, the Drawdown Prospectus (or relevant provisions thereof), will also apply in accordance with the Deed Poll to each Australian Registered Covered Bond. The Terms and Conditions and Final Terms or Pricing Supplement or, as the case may be, the Drawdown Prospectus, applicable to Australian Registered Covered Bonds are not endorsed on or evidenced by any physical covered bond or document of title and are not recorded in the Australian Register.

The applicable Pricing Supplement in relation to any Tranche of Exempt Covered Bonds may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Covered Bonds.

In relation to the N Covered Bonds and any Series thereof, the terms and conditions of such N Covered Bonds shall be as set out in the N Covered Bond Certificate and the N Covered Bond Conditions attached thereto, together with the N Covered Bond Agreement.

This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by Australia and New Zealand Banking Group Limited, whether acting through its head office or a branch (the "**Issuer**") constituted, other than in the case of an Australian Registered Covered Bond, by a bond trust deed (such trust deed as modified and/or supplemented and/or restated from time to time, the "**Bond Trust Deed**") dated 14 November 2011 and amended and supplemented on 22 November 2012 and as further amended and restated on 15 November 2013 and as further supplemented on 10 November 2014 and as further amended and supplemented on 8 November 2016 and as further amended and restated on 9 November 2018 and as further amended and restated on or around 13 November 2019 and as further amended on or around 14 May 2021 made between, among others, the Issuer, Perpetual Corporate Trust Limited (as trustee of the ANZ Residential Covered Bond Trust) as covered bond guarantor (the "**Covered Bond Guarantor**") and DB Trustees (Hong Kong) Limited as bond trustee (in such capacity, the "**Bond Trustee**", which expression shall include any successor as Bond Trustee) and in the case of an Australian Registered Covered Bond pursuant to a deed poll made by the Issuer and dated the 14 November 2011 (the "**Deed Poll**").

Save as provided for in Conditions 9 (*Events of Default and Enforcement*) and 11 (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*), references herein to the Covered Bonds shall be references to the Covered Bonds of this Series and shall mean:

(i) in relation to any Covered Bonds represented by a global covered bond in bearer form (a "**Bearer Global Covered Bond**") or a "**Registered Global Covered Bond**" (each of them a "**Global Covered Bond**") units of the lowest Specified Denomination in the Specified Currency;

(ii) any Global Covered Bond;

(iii) any Definitive Covered Bonds in bearer form ("**Bearer Definitive Covered Bonds**") issued in exchange for a Bearer Global Covered Bond;

(iv) any Definitive Covered Bonds in registered form ("**Registered Definitive Covered Bonds**") (whether or not issued in exchange for a Registered Global Covered Bond); and

(v) any Australian Registered Covered Bond.

For avoidance of doubt, where Conditions 9 (*Events of Default and Enforcement*) and 11 (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*) include references to "any Series", "all Series" or "each Series" or otherwise to a Series other than this Series, such references include Series of N Covered Bonds.

The Covered Bonds (other than the Australian Registered Covered Bonds), the Receipts (as defined below) and the Coupons (as defined below) have the benefit of a principal agency agreement (such principal agency agreement as amended and/or supplemented and/or restated from time to time the "**Principal Agency Agreement**") dated the Programme Date and made between, among others, the Issuer, the Covered Bond Guarantor, the Bond Trustee and Deutsche Bank AG, Hong Kong Branch as issuing and covered bond paying agent and agent bank (in such capacity, the "**Covered Bond Paying Agent**", which expression shall include any successor covered bond paying agent and together with the Australian Paying Agent (as defined below) the "**Principal Paying Agents**") and the other paying agents appointed pursuant to the Principal Agency Agreement (together with the Principal Paying Agents, the "**Paying Agents**", which expression shall include any additional or successor paying agents), Deutsche Bank AG, Hong Kong Branch as exchange agent (in such capacity, the "**Exchange Agent**", which expression shall include any additional or successor exchange agent) and as transfer agent (in such capacity, the "**Transfer Agent**") and Deutsche Bank Luxembourg S.A. as Luxembourg registrar (in such capacity, the "**Luxembourg Registrar**", which expression shall include any successor registrar and together with the Australian Registrar (as defined below), the "**Registrars**" and together with the Paying Agents, the Exchange Agent and the Transfer Agent, the "**Agents**", which expression shall include any additional or successor agents).

References herein to "**Exempt Covered Bonds**" are to Covered Bonds which are neither admitted to trading on a regulated market in the United Kingdom nor offered in the United Kingdom in circumstances where a prospectus is required to be published under the UK Prospectus Regulation.

Australian Registered Covered Bonds also have the benefit of an Australian ASX Austraclear registry and IPA Services agreement (such registry and agency agreement as amended and/or supplemented and/or restated from time to time, the "**Australian Agency Agreement**" and, together with the Principal Agency Agreement, the "**Agency Agreements**") dated the Programme Date and made between the Issuer, the Covered Bond Guarantor, the Security Trustee, the Bond Trustee, the Trust Manager and Austraclear Services Limited as Australian registrar (the "**Australian Registrar**"). Prior to service of a Notice to Pay, the Issuer shall act as Australian paying agent (in respect of Australian Registered Covered Bonds) (the "**Australian Paying Agent**") and following service of a Notice to Pay, the Covered Bond Guarantor shall effect the relevant payments specified to Covered Bondholders in accordance with the Australian Agency Agreement, and shall act as Australian Paying Agent if requested to do so by the Bond Trustee (in respect of Australian Registered Covered Bonds). For the avoidance of doubt, the obligations of the Australian Paying Agent set out in these Terms and Conditions will be carried out by the Covered Bond Guarantor, following the service of a Notice to Pay.

Interest-bearing Bearer Definitive Covered Bonds have interest coupons ("**Coupons**") and talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or

coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Bearer Definitive Covered Bonds repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Covered Bonds (which include Registered Global Covered Bonds and/or Registered Definitive Covered Bonds as the case may be) and Global Covered Bonds do not have Receipts, Coupons or Talons attached on issue. Australian Registered Covered Bonds will be issued in dematerialised registered form only by inscription in the register maintained by the Australian Registrar ("**Australian Register**") and no Receipts, Coupons or Talons or any certificates or other evidence of title will be issued in respect of Australian Registered Covered Bonds.

The Final Terms for this Covered Bond (the "**applicable Final Terms**") or the Pricing Supplement, for this Covered Bond, as the case may be (the "**applicable Pricing Supplement**"), or, as the case may be, the applicable Drawdown Prospectus (the "**applicable Drawdown Prospectus**") (or the relevant provisions thereof) is (except in relation to an Australian Registered Covered Bond) entered in the Register or attached to or endorsed on this Covered Bond. The Final Terms or Pricing Supplement as the case may be, for an Australian Registered Covered Bond apply in respect of that Australian Registered Covered Bond in accordance with the Deed Poll and the Bond Trust Deed. In the case of Covered Bonds, other than Exempt Covered Bonds, the Final Terms in relation to a Covered Bond supplement these terms and conditions and in the case of Exempt Covered Bonds, the Pricing Supplement in relation to an Exempt Covered Bond supplements, amends, modifies and replaces these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, amend, modify or replace the Conditions for the purposes of such Exempt Covered Bonds (the "**Conditions**"). References to the "applicable Final Terms" shall be construed as references to the applicable Final Terms or the applicable Drawdown Prospectus, as the case may be. References to the "applicable Final Terms" are to the Final Terms (or the relevant provisions thereof) entered in the Register, or the Australian Register, as applicable or attached to or endorsed on this Covered Bond or (in the case of Australian Registered Covered Bonds) delivered by the Issuer to the Bond Trustee in accordance with the Bond Trust Deed. If this Covered Bond is an Exempt Covered Bond, any reference in the Conditions to "applicable Final Terms" shall be deemed to be a reference to "applicable Pricing Supplement" where relevant. All persons from time to time entitled to the benefit of obligations under any Australian Registered Covered Bond are deemed to have notice of, and shall be bound by, all the Conditions, as supplemented by the applicable Final Terms or Pricing Supplement as the case may be.

The Bond Trustee acts as trustee in accordance with the provisions of the Bond Trust Deed (and in the case of the Australian Registered Covered Bonds, the provisions of the Deed Poll) for the holders for the time being of the Covered Bonds (the "**Covered Bondholders**", which expression shall, in relation to any Covered Bonds represented by a Global Covered Bond, be construed as provided below), the holders of the Receipts (the "**Receiptholders**") and the holders of the Coupons (the "**Couponholders**", which expression shall, unless the context otherwise requires, include the holders of the Talons), and for holders of each other Series of Covered Bonds in accordance with the provisions of the Bond Trust Deed.

As used herein, "**Tranche**" means Covered Bonds which are identical in all respects (including as to listing or admission to trading, if applicable) and Series means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are: (i) expressed to be consolidated and form a single series; and (ii) identical in all respects (including as to listing or admission to trading, if applicable) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Covered Bond Guarantor has, in the Bond Trust Deed, irrevocably and unconditionally guaranteed the prompt performance by the Issuer of its obligations to pay the Guaranteed Amounts in respect of the Covered Bonds as and when the same shall become due for payment

on certain dates in accordance with the Bond Trust Deed ("**Due for Payment**"), but only after the occurrence of (A) an Issuer Event of Default and service by the Bond Trustee of (i) an Issuer Acceleration Notice on the Issuer (copied to the Covered Bond Guarantor), and (ii) a Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager), and/or (B) a Covered Bond Guarantor Event of Default and service by the Bond Trustee of a Covered Bond Guarantee Acceleration Notice on each of the Issuer and the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee).

The security for the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee and the other Programme Documents to which it is a party has been created in and pursuant to, and on the terms set out in, a deed of charge governed by the laws of State of Victoria, Australia (such document as amended and/or supplemented and/or restated from time to time, the "**Deed of Charge**") dated the Programme Date and made between the Covered Bond Guarantor, the Bond Trustee, P.T. Limited (the "**Security Trustee**") and ANZ Capel Court Limited ABN 30 004 768 807 (the "**Trust Manager**") and a security trust deed between the same parties and governed by the laws of State of Victoria, Australia (such document as amended and/or supplemented and/or restated from time to time, the "**Security Trust Deed**"). These Conditions include summaries of, and are subject to, the provisions of the Bond Trust Deed, the Security Trust Deed, the Deed of Charge and the Agency Agreements (as applicable).

Copies of the Bond Trust Deed, the Security Trust Deed, the Definitions Schedule (as defined below), the Agency Agreements and each of the other Programme Documents are available during normal business hours from the specified office of the Covered Bond Paying Agent and the Luxembourg Registrar or may be supplied to such Covered Bondholder via electronic means from the Principal Paying Agent. Copies of the applicable Final Terms or Pricing Supplement as the case may be for all Covered Bonds of each Series (including in relation to Exempt Covered Bonds of any Series) are obtainable during normal business hours from the specified office of the Covered Bond Paying Agent or may be supplied to such Covered Bondholder via electronic means from the Principal Paying Agent. A copy of the Deed Poll in relation to the Australian Registered Covered Bonds is obtainable during normal business hours at the specified office of the Australian Paying Agent. Any Covered Bondholder must produce evidence satisfactory to the Issuer and the Bond Trustee or, as the case may be, the relevant Paying Agent or Registrar as to its holding of Covered Bonds and identity. The N Covered Bonds (including the N Covered Bonds Conditions attached as Schedule 1 thereto and the Form of Assignment Agreement attached as Schedule 2 thereto) will only be available to a holder of such N Covered Bond provided that such holder produces evidence satisfactory to the Issuer and the Paying Agent as to its holding of such N Covered Bond and its identity. The Covered Bondholders, the Receiptholders and the Couponholders are deemed to have notice of, are bound by, and are entitled to the benefit of, all the provisions of, and definitions contained in, the Bond Trust Deed, the Deed of Charge, the Definitions Schedule, the relevant Agency Agreement, the Deed Poll (in the case of Australian Registered Covered Bonds) and each of the other Programme Documents and the applicable Final Terms or Pricing Supplement which are applicable to them and to have notice of each set of Final Terms or Pricing Supplement relating to each other Series.

Except where the context otherwise requires, capitalised terms used and not otherwise defined in these Conditions shall bear the meanings given to them in the Bond Trust Deed, the applicable Final Terms and/or the Issuer's covered bond trust definitions schedule made between the parties to the Programme Documents dated 31 October 2011 as amended and restated on 14 November 2011 and as further amended and restated on 15 November 2013, 8 November 2016 and 9 November 2018 (the "**Definitions Schedule**") (as the same may be amended and/or supplemented and/or restated from time to time), a copy of each of which may be obtained as described above. In the event of inconsistency between the Bond Trust Deed and the Definitions Schedule, the Bond Trust Deed will prevail and in the event of inconsistency between the Bond Trust Deed and the applicable Final Terms, the applicable Final Terms will

prevail, provided in relation to Australian Registered Covered Bonds that in the event of any inconsistency between the Bond Trust Deed and the Deed Poll, the Deed Poll will prevail and in the event of any inconsistency between the Deed Poll and the applicable Final Terms, the applicable Final Terms will prevail.

1. **Form, Denomination and Title**

The Covered Bonds are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of Definitive Covered Bonds (being Bearer Definitive Covered Bond(s) and/or, as the context may require, Registered Definitive Covered Bond(s)), serially numbered, in the Specified Currency and the Specified Denomination(s). Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds of another Specified Denomination and Bearer Covered Bonds may not be exchanged for Registered Covered Bonds and vice versa.

This Covered Bond may be a Fixed Rate Covered Bond, a Floating Rate Covered Bond, a Zero Coupon Covered Bond or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms, and subject, in each case, to confirmation from the Designated Rating Agencies that the then current ratings of any outstanding Series of Covered Bonds will not be adversely affected by the issuance of this Covered Bond.

This Covered Bond may be an Instalment Covered Bond depending upon the Redemption/Payment Basis shown in the applicable Final Terms and subject, in each case, to confirmation from the Designated Rating Agencies that the then current rating of any outstanding Series of Covered Bonds will not be adversely affected by the issuance of this Covered Bond.

Bearer Definitive Covered Bonds are issued with Coupons attached, unless they are Zero Coupon Covered Bonds in which case references to Coupons and Couponholders in these Conditions are not applicable.

Bearer Definitive Covered Bonds are issued with Receipts, unless they are not Instalment Covered Bonds in which case references to Receipts and Receiptholders in these Conditions are not applicable.

Australian Registered Covered Bonds are issued in uncertificated registered form and take the form of entries in a register maintained by the Australian Registrar. Each entry in the Registrar in respect of an Australian Registered Covered Bond constitutes a separate and individual acknowledgement to the relevant Covered Bondholder of the indebtedness of the Issuer to the relevant Covered Bondholder. Australian Registered Covered Bonds will not be serially numbered.

Subject as set out below, title to the Bearer Covered Bonds, Receipts and Coupons will pass by delivery and title to the Registered Covered Bonds and Australian Registered Covered Bonds will pass upon registration of transfers in the relevant Registrar in accordance with the provisions of the relevant Agency Agreements. The Issuer, the Covered Bond Guarantor, the Paying Agents, the Registrars, the Exchange Agent, the Transfer Agent, the Security Trustee and the Bond Trustee will (except as ordered by a court of competent jurisdiction or as required by law) deem and treat the bearer of any Bearer Covered Bond, Receipt, Coupon or Talon and the registered holder of any Registered Definitive Covered Bond, Registered Global Covered Bond or Australian Registered Covered Bond as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Covered Bond, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Covered Bonds is represented by a Global Covered Bond held on behalf of, or, as the case may be, registered in the name of a common depositary (in the case of a CGCB) or common safekeeper (in the case of a NGCB) for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, société anonyme (Clearstream) or the Depository Trust Company ("**DTC**") each person (other than Euroclear or Clearstream or DTC) who is for the time being shown in the records of Euroclear or Clearstream or DTC as the holder of a particular nominal amount of such Covered Bonds (in which regard any certificate or other document issued by Euroclear or Clearstream as to the nominal amount of such Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error and any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including, without limitation, Euroclear's EUCLID or Clearstream's Cedcom system) in accordance with its usual procedures and in which the holder of a particular nominal amount of the Covered Bonds is clearly identified with the amount of such holding) shall be treated by the Issuer, the Covered Bond Guarantor, the Paying Agents and the Bond Trustee as the holder of such nominal amount of such Covered Bonds for all purposes other than with respect to the payment of principal or interest or other amounts on such nominal amount of such Covered Bonds, and, in the case of DTC or its nominee voting, giving consents and making requests, for which purpose the bearer of the relevant Global Covered Bond or the registered holder of the relevant Registered Global Covered Bond shall be treated by the Issuer, the Covered Bond Guarantor, any Paying Agent, the Security Trustee and the Bond Trustee as the holder of such nominal amount of such Covered Bonds in accordance with and subject to the terms of the relevant Global Covered Bond and the expression Covered Bondholder and related expressions shall be construed accordingly.

Covered Bonds which are represented by a Global Covered Bond will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream or DTC as the case may be.

For so long as any of the Australian Registered Covered Bonds are lodged in the clearance and settlement system ("**Austraclear System**") operated by Austraclear Ltd ABN 94 002 060 773 ("**Austraclear**"), in accordance with the regulations and related operating procedures of Austraclear (the "**Austraclear Regulations**") each person (other than Austraclear) who is for the time being shown in the records of Austraclear as the holder of such Covered Bonds subject to rectification for fraud or error or by a court of a competent jurisdiction or as required by applicable law or regulations) be treated by the Issuer, the Covered Bond Guarantor and the Bond Trustee and the Security Trustee as the holder of such Covered Bonds for all purposes and the expression Covered Bondholder and related expressions will be construed accordingly. Australian Registered Covered Bonds lodged in Austraclear will be transferable only in accordance with the Austraclear Regulations.

References to Euroclear and/or Clearstream, Austraclear and/or DTC shall, whenever the context so permits (but not in the case of any NGCB), be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the relevant Principal Paying Agent and the Bond Trustee.

2. **Transfers of Registered Covered Bonds**

(a) ***Transfers of interests in Registered Global Covered Bonds***

Transfers of beneficial interests in Rule 144A Global Covered Bonds (as defined below) and Regulation S Global Covered Bonds (as defined below) (together, the

"**Registered Global Covered Bonds**") will be effected by Euroclear or Clearstream or DTC, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Covered Bond may, subject to compliance with all applicable legal and regulatory restrictions, be transferred to a person and be exchangeable for Covered Bonds in definitive form or for a beneficial interest in another Registered Global Covered Bond 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 or DTC, as the case may be, and in accordance with the terms and conditions specified in the relevant Agency Agreement. Transfers of a Registered Global Covered Bond registered in the name of DTC or its nominee shall be limited to transfers of such Registered Global Covered Bond, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

(b) ***Transfers of Registered Covered Bonds in definitive form***

Subject as provided in Conditions 2(c), 2(f), and 2(i) below, upon the terms and subject to the conditions set forth in the relevant Agency Agreement, a Registered Covered Bond in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer: (i) the holder or holders must: (A) surrender the Registered Covered Bond for registration of the transfer of the Registered Covered Bond (or the relevant part of the Registered Covered Bond) at the specified office of the relevant Registrar or the Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing; and (B) complete and deposit such other certifications as may be required by the relevant Registrar, or as the case may be, the Transfer Agent; and (ii) the relevant Registrar or, as the case may be, the Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the relevant Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 5 to the Principal Agency Agreement). Subject as provided above, the relevant Registrar or, as the case may be, the Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Registrar or, as the case may be, the Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Covered Bond in definitive form of a like aggregate nominal amount to the Registered Covered Bond (or the relevant part of the Registered Covered Bond) transferred. In the case of the transfer of part only of a Registered Covered Bond in definitive form, a new Registered Covered Bond in definitive form in respect of the balance of the Registered Covered Bond not transferred will be so authenticated and delivered or (at the risk of the transferor) sent by uninsured mail to the address specified by the transferor.

(c) ***Transfers of Australian Registered Covered Bonds***

Transfers of Australian Registered Covered Bonds will be effected in accordance with the rules and procedures of Austraclear Regulations and the Australian Agency Agreement.

Where Austraclear is recorded in the relevant Australian Register as the holder of an Australian Registered Covered Bond, each person in whose Security Record (as defined

in the rules and procedures of Austraclear Regulations) an Australian Registered Covered Bond is recorded is deemed to acknowledge in favour of the Australian Registrar, the Issuer and Austraclear that:

(i) the Australian Registrar's decision to act as the registrar of that Australian Registered Covered Bond is not a recommendation or endorsement by the Australian Registrar or Austraclear in relation to that Australian Registered Covered Bond, but only indicates that the Australian Registrar considers that the holding of the Australian Registered Covered Bonds is compatible with the performance by it of its obligations as Australian Registrar under the Australian Agency Agreement; and

(ii) the holder of the Australian Registered Covered Bond does not rely on any fact, matter or circumstance contrary to paragraph (i).

Australian Registered Covered Bonds may be transferred in whole but not in part and may only be transferred:

(i) within or into Australia if the minimum face value of Australian Registered Covered Bonds being transferred is at least A$500,000; and

(ii) the offer or transfer giving rise to the transfer does not constitute an offer or invitation for which disclosure is required to be made to investors pursuant to Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia ("**Australian Corporations Act**"); and

(iii) the transfer is in compliance with the laws of the jurisdiction in which the transfer takes place (including that the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Australian Corporations Act).

(d) Unless lodged in the Austraclear System, the Australian Registered Covered Bonds will be transferable by duly completed and (if applicable) stamped transfer and acceptance forms in the form specified by, and obtainable from, the Australian Paying Agent or by any other method approved by the Issuer and the Australian Paying Agent.

(e) ***Registration of transfer upon partial redemption***

In the event of a partial redemption of Covered Bonds under Condition 5 (*Redemption and Purchase*), the Issuer shall not be required to register the transfer of any Registered Covered Bond or Australian Registered Covered Bond, or part of a Registered Covered Bond, called for partial redemption.

(f) ***Costs of registration***

Covered Bondholders 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 by regular uninsured mail and except that the Issuer, any Registrar or any Transfer Agent 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.

(g) ***Transfers of interests in Regulation S Global Covered Bonds***

Prior to expiry of the applicable Distribution Compliance Period, transfers of beneficial interests in a Regulation S Global Covered Bond to a person who takes delivery in the form of an interest in a Rule 144A Global Covered Bond will only be made upon receipt

by the Registrar of a written certification substantially in the form set out in the Principal Agency Agreement, amended as appropriate (a "**Transfer Certificate**"), copies of which are available from the specified office of the Luxembourg Registrar or the Transfer Agent, from the transferor of the Covered Bond or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the circumstances set out in this Condition 2(g), such transferee may take delivery through a Rule 144A Global Covered Bond in global or definitive form. Prior to the expiry of the applicable Distribution Compliance Period, beneficial interests in Regulation S Covered Bonds registered in the name of a nominee for DTC may only be held through the accounts of Euroclear and Clearstream. After expiry of the applicable Distribution Compliance Period: (i) beneficial interests in Regulation S Global Covered Bonds registered in the name of DTC or its nominee may be held through DTC directly, by a participant in DTC or indirectly through a participant in DTC; and (ii) such certification requirements will no longer apply to such transfers.

(h) ***Transfers of interests in Rule 144A Global Covered Bonds***

Transfers of Rule 144A Global Covered Bonds or beneficial interests therein may be made:

(i) to a transferee who takes delivery of such interest in the form of an interest in a Regulation S Global Covered Bond, upon receipt by the Luxembourg Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S or, if available, Rule 144 under the Securities Act and that, in the case of a Regulation S Global Covered Bond registered in the name of DTC or its nominee, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Covered Bonds being transferred will be held immediately thereafter through Euroclear and/or Clearstream; or

(ii) to a transferee who takes delivery of such interest through a Rule 144A Global Covered Bond where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

(iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Rule 144A Global Covered Bonds, or upon specific request for removal of the Legend therein, the Luxembourg Registrar shall deliver only Rule 144A Global Covered Bonds or refuse to remove the Legend therein, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

(i) ***Exchanges and transfers of Registered Covered Bonds generally***

Holders of Registered Covered Bonds (other than Australian Registered Covered Bonds) in definitive form may exchange such Covered Bonds for interests in a Regulation S Global Covered Bond of the same type at any time.

(j) ***Definitions***

In the Conditions, the following expressions shall have the following meanings:

"**CGCB**" means a Temporary Bearer Global Covered Bond or a Permanent Bearer Global Covered Bond, in either case that it is not a NGCB;

"**Distribution Compliance Period**" means, with respect to any offering of Covered Bonds in reliance on Regulation S, the period that ends 40 days after the later of the commencement of the offering and the Issue Date;

"**QIB**" means a "qualified institutional buyer" within the meaning of Rule 144A;

"**Registered Global Covered Bond**" means a Regulation S Global Covered Bond or a Rule 144A Global Covered Bond;

"**Regulation S**" means Regulation S under the Securities Act;

"**Regulation S Global Covered Bond**" means a Registered Global Covered Bond representing Covered Bonds initially sold to non-U.S. persons outside the United States in reliance on Regulation S;

"**Rule 144A**" means Rule 144A under the Securities Act;

"**Rule 144A Global Covered Bond**" means a Registered Global Covered Bond representing Covered Bonds initially sold in the United States to QIBs in reliance on Rule 144A; and

"**Securities Act**" means the United States Securities Act of 1933, as amended.

3. **Status of the Covered Bonds and the Covered Bond Guarantee**

(a) ***Status of the Covered Bonds***

The Covered Bonds and any relative Receipts and Coupons constitute direct, unconditional and unsecured obligations of the Issuer and (save for certain debts of the Issuer required to be preferred by the law, including but not limited to, those referred to in sections 13A and 16 of the Banking Act 1959 of Australia (the "**Australian Banking Act**") and section 86 of the Reserve Bank Act 1959 of Australia) rank *pari passu* among themselves and equally with all other unsecured obligations (other than subordinated obligations) of the Issuer.

(b) ***Changes to applicable laws may extend the debts required to be preferred by law***

The applicable laws include (but are not limited to) sections 13A and 16 of the "**Australian Banking Act**" and section 86 of the Reserve Bank Act 1959 of the Commonwealth of Australia ("**Australian Reserve Bank Act**"). These provisions provide that in the event that the Issuer becomes unable to meet its obligations or suspends payment, its assets in Australia are to be available to meet its liabilities to, among others, the Australian Prudential Regulation Authority, the Reserve Bank of Australia and holders of protected accounts held in Australia, in priority to all other liabilities, including the Covered Bonds.

The Covered Bonds of this Series are not protected accounts or deposit liabilities of the Issuer for the purposes of the Australian Banking Act.

In addition, the Issuer's indebtedness is not guaranteed or insured by any government, government agency or compensation scheme of Australia or any other jurisdiction.

(c) ***Status of the Covered Bond Guarantee***

The payment of Guaranteed Amounts in respect of the Covered Bonds when the same shall become Due for Payment has been unconditionally and irrevocably guaranteed by the Covered Bond Guarantor (the "**Covered Bond Guarantee**") as set out in the Bond Trust Deed. However, the Covered Bond Guarantor shall have no obligation under the Covered Bond Guarantee to pay any Guaranteed Amounts until the occurrence of an Issuer Event of Default, service by the Bond Trustee on the Issuer (copied to the Covered Bond Guarantor) of an Issuer Acceleration Notice and service by the Bond Trustee on the Covered Bond Guarantor (copied to the Trust Manager) of a Notice to Pay or, if earlier, following the occurrence of a Covered Bond Guarantor Event of Default and service by the Bond Trustee on the Issuer and the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee) of a Covered Bond Guarantee Acceleration Notice. The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee are (following an Issuer Event of Default, service of an Issuer Acceleration Notice and service of a Notice to Pay or a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice), direct, unconditional (subject as provided in Condition 16 (*Limited Recourse and non-petition*)) and unsubordinated obligations of the Covered Bond Guarantor, which are secured as provided in the Deed of Charge.

Any payment made by the Covered Bond Guarantor under the Covered Bond Guarantee shall (unless such obligation shall have been discharged as a result of the payment of Excess Proceeds to the Bond Trustee pursuant to Condition 9 (*Events of Default and Enforcement*) discharge *pro tanto* the obligations of the Issuer in respect of such payment under the Covered Bonds, Receipts and Coupons except where such payment has been declared void, voidable or otherwise recoverable in whole or in part and recovered from the Bond Trustee or the Covered Bondholders.

4. **Interest and other Calculations**

(a) ***Interest on Fixed Rate Covered Bonds***

(i) Each Covered Bond where the Interest Basis in the applicable Final Terms is specified to be Fixed Rate (a "**Fixed Rate Covered Bond**") bears interest on its Principal Amount Outstanding from, and including, the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the applicable Final Terms as specified Interest Payment Dates or, if no Interest Payment Date(s) is/are specified in the applicable Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the applicable Final Terms as the specified Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) If a Fixed Coupon Amount or a Broken Amount is specified in the applicable Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so

specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the applicable Final Terms.

(iii) *Calculation of Interest Amount*: The Interest Amount payable in respect of each Covered Bond for any period for which a Fixed Coupon Amount or Broken Amount is not specified in the applicable Final Terms shall be calculated by applying the Rate of Interest to the Calculation Amount for such Covered Bond, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest unit of the Specified Currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen, and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Covered Bond divided by the Calculation Amount. For this purpose, a "**unit**" means, in the case of any currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and in the case of Euro, means 0.01 Euro, as the case may be.

(iv) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then that date will be adjusted in accordance with the Business Day Convention specified in the applicable Final Terms.

(b) ***Interest on Floating Rate Covered Bonds***

(i) *Interest Payment Dates*: Each Covered Bond where the Interest Basis in the applicable Final Terms is specified to be Floating Rate (a "**Floating Rate Covered Bond**") bears interest on its outstanding Principal Amount Outstanding from, and including, the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the applicable Final Terms as specified Interest Payment Dates or, if no Interest Payment Date(s) is/are specified in the applicable Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the applicable Final Terms as the specified Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Rate of Interest for Floating Rate Covered Bonds*: The Rate of Interest in respect of Floating Rate Covered Bonds, other than in the case of BBSW Covered Bonds, provisions in respect of which are set out in Condition 4(b)(iii) below, for each Interest Accrual Period shall be determined in accordance with the applicable Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the applicable Final Terms.

(A) ISDA Determination for Floating Rate Covered Bonds

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 Interest Accrual Period shall be determined by the Principal Paying Agent as a rate equal to the relevant ISDA Rate. For the purposes of this subparagraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or other person specified in the applicable Final Terms under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified in the applicable Final Terms;

(y) the Designated Maturity is a period specified in the applicable Final Terms; and

(z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**", and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate/Reference Bank Determination for Floating Rate Covered Bonds other than Floating Rate Covered Bonds where the Reference Rate specified in the applicable Final Terms is SONIA (Non-Index Determination), SONIA (Index Determination), SOFR (Non-Index Determination) or SOFR (Index Determination):

(x) If Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be subject to Condition 4(i) (*Benchmark Replacement*) and Condition 4(j) (*Effect of Benchmark Transition Event*) (as determined by the Principal Paying Agent), either:

(I) the offered quotation (if there is only one quotation on the Relevant Screen Page); or

(II) the arithmetic mean of the offered quotations,

for the Reference Rate in each case appearing on the Relevant Screen Page at the Relevant Time on the Interest Determination Date;

(y) if sub-paragraph (x)(I) applies and no Reference Rate appears on the Relevant Screen Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (x)(II) applies and fewer than two offered quotations appear on the Relevant Screen Page at the Relevant Time on the Interest Determination Date or, if in either case, the Relevant Screen Page is unavailable, subject as provided below:

(A) the Issuer will appoint a Reference Banks Agent and the Reference Banks Agent will, at the request of the Issuer, request the principal Relevant Financial Centre office of each of the Reference Banks (or such of them, being at least two, as are so quoting) to provide offered quotations that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date for deposits of the Specified Currency for a term equal to the relevant Interest Accrual Period and will provide such responses to the Principal Paying Agent; and

(B) the Principal Paying Agent shall determine the arithmetic mean of the offered quotations; and

(z) if paragraph (y) above applies and the Reference Banks Agent advises the Principal Paying Agent that fewer than two Reference Banks are so quoting the Reference Rate, subject as provided below, the Principal Paying Agent shall determine the arithmetic mean of the rates per annum (expressed as a percentage), which the Reference Banks Agent determines (at the request of the Issuer) and notifies to the Principal Paying Agent to be the nearest equivalent to the Reference Rate, in respect of deposits of the Specified Currency that at least two out of five leading banks selected by the Reference Banks Agent (after consultation with the Issuer) in the Principal Financial Centre of the country of the Specified Currency, in each case as selected by the Reference Banks Agent (after consultation with the Issuer), are quoting at or about the Relevant Time for a period commencing on the Effective Date equivalent to the relevant Interest Accrual Period to leading banks carrying on business in (i) Europe, or (ii) (if the Reference Banks Agent determines that fewer than two of such banks are so quoting to such leading banks in Europe) the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to such leading banks (as notified to the Principal Paying Agent and the Issuer by the Reference Banks Agent), the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(C) Screen Rate Determination for Floating Rate Covered Bonds where the Reference Rate specified in the applicable Final Terms is "**SONIA (Non-Index Determination)**":

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

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

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

"**d** Interest Period;

"**d_o**" is the number of London Banking Days in the relevant Interest Period;

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

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

"$\mathbf{n_i}$", for any day "i", means the number of calendar days from and including such day "i" up to but excluding the following London Banking Day;

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

"**Observation Period**" means the period from and including the date falling "p" London Banking Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date falling "p" London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" London Banking Days prior to such earlier date, if any, on which the Covered Bonds become due and payable);

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

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

"$\mathbf{SONIAi\text{-}_{pLBD}}$" means, in respect of any London Banking Day falling in the relevant Observation Period, the SONIA reference rate for the London Banking Day falling "p" London Banking Days prior to the relevant London Banking Day "I".

If, in respect of any London Banking Day in the relevant Observation Period, the Calculation Agent (or the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest) determines that the SONIA reference rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then (unless the Calculation Agent or such other person specified in the applicable Final Terms as the party responsible for determining the Rate of Interest) has been notified of any successor or

alternative rate (together with any relevant methodology or adjustment factor) pursuant to Condition 4(i) (*Benchmark Replacement*), such SONIA reference rate shall be: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

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

If the relevant Series of Covered Bonds become due and payable in accordance with Condition 9, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Covered Bonds became due and payable and the Rate of Interest on such Covered Bonds shall, for so long as any such Covered Bond remains outstanding, be that determined on such date.

(D) Screen Rate Determination for Floating Rate Covered Bonds where the Reference Rate specified in the applicable Final Terms is "**SONIA (Index Determination)**":

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

As used in this provision:

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

be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left(\frac{SONIA\ Compounded\ Index_{End}}{SONIA\ Compounded\ Index_{Start}} - 1\right) x\ \frac{365}{d}$$

where:

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

"***d***" means the number of calendar days from (and including) the day in relation to which SONIA Compounded $Index_{Start}$ is determined to (but excluding) the day in relation to which SONIA Compounded $Index_{End}$ is determined;

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

"***Relevant Number***" means the number specified as such in the applicable Final Terms, which, unless otherwise agreed with the Calculation Agent or such other party specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest and Interest Amount, shall not be less than five (or, if no such number is specified, five);

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

"***SONIA Compounded Index$_{Start}$***" means, with respect to an Interest Period, the SONIA Compounded Index determined in relation to the day falling the Relevant Number of Business Days prior to the first day of such Interest Period; and

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

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

(E) Screen Rate Determination for Floating Rate Covered Bonds where the Reference Rate specified in the applicable Final Terms is "**SOFR (Non-Index Determination)**":

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

For the purposes of this Condition:

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

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{\text{SOFR}_i \times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

"**d**" is the number of calendar days in:

(i) where "Lookback" or "Suspension Period" is specified as the Observation Method in the applicable Covered Bond and any applicable Final Terms, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Covered Bond and any applicable Final Terms, the relevant Observation Period;

"$\mathbf{d_O}$" is the number of U.S. Government Securities Business Days in:

(i) where "Lookback" or "Suspension Period" is specified as the Observation Method in the applicable Covered Bond and any applicable Final Terms, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Covered Bond and any applicable Final Terms, the relevant Observation Period;

"**i**" is a series of whole numbers from one to d_O, each representing the relevant U.S. Government Securities Business Day in chronological order

from (and including) the first U.S. Government Securities Business Day in:

(i) where "Lookback" or "Suspension Period" is specified as the Observation Method in the applicable Covered Bond and any applicable Final Terms, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the applicable Covered Bond and any applicable Final Terms, the relevant Observation Period;

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

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

"**SOFRi**":

(i) where "Lookback" or "Suspension Period" is specified as the Observation Method in the applicable Covered Bond and any applicable Final Terms, for any U.S. Government Securities Business Day "i",

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

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

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

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

"**SOFR**" means:

(i) in relation to any U.S. Government Securities Business Day (the **SOFR Determination Date**), the daily secured overnight financing rate as published by the SOFR Administrator at or around 3:00 p.m. (New York City time) on the SOFR Administrator's Website on the next succeeding U.S. Government Securities Business Day for trades made on such SOFR Determination Date (the "SOFR Determination Time");

(ii) if the rate specified in (i) above is not so published, and a Benchmark Transition Event and its related Benchmark Replacement Date have not both occurred (all as notified to the Calculation Agent by the Issuer), the daily secured overnight financing rate in respect of the last U.S. Government Securities Business Day for which such rate was published on the SOFR Administrator's Website; or

(iii) if the rate specified in (i) above is not so published, and a Benchmark Transition Event and its related Benchmark Replacement Date have both occurred (all as notified to the Calculation Agent by the Issuer), the rate determined in accordance with Condition 4(j) (*Effect of Benchmark Transition Event*).

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

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

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

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

(F) Screen Rate Determination for Floating Rate Covered Bonds where the Reference Rate specified in the applicable Final Terms is "**SOFR (Index Determination)**":

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

As used in this provision:

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

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

where:

"**dc**" means the number of calendar days from (and including) the day on which SOFR $Index_{Start}$ is observed to (but excluding) the day on which SOFR $Index_{End}$ is observed;

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

(1) the SOFR Index value as published by the SOFR Administrator as such index appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on such US Government Securities Business Day (the **SOFR Determination Time**); provided that;

(2) if a SOFR Index value does not so appear as specified in (1) above at the SOFR Determination Time,

(i) if a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, then SOFR (Index Determination) shall be the rate determined pursuant to "SOFR Index Unavailable"; or

(ii) if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR, then SOFR (Index Determination) shall be the rate determined pursuant to the provisions set forth in Condition 4(j) (*Effect of a Benchmark Transition Event)*.

"**SOFR Index$_{Start}$**" means, with respect to an Interest Period, the SOFR Index value for the day falling the Relevant Number of U.S. Government Securities Business Days prior to the first day of such Interest Period;

"**SOFR Index$_{End}$**" means, with respect to an Interest Period, the SOFR Index value for the day falling the Relevant Number of U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period;

"**Relevant Number**" means the number specified as such in the applicable Final Terms, which, unless otherwise agreed with the Calculation Agent, shall not be less than five, (or, if no such number is specified, five); and

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

SOFR Index Unavailable: if a SOFR Index$_{Start}$ or SOFR Index$_{End}$ is not published on the associated Interest Determination Date and a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to SOFR, "Compounded SOFR" means, for the applicable Interest Period for which such index is not available, the rate of return on a daily compounded interest investment calculated in accordance with the formula for SOFR Averages, and definitions required for such formula, published on the SOFR Administrator's Website at https://www.newyorkfed.org/markets/treasury-repo-reference-rates-information. For the purposes of this provision, references in the SOFR Averages compounding formula and related definitions to "calculation period" shall be replaced with "Observation Period" and the words "that is, 30-, 90-, or 180- calendar days" shall be removed. If the daily SOFR (SOFRi) does not so appear for any day, "i" in the Observation Period, SOFRi for such day "i" shall be SOFR published in respect of the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website.

(iii) *Rate of Interest on BBSW Covered Bonds*: If a Covered Bond is specified to be a BBSW Covered Bond, the Rate of Interest for each Interest Accrual Period will be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

(A) the Rate of Interest shall be the rate (expressed as an interest rate per annum and rounded up, if necessary, to the fourth decimal place) for prime bank eligible securities having a tenor approximately equal to the relevant Interest Accrual Period which is designated as the "AVG MID" on page "BBSW" on the Reuters screen service or its successor or replacement page ("**BBSW Reuters Page**") at or about the Relevant Time on the relevant Interest Determination Date in respect of such Interest Accrual

Period, converted by the Calculation Agent (by dividing such Interest Rate by 365 and then multiplying it by 360) into a rate expressed on a 360-day year basis, or as otherwise specified in the Final Terms;

(B) if, by the time that is 15 minutes after the Relevant Time on the relevant Interest Determination Date (the "**Fallback Determination Time**") in respect of such Interest Accrual Period, the rate referred to in sub-paragraph (A) does not appear on the BBSW Reuters Page, the Rate of Interest for the relevant Interest Accrual Period shall be the rate per annum, converted by the Calculation Agent (by dividing such Interest Rate by 365 and then multiplying it by 360) into a rate expressed on a 360-day year basis, or as otherwise specified in the Final Terms, which is determined by the Calculation Agent on the relevant Interest Determination Date in good faith, having regard, to the extent possible, to:

(1) the rates otherwise bid and offered at around the Fallback Determination Time on the relevant Interest Determination Date for prime bank eligible securities having a tenor approximately equal to the relevant Interest Accrual Period; and

(2) if bid and offer rates at or around the Fallback Determination Time on the relevant Interest Determination Date for prime bank eligible securities having a tenor approximately equal to the relevant Interest Accrual Period are not otherwise available, the rates otherwise bid and offered at around the Fallback Determination Time on the Interest Determination Date for funds having a tenor approximately equal to the relevant Interest Accrual Period; and

(C) if, (subject to Condition 4(i) (*Benchmark Replacement*) on any Interest Determination Date, the Rate of Interest cannot be determined by reference to any of sub-paragraphs (A) and (B) above, the Rate of Interest for the relevant Interest Accrual Period shall be the Rate of Interest in effect for the last preceding Interest Accrual Period (after readjustment for any difference between any Margin or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(iv) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then that date will be adjusted in accordance with the Business Day Convention specified in the applicable Final Terms.

(c) ***Zero Coupon Covered Bonds***

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

(d) ***Accrual of Interest***

Interest shall cease to accrue on each Covered Bond on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which

event interest shall continue to accrue (after, as well as before, judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date.

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

(i) If any Margin is specified in the applicable Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 4(b) above, by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph;

(ii) If any Maximum or Minimum Interest Rate, Instalment Amount or Redemption Amount is specified in the applicable Final Terms, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be. Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero;

(iii) Subject to the requirements of applicable law, for the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven decimal places (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means 0.01 euro, as the case may be.

(f) ***Calculations***

The amount of interest payable in respect of any Covered Bond for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding Principal Amount Outstanding of such Covered Bond by the Day Count Fraction, unless an Interest Amount is specified in the applicable Final Terms in respect of such period, in which case the amount of interest payable in respect of such Covered Bond for such period shall equal such Interest Amount. Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

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

As soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Principal Paying Agent may be required to calculate any rate or amount or Instalment Amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Covered Bonds for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause

the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date, and if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Bond Trustee, the Issuer, each of the Paying Agents, the Covered Bondholders in accordance with Condition 14 (*Notices*), the Registrar, any other Calculation Agent appointed in respect of the Covered Bonds that is to make a further calculation upon receipt of such information and if the Covered Bonds are listed on a stock exchange (and/or admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system) and the rules of such listing authority, stock exchange and/or quotation system so require, such listing authority, stock exchange and/or quotation system as soon as possible after their determination but in no event later than (y) the commencement of the relevant Interest Accrual Period, if determined prior to such time in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (z) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Accrual Period is subject to adjustment pursuant to Condition 4(a)(iv) (*Interest on Fixed Rate Covered Bonds*) or 4(b)(ii) ((*Interest on Floating Rate Covered Bonds*), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Accrual Period. If the Calculation Amount is less than the minimum Specified Denomination, the Principal Paying Agent shall not be obligated to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Covered Bond having the minimum Specified Denomination. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Principal Paying Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(h) ***Reference Banks***

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre if provision is made for them in the applicable Final Terms and for so long as any Covered Bond is outstanding (as defined in the Definitions Schedule). If any Reference Bank (acting through its relevant offices) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place.

(i) ***Benchmark Replacement***

This Condition 4(i) (*Benchmark Replacement*) applies where the relevant Reference Rate specified in the applicable Final Terms is a rate other than U.S. Dollar LIBOR, SOFR (Non-Index Determination) or SOFR (Index Determination). Notwithstanding the provisions above in Conditions 4(b)(ii)(B), (b)(ii)(C), (b)(ii)(D), (b)(iii), 4(f) and 4(g), if the Issuer (in consultation with the person specified in the applicable Final Terms as the party responsible for calculating the Rate of Interest) determines that a Benchmark Disruption Event has occurred when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to such Reference Rate affected by the Benchmark Disruption Event, then the following provisions shall apply:

(i) ***Independent Adviser***

The Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Independent Adviser determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(i)(ii)) and, in either case, an Adjustment

Spread if any (in accordance with Condition 4(i)(iv)) and any Benchmark Amendments (in accordance with Condition 4(i)(v)).

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

If the Independent Adviser, following consultation with the Issuer and acting in good faith and in a commercially reasonable manner, determines, no later than the IA Determination Cut-off Date that: (A) there is a Successor Rate, then it shall notify the Calculation Agent and the Calculation Agent shall use such Successor Rate (subject to adjustment as provided in Condition 4(i)(iv)) in place of the Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Covered Bonds (subject to the subsequent operation of this Condition 4(i)); or (B) there is no Successor Rate but that there is an Alternative Rate, then it shall notify the Calculation Agent and the Calculation Agent shall use such Alternative Rate (subject to adjustment as provided in Condition 4(i)(iv)) in place of the Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Covered Bonds (subject to the subsequent operation of this Condition 4(i)).

(iii) ***Issuer Determination***

If the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser appointed by it fails to determine a Successor Rate or Alternative Rate prior to the IA Determination Cut-off Date, then, if it elects to do so, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or Alternative Rate for the purposes of Condition 4(i)(ii);

(iv) ***Adjustment Spread***

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

(v) ***Benchmark Amendments***

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4(i) and the Independent Adviser, following consultation with the Issuer (or the Issuer as the case may be), acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Conditions and/or any other agreement or document relating to the Covered Bonds are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(i)(vi), without any requirement for the consent or approval of Covered Bondholders, at the Issuer's expense, vary these Conditions and/or any other agreement or document relating to the Covered Bonds as is necessary to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the written request of the Issuer, but subject to receipt by the Bond Trustee of a certificate signed by an Authorised Signatory of the Issuer pursuant to Condition 4(i)(vii), the Bond Trustee shall (at the expense of the Issuer), without any requirement for the consent or approval of the Covered Bondholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, inter alia, by the execution of a deed supplemental to or amending the Bond Trust Deed), provided that the Bond Trustee shall not be obliged so to concur if in the opinion of the Bond Trustee doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Bond Trustee in these Conditions or the Bond Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

Notwithstanding any other provision of this Condition 4(i), the Calculation Agent, the Principal Paying Agent and/or each other party to an applicable agreement shall not be obliged to concur in respect of any Benchmark Amendments if in their sole opinion doing so would (i) (in the case of the Bond Trustee) expose it to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction, or (ii) impose more onerous obligations on them or expose them to any additional duties, responsibilities or liabilities or reduce or amend their rights and/or the protective provisions afforded to them in these Conditions or in any other document to which they are a party in any way. For the avoidance of doubt, no consent of the Covered Bondholders of the relevant Series shall be required in connection with effecting the Benchmark Amendments or such other changes, including for the execution of any documents or the taking of other steps by the Issuer or any of the parties to the Principal Agency Agreement (if required). In connection with any such variation in accordance with this Condition 4(i)(v), the Issuer shall comply with the rules of any stock exchange on which the Covered Bonds are for the time being listed or admitted to trading.

(vi) ***Notices, etc.***

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(i) will be notified promptly, and in any event not later than the fifth Business Day prior to the Interest Determination Date by the Issuer to the Principal Paying Agent, the Calculation Agent, and each other party to the Principal Agency Agreement and the Covered Bondholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any, and will be binding on the Issuer, the Fiscal Agent, the Calculation Agent and each other party to the Agency Agreement and the Covered Bondholders.

No later than notifying the Covered Bondholders of the same, the Issuer shall deliver to the Bond Trustee, the Calculation Agent and the Paying Agents a certificate signed by an Authorised Signatory of the Issuer:

(A) confirming (I) that a Benchmark Disruption Event has occurred, (II) the Successor Rate or, as the case may be, the Alternative Rate, (III) the applicable Adjustment Spread and (IV) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 4(i); and

(B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

Each of the Bond Trustee, the Calculation Agent and the Paying Agents shall be entitled to accept without verification or investigation and to rely conclusively on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Bond Trustee's or the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Bond Trustee, the Calculation Agent, the Paying Agents and the Covered Bondholders. The Bond Trustee shall be protected and shall have no liability to any Covered Bondholder, the Issuer, the Covered Bond Guarantor or any other person for so accepting and relying on any such certificate and/or opinion.

Notwithstanding any other provision of this Condition 4(i), if in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 4(i), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, wilful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, wilful default or fraud) shall not incur any liability to any person for not doing so.

(vii) ***Survival of Reference Rate***

Without prejudice to the provisions of this Condition 4(i), the Reference Rate and the fallback provisions provided for in Condition 4(b)(iii)(B) will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 4(i)(v).

For the avoidance of doubt and notwithstanding any other provision of this Condition 4(i), in determining any Adjustment Spread or other relevant methodology for the purposes of Condition 4(i)(iii), the Issuer shall not and shall not be obliged to apply and may discount any Adjustment Spread or methodology the application of which may constitute it an administrator for the purposes of Regulation (EU) 2016/1011.

For the purposes of this Condition 4(i) (*Benchmark Replacement*):

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

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant

Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate);

(ii) the Independent Adviser, following consultation with the Issuer (or the Issuer as the case may be), acting in good faith and in a commercially reasonable manner, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions or is in customary market usage in the debt capital market for transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be) (or if the Independent Adviser (or the Issuer as the case may be) determines that no such industry standard is recognised or acknowledged); or

(iii) the Independent Adviser, following consultation with the Issuer (or the Issuer as the case may be), in its discretion, and acting in good faith and in a commercially reasonable manner, determines to be appropriate.

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

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

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

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

"**Benchmark Disruption Event**" means:

(i) the relevant Reference Rate specified in the relevant Final Terms has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or

(ii) the Issuer determines after consulting with the Independent Adviser (if so appointed) that, a change in the generally accepted market practice in the international debt capital markets to refer to a Reference Rate is endorsed in a public statement by a Relevant Nominating Body, despite the continued existence of the applicable Reference Rate,

provided that, the occurrence of a Benchmark Disruption Event shall be determined by the Issuer and promptly notified to the Bond Trustee, the Calculation Agent and the Paying Agents. For the avoidance of doubt, none of the Bond Trustee, the Calculation Agent or the Paying Agents shall have any responsibility or liability for making such determination and shall have no obligation to monitor whether any Benchmark Disruption Event has occurred.

"**Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Covered Bonds.

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

(i) the central bank for the currency to which the Reference Rate relates, or any central bank or other supervisory authority which is responsible for administering or supervising the administrator of the Reference Rate;

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

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

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

(j) ***Effect of Benchmark Transition Event***

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

(i) **Benchmark Replacement**

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

(ii) **Benchmark Replacement Conforming Changes**

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

(iii) **Decisions and Determinations**

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

For the avoidance of doubt and notwithstanding any other provision of this Condition 4(i), in determining any Benchmark Replacement, Benchmark Replacement Conforming Changes or Benchmark Replacement Adjustment or for the purposes of making any other determination for the purposes of this Condition, the Issuer shall not and shall not be obliged to apply and may discount any factor or methodology the application of which may constitute it an administrator for the purposes of Regulation (EU) 2016/1011.

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

"**Benchmark**" means, initially, the relevant Reference Rate specified in the applicable Final Terms where such Reference Rate is specified to be U.S. Dollar LIBOR, SOFR (Index Determination) or SOFR (Non-Index Determination); provided that if the Issuer or its designee determines on or prior to a Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to U.S. Dollar LIBOR, SOFR (Index Determination) or SOFR (Non-Index Determination) (or the published daily SOFR used in the calculation thereof), as applicable, or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

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

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

(i) the sum of:

(A) Term SOFR; and

(B) the Benchmark Replacement Adjustment;

(ii) the sum of:

(A) Compounded SOFR; and

(B) the Benchmark Replacement Adjustment;

(iii) the sum of:

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

(B) the Benchmark Replacement Adjustment;

(iv) the sum of:

(A) the ISDA Fallback Rate; and

(B) the Benchmark Replacement Adjustment;

(v) the sum of:

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

(B) the Benchmark Replacement Adjustment.

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

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

(ii) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or

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

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

(i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment;

(iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar denominated floating rate covered bonds at such time.

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Interest Period," timing and frequency of determining rates and making payments of interest, changes to the definition of "Corresponding Tenor" (defined below) solely when such tenor is longer than the Interest Period and other administrative matters) that the Issuer or its designee

decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary).

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

(i) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event," the later of:

(A) the date of the public statement or publication of information referenced therein; and

(B) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

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

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

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

(i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, *provided* that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component);

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

(iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

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

(i) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; *provided* that:

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

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

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

(i) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor; and

(ii) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor.

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. 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 the spread adjustment, (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

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

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

(i) if the Benchmark is LIBOR, 11:00 a.m. (London time) on the day that is two London banking days preceding the date of such determination;

(ii) if the Benchmark is Compounded SOFR, the relevant SOFR Determination Time; and

(iii) if the Benchmark is not LIBOR or Compounded SOFR, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes.

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

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

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

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

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

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

(k) ***Certificates to be final***

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 (*Interest and other Calculations*) shall (in the absence of wilful default, gross negligence or fraud) be binding on the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Principal Paying Agent, the other Paying Agents (if any), the Registrar and all Covered Bondholders and (in the absence of wilful default, gross negligence or fraud) no liability to the Issuer, the Covered Bond Guarantor, the Covered Bondholders shall attach to the Principal Paying Agent or the Bond Trustee in connection with the exercise or non-exercise by it of their respective powers, duties and discretions pursuant to such provisions.

(l) ***Definitions***

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

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

"**BBSW Covered Bond**" means a Floating Rate Australian Registered Covered Bond denominated in Australian dollars.

"**Business Day**" means:

(a) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments generally in Sydney, Melbourne, New York

and, if the Covered Bonds are not Australian Registered Covered Bonds, London; and

(b) in the case of:

(i) a Specified Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments generally in the Principal Financial Centre for such Specified Currency; or

(ii) in the case of euro, a TARGET2 Business Day; and

(c) in the case of one or more Additional Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the Additional Business Centres or, if no currency is indicated, generally in each of the Additional Business Centres.

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

(a) "**Floating Rate Business Day Convention**" means that the relevant date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment;

(b) "**Following Business Day Convention**" means that the relevant date shall be postponed to the next day that is a Business Day;

(c) "**Modified Following Business Day Convention**" means that the relevant date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day;

(d) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the immediately preceding Business Day; or

(e) "**No adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention.

"**Calculation Amount**" has the meaning given in the applicable Final Terms.

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

(a) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

(i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (x) the actual number of days in such Regular Period and (y) the number of Regular Periods in any year; and

(ii) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (x) the actual number of days in such Regular Period and (y) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (x) the actual number of days in such Regular Period and (y) the number of Regular Periods in any year;

where "**Regular Period**" means:

(iii) in the case of Covered Bonds where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(iv) in the case of Covered Bonds where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and

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

(b) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(c) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365;

(d) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(e) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Calculation Period divided by 360;

(f) if "**30/360 (ICMA)**" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;

(g) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

where:

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

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

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

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

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

"**D1**" is the first calendar day, expressed as a number, of the Calculation 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 Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

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

where:

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

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

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

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

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

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

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

(i) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

where:

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

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

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

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

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

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

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Final Maturity Date or (ii) such number would be 31, in which case D2 will be 30,

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

"**Dollar LIBOR**" means LIBOR for U.S. dollars determined in accordance with the definition of Screen Rate Determination or Reference Bank Determination as applicable.

"**Early Redemption Amount**" means the early redemption amount determined in accordance with Condition 5(f) of the Programme Conditions or Condition 9(e) of the applicable N Covered Bond Conditions.

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

"**EURIBOR**" means the Euro-Zone inter-bank offered rate determined in accordance with the definition of Screen Rate Determination or Reference Bank Determination as applicable.

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

"**Extraordinary Resolution**" has the meaning given in paragraph 20 of Schedule 4 to the Bond Trust Deed.

"**Final Redemption Amount**" means, in relation to a Covered Bond, its Principal Amount Outstanding unless otherwise specified in the applicable Final Terms.

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

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

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date, except that the final Interest Accrual Period ends on (but excludes) the Final Maturity Date or the date of any earlier redemption of a Covered Bond in accordance with the Conditions.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified in the applicable Final Terms.

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

(a) if the Specified Currency is Sterling or if the Covered Bonds are BBSW Covered Bonds, the first day of such Interest Accrual Period;

(b) except for BBSW Covered Bonds, if the Specified Currency is neither Sterling nor euro, the day falling two Business Days for the Specified Currency prior to the first day of such Interest Accrual Period; or

(c) if the Specified Currency is euro, the day falling two TARGET2 Business Days prior to the first day of such Interest Accrual Period.

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

"**Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date, except that the final Interest Period ends on (but excludes) the Final Maturity Date or the date of any earlier redemption of a Covered Bond in accordance with the Conditions.

"**ISDA Definitions**" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Covered Bonds of the relevant Series (as specified in the applicable Final Terms) in each case as published by the International Swaps and Derivatives Association, Inc.).

"**Issue Date**" means the date of issue of the Covered Bonds as specified in the applicable Final Terms.

"**LIBOR**" means the London inter-bank offered rate determined in accordance with the definition of Screen Rate Determination or Reference Bank Determination as applicable.

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

"**Principal Amount Outstanding**" in respect of a Covered Bond means the outstanding principal amount of that Covered Bond.

"**Principal Financial Centre**" means, in relation to a Specified Currency or any other currency, the principal financial centre of the country of that Specified Currency or other currency, which in the case of euro, is the Euro-Zone and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be (i) Sydney or (ii) Auckland or Wellington, respectively.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of a Covered Bond and that is either specified or calculated in accordance with these Conditions and the provisions set out in the applicable Final Terms.

"**Record Date**" has the meaning given in Condition 6(e) (*Payments in respect of Registered Covered Bonds*) or Condition 6(f) (*Payments in respect of Australian Registered Covered Bonds (other than Australian Registered Covered Bonds)*), as applicable.

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

"**Reference Banks**" means four major banks selected by the Reference Banks Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Reference Rate specified in the applicable Final Terms which, if the relevant Reference Rate is EURIBOR, shall be the Euro-Zone.

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

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

"**Relevant Financial Centre**" means, with respect to any Floating Rate to be determined in accordance with Screen Rate Determination on an Interest Determination Date, the financial centre specified as such in the applicable Final Terms or, if none is so specified, the Principal Financial Centre with which the relevant Reference Rate is most closely connected (which, where the Specified Currency is euro, shall be the Euro-Zone) or, if none is so connected, London.

"**Relevant Time**" with respect to any Interest Determination Date, unless otherwise specified in the applicable Final Terms, in the case of BBSW Covered Bonds is 10.30 a.m. Sydney time, in the case of LIBOR is 11.00 a.m. London time and in the case of EURIBOR, SIBOR, TIBOR, STIBOR, HIBOR and Dollar LIBOR is 11.00 a.m. Relevant Financial Centre time.

"**SIBOR**" means Singapore inter-bank offered rate determined in accordance with the definition of Screen Rate Determination or Reference Bank Determination as applicable.

"**Specified Currency**" means subject to any applicable legal or regulatory restrictions, Australian Dollars, Euro, Sterling, U.S. Dollars and such other currency or currencies as may be agreed from time to time by the Issuer, the relevant Dealer(s), the relevant Principal Paying Agent and the Bond Trustee the currency specified as such in the

applicable Final Terms or, if none is specified, the currency in which the Covered Bonds are denominated.

"**STIBOR**" means the Stockholm inter-bank offered rate determined in accordance with the definition of Screen Rate Determination or Reference Bank Determination as applicable.

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

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

"**TIBOR**" means the Tokyo inter-bank offered rate determined in accordance with the definition of Screen Rate Determination or Reference Bank Determination as applicable.

"**U.S. Dollar LIBOR**" means the London inter-bank offered rate for deposits in USD.

5. **Redemption and Purchase**

(a) ***Final redemption***

Unless previously redeemed in full or purchased and cancelled as specified below, each Covered Bond will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Final Maturity Date.

Without prejudice to Condition 9 (*Events of Default and Enforcement*), if an Extended Due for Payment Date is specified as applicable in the Final Terms for a Series of Covered Bonds and the Issuer has failed to pay the Final Redemption Amount on the Final Maturity Date specified in the Final Terms (or after expiry of the grace period set out in Condition 9(a)(i) (*Issuer Events of Default*) and, following the service of a Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager) by no later than the date falling one Business Day prior to the Extension Determination Date, the Trust Manager determines that the Covered Bond Guarantor has insufficient monies available under the Guarantee Allocations to pay the Guaranteed Amounts corresponding to the Final Redemption Amount in full in respect of the relevant Series of Covered Bonds on the date falling on the earlier of (a) the date which falls two Business Days after service of such Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) or, if later, the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9(b)(i) (*Covered Bond Guarantor Events of Default*)) under the terms of the Covered Bond Guarantee and (b) the Extension Determination Date, then (subject as provided below) payment of the unpaid amount by the Covered Bond Guarantor under the Covered Bond Guarantee shall be deferred until the Extended Due for Payment Date, provided that the Covered Bond Guarantor (at the direction of the Trust Manager) may pay any amount representing the Final Redemption Amount on the relevant Final Maturity Date and any amount representing the Final Redemption Amount due and remaining unpaid on the earlier of (a) and (b) above may also be paid by the Covered Bond Guarantor (at the direction of the Trust Manager) on any Interest Payment Date thereafter up to (and including) the Extended Due for Payment Date. The Issuer shall confirm to the Principal Paying Agent as soon as reasonably practicable and in any event at least four Business Days prior to the Final Maturity Date of a Series of Covered Bonds whether (x) payment will be made in full of the Final Redemption Amount in respect of a Series of Covered Bonds on that Final Maturity Date or (y) payment will not be made in full of the Final Redemption Amount in respect of a Series of Covered Bonds on that Final Maturity Date. Any failure by the

Issuer to notify the Principal Paying Agent shall not affect the validity or effectiveness of the extension.

The Trust Manager shall notify the relevant Covered Bondholders (in accordance with Condition 14 (*Notices*), the Designated Rating Agencies, the Bond Trustee, the Security Trustee, the Principal Paying Agent and the relevant Registrar (in the case of Registered Covered Bonds) as soon as reasonably practicable and in any event at least one Business Day prior to the dates specified in (a) and (b) of the preceding paragraph of any inability of the Covered Bond Guarantor to pay in full the Guaranteed Amounts corresponding to the Final Redemption Amount in respect of a Series of Covered Bonds pursuant to the Covered Bond Guarantee. Any failure by the Trust Manager to notify such parties shall not affect the validity or effectiveness of the extension nor give rise to any rights in any such party. In such circumstances, the Trust Manager must direct the Covered Bond Guarantor to, and upon receiving such direction the Covered Bond Guarantor shall on the earlier of (a) the date falling two Business Days after the service of a Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager) or if later the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Condition 9(b)(i) (*Covered Bond Guarantor Events of Default*)) and (b) the Extension Determination Date, under the Covered Bond Guarantee, apply the monies (if any) available (after paying or providing for payment of higher ranking or *pari passu* amounts in accordance with the Guarantee Allocations) in part payment of an amount equal to the Final Redemption Amount of each Covered Bond of the relevant Series of Covered Bonds and shall pay Guaranteed Amounts constituting the Scheduled Interest in respect of each such Covered Bond on such date. The obligation of the Covered Bond Guarantor to pay any amounts in respect of the balance of the Final Redemption Amount not so paid shall be deferred as described above. Such failure to pay by the Covered Bond Guarantor shall not constitute a Covered Bond Guarantor Event of Default.

Any discharge of the obligations of the Issuer as the result of the payment of Excess Proceeds to the Bond Trustee shall be disregarded for the purposes of determining the amounts to be paid by the Covered Bond Guarantor under the Covered Bond Guarantee in connection with this Condition 5(a).

For the purposes of these Conditions:

"**Designated Rating Agency**" means any one of Moody's Investors Service Pty Limited and Fitch Australia Pty Limited (each, a Designated Rating Agency) or their successors, to the extent they provide ratings in respect of the Covered Bonds.

"**Extended Due for Payment Date**" means, in relation to any Series of Covered Bonds, the date, if any, specified as such in the applicable Final Terms to which the payment of all or (as applicable) part of the Final Redemption Amount payable on the Final Maturity Date will be deferred in the event that the Final Redemption Amount is not paid in full on the Extension Determination Date.

"**Extension Determination Date**" means, in respect of a Series of Covered Bonds to which an Extended Due for Payment Date applies, the date falling two Business Days after the expiry of seven days starting on (and including) the Final Maturity Date of such Series of Covered Bonds.

"**Guarantee Allocations**" means the guarantee Cashflow Allocation Methodology relating to the allocation and distribution of all Available Revenue Receipts and Available Principal Receipts following service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), but prior to service of a Covered Bond

Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee).

(b) ***Redemption for taxation reasons***

The Covered Bonds may be redeemed at the option of the Issuer in whole, or in part, at any time (if the Covered Bond is not a Floating Rate Covered Bond or on any Interest Payment Date (if the Covered Bond is a Floating Rate Covered Bond), on giving not less than 30 nor more than 60 days' notice to the Bond Trustee and, in accordance with Condition 14 (*Notices*), the Covered Bondholders (which notice shall be irrevocable), if, on the occasion of the next Interest Payment Date, the Issuer is or will be required to pay additional amounts as provided or referred to in Condition 7 (*Taxation*). Covered Bonds redeemed pursuant to this Condition 5(b) will be redeemed at their Early Redemption Amount referred to in Condition 5(f) (*Early Redemption Amounts*) together (if appropriate) with interest accrued to (but excluding) the date of redemption. Prior to the publication of any notice of redemption pursuant to this Condition 5(b), the Issuer shall deliver to the Bond Trustee a certificate signed by an Authorised Officer of the Issuer stating that it is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and the Bond Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on all holders of the Covered Bonds.

(c) ***Redemption at the option of the Issuer (Issuer Call)***

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having (unless otherwise specified, in the applicable Final Terms) given not less than 30 nor more than 60 days' notice to the Bond Trustee, the Principal Paying Agent, (in the case of the redemption of Registered Covered Bonds) the relevant Registrar and, in accordance with Condition 14 (*Notices*), the Covered Bondholders (which notice shall be irrevocable) redeem all or some only (as specified in the applicable Final Terms) of the Covered Bonds then outstanding on any Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if applicable, with interest accrued to (but excluding) the relevant Optional Redemption Date(s). Upon expiry of such notice, the Issuer shall be bound to redeem the Covered Bonds accordingly. In the event of a redemption of only some of the Covered Bonds, such redemption must be for an amount being the Minimum Redemption Amount or a Maximum Redemption Amount. In the case of a partial redemption of Covered Bonds, the Covered Bonds to be redeemed (the "**Redeemed Covered Bonds**") will be selected:

(i) individually by lot, in the case of Redeemed Covered Bonds represented by Definitive Covered Bonds;

(ii) in accordance with the rules of Euroclear and Clearstream, Austraclear and/or DTC (to be reflected in the records of Euroclear and Clearstream, Austraclear and/or DTC as either a pool factor or a reduction in nominal amount, at their discretion) (or any alternative or additional clearing system as may be specified in the Final Terms), in the case of Redeemed Covered Bonds represented by a Global Covered Bond, and

(iii) as determined by the Issuer in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices and subject to compliance with all applicable laws, in the case of Redeemed Covered Bonds represented by Australian Registered Covered Bonds,

in each case, not more than 60 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**").

In the case of Redeemed Covered Bonds represented by Definitive Covered Bonds, a list of the serial numbers of such Redeemed Covered Bonds will be published in accordance with Condition 14 (*Notices*) not less than 30 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Covered Bonds represented by Definitive Covered Bonds shall bear the same proportion to the aggregate nominal amount of all Redeemed Covered Bonds as the aggregate nominal amount of Definitive Covered Bonds outstanding bears to the aggregate nominal amount of the Covered Bonds outstanding, in each case on the Selection Dates, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Covered Bonds represented by a Global Covered Bond shall be equal to the balance of the Redeemed Covered Bonds. No exchange of the relevant Global Covered Bond will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 5(c) and notice to that effect shall be given by the Issuer to the Covered Bondholders in accordance with Condition 14 (*Notices*) at least 30 days prior to the Selection Date.

(d) ***Redemption at the option of the Covered Bondholders***

If Put Option is specified in the applicable Final Terms, upon the holder of any Covered Bond giving the Issuer not less than 30 nor more than 60 days' written notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Covered Bond on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of a Covered Bond the holder thereof must, if the Covered Bond is in definitive form and held outside Euroclear and Clearstream, or Austraclear, deliver, at the specified office of either (i) in the case of Australian Registered Covered Bonds, the Australian Paying Agent, or (ii) in any other case, any Paying Agent other than the Australian Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of the relevant Paying Agent (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 5(d) accompanied by the Covered Bond. If the Covered Bond is represented by a Global Covered Bond held through Euroclear or Clearstream or Austraclear to exercise the right to require redemption of the Covered Bond the holder of the Covered Bond must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear or Clearstream or Austraclear, (which may include notice being given on his instruction by Euroclear or Clearstream or Austraclear or any common depository or common safekeeper, as the case may be, for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear or Clearstream or Austraclear from time to time and if the Covered Bond is represented by a Bearer Global Covered Bond, at the same time present or procure the presentation of the relevant Bearer Global Covered Bond to the Principal Paying Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream or Austraclear, given by a holder of any Covered Bond pursuant to this Condition 5(d) shall be irrevocable except where, prior to the due date of redemption, an Issuer Event of Default or a Covered Bond Guarantor Event of

Default has occurred and is continuing and the Bond Trustee has declared the Covered Bonds to be due and payable pursuant to Condition 9 (*Events of Default and Enforcement*), in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 5(d) and instead request or direct the Bond Trustee to declare such Covered Bond forthwith due and payable pursuant to Condition 9 (*Events of Default and Enforcement*).

(e) ***Redemption due to illegality***

The Covered Bonds of all Series may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bond Trustee, the Principal Paying Agent, the Australian Paying Agent, the Registrars and, in accordance with Condition 14 (*Notices*), all the Covered Bondholders (which notice shall be irrevocable), if the Issuer satisfies the Bond Trustee immediately before the giving of such notice that it has, or will before the next Interest Payment Date of any Covered Bond of any Series, become unlawful for the Intercompany Loan Provider and/or the Demand Loan Provider to make, fund or allow to remain outstanding any Term Advance and/or the Demand Loan (or, in either case, any part thereof) made by the Intercompany Loan Provider or the Demand Loan Provider, as the case may be to the Covered Bond Guarantor pursuant to the Intercompany Loan Agreement or the Demand Loan Agreement, as the case may be, as a result of any change in, or amendment to, the applicable laws or regulations or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next such Interest Payment Date.

Covered Bonds redeemed pursuant to this Condition 5(e) will be redeemed at their Early Redemption Amount referred to in Condition 5(f) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

Prior to the publication of any notice of redemption pursuant to this Condition 5(e), the Issuer shall deliver to the Bond Trustee a certificate signed by an Authorised Officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and the Bond Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on all holders of the Covered Bonds.

(f) ***Early Redemption Amounts***

For the purpose of Conditions 5(b) (*Redemption for taxation reasons*) and 5(e) (*Redemption due to illegality*) above and Condition 9 (*Events of Default and Enforcement*) below, each Covered Bond will be redeemed at its Early Redemption Amount calculated as follows:

(i) in the case of a Covered Bond with a Final Redemption Amount equal to the Issue Price (expressed as an amount per Calculation Amount), at the Final Redemption Amount thereof;

(ii) in the case of a Covered Bond (other than a Zero Coupon Covered Bond but including an Instalment Covered Bond) with a Final Redemption Amount which is or may be less or greater than the Issue Price (expressed as an amount per Calculation Amount) or which is payable in a Specified Currency other than that in which the Covered Bond is denominated, at the amount specified in the applicable Final Terms or, if no such amount is so specified in the applicable Final Terms, at its nominal amount; or

(iii) in the case of a Zero Coupon Covered Bond, at an amount (the Amortised Face Amount) equal to the sum of:

(A) the Issue Price; and

(B) the product of the Accrual Yield (compounded annually) being applied to the Issue Price from (and including) the Issue Date of the first Tranche of the Covered Bonds to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Covered Bond becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made (i) in the case of a Zero Coupon Covered Bond payable in a Specified Currency other than euro, on the basis of a 360-day year consisting of 12 months of 30 days each or (ii) in the case of a Zero Coupon Covered Bond payable in euro, on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed falls in a leap year, the sum of (x) the number of those days falling in a leap year divided by 366 and (y) the number of those days falling in a non leap year divided by 365).

(g) ***Instalments***

Instalment Covered Bonds will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 5(f) above.

(h) ***Purchases***

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

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

The Issuer or any of its subsidiaries or the Covered Bond Guarantor (acting at the direction of the Trust Manager) may, to the extent permitted by applicable laws and regulations, at any time purchase or otherwise acquire Covered Bonds (provided that, in the case of Bearer Definitive Covered Bonds, all unmatured Receipts, Coupons and Talons appertaining thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price and in any manner. If purchases are made by tender, tenders must be available to all the Covered Bondholders alike. Such Covered Bonds may be held, reissued, resold or, at the option of the Issuer or the relevant subsidiary, surrendered to the relevant Registrar and/or either (i) in the case of Australian Registered Covered Bonds, to the Australian Paying Agent, or (ii) in any other case, to any Paying Agent other than the Australian Paying Agent, for cancellation (except that any Covered Bonds purchased or otherwise acquired by the Covered Bond Guarantor must immediately be surrendered to the relevant Registrar and/or either (i) in the case of Australian Registered Covered Bonds, to the Australian Paying Agent, or (ii) in any other case, to any Paying Agent for cancellation).

(i) ***Cancellation***

All Covered Bonds which are redeemed, all Global Covered Bonds which are exchanged in full, all Registered Covered Bonds which have been transferred, all Receipts and Coupons which are paid and all Talons which are exchanged shall be cancelled (together with, in the case of Bearer Definitive Covered Bonds, all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption) by the Agent by whom they are redeemed, exchanged, transferred or paid. All Covered Bonds so cancelled and any Covered Bonds purchased and surrendered for cancellation pursuant to Condition 5(h) above and cancelled (together with, in the case of Bearer Definitive Covered Bonds, all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent or as the Principal Paying Agent may specify and cannot be held, reissued or resold.

(j) ***Late payment on Zero Coupon Covered Bonds***

If the amount payable in respect of any Zero Coupon Covered Bond upon redemption of such Zero Coupon Covered Bond pursuant to Condition 5(a), (b), (c), (d) or (e) above or upon its becoming due and repayable as provided in Condition 9 (*Events of Default and Enforcement*) is improperly withheld or refused or default is otherwise made in the payment thereof, the amount due and repayable in respect of such Zero Coupon Covered Bond shall be the amount calculated as provided in Condition 5(f)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Covered Bond becomes due and payable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Covered Bond have been paid; and

(ii) the date on which the full amount of the monies payable in respect of such Zero Coupon Covered Bonds has been received by the Principal Paying Agent or the Bond Trustee or the relevant Registrar and notice to that effect has been given to the Covered Bondholders either in accordance with Condition 14 (*Notices*) or individually.

6. **Payments**

(a) ***Method of payment***

Subject as provided below:

(i) payments in a Specified Currency other than euro will be made by credit or electronic transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be (i) Sydney or (ii) Auckland and Wellington, respectively); and

(ii) payments in euro will be made by credit or electronic transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

(b) Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment but without prejudice to the provisions of Condition 7 (*Taxation*). For the avoidance of doubt, any amounts to be paid on the Covered Bonds will be paid net of any deduction or withholding imposed or required

pursuant to FATCA and no additional amounts will be required to be paid on account of any such deduction or withholding. References to Specified Currency will include any successor currency under applicable law.

(c) ***Presentation of Bearer Definitive Covered Bonds, Receipts and Coupons***

Payments of principal and interest (if any) in respect of Bearer Definitive Covered Bonds will (subject as provided below) be made in the manner provided in Condition 6(a) (*Method of payment*) above only against presentation and surrender of Bearer Definitive Covered Bonds or Coupons, as the case may be, at any specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments (if any) of principal in respect of Bearer Definitive Covered Bonds other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 6(a) (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 6(a) (*Method of payment*) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Covered Bond in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the Bearer Definitive Covered Bond to which it appertains. If any Bearer Definitive Covered Bond is redeemed or becomes repayable prior to the stated maturity thereof, principal will be payable only on surrender of such Bearer Definitive Covered Bond together with all unmatured Receipts appertaining thereto. Receipts presented without the Bearer Definitive Covered Bond to which they appertain and unmatured Receipts do not constitute valid obligations of the Issuer or the Covered Bond Guarantor. Upon the date on which any Bearer Definitive Covered Bond becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Covered Bonds in definitive bearer form (other than Long Maturity Covered Bonds) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall include Coupons falling to be issued on exchange of matured Talons), failing which an amount equal to the face value of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8 (*Prescription*)) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon amounts in respect of any Fixed Rate Covered Bond in definitive bearer form becoming due and repayable by the Issuer (in the absence of a Notice to Pay) or the Covered Bond Guarantor under the Covered Bond Guarantee prior to its Final Maturity Date (or, as the case may be, Extended Due for Payment Date), all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the due date for redemption of any Floating Rate Covered Bond or Long Maturity Covered Bond in definitive bearer form, all unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Covered Bond**" is a Fixed Rate Covered Bond (other than a Fixed Rate Covered Bond which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Covered Bond shall cease to be a Long Maturity Covered Bond on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the Principal Amount Outstanding of such Covered Bond. If the date for redemption of any Bearer Definitive Covered Bond is not an Interest Payment Date, interest (if any) accrued in respect of such Covered Bond from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Bearer Definitive Covered Bond.

(d) ***Payments in respect of Bearer Global Covered Bonds***

Payments of principal and interest (if any) in respect of Covered Bonds represented by any Bearer Global Covered Bond will (subject as provided below) be made in the manner specified above in relation to Bearer Definitive Covered Bonds and otherwise in the manner specified in the relevant Global Covered Bond (against presentation or surrender, as the case may be, of such Bearer Global Covered Bond if the Bearer Global Covered Bond is not intended to be issued in NGCB form at the specified office of any Paying Agent outside the United States). On the occasion of each payment, (i) in the case of any Bearer Global Covered Bond which is not issued in NGCB form, a record of such payment made on such Bearer Global Covered Bond, distinguishing between any payment of principal and any payment of interest, will be made on such Bearer Global Covered Bond by the Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made and (ii) in the case of any Bearer Global Covered Bond which is issued in NGCB form, the Paying Agent shall instruct Euroclear and Clearstream to make appropriate entries in their records to reflect such payment.

(e) ***Payments in respect of Registered Covered Bonds (other than Australian Registered Covered Bonds)***

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Covered Bond (whether or not in global form) other than each Australian Registered Covered Bond will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Covered Bond at the specified office of the relevant Registrar or any of the Paying Agents (other than the Australian Paying Agent). Such payments will be made by electronic transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Covered Bond appearing in the register of holders of the Registered Covered Bonds maintained by the Registrar (the "**Register**") at the close of business on the third Business Day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Covered Bonds held by a holder is less than U.S.$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified

Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland and Wellington, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Covered Bond (whether or not in global form) other than each Australian Registered Covered Bond will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the Business Day in the city where the specified office of the relevant Registrar is located on the relevant due date to the holder (or the first named of joint holders) of the Registered Covered Bond appearing in the Register:

(i) where the Registered Covered Bond is in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream are open for business) before the relevant due date; and

(ii) where in definitive form, at the close of business on the 15th day (whether or not such 15th day is a Business Day) before the relevant due date,

(in either case, the "**Record Date**" in relation to such Covered Bonds) at the holder's address shown in the Register on the Record Date and at the holder's risk. Upon application of the holder to the specified office of the relevant Registrar not less than three Business Days in the city where the specified office of the relevant Registrar is located before the due date for any payment of interest in respect of a Registered Covered Bond, the payment may be made by electronic transfer on the due date in the manner provided in the preceding paragraph. Any such application for electronic transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Covered Bonds which become payable to the holder who has made the initial application until such time as the relevant Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Covered Bond on redemption and the final instalment of principal will be made in the same manner as payment of the principal in respect of such Registered Covered Bond.

(f) ***Payments in respect of Australian Registered Covered Bonds***

Payments of interest and principal (other than instalments of principal prior to the final instalment) in respect of each Australian Registered Covered Bond (whether or not in global form) will be made in Australian Dollars by the Australian Paying Agent on behalf of the Issuer to the persons registered at the close of business on the relevant Record Date (as defined below) as follows:

(i) if the Australian Registered Covered Bond is in Austraclear, by crediting on the relevant due date the amount then due to the account (held with a bank in Australia) of Austraclear in accordance with the Austraclear Regulations;

(ii) if the Australian Registered Covered Bond is not in Austraclear, by crediting on the relevant due date the amount then due to an account (held with a bank in Australia) previously notified in writing by the holder of the Australian Registered Covered Bond to the Issuer and the Australian Paying Agent; and

(iii) if a holder has not notified the Issuer and the Australian Paying Agent of an account to which payments to it must be made by the close of business on the applicable Record Date, by cheque drawn on an Australian bank dispatched by post on the relevant payment date, at the risk of the holder, to the holder (or, in the case of joint holders, to the first named) at its address appearing in the

Australian Register at the close of business on the Record Date or in any other manner in Australia which the Australian Paying Agent and the holder agree.

In the case of payments made by electronic transfer, payments will for all purposes be taken to be made when the Australian Paying Agent gives irrevocable instructions for the making of the relevant payment by electronic transfer, being instructions which would be reasonably expected to result, in the ordinary course of banking business, in the funds transferred reaching the account of the Covered Bondholder and in the case of accounts maintained in Australia, reaching the account on the same day as the day on which the instructions are given.

For the purposes of this Condition, "**Record Date**" means:

(A) in the case of payments of principal, 10.00 a.m. (Sydney) on the due date of the relevant payment of principal; and

(B) in the case of payments of interest, close of business of the eighth calendar day before the due date for the relevant payment of interest.

(g) ***General provisions applicable to payments***

Where payments in respect of a Registered Covered Bond are to be made by cheque, holders of Registered Covered Bonds will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Covered Bond as a result of a cheque posted in accordance with these Conditions arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the relevant Registrar in respect of any payments of principal or interest in respect of the Registered Covered Bonds.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Covered Bond in respect of Covered Bonds denominated in a Specified Currency other than U.S. dollars shall be paid by electronic transfer by the Luxembourg Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Principal Agency Agreement.

None of the Issuer, the Covered Bond Guarantor, the Bond Trustee and the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Covered Bonds or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The holder of a Global Covered Bond (or, as provided in the Bond Trust Deed, the Bond Trustee) shall be the only person entitled to receive payments in respect of Covered Bonds represented by such Global Covered Bond and the Issuer or, as the case may be, the Covered Bond Guarantor will be discharged by payment to, or to the order of, the holder of such Global Covered Bond (or the Bond Trustee, as the case may be) in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Austraclear or DTC, as the case may be, as the beneficial holder of a particular nominal amount of Covered Bonds represented by such Global Covered Bond must look solely to Euroclear, Clearstream, Austraclear or DTC, as the case may be, for his share of each payment so made by the Issuer or the Covered Bond Guarantor to, or to the order of, the holder of such Global Covered Bond (or the Bond Trustee, as the case may be). No person other than the holder of the relevant Global Covered Bond (or, as provided in the Bond Trust Deed, the Bond Trustee) shall have any claim against the Issuer or the Covered Bond Guarantor in respect of any payments due on that Global Covered Bond.

Notwithstanding the foregoing provisions of this Condition, payments of principal and/or interest in U.S. Dollars in respect of the Bearer Covered Bonds will only be made at the specified office of a Paying Agent in the United States if:

(i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. Dollars at such specified offices outside the United States of the full amount of interest on the Bearer Covered Bonds in the manner provided above when due;

(ii) payment of the full amount of such principal and interest at such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. Dollars; and

(iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer and the Covered Bond Guarantor, adverse Tax consequences to the Issuer or the Covered Bond Guarantor.

(h) ***Payment Business Day***

If the date for payment of any amount in respect of any Covered Bond, Receipt or Coupon is not a Payment Business Day (as defined below), the holder thereof shall not be entitled to payment of the relevant amount due until the next following Payment Business Day and shall not be entitled to any interest or other sum in respect of any such delay. In this Condition, "**Payment Business Day**" means any day (other than a Saturday or a Sunday) on which (subject to Condition 8 (*Prescription*)):

(i) 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 Covered Bonds in definitive form, the relevant place of presentation; and

(B) in the case of Australian Registered Covered Bonds, Sydney; and

(C) any Additional Financial Centre specified in the applicable Final Terms; and

(ii) either (1) in relation to any sum payable in a Specified Currency other than euro, 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 (if other than the places specified in Condition 6(h)(i) and which if the Specified Currency is Australian dollars shall be Sydney) or (2) in relation to any sum payable in euro, the TARGET 2 System is open; and

(iii) in the case of any payment in respect of a Registered Global Covered Bond denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Covered Bond) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

(i) ***Interpretation of principal and interest***

Any reference in these Conditions to principal in respect of the Covered Bonds shall be deemed to include, as applicable:

(i) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*) or under any undertakings or covenants given in addition thereto, or in substitution therefor, pursuant to the Bond Trust Deed;

(ii) the Final Redemption Amount of the Covered Bonds;

(iii) the Early Redemption Amount of the Covered Bonds;

(iv) the Optional Redemption Amount(s) (if any) of the Covered Bonds;

(v) in relation to Covered Bonds redeemable in instalments, the Instalment Amounts;

(vi) in relation to Zero Coupon Covered Bonds, the Amortised Face Amount (as defined in Condition 5(f) (*Early Redemption Amounts*));

(vii) any premium and any other amounts (other than interest) which may be payable under or in respect of the Covered Bonds;

(viii) any Excess Proceeds which may be payable by the Bond Trustee under or in respect of the Covered Bonds.

Any reference in these Conditions to interest in respect of the Covered Bonds shall be deemed to include, as applicable, any additional amounts which may be payable by the Issuer with respect to interest under Condition 7 (*Taxation*) or under any undertakings given in addition thereto, or in substitution therefor, pursuant to the Bond Trust Deed.

(j) ***Redenomination***

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Covered Bondholders, the Receiptholders and the Couponholders, on giving prior written notice to the Bond Trustee, the Security Trustee, the Covered Bond Paying Agent, the Luxembourg Registrar (in the case of Registered Covered Bonds), Euroclear and Clearstream and at least 30 days' prior notice to the Covered Bondholders in accordance with Condition 14 (*Notices*), elect that, with effect from the Redenomination Date specified in the notice, the Covered Bonds shall be redenominated in euro. In relation to any Covered Bonds where the applicable Final Terms provides for a minimum Specified Denomination in the Specified Currency which is equivalent to at least euro 100,000 and which are admitted to trading on a regulated market in the European Economic Area, it shall be a term of any such redenomination that the holder of any Covered Bonds held through Euroclear and/or Clearstream and/or DTC must have credited to its securities account with the relevant clearing system a minimum balance of Covered Bonds of at least euro 100,000. Australian Registered Covered Bonds may not be redenominated.

The election will have effect as follows:

(i) the Covered Bonds and any Receipts shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Covered Bond and Receipt equal to the nominal amount of that Covered Bond or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, in consultation with the Principal Paying Agent and the Bond Trustee, that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions

specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Covered Bondholders, the competent listing authority, stock exchange or market (if any) on or by which the Covered Bonds may be listed or admitted to trading and the Paying Agents of such deemed amendments;

(ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Covered Bonds will be calculated by reference to the aggregate nominal amount of Covered Bonds presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;

(iii) if Definitive Covered Bonds are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denominations of euro 100,000 and/or such higher amounts as the Principal Paying Agent may determine and notify to the Covered Bondholders and any remaining amounts less than euro 100,000 shall be redeemed by the Issuer and paid to the Covered Bondholders in euro in accordance with Condition 5 (*Redemption and Purchase*);

(iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Covered Bonds) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement euro-denominated Covered Bonds, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Covered Bonds, Receipts and Coupons so issued will also become void on that date although those Covered Bonds, Receipts and Coupons will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Covered Bonds, Receipts and Coupons will be issued in exchange for Covered Bonds, Receipts and Coupons denominated in the Specified Currency in such manner as the Principal Paying Agent may specify and as shall be notified to the Covered Bondholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Covered Bonds;

(v) after the Redenomination Date, all payments in respect of the Covered Bonds, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Covered Bonds to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;

(vi) if the Covered Bonds are Fixed Rate Covered Bonds and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:

(A) in the case of Covered Bonds represented by a Global Covered Bond, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Covered Bonds represented by such Global Covered Bonds; and

(B) in the case of Definitive Covered Bonds, by applying the Rate of Interest to 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 Fixed Rate Covered Bond in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Covered Bond 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;

(vii) if the Covered Bonds are Floating Rate Covered Bonds, the applicable Final Terms will specify any relevant changes to the provisions relating to interest; and

(viii) such other changes shall be made to this Condition (and the Programme Documents) as the Issuer may decide, after consultation with the Principal Paying Agent and the Bond Trustee, and as may be specified in the notice, to conform it to conventions then applicable to instruments denominated in euro.

(k) ***Definitions***

In these Conditions, the following expressions have the following meanings:

"**Established Rate**" means the rate for the conversion of the relevant Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty.

"**euro**" means the lawful currency for the time being of the member states of the European Union that adopt the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of a Series of Covered Bonds, as determined in the applicable Final Terms.

"**Redenomination Date**" means (in the case of interest bearing Covered Bonds) any date for payment of interest under the Covered Bonds or (in the case of Zero Coupon Covered Bonds) any date, in each case specified by the Issuer in the notice given to the Covered Bondholders pursuant to Condition 6(i)(ii) and which falls on or after the date on which the country of the relevant Specified Currency first participates in the third stage of European economic and monetary union.

"**Treaty**" means the Treaty establishing the European Community, as amended.

7. **Taxation**

Subject as provided below, all payments of principal and interest (if any) in respect of the Covered Bonds, Receipts and Coupons by or on behalf of the Issuer and all payments of Guaranteed Amounts by or on behalf of the Covered Bond Guarantor, as the case may be, 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 imposed or levied by or on behalf of any Tax Jurisdiction (together, "**Taxes**") unless such withholding or deduction is required by law. For the avoidance of doubt, any amounts withheld in connection with sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to section 1471(b) of the U.S. Internal Revenue Code of 1986, or any intergovernmental agreement between the

United States and another jurisdiction facilitating the implementation of such sections of the U.S. Internal Revenue Code of 1986, including any fiscal or regulatory legislation, rules or practices adopted pursuant to any such intergovernmental agreement ("**FATCA**") will be treated as having been withheld as required by law. In that event, the Issuer (but not the Covered Bond Guarantor) will pay such additional amounts as shall be necessary in order that the net amounts received by the Covered Bondholders, Receiptholders or Couponholders after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Covered Bonds, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that the foregoing obligation to pay additional amounts shall not apply with respect to any Covered Bond, Receipt or Coupon:

(a) presented for payment or held by or on behalf of a holder which is liable to such Taxes, duties, assessments or governmental charges in respect of such Covered Bond, Receipt or Coupon by reason of its having some connection with the jurisdiction of incorporation of the Issuer or, where the Issuer is acting through its branch, the jurisdiction, country or territory in which the branch through which the Issuer is acting, other than the mere holding of such Covered Bond, Receipt or Coupon or the receipt of the relevant payment in respect thereof; or;

(b) presented for payment or held by or on behalf of a holder who is an Australian resident or a non-resident who is engaged in carrying on business in Australia at or through a permanent establishment of that non-resident in Australia, if that person has not supplied an appropriate tax file number, Australian business number or other exemption details; or

(c) presented (or in respect of which the Registered Definitive Covered Bond representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or

(d) in respect of which the holder thereof is an Offshore Associate of the Issuer, (acting other than in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Australian Corporations Act); or

(e) in respect of which the Taxes have been imposed or levied as a result of the holder of such Covered Bond, Receipt or Coupon being party to or participating in a scheme to avoid such Taxes, being a scheme which the Issuer was neither a party to nor participated in; or

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

(g) where the holder or beneficial owner thereof is able to avoid such deduction or withholding by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority.

For the avoidance of doubt and notwithstanding anything contrary in the Conditions, any amounts to be paid with respect to any Covered Bond, Receipt or Coupon will be paid net of any deduction or withholding imposed or required pursuant to FATCA, and no additional amounts will be required to be paid on account of any such deduction or withholding.

If any payments made by the Covered Bond Guarantor under the Covered Bond Guarantee are or become subject to any withholding or deduction, on account of any taxes, duties or other charges of whatever nature, imposed or levied by or on behalf of Australia or by any other authority having power to tax, the Covered Bond Guarantor will not be obliged to pay any additional amount as a consequence. For purposes of the preceding sentence, any deduction or withholding imposed or required pursuant to FATCA shall be deemed a tax imposed by an authority having power to tax.

As used herein:

(i) "**Tax Jurisdiction**" means Australia and/or, where the Issuer is acting through its branch, the jurisdiction, country or territory in which the branch through which the Issuer is acting is located or, in each case, any political sub-division thereof or by any authority therein or thereof having power to tax;

(ii) the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Bond Trustee or the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Covered Bondholders in accordance with Condition 14 (*Notices*).

8. Prescription

The Covered Bonds (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within 10 years (in the case of principal) and five years (in the case of interest) in each case from the Relevant Date (as defined in Condition 7 (*Taxation*)) therefor, subject in each case to the provisions of Condition 6 (*Payments*).

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 (*Payments*) or any Talon which would be void pursuant to Condition 6 (*Payments*).

9. Events of Default and Enforcement

(a) *Issuer Events of Default*

The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent of the aggregate Principal Amount Outstanding of the Covered Bonds (which for this purpose or the purpose of any Extraordinary Resolution referred to in this Condition 9(a) means the Covered Bonds of this Series together with the Covered Bonds of any other Series) then outstanding, as if they were a single Series (with the Principal Amount Outstanding of Covered Bonds not denominated in Australian Dollars converted into Australian Dollars at the relevant Swap Rate) or if so

directed by an Extraordinary Resolution of the Covered Bondholders shall, (but in the case of the happening of any of the events mentioned in subparagraph (ii) or (vi) below, only if the Bond Trustee shall have certified in writing to the Issuer that such event is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series) (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice (an "**Issuer Acceleration Notice**") in writing to the Issuer (copied to the Covered Bond Guarantor) that as against the Issuer (but not, for the avoidance of doubt, as against the Covered Bond Guarantor under the Covered Bond Guarantee) each Covered Bond of each Series is and each such Covered Bond shall, unless such event shall have been cured by the Issuer prior to the Issuer's receipt of the notice in writing from the Bond Trustee, thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Bond Trust Deed if any of the following events (each an "**Issuer Event of Default**") shall occur:

(i) default is made in the payment of any principal or interest when due, in respect of any Covered Bonds and such default continues for a period of seven days; or

(ii) the Issuer fails to perform or observe any of its obligations under any Covered Bonds (other than those specified in paragraph (i) above and other than the obligation of the Issuer to comply with the Asset Coverage Test) and in such case (except where such failure is incapable of remedy) such failure continues for the period of 30 days next following the service by the Bond Trustee on the Issuer of written notice requiring the same to be remedied; or

(iii) otherwise than for the purpose of an amalgamation or reconstruction or merger within the meaning of these words under the laws of Australia or, where the Issuer is acting through its branch, of the jurisdiction, country or territory in which the branch through which the Issuer is acting is located, a resolution is passed that the Issuer be wound up or dissolved; or

(iv) the Issuer stops payment (within the meaning of Australian or any other applicable bankruptcy law) of its obligations; or

(v) an encumbrancer takes possession of or a receiver is appointed of the whole or a substantial part of the undertaking and assets of the Issuer and any such event is continuing for 45 days after its occurrence and would materially prejudice the performance by the Issuer of its obligations under the Covered Bonds or a distress or execution is levied or enforced upon or sued out against the whole or a substantial part of the undertaking and assets of the Issuer which would materially prejudice the performance of the Issuer of its obligations under the Covered Bonds and is not discharged within 60 days thereof; or

(vi) proceedings shall have been initiated against the Issuer under any applicable bankruptcy, reorganisation or other similar law and such proceedings shall not have been discharged or stayed within a period of 60 days; or

(vii) the Issuer shall initiate or consent to proceedings relating to itself under any applicable bankruptcy, insolvency, composition or other similar law (otherwise than for the purpose of amalgamation, reconstruction or merger (within the meaning of those words under the laws of Australia or, where the Issuer is acting through its branch, of the jurisdiction, country or territory in which the branch through which the Issuer is acting is located) and such proceedings would materially prejudice the performance by the Issuer of its obligations under the Covered Bonds; or

(viii) if an Asset Coverage Test Breach Notice is served and not revoked (or deemed to be revoked) in accordance with the terms of the Supplemental Deed on or before the next Determination Date to occur following the service of such Asset Coverage Test Breach Notice; or

(ix) if the Pre-Maturity Test in respect of any Series of Hard Bullet Covered Bonds is breached during the Pre-Maturity Test Period and the amount standing to the credit of the Pre-Maturity Ledger of the GIC Account is less than the Australian Dollar Equivalent of the Required Redemption Amount for each Series of Hard Bullet Covered Bonds in respect of which the Pre-Maturity Test has been breached on the earlier to occur of:

(A) the later of (i) the date that is ten Local Business Days from the date that the Seller is notified of that breach; and (ii) the date that is ten Local Business Days from the date that is twelve months prior to the Final Maturity Date of the relevant series of Hard Bullet Covered Bonds; and

(B) the Final Maturity Date of that Series of Hard Bullet Covered Bonds.

Upon the Covered Bonds becoming immediately due and repayable against the Issuer pursuant to this Condition 9(a), the Bond Trustee shall forthwith serve a notice to pay (the "**Notice to Pay**") on the Covered Bond Guarantor (copied to the Trust Manager) pursuant to the Covered Bond Guarantee and the Covered Bond Guarantor shall be required to make payments of Guaranteed Amounts when the same shall become Due for Payment in accordance with the terms of the Covered Bond Guarantee.

Following the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice, the Bond Trustee may or shall take such proceedings or other action or step against the Issuer in accordance with Condition 9(c) (*Enforcement*).

The Bond Trust Deed provides that all monies received by the Bond Trustee, following the occurrence of an Issuer Event of Default and the delivery of an Issuer Acceleration Notice and a Notice to Pay, from the Issuer or any receiver, liquidator, administrator or other similar official appointed in relation to the Issuer (the "**Excess Proceeds**") and are then held by it or under its control, shall be paid by the Bond Trustee on behalf of the Covered Bondholders of the relevant Series to the Covered Bond Guarantor for its own account, as soon as practicable, and shall be held by the Covered Bond Guarantor in the GIC Account and the Excess Proceeds shall thereafter be subject to the Charge and shall be used by the Covered Bond Guarantor in the same manner as all other monies from time to time standing to the credit of the GIC Account pursuant to the Deed of Charge and the Supplemental Deed. Any Excess Proceeds received by the Bond Trustee shall discharge *pro tanto* the obligations of the Issuer in respect of the payment of the amount of such Excess Proceeds under the Covered Bonds, Receipts and Coupons (as applicable and to the extent of the amount so received and subject to restitution of the same if such Excess Proceeds shall be required to be repaid by the Covered Bond Guarantor) (but the Issuer shall be deemed not to have discharged such obligations for the purposes of subrogation rights of the Covered Bond Guarantor contemplated by the Bond Trust Deed). However, the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee are (following service of an Issuer Acceleration Notice and a Notice to Pay or if earlier, service of a Covered Bond Guarantee Acceleration Notice) unconditional and irrevocable and the receipt by, or on behalf of, the Bond Trustee of any Excess Proceeds and payment to the Covered Bond Guarantor of such Excess Proceeds shall not reduce or discharge any of such obligations.

By subscribing for Covered Bond(s), each Covered Bondholder shall be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the Covered Bond Guarantor in the manner as described above.

(b) ***Covered Bond Guarantor Events of Default***

The Bond Trustee at its discretion may, and if so requested in writing by the holders of at least 25 per cent of the aggregate Principal Amount Outstanding of the Covered Bonds (which for this purpose and the purpose of any Extraordinary Resolution referred to in this Condition 9(b) means the Covered Bonds of this Series together with the Covered Bonds of any other Series) then outstanding as if they were a single Series (with the Principal Amount Outstanding of Covered Bonds not denominated in Australian Dollars converted into Australian Dollars at the relevant Swap Rate) or if so directed by an Extraordinary Resolution of all the Covered Bondholders shall, (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), but in the case of the happening of any of the events described in paragraph (ii) or (v) below, only if the Bond Trustee shall have certified in writing to the Issuer and the Covered Bond Guarantor that such event is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series, give notice (the "**Covered Bond Guarantee Acceleration Notice**") in writing to the Issuer and to the Covered Bond Guarantor (copied to the Trust Manager and Security Trustee), that (x) each Covered Bond of each Series is and each Covered Bond of each Series shall as against the Issuer (if not already due and repayable against it following the service of an Issuer Acceleration Notice in accordance with Condition 9(a)), thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest and (y) all amounts payable by the Covered Bond Guarantor under the Covered Bond Guarantee shall thereupon immediately become due and payable at the Guaranteed Amount corresponding to the Early Redemption Amount for each Covered Bond of each Series together with accrued interest, in each case as provided in the Bond Trust Deed and thereafter the Charge shall become enforceable if any of the following events (each a "**Covered Bond Guarantor Event of Default**") shall occur and be continuing:

(i) default is made by the Covered Bond Guarantor for a period of 14 days or more in the payment of any Guaranteed Amounts when Due for Payment in respect of the Covered Bonds of any Series except in the case of the payments of a Guaranteed Amount when Due for Payment on the Extended Due for Payment Date under Condition 5(a) (*Final redemption*) where the Covered Bond Guarantor shall be required to make payments of Guaranteed Amounts which relate to the Final Redemption Amount and which are Due for Payment on the Extended Due for Payment Date; or

(ii) if default is made by the Covered Bond Guarantor in the performance or observance of any other obligation, condition or provision binding on it (other than any obligation for the payment of Guaranteed Amounts in respect of the Covered Bonds of any Series) under the Bond Trust Deed, the Deed of Charge or any other Programme Document to which the Covered Bond Guarantor is a party (other than the Programme Agreement, or as the case may be, the Distribution Agreement) or any Subscription Agreement) and except where such default is or the effects of such default are, in the opinion of the Bond Trustee, not capable of remedy when no such continuation and notice as is hereinafter mentioned will be required, such default continues for 30 days (or such longer period as the Bond Trustee may permit) after written notice thereof has been given by the Bond Trustee to the Covered Bond Guarantor (with a copy to the Trust Manager) requiring the same to be remedied; or

(iii) if the Covered Bond Guarantor ceases or threatens to cease to carry on its business or substantially the whole of its business; or

(iv) the Covered Bond Guarantor shall stop payment or shall be unable, or shall admit inability, to pay its debts generally as they fall due or shall be adjudicated or found bankrupt or insolvent; or

(v) proceedings are initiated against the Covered Bond Guarantor under any applicable liquidation, winding up, insolvency, bankruptcy, composition, reorganisation or other similar laws (including, but not limited to, presentation of a petition or the filing of documents with a court or any registrar for its winding-up, administration or dissolution or the giving notice of the intention to appoint an administrator (whether out of court or otherwise)); or a receiver and/or manager, administrative receiver, administrator, trustee or other similar official shall be appointed (whether out of court or otherwise) in relation to the Covered Bond Guarantor or in relation to the whole or any part of its assets, or a distress, diligence or execution or other process shall be levied or enforced upon or sued out against the whole or any part of its assets, or if the Covered Bond Guarantor shall initiate or consent to judicial proceedings relating to itself under any applicable liquidation, winding up, insolvency, bankruptcy, composition, reorganisation or other similar laws or shall make a conveyance, assignment or assignation for the benefit of, or shall enter into any composition with, its creditors generally; or

(vi) a failure to satisfy the Amortisation Test (as set out in the Supplemental Deed) on any Determination Date following service of a Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager); or

(vii) the Covered Bond Guarantee is not, or is claimed by the Covered Bond Guarantor not to be, in full force and effect.

Following the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee), each of the Bond Trustee and the Security Trustee may or in the case of the Security Trustee, if so directed by the Bond Trustee shall take such proceedings or steps in accordance with the first and third paragraphs, respectively, of Condition 9(c) (*Enforcement*) and the Covered Bondholders shall have a claim against the Covered Bond Guarantor, under the Covered Bond Guarantee, for an amount equal to the Early Redemption Amount for each Covered Bond of each Series together with accrued interest and any other amount due under the Covered Bonds (other than additional amounts payable under Condition 7 (*Taxation*)) as provided in the Bond Trust Deed in respect of each Covered Bond.

(c) ***Enforcement***

The Bond Trustee may at any time, at its discretion and without further notice, following service of an Issuer Acceleration Notice (in the case of the Issuer) or, if earlier, following service of a Covered Bond Guarantee Acceleration Notice (in the case of the Issuer and the Covered Bond Guarantor) take such proceedings or other action or step as it may think fit against or in relation to the Issuer and/or the Covered Bond Guarantor, as the case may be, and/or any other person as it may think fit to enforce the provisions of the Bond Trust Deed, the Covered Bonds, the Receipts and the Coupons or any other Programme Document and may, at any time after the Charge has become enforceable, direct the Bond Trustee to take such steps as it may think fit to enforce the Charge, but it shall not be bound to take any such enforcement

proceedings or other action or step in relation to the Bond Trust Deed, the Covered Bonds, the Receipts or the Coupons or any other Programme Document unless (i) it shall have been so directed by an Extraordinary Resolution of the Covered Bondholders of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into Australian Dollars at the relevant Swap Rate as aforesaid) or so requested in writing by the holders of not less than 25 per cent of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into Australian Dollars at the relevant Swap Rate as aforesaid) and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

In exercising any of its powers, trusts, authorities and discretions the Bond Trustee shall only have regard to the interests of the Covered Bondholders of all Series equally and shall not have regard to the interests of any other Secured Creditors.

The Bond Trustee may at any time, following service of a Covered Bond Guarantee Acceleration Notice at its discretion and without further notice, direct or instruct the Security Trustee to take such steps or proceedings against the Covered Bond Guarantor and/or any other person as it may think fit to enforce the provisions of the Deed of Charge or any other Programme Document, but the Bond Trustee shall not be bound to take, or to give any direction to the Security Trustee to take any such steps, proceedings or actions in relation to the Bond Trust Deed, the Covered Bond Guarantee, the Covered Bonds, the Receipts, the Coupons or any other Programme Document referred to in clause 10.1 of the Bond Trust Deed or give notice pursuant to Condition 9(a) or (b) unless (i) the Bond Trustee shall have been so directed by an Extraordinary Resolution of the Covered Bondholders of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into Australian Dollars at the relevant Swap Rate as aforesaid) or so requested in writing by the holders of not less than 25 per cent of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series then outstanding (with the Covered Bonds of all Series taken together as a single Series and converted into Australian Dollars at the relevant Swap Rate as aforesaid); and (ii) the Bond Trustee shall have been indemnified and/or secured and/or prefunded to its satisfaction. In exercising any of its powers, trusts, authorities and discretions under this paragraph the Bond Trustee shall only have regard to the interests of the Covered Bondholders of all Series equally and shall not have regard to the interests of any other Secured Creditors. No Covered Bondholder, Receiptholder or Couponholder shall be entitled to institute proceedings directly against the Issuer or the Covered Bond Guarantor to enforce performance of any of the provisions of the Trust Presents or to directly enforce the provisions of any other Programme Documents unless the Bond Trustee, having become bound so to proceed, fails so to do within a reasonable time and such failure is continuing in which event any Covered Bondholder, Receiptholder or Couponholder may, on giving an indemnity and/or pre-funding and/or security satisfactory to the Bond Trustee, in the name of the Bond Trust (but not otherwise) himself institute such proceedings and/or prove in the winding up, administration or liquidation of the Issuer or the Covered Bond Guarantor to the same extent and in the same jurisdiction (but not further or otherwise than the Bond Trustee would have been entitled to do so in respect of the Covered Bonds, Receipts and Coupons and/or the Bond Trust Deed).

In exercising any of its powers, trust authorities and discretions the Bond Trustee shall only have regard to the interests of the Covered Bondholders of all Series equally and shall not have regard to the interests of any other Secured Creditor.

10. **Covered Bond Paying Agent, Australian Paying Agent, Paying Agents, Luxembourg Registrar, Australian Registrar, Transfer Agent and Exchange Agent**

The names of the initial Covered Bond Paying Agent, Australian Paying Agent, the other initial Paying Agents, the initial Luxembourg Registrar, the Australian Registrar, the initial Transfer Agent, the initial Exchange Agent and their initial specified offices are set out below.

In the event of the appointed office of any such bank being unable or unwilling to continue to act as the Covered Bond Paying Agent, or failing duly to determine the Rate of Interest, if applicable, or to calculate the Interest Amounts for any Interest Period, the Issuer shall appoint the London office of such other bank as may be approved by the Bond Trustee to act as such in its place. The Covered Bond Paying Agent may not resign its duties or be removed from office without a successor having been appointed as aforesaid.

In the event of the appointed Australian Paying Agent and/or Australian Registrar being unable or unwilling to continue to act as the Australian Paying Agent and/or Australian Registrar, or, in the case of the Australian Paying Agent, failing duly to determine the Interest Rate, if applicable, or to calculate the Interest Amounts for any Interest Period, the Issuer shall appoint such other paying agent and/or registrar as may be approved by the Bond Trustee to act as such in its place.

The Issuer and the Covered Bond Guarantor are entitled, with the prior written approval of the Bond Trustee (such approval not to be unreasonably withheld or delayed), to vary or terminate the appointment of any Paying Agent or Registrar and/or appoint additional or other Paying Agents or Registrars and/or approve any change in the specified office through which any Paying Agent or Registrar acts, provided that:

(a) there will at all times be a Covered Bond Paying Agent and a Luxembourg Registrar and so long as any Australian Registered Covered Bonds are outstanding, an Australian Paying Agent and an Australian Registrar and, in the cases of issuances through DTC, a U.S. Paying Agent and a U.S. Registrar;

(b) so long as any of the Covered Bonds are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Covered Bonds) and a Transfer Agent (in the case of Registered Covered Bonds) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or as the case may be, other relevant authority; and

(c) so long as any of the Registered Global Covered Bonds payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent;

In addition, the Issuer shall, when necessary appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6(g) (*General provisions applicable to payments*). Notice of any such variation, termination, appointment or change will be given by the Issuer to the Covered Bondholders as soon as reasonably practicable in accordance with Condition 14 (*Notices*).

In acting under the Agency Agreements, the Agents act solely as agents of the Issuer and the Covered Bond Guarantor and do not assume any obligation to, or relationship of agency or trust with, any Covered Bondholders, Receiptholders or Couponholders. Each Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

11. Meetings of Covered Bondholders, Modification, Waiver and Substitution

Covered Bondholders, Receiptholders, Couponholders and other Secured Creditors should note that the Issuer and the Covered Bond Guarantor (acting at the direction of the Trust Manager) may concur with any party (including any Paying Agent) without the consent of the Covered Bondholders, Receiptholders, Couponholders and other Secured Creditors or the consent of the Bond Trustee or the Security Trustee and agree to modify any provision of any Final Terms which is of a formal, minor or technical nature or is made to correct a manifest error or proven error or to comply with any mandatory provisions of law or in the circumstances described below.

(a) Meetings

The Bond Trust Deed contains provisions for convening meetings of the Covered Bondholders of any Series to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Conditions, the N Covered Bond Conditions applicable to a Series of N Covered Bonds or the provisions of the Bond Trust Deed. The quorum at any such meeting in respect of the Covered Bonds of any Series for passing an Extraordinary Resolution (other than in respect of a Series Reserved Matter) is two or more persons present holding Definitive Covered Bonds or voting certificates or being proxies or representatives and holding or representing more than 50 per cent of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding, or at any adjourned meeting two or more persons present holding Bearer Definitive Covered Bonds or voting certificates or being proxies or representatives (whatever the Principal Amount Outstanding of the Covered Bonds then outstanding so held or represented by them) of such Series, except that at any meeting the business of which comprises of any Series Reserved Matter, the quorum for any adjourned meeting shall be two or more persons holding or representing not less than one-third of the aggregate Principal Amount Outstanding of the Covered Bonds of the relevant Series (in the case of an Extraordinary Resolution not in relation to a Programme Resolution) for the time being outstanding. The expression Extraordinary Resolution when used in these Conditions means: (i) a resolution passed at a meeting of the Covered Bondholders duly convened and held in accordance with the Bond Trust Deed by a majority consisting of not less than seventy five% of the persons voting thereat upon a show of hands or if a poll is duly demanded by a majority consisting of not less than three fourths of the votes cast on such poll; or (ii) a resolution in writing signed by or on behalf of Covered Bondholders holding not less than seventy five% in Principal Amount Outstanding of the Covered Bonds then outstanding, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of two or more of the Covered Bondholders; or (iii) a resolution passed by way of electronic consents given by holders through the relevant clearing system(s) (in a form satisfactory to the Bond Trustee) by or on behalf of the Covered Bondholders of not less than three fourths in Principal Amount Outstanding for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Covered Bondholders of a Series shall, subject as provided below, be binding on all the Covered Bondholders of such Series, whether or not they are present at the meeting and whether or not voting on the resolution, and on all Receiptholders and Couponholders in respect of such Series of Covered Bonds. Pursuant to the Bond Trust Deed, the Bond Trustee may convene a single meeting of the holders of Covered Bonds of more than one Series if in the opinion of the Bond Trustee there is no conflict between the respective interests of such Covered Bondholders, in which event the provisions of this paragraph shall apply thereto *mutatis mutandis*.

Notwithstanding the provisions of the immediately preceding paragraph, any Extraordinary Resolution to direct the Bond Trustee to accelerate the Covered Bonds pursuant to Condition 9(a) (*Issuer Events of Default*) or to give a Covered Bond Guarantee Acceleration Notice pursuant to Condition 9(b) (*Covered Bond Guarantor Events of Default*) or to direct the Bond Trustee or to direct the Bond Trustee to direct the Security Trustee to take any enforcement action or to direct the Bond Trustee to determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default shall not be treated as such for the purposes of the Bond Trust Deed (each a "**Programme Resolution**") shall only be capable of being passed at a single meeting of the Covered Bondholders of all Series then outstanding. Any such meeting to consider a Programme Resolution may be convened by the Issuer, the Covered Bond Guarantor acting at the direction of the Trust Manager or the Bond Trustee or by the Covered Bondholders of any Series. The quorum at any such meeting for passing a Programme Resolution is two or more persons holding or representing more than two-thirds of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series for the time being outstanding or at any adjourned such meeting two or more persons holding or representing in the aggregate not less than one-third of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series for the time being outstanding. A Programme Resolution passed at any meeting of the Covered Bondholders of all Series shall be binding on all the Covered Bondholders of all Series, whether or not they are present at the meeting and on all related Receiptholders and Couponholders.

In connection with any meeting of the holders of Covered Bonds of more than one Series where such Covered Bonds are not denominated in Australian Dollars, the Principal Amount Outstanding of the Covered Bonds of any Series not denominated in Australian Dollars shall be converted into Australian Dollars at the relevant Swap Rate.

The Bond Trustee may (and in the case of any modification contemplated by (c) below the Bond Trustee must), without the consent or sanction of any of the Covered Bondholders of any Series, the related Receiptholders and/or the Couponholders and without the consent or sanction of the other Secured Creditors (other than any Secured Creditor who is party to the relevant documents), at any time and from time to time, concur with the Issuer, the Covered Bond Guarantor (acting at the direction of the Trust Manager) and any other party and/or direct the Security Trustee to concur with the Issuer, the Covered Bond Guarantor (acting at the direction of the Trust Manager) and any other party in making:

(a) any modification (other than in relation to a Series Reserved Matter) to the Covered Bonds of one or more Series, the related Receipts and/or Coupons or any Programme Document provided that in the opinion of the Bond Trustee such modification is not materially prejudicial to the interests of the Covered Bondholders of any Series but such power does not extend to any such modification referred to in the definition of Series Reserved Matter; or

(b) any modification to the Covered Bonds of any one or more Series, the related Receipts and/or coupons or any Programme Document which is in the opinion of the Bond Trustee of a formal, minor or technical nature, or in the opinion of the Bond Trustee made to correct a manifest error or error proven as such to the satisfaction of the Bond Trustee or is made to comply with mandatory provisions of law (and for this purpose the Bond Trustee

may disregard whether any such modification relates to a Series Reserved Matter); or

(c) any modification contemplated by Clause 21.4 and/or Clause 21.5 of the Bond Trust Deed.

Notwithstanding the above, or any provision of any Programme Document the Bond Trustee shall not be obliged to agree to any amendment, which, in the sole opinion of the Bond Trustee or the Security Trustee (as applicable), would have the effect of (x) exposing the Bond Trustee or the Security Trustee (as applicable) to any liability against which it has not been indemnified and/or secured and/or prefunded to its satisfaction or (y) increasing the obligations or duties, or decreasing the protections, of the Bond Trustee or the Security Trustee (as applicable) in the Bond Trust Deed, the other Programme Documents and/or the Conditions.

The Bond Trustee may without the consent of any of the Covered Bondholders of any Series, the related Receiptholders and/or Couponholders and without the consent of any other Secured Creditor and without prejudice to its rights in respect of any subsequent breach, Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default from time to time and at any time but only if in so far as in its opinion the interests of the Covered Bondholders of any Series shall not be materially prejudiced thereby, waive or authorise, or direct the Security Trustee to waive or authorise, any breach or proposed breach by the Issuer or the Covered Bond Guarantor or any other person of any of the covenants or provisions contained in the Trust Presents, the other Programme Documents or the Conditions or determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default shall not be treated as such for the purposes of the Trust Presents, PROVIDED ALWAYS THAT the Bond Trustee shall not exercise any powers conferred on it by this Condition 11 in contravention of any express direction given by Extraordinary Resolution or by a request under Condition 9(a) or (b) (*Events of Default and Enforcement*) but so that no such direction or request shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Bond Trustee may determine, shall be binding on the Covered Bondholders, the related Receiptholders and/or the Couponholders and if, but only if, the Bond Trustee will so require by writing to the Issuer, shall be notified by the Issuer or Covered Bond Guarantor (at the direction of the Trust Manager) (as the case may be) to the Covered Bondholders in accordance with Condition 14 (*Notices*) as soon as practicable thereafter.

Subject to as provided below, the Bond Trustee shall be bound to waive or authorise, or direct the Security Trustee to waive or authorise, any breach or proposed breach by an Issuer or the Covered Bond Guarantor or any other person of any of the covenants or provisions contained in the Trust Presents, the other Programme Documents or the Conditions or determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default shall not be treated as such for the purposes of the Bond Trust Deed if it is: (i) in the case of such waiver or authorisation, (a) so directed by Extraordinary Resolution of the Covered Bondholders of the relevant one or more Series (with the Covered Bonds of all such Series taken together as a single Series in the circumstances provided in the Bond Trust Deed and if applicable, converted into Australian

Dollars at the relevant Swap Rate) or (b) requested to do so in writing by the holders of not less than 25 per cent of the Principal Amount Outstanding of the Covered Bonds of the relevant one or more Series (with the Covered Bonds of all such Series taken together as a single Series in the circumstances provided in the Bond Trust Deed and if applicable, converted into Australian Dollars at the relevant Swap Rate) or (ii), in the case of any such determination, (a) so directed by an Extraordinary Resolution of the Covered Bondholders of all Series then outstanding with the Covered Bonds of all Series taken together as a single Series and if applicable, converted into Australian Dollars at the relevant Swap Rate) or (b) requested to do so in writing by the holders of not less than 25 per cent of the Principal Amount Outstanding of the Covered Bonds of all Series then outstanding with the Covered Bonds of all Series taken together as a single Series and if applicable, converted into Australian Dollars as aforesaid) and at all times then only if it shall be indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

The Security Trustee may, without the consent of the Covered Bondholders, Receiptholders or Couponholders of any Series and without the consent of any other secured creditors and without prejudice to their rights in respect of any subsequent breach, Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default or Potential Covered Bond Guarantor Event of Default from time to time and at any time, but only if instructed to do so by a resolution of Voting Secured Creditors (where the Bond Trustee is not the voting secured creditor) or by a direction from the Bond Trustee (where the Bond Trustee is the voting secured creditor), authorise or waive any proposed or actual breach of any of the covenants or provisions contained in the Covered Bonds of any Series, any Programme Document or determine that any Issuer Event of Default, Potential Issuer Event of Default, Covered Bond Guarantor Event of Default, or Potential Covered Bond Guarantor Event of Default shall not be treated as such for the purposes of the Security Trust Deed. Any such authorisation or waiver or determination shall be binding on the Secured Creditors and if, but only if, the resolution or direction (as the case may be) shall so require, shall be notified by the Bond Trustee to the Covered Bondholders in accordance with Condition 14 (*Notices*).

In connection with the exercise by it of any of its trusts, powers, authorities and discretions under the Programme Documents, (including, without limitation, any modification, waiver, authorisation or determination), the Bond Trustee and the Security Trustee shall have regard to the general interests of the Covered Bondholders (of each Series) as a class (but shall not have regard to any interests arising from circumstances particular to individual Covered Bondholders, Receiptholders or Couponholders whatever their number) and in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Covered Bondholders, the related Receiptholders, Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Bond Trustee and the Security Trustee shall not be entitled to require, nor shall any Covered Bondholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Security Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Covered Bondholders, Receiptholders and/or Couponholders, except to the extent already provided for in Condition 7 (*Taxation*) of the Conditions or Condition 7 (*Taxation*) of any N

Covered Bond Conditions and/or in any undertaking or covenant given in addition to, or in substitution for Condition 7 (*Taxation*) of the Conditions or Condition 7 (*Taxation*) of any N Covered Bond Conditions pursuant to the Trust Presents.

(b) Substitution

The Bond Trust Deed provides that in connection with any scheme of amalgamation or reconstruction of the Issuer and (A) where the Issuer does not survive the amalgamation or reconstruction or (B) where all or substantially all of the assets and business of the Issuer will be disposed of to, or succeeded to, by another entity (whether by operation of law or otherwise), the Bond Trustee shall, if requested by the Issuer, be obliged, without the consent of the Covered Bondholders, Receiptholders or Couponholders, at any time to agree with the Issuer to the substitution in the place of the Issuer (or the previous substitute under this Condition) as principal debtor under the Trust Presents of another company (the Substituted Debtor) being the entity with and into which the Issuer amalgamates or the entity to which all or substantially all of the business and assets of the Issuer is transferred, or succeeded to, pursuant to such scheme of amalgamation or reconstruction (whether by operation of law or otherwise), subject to, *inter alia*:

(i) the Substituted Debtor entering into a supplemental trust deed or some other form of undertaking in form and manner satisfactory to the Bond Trustee agreeing to be bound by the Trust Presents with any consequential amendments which the Bond Trustee may deem appropriate as fully as if the Substituted Debtor had been named in the Trust Presents as principal debtor in place of the Issuer (or the previous substitute under this Condition);

(ii) the Substituted Debtor acquiring or succeeding to pursuant to such scheme of amalgamation or reconstruction all or substantially all of the assets and business of the Issuer; and

(iii) confirmations being received by the Bond Trustee from each Designated Rating Agency that the substitution will not adversely affect the rating of the Covered Bonds.

Any such supplemental trust deed or undertaking shall, if so expressed, operate to release the Issuer the previous substitute as aforesaid from all of its obligations as principal debtor under the Trust Presents.

In addition, subject as further provided in the Bond Trust Deed, the Bond Trustee may without the consent of the Covered Bondholders, Receiptholders or Couponholders at any time agree with the Issuer to the substitution in place of the Issuer (or any previous substitute under this Condition) as the principal debtor under the Covered Bonds, Receipts, Coupons and the Bond Trust Deed of any Subsidiary of the Issuer (each substituted company being hereinafter called the New Company) subject to (a) the Bond Trustee being satisfied that the interests of the Covered Bondholders will not be materially prejudiced by the substitution and (b) certain other conditions set out in the Bond Trust Deed being complied with.

Any substitution pursuant to this Condition 11(b) shall be binding on the Covered Bondholders, the Receiptholders and the Couponholders and unless the Bond Trustee agrees otherwise, shall be notified by the New Company to the Covered

Bondholders not later than 14 days after any such substitution in accordance with Condition 14 (*Notices*).

It shall be a condition of any substitution pursuant to this Condition 11(b) that the Covered Bond Guarantee shall remain in place or be modified to apply *mutatis mutandis* and continue in full force and effect in relation to the obligations of the New Company.

(c) Designated Rating Agencies

To the extent that:

(i) a confirmation or affirmation of rating or other response by a Designated Rating Agency is a condition to any action or step under any Programme Document; and

(ii) the Trust Manager has delivered to the Covered Bond Guarantor (copied to the Seller, the Bond Trustee and each Designated Rating Agency) written confirmation that it has notified the Designated Rating Agencies of the action or step and that the Trust Manager is satisfied, following discussions with the Designated Rating Agencies, that the action or step, as applicable, will not result in a reduction, qualification or withdrawal of the ratings then assigned by the Designated Rating Agencies and the Designated Rating Agency does not consider such confirmation necessary.

the parties to the Programme Documents shall be entitled to assume that the then current rating of the Covered Bonds from that Designated Rating Agency will not be downgraded or withdrawn by such Designated Rating Agency as a result of such action or step.

The Bond Trustee shall be entitled to treat as conclusive a certificate signed by an Authorised Officer of the Issuer or the Trust Manager that the Trust Manager has notified the Designated Rating Agencies of an action or step under any Programme Document and that the Trust Manager is satisfied, following discussions with the Designated Rating Agencies, that the action or step, as applicable, will not result in a reduction, qualification or withdrawal of the ratings then assigned by the Designated Rating Agencies to the Covered Bonds and the Bond Trustee shall not be responsible for any Liabilities that may be caused as a result.

For the purposes of this Condition 11:

"**Potential Issuer Event of Default**" means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, (or combination of them) would constitute an Issuer Event of Default;

"**Potential Covered Bond Guarantor Event of Default**" means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition (or any combination of them), would constitute a Covered Bond Guarantor Event of Default; and

"**Series Reserved Matter**" in relation to Covered Bonds of a Series including any Series of N Covered Bonds, means any proposal:

(i) to amend the dates of maturity or redemption of the Covered Bonds, or any date for payment of interest or Interest Amounts on the Covered Bonds or the obligation of the Issuer to pay additional amounts pursuant to Condition 7 (*Taxation*) of the Programme Conditions or Condition 7 (*Taxation*) of the N Covered Bond Conditions,

(ii) to reduce or cancel the Principal Amount Outstanding of, or any premium payable on redemption of, the Covered Bonds,

(iii) to reduce the rate or rates of interest in respect of the Covered Bonds or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Covered Bonds,

(iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount is set out in the Final Terms, to reduce any such amount or (if applicable), in relation to N Covered Bonds, the N Covered Bond Conditions,

(v) to vary any method of, or basis for, calculating the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, including the method of calculating the Amortised Face Amount,

(vi) to vary the currency or currencies of payment or Specified Denomination of the Covered Bonds,

(vii) to take any steps that may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, or

(viii) to modify the provisions concerning the quorum required at any meeting of Covered Bondholders or the majority required to pass the Extraordinary Resolution.

12. **Replacement of Covered Bonds, Receipts, Coupons and Talons**

(a) Should any Covered Bond, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced subject to applicable laws, regulations and listing authority, stock exchange and/or quotation system regulations at the specified office of the Covered Bond Paying Agent and the Luxembourg Registrar in London (in the case of Bearer Covered Bonds, Receipts, Coupons or Talons) or the specified office of the relevant Registrar (in the case of Registered Covered Bonds other than Australian Registered Covered Bonds), or any other place approved by the Bond Trustee of which notice shall have been published in accordance with Condition 14 (*Notices*) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Covered Bond, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Covered Bonds, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Covered Bonds, Receipts, Coupons or Talons must be surrendered before replacements will be issued. Australian Registered Covered Bonds are constituted by entry in the Australian Register pursuant to the Deed Poll and are not evidenced by any certificate or document of title or have any related Receipt, Coupon or Talon.

(b) 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 Covered Bond Paying Agent, the Luxembourg Registrar or any other Paying Agent (other than the Australian Paying Agent) 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 Covered Bond to which it appertains) a further Talon, subject to the provisions of Condition 8 (*Prescription*).

13. **Further Issues**

The Issuer shall be at liberty from time to time (but subject always to the provisions of the Trust Presents) without the consent of the Covered Bondholders, the Receiptholders or the Couponholders to create and issue further Covered Bonds (whether in bearer or registered form) having terms and conditions the same as the Covered Bonds of any Series or the same in all respects save for the amount and date of the first payment of interest thereon, issue date and/or purchase price and so that the same shall be consolidated and form a single Series with the outstanding Covered Bonds of such Series.

14. **Notices**

Subject as provided below, all notices regarding the Bearer Covered Bonds will be valid if published in a leading English language daily newspaper of general circulation in London. It is expected that any such newspaper publication will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Covered Bonds are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers or where published in such newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Bond Trustee shall approve.

Subject as provided below, all notices regarding the Registered Covered Bonds (other than Australian Registered Covered Bonds) will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and in addition, for so long as any Registered Covered Bonds are admitted to trading on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

All notices and other communications to the Australian Registered Covered Bondholders must be in writing and either

(i) sent by prepaid post (airmail if appropriate) to or left at the address of the Australian Registered Covered Bondholders (as shown in the Australian Register at the close of business on the day which is three Business Days before the date of the notice or communication) or

(ii) (if available) issued to Australian Registered Covered Bondholders through Austraclear in accordance with the Austraclear Regulations or

(iii) Published in a leading daily newspaper of general circulation in Australia (expected to be the *Australian Financial Review*) in which case any such notice will be deemed to have been given on the date of such publication.

Until such time as any Definitive Covered Bonds are issued, there may, so long as the Covered Bonds are represented in their entirety by any Global Covered Bonds held on behalf of Euroclear and/or Clearstream, Austraclear and/or DTC be substituted for such publication in such newspaper(s) or such mailing the delivery of the relevant notice to Euroclear and/or Clearstream, Austraclear and/or DTC for communication by them to the Covered Bondholders and, in addition, for so long as any Covered Bonds are listed on a stock exchange or admitted to trading by any other relevant authority and the rules of that stock exchange, or as the case may be, other relevant authority so require, such notice or notices will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the Covered Bondholders on the day on which the said notice was given to Euroclear and/or Clearstream, Austraclear and/or DTC.

Notices to be given by any Covered Bondholder shall be in writing and given by lodging the same, together (in the case of any Covered Bond in definitive form) with the relative Covered Bond or Covered Bonds, with the Agent (in the case of the Bearer Covered Bonds), the Registrar (in the case of Registered Covered Bonds) or the Australian Registrar (in the case of Australian Registered Covered Bonds). While any of the Covered Bonds are represented by a Global Covered Bond, such notice may be given by any holder of a Covered Bond to the relevant Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Austraclear and/or DTC, as the case may be, in such manner as the Principal Paying Agent, the Registrar and/or Euroclear and/or Clearstream, Austraclear and/or DTC, as the case may be, may approve for this purpose.

While any Covered Bonds remain outstanding, the Issuer will, during any period in which the Issuer or the Covered Bond Guarantor is not subject to Sections 13 or 15(d) of the United States Securities Exchange Act of 1934, or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, make available to QIB who holds any Covered Bonds, and any prospective purchaser of a Covered Bond who is a QIB designated by such holder of such Covered Bond, upon the request of such holder or prospective purchaser, the information concerning the Issuer and the Covered Bond Guarantor required to be provided to such holder or prospective purchaser by Rule 144A(d)(4) under the Securities Act.

15. Indemnification of the Bond Trustee and the Security Trustee and the Bond Trustee and Security Trustee contracting with the Issuer and/or the Covered Bond Guarantor

If, in connection with the exercise of its powers, trusts, authorities or discretions the Bond Trustee is of the opinion that the interests of the Covered Bondholders of any one or more series would be materially prejudiced thereby, the Bond Trustee shall not exercise such power, trust, authority or discretion without the approval of such Covered Bondholders of the relevant Series by Extraordinary Resolution or by a direction in writing of such Covered Bondholders of at least 25 per cent of the Principal Amount Outstanding of Covered Bonds of the relevant Series then outstanding or as otherwise required under the Programme Documents.

The Bond Trust Deed and the Security Trust Deed contain provisions for the indemnification of the Bond Trustee and the Security Trustee and for their relief from responsibility, including provisions relieving them from taking any action unless indemnified and/or secured and/or prefunded to their satisfaction.

The Bond Trust Deed and the Security Trust Deed also contain provisions pursuant to which each of the Bond Trustee and Security Trustee, respectively, is entitled, *inter alia*: (i) to enter into business transactions with the Issuer, the Covered Bond Guarantor and/or any of their respective Subsidiaries and affiliates and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, the Covered Bond Guarantor and/or any of their respective Subsidiaries and affiliates; (ii) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Covered Bondholders, Receiptholders or Couponholders or the other Secured Creditors and (iii) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Bond Trustee will not be responsible for any loss, expense or liability which may be suffered as a result of any Purchased Receivables or Related Security, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons whether or not on behalf of the Bond Trustee and/or the Security Trustee. The Bond Trustee will not be responsible for *inter alia*: (i) supervising the performance by the Issuer or any other party to the Programme Documents of their respective obligations under the Programme Documents and the Bond Trustee will be entitled to assume, until it has written notice to the contrary, that all such persons are properly performing their duties; (ii) considering the basis on which approvals or consents are granted by the Issuer or any other party to the Programme Documents under the Programme Documents; (iii) monitoring the Purchased Receivables, including, without limitation, whether the Purchased Receivables are in compliance with the Asset Coverage Test, the Pre-Maturity Test or the Amortisation Test; or (iv) monitoring whether Receivables are Qualifying Receivables. The Bond Trustee will not be liable to any Covered Bondholder or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by a prudent secured creditor in relation to the Charge and have no responsibility in relation to the legality, validity, sufficiency and enforceability of the Charge and the Programme Documents. In addition, each Covered Bondholder shall, by virtue of purchasing and/or holding Covered Bonds, be deemed to have acknowledged and agreed that that the Security Trustee is not required *inter alia*, (i) to provide it with any information concerning the business or financial condition of any party to any Programme Document; (ii) to investigate the accuracy, adequacy or completeness of any information provided by any party in connection with a Programme Document; (iii) to assess or keep under review the business, financial condition, status or affairs of any party to any Programme Document; (iv) to investigate whether an Issuer Event of Default, or Covered Bond Guarantor Event of Default has occurred, or (v) to investigate or keep itself informed as to the performance by any other party of that party's obligations under any document.

The Bond Trustee may refrain from taking any action or exercising any right, power, authority or discretion vested in it relating to the transactions contemplated in the Programme Documents until it has been indemnified and/or secured and/or prefunded to its satisfaction against any and all actions, charges, claims, costs, damages, demands, expenses, liabilities, losses and proceedings which might be sustained by it as a result and will not be required to do anything which may cause it to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights, powers, authorities or discretions if it has reasonable grounds for believing that repayment of such funds or adequate indemnity, security or prefunding against such liability is not assured to it.

16. **Limited Recourse and non-petition**

The Covered Bondholders shall, by virtue of purchasing and/or holding Covered Bonds, be deemed to have agreed with the Covered Bond Guarantor and the Security Trustee as follows:

(a) The Covered Bond Guarantor enters into the Programme Documents only in its capacity as Covered Bond Guarantor of the Trust and in no other capacity. A liability arising under or in connection with the Programme Documents or the Trust is limited to and can be enforced against the Covered Bond Guarantor only to the extent to which it can be satisfied out of the Assets of the Trust out of which the Covered Bond Guarantor is actually indemnified for the liability. This limitation of the Covered Bond Guarantor's liability applies despite any other provision of the Programme Documents and extends to all liabilities and obligations of the Covered Bond Guarantor in any way connected with any representation, warranty, conduct, omission, agreement or transaction related to the Programme Documents or the Trust.

(b) The Covered Bondholders may not sue the Covered Bond Guarantor in any capacity other than Covered Bond Guarantor of the Trust, including seeking the appointment of a receiver (except in relation to the Assets), or a liquidator, an administrator or any similar person to the Covered Bond Guarantor or prove in any liquidation, administration or arrangements of or affecting the Covered Bond Guarantor (except in relation to an Asset of the Trust).

(c) The provisions of Condition 16(a) and Condition 16(b) limiting the Covered Bond Guarantor's liability will not apply to any obligation or liability of the Covered Bond Guarantor to the extent that it is not satisfied because under any Programme Document in relation to the Trust or by operation of law there is a reduction in the extent of the Covered Bond Guarantor's indemnification out of the Assets of the Trust, as a result of the Covered Bond Guarantor's fraud, gross negligence or wilful default.

(d) The Transaction Parties are responsible under the Programme Documents in relation to the Trust for performing a variety of obligations relating to the Trust. No act or omission of the Covered Bond Guarantor (including any related failure to satisfy its obligations or breach of representation or warranty under these Conditions will be considered fraud, gross negligence or wilful default for the purpose of Condition 16(c) if and to the extent the act or omission was caused or contributed to by any failure by any Transaction Party or any other person appointed by the Covered Bond Guarantor under any Programme Document (other than a person whose acts or omissions the Covered Bond Guarantor is liable for in accordance with any Programme Document) to fulfil its obligations relating to the Trust or by any other act or omission of any Transaction Party or any other such person regardless of whether or not the act or omission is purported to be done on behalf of the Covered Bond Guarantor.

(e) No attorney, agent, receiver or receiver and manager appointed in accordance with the Programme Documents has authority to act on behalf of the Covered Bond Guarantor in a way that exposes the Covered Bond Guarantor to any personal liability, and no act or omission of any such person will be considered fraud, gross negligence or wilful default of the Covered Bond Guarantor for the purpose of this Condition 16.

(f) The Covered Bond Guarantor is not obliged to do anything or refrain from doing anything under or in connection with the Programme Documents (including

incur a liability) unless the Covered Bond Guarantor's liability is limited in the same manner as set out in this Condition 16.

(g) Only the Security Trustee may pursue the remedies available under the general law or to enforce the Charge granted under the Deed of Charge and no Covered Bondholder shall be entitled to proceed directly against the Covered Bond Guarantor to enforce the Charge.

(h) Except to the extent expressly provided in the Programme Documents:

(i) none of the Covered Bondholders (nor any person on their behalf, other than the Security Trustee where appropriate and the Bond Trustee in relation to the Covered Bond Guarantee) is entitled to direct the Security Trustee to enforce the Charge or take any proceedings against the Covered Bond Guarantor to enforce the Charge;

(ii) none of the Covered Bondholders (other than the Covered Bond Guarantor in relation to the Covered Bond Guarantee) shall have the right to take or join any person in taking any steps against the Covered Bond Guarantor for the purpose of obtaining payment of any amount due from the Covered Bond Guarantor to the Covered Bondholders;

(iii) until the date falling two years after the Vesting Date none of the Covered Bondholders nor any person on their behalf shall initiate or join any person in initiating an Insolvency Event in relation to the Trust other than a Receiver appointed pursuant to the Security Trust Deed; and

(iv) none of the Covered Bondholders shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Cashflow Allocation Methodology not being complied with.

(i) Each Covered Bondholder shall, by virtue of purchasing and/or holding Covered Bonds, be deemed to have agreed to be bound by the terms of the Cashflow Allocation Methodology set out in the Supplemental Deed and that, notwithstanding any other provision contained in the Programme Documents (other than clause 9.3 of the Demand Loan Agreement to which this Condition 16(i) is to be subject):

(i) it will not demand or receive payment of, or any distribution in respect of or on account of, any amounts payable by the Covered Bond Guarantor or the Security Trustee, as applicable, to that Secured Creditor under the Programme Documents, in cash or in kind and will not, save to the extent permitted by or provided for in the Programme Documents, apply any money or assets in discharge of any such amounts payable to it (whether by set-off or by any other method), unless all amounts then due and payable by the Covered Bond Guarantor to all other Secured Creditors ranking higher in the Cashflow Allocation Methodology have been paid in full;

(ii) if any amount is received by it (including by way of set-off) in respect of Secured Money owed to it other than in accordance with the provisions of the Programme Documents and the Cashflow Allocation Methodology then an amount equal to the difference between the amount so received by it and the amount that it would have received had it been paid in accordance with the provisions of the Programme Documents and the Cashflow Allocation Methodology, shall be received and held by it as

trustee for the Covered Bond Guarantor and shall be paid over to the Covered Bond Guarantor immediately upon receipt so that such amount can be applied in accordance with the Cashflow Allocation Methodology;

(iii) without prejudice to the foregoing, whether in the winding up of the Trust or any other party to the Programme Documents or otherwise, if any payment or distribution (or the proceeds of any enforcement of any Encumbrance) is received by a Secured Creditor (including a Covered Bondholder other than the Covered Bond Guarantor in relation to the Covered Bond Guarantee) in respect of any amount payable by the Covered Bond Guarantor or the Security Trustee or any insolvency official of the Trust, as applicable, to that Secured Creditor under the relevant Programme Document at a time when, by virtue of the provisions of the relevant Programme Documents, no payment or distribution should have been made, the amount so received shall promptly be paid by that Secured Creditor to the Security Trustee and pending such payment shall be held by that Secured Creditor upon trust for the Security Trustee, and immediately upon receipt by the Security Trustee shall be applied in accordance with the terms of the Security Trust Deed and the other Programme Documents; and

(iv) without prejudice to Condition 16(f), it shall not claim, rank, prove or vote as creditor of the Covered Bond Guarantor or its estate in competition with any prior ranking Secured Creditors in the Cashflow Allocation Methodology, the Security Trustee or the Covered Bond Guarantor, as applicable, or claim a right of set-off until all amounts then due and payable to Secured Creditors who rank higher in the Cashflow Allocation Methodology have been paid in full.

(j) The Covered Bondholders shall, by virtue of purchasing and/or holding Covered Bonds, be deemed to have acknowledged and agreed that, except to the extent set out in clause 9.3 of the Demand Loan Agreement, neither the Covered Bond Guarantor nor the Security Trustee shall pay or repay, or make any distribution in respect of, any amount owing to a Secured Creditor (including a Covered Bondholder) under the relevant Programme Documents (in cash or in kind) unless and until all amounts then due and payable by the Covered Bond Guarantor or the Security Trustee to all other Secured Creditors ranking higher in the Cashflow Allocation Methodology have been paid in full.

17. **Governing Law**

The Bond Trust Deed (including the Covered Bond Guarantee), the Principal Agency Agreement, the Covered Bonds (other than the Australian Registered Covered Bonds), the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law except that the Covered Bonds, the Receipts, the Coupons and the Talons may be governed by the laws of the State of Victoria, Australia if stated in the applicable Final Terms and the Australian Registered Covered Bonds are governed by, and shall be construed in accordance with, the laws of State of Victoria, Australia. The Australian Agency Agreement is governed by, and shall be construed in accordance with, the laws of State of Victoria, Australia.

18. **Jurisdiction and forum**

(a) Each of the Covered Bond Guarantor and the Issuer agrees for the benefit of the holders of Covered Bonds that the courts of England shall have jurisdiction to hear and

determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with such Covered Bonds and all matters connected with the Covered Bonds, Receipts, Coupons and Talons (respectively, "**Proceedings**" and "**Disputes**") and for such purposes, irrevocably submits to the jurisdiction of such courts.

(b) Each of the Covered Bond Guarantor and the Issuer irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

(c) The Issuer agrees for the benefit of the holders of Australian Registered Covered Bonds, that the courts of State of Victoria, Australia shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with such Australian Registered Covered Bonds and all matters connected with such Australian Registered Covered Bonds (respectively, Proceedings and Disputes) and, for such purposes, irrevocably submits to the jurisdiction of such courts.

(d) For the purposes of Condition 18(c), the Issuer irrevocably waives any objection which it might now or hereafter have to the courts of the State of Victoria, Australia being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

19. **Service of process - England**

The Issuer agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to the officer in charge of the London branch of Australia and New Zealand Banking Group Limited at 40 Bank Street, Canary Wharf, London E14 5EJ. If such person is not or ceases to be effectively appointed to accept service of process on the Issuer's behalf, the Issuer shall appoint a further person in England to accept service of process on the Issuer's behalf and, failing such appointment, within 15 days, the Bond Trustee shall be entitled to appoint such a person by written notice addressed to the Issuer delivered to the Issuer or to the specified office of the Principal Paying Agent. Nothing in this paragraph shall affect the right of the Bond Trustee to serve process in any other manner permitted by law.

20. **Details of Agents**

For the purposes of these Conditions, the details of relevant Agents are as below:

(a) The Covered Bond Paying Agent, the Exchange Agent and the Covered Bond Transfer Agent is Deutsche Bank AG, Hong Kong Branch, whose registered office is Level 60 International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

(b) The U.S. Covered Bond Paying Agent, the U.S. Covered Bond Transfer Agent and the U.S. Registrar is Deutsche Bank Trust Company Americas, whose registered office is Trust & Securities Services, 60 Wall Street, 24th Floor, MS NYC60-2407, NY 10005, USA.

USE OF PROCEEDS

Unless otherwise stated in the applicable Final Terms (or Pricing Supplement as the case may be), the gross proceeds from each issue of Covered Bonds by ANZBGL will be used for the general purposes of ANZBGL and its subsidiaries.

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED AND ITS SUBSIDIARIES

Overview

ANZBGL and its subsidiaries (together, the "**ANZ Group**"), which began its Australian operations in 1835 and its New Zealand operations in 1840, is one of the four major banking groups headquartered in Australia. ANZBGL is a public company limited by shares incorporated in Australia and was registered in the State of Victoria on 14 July 1977. ANZBGL's registered office is located at Level 9, 833 Collins Street, Docklands, Victoria, 3008, Australia, and the telephone number is +61 3 9683 9999. ANZBGL's Australian Business Number is ABN 11 005 357 522. The website of the Issuer is www.anz.com. No information on such website forms part of this Prospectus except as specifically incorporated by reference, see "*Documents Incorporated by Reference*".

The ANZ Group provides a broad range of banking and financial products and services to retail, small business, corporate and institutional customers. Geographically, operations span Australia, New Zealand, a number of countries in the Asia Pacific region, the United Kingdom, France, Germany and the United States.

As at 31 March 2021, ANZBGL had total assets of A$1,018.3 billion and shareholders' equity excluding non-controlling interests of A$62.6 billion. In terms of total assets among banking groups, the ANZ Group ranked second in Australia[3] as at 31 March 2021 and first in New Zealand[4] as at 31 March 2021. ANZBGL's principal ordinary share listing and quotation is on the ASX. Its ordinary shares are also quoted on the New Zealand Stock Exchange ("**NZX**"). At the close of trading on 31 March 2021, ANZBGL had a market capitalisation of A$80.2 billion, which ranked among the top six largest companies listed on the ASX.[5]

Business Model

The ANZ Group's business model primarily consists of raising funds through customer deposits and the wholesale debt markets and lending those funds to customers. In addition, the ANZ Group operates a Markets business which earns revenue from sales, trading and risk management activities. The ANZ Group also provides payments and clearing solutions. Up until the sale completion dates of the ANZ Group's divested wealth businesses in recent years, the ANZ Group earned revenue from its wealth activities through the provision of insurance, superannuation and funds management services. These are largely classified as discontinued operations from a financial reporting perspective.

The ANZ Group's primary lending activities are personal lending covering residential home loans, credit cards and overdrafts, and lending to corporate and institutional customers.

The ANZ Group's income is derived from a number of sources, primarily:

- Net interest income – represents the difference between the interest income the ANZ Group earns on its lending activities and the interest paid on customer deposits and wholesale funding;

[3] Source: Commonwealth Bank of Australia results announcement for the financial half year ended 31 December 2020; National Australia Bank results announcement for the financial half year ended 31 March 2021, Westpac Banking Corporation results announcement for the financial half year ended 31 March 2021.

[4] Source: Reserve Bank of New Zealand Bank Financial Strength Dashboard (https://bankdashboard.rbnz.govt.nz/summary) for the quarter ending 31 December 2020.

[5] Source: IRESS

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

Strategy

The ANZ Group's strategy is focused on improving the financial wellbeing of its customers; having the right people who listen, learn and adapt; putting the best tools and insights into their hands; and focusing on those few things that it believes really add value to customers and doing them right the first time.

In particular, the ANZ Group wants to help customers:

- save for, buy and own a liveable home;
- start or buy and grow their business and adopt sustainable business practices; and
- move capital and goods around the region and adopt sustainable business practices.

In doing so, the ANZ Group seeks to improve the financial wellbeing of our customers, people and communities by helping them make the most of their money throughout their lives; supporting household, business and financial practices that improve environmental sustainability; and improving the availability of suitable and affordable housing options for all Australians and New Zealanders.

<table>
<tr><td colspan="5">Purpose
ANZ Group's purpose is to shape a world where people and communities thrive</td></tr>
<tr><td>Strategic Imperatives</td><td colspan="3">Strategy</td><td>Creating value for our stakeholders</td></tr>
<tr><td>Create a simpler, better capitalised,
better balanced bank</td><td colspan="3">Improving the financial wellbeing of customers</td><td>Decent returns for shareholders</td></tr>
<tr><td>Build a superior experience for our people and customers in order to compete in the digital age</td><td>Looking to save for, buy and own a home</td><td>Looking to start, buy and grow a business</td><td>Looking to move capital and goods around the region</td><td>Great experience for customers</td></tr>
<tr><td>Focus our efforts where we can carve out a winning position</td><td>With people who listen, learn and adapt</td><td colspan="2">With the best tools and insights</td><td>Engaged, adaptable & capable employees</td></tr>
<tr><td>Drive a purpose and values led transformation of the Bank</td><td colspan="3">With flexible, resilient, digital infrastructure that supports great customer experience
at lower cost</td><td>Improved financial wellbeing, housing and environmental
sustainability outcomes for customers and communities</td></tr>
</table>

Principal activities of the ANZ Group

The ANZ Group operates on a divisional structure with five continuing divisions: Australia Retail and Commercial, Institutional, New Zealand, Pacific and Technology, Services & Operations ("**TSO**") and Group Centre.

As at 31 March 2021, the principal activities of the five continuing divisions were:

Australia Retail and Commercial

The Australia Retail and Commercial division comprises of the following business units.

(a) Retail provides products and services to consumer customers in Australia via the branch network, mortgage specialists, contact centres and a variety of self-service channels (internet banking, phone banking, ATMs, website and digital banking) and third party brokers.

(b) Commercial and Private Banking provides a full range of banking products and financial services, including asset financing, across the following customer segments: medium to large commercial customers and agribusiness customers across regional Australia, small business owners and high net worth individuals and family groups, in addition to financial planning services provided by salaried financial planners and investment lending secured by approved securities.

Institutional

The Institutional division services governments, global institutional and corporate customers across three product sets: Transaction Banking, Corporate Finance and Markets.

(a) Transaction Banking provides working capital and liquidity solutions including documentary trade, supply chain financing, commodity financing as well as cash management solutions, deposits, merchants and clearing.

(b) Corporate Finance provides loan products, loan syndication, specialised loan structuring and execution, project and export finance, debt structuring and acquisition finance and corporate advisory.

(c) Markets provides risk management services on foreign exchange, interest rates, credit, commodities and debt capital markets in addition to managing the ANZ Group's interest rate exposure and liquidity position.

New Zealand

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

(a) Retail provides a full range of banking and wealth management services to consumer, private banking and small business banking customers. It delivers its services via its internet and app-based digital solutions and network of branches, mortgage specialists, relationship managers and contact centres.

(b) Commercial provides a full range of banking services including traditional relationship banking and sophisticated financial solutions through dedicated managers focusing on privately owned medium to large enterprises, the agricultural business segment, government and government related entities.

Pacific

The Pacific division provides products and services to retail customers, small to medium-sized enterprises, institutional customers and governments located in the Pacific Islands. Products and services include retail products provided to consumers, traditional relationship banking and sophisticated financial solutions provided to business customers through dedicated managers.

TSO and Group Centre

TSO and Group Centre division provides support to the operating divisions, including technology, group operations, shared services, property, risk management, financial management, strategy, marketing, human resources and corporate affairs. The Group Centre includes residual components of ANZ Group's divestments, Group Treasury, Shareholder Functions and minority investments in Asia.

Recent Developments

Notice of wholesale subordinated note redemption

On 26 April 2021, the ANZ Group posted notice that it will exercise its option to redeem wholesale A$700,000,000 floating rate subordinated notes due May 2026. The notes will be redeemed on 17 May 2021 for their par value of A$700 million.

Fitch revises outlook on ANZ to stable

On 12 April 2021, Fitch revised the outlook on the long-term Issuer Default Rating ("**IDR**") for ANZBGL, and its wholly-owned subsidiary ANZ New Zealand, to stable from negative.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by an assigning rating agency and any rating should be evaluated independently of any other information.

Fitch affirmed ANZBGL's and ANZ New Zealand's long-term IDR at 'A+'. Fitch also reaffirmed all the ratings on long-term and short-term senior debt issued by ANZBGL and ANZ New Zealand and ANZBGL's subordinated debt and hybrid Tier 1 capital instruments.

Except as disclosed above, there have been no significant developments since 31 March 2021 to the date of this Prospectus.

Organisational Structure

ANZBGL is not directly or indirectly owned and controlled by any other corporation or corporations or by any foreign government.

ANZBGL's material controlled entities as at 30 September 2020 are set out in Note 25 to the ANZ Group's 2020 Annual Financial Statements which are incorporated by reference into, and forms part of, this Prospectus (see "*Information Incorporated by Reference*").

Directors

As at the date of this Prospectus, there are eight members on the Board of Directors of ANZBGL. Their names, positions within ANZBGL and principal outside activities are described below. The business address of the Board of Directors of ANZBGL is ANZ Centre Melbourne, Level 9, 833 Collins Street, Docklands, Victoria 3008, Australia.

Name of Director	Position	Principal Outside Activities
Mr Paul O'Sullivan	Chairman Independent Non-Executive Director	Chairman, Singtel Optus Pty Limited and Western Sydney Airport Corporation. Director, Telkomsel Indonesia and St Vincent's Health Australia.
Mr Shayne Cary Elliott	Chief Executive Officer Executive Director	Director, ANZ Bank New Zealand Limited and the Financial Markets Foundation for Children. Member, Business Council of Australia, the Australian Banking Association and the Australian Customs Advisory Board.

Name of Director	Position	Principal Outside Activities
Ms Ilana Rachel Atlas AO	Independent Non-Executive Director	Chairman, Jawun. Director, Origin Energy Limited and Paul Ramsay Foundation. Member, Panel of Adara Partners.
Ms Paula Jane Dwyer	Independent Non-Executive Director	Chairman, Kin Group Advisory Board and Allianz Australia Limited. Director, Lion Pty Ltd. Member, Kirin International Advisory Board and Australian Government Takeovers Panel.
Ms Sarah Jane Halton AO PSM	Independent Non-Executive Director	Chairman, Vault Systems, Coalition for Epidemic Preparedness Innovations (Norway) and Council on the Ageing Australia. Director, Clayton Utz and Crown Resorts Limited. Member, Executive Board of the Institute of Health Metrics and Evaluation at the University of Washington. Adjunct Professor, University of Sydney and University of Canberra. Council Member, Australian Strategic Policy Institute.
Sir John Key GNZM AC	Independent Non-Executive Director	Chairman, ANZ Bank New Zealand Limited. Director, Palo Alto Networks.
Mr Graeme Richard Liebelt	Independent Non-Executive Director	Chairman, Amcor Limited. Director, Australian Foundation Investment Company Limited and Carey Baptist Grammar School.
Mr John Thomas Macfarlane	Independent Non-Executive Director	Director, Colmac Group Pty Ltd, AGInvest Holdings Ltd (MyFarm Ltd), Balmoral Pastoral Investments and L1 Long Short Fund Ltd.

As at the date of this Prospectus, no material conflicts of interest and, other than in respect of any dealings between ANZBGL and any of the companies listed above under "Principal Outside Activities" which may arise in the future and be referred to the Board of Directors of ANZBGL, no potential material conflicts of interest exist between any duties owed to ANZBGL by members of its Board of Directors listed above and their private interests and/or other duties. In respect of potential conflicts of interest that may arise in the future, ANZBGL has processes for the management of such conflicts.

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED'S MORTGAGE BUSINESS

This section contains an overview of the Seller's residential mortgage business to the extent it may be relevant to loans and related securities that may be sold to the Covered Bond Guarantor. This overview does not purport to be complete and is qualified in its entirety by the remainder of this Prospectus. Prospective investors should note that the credit policies under the Servicing Procedures that applied to loans and related securities in the cover pool at the time of origination (of those loans) may be different to the credit policies that currently apply to those loans under the Servicing Procedures. The Servicing Procedures may be amended or revised by ANZBGL from time to time.

Introduction

The Seller began originating and servicing residential mortgage loans in 1835 and is currently one of Australia's top four largest mortgage lenders. As at 31 March 2021, the Seller acted as the primary servicer on approximately 1,019,000 residential mortgage loans having an aggregate unpaid balance of approximately A$281 billion (excluding non-performing loans and offset balances).

A Pool Summary Report containing statistical information in respect of the cover pool as at 30 September 2020 is attached to this Prospectus as Annex A.

The Seller's residential loan products have a wide variety of payment characteristics. The loans will have various maturities, interest rates, and amortisation schedules, among other characteristics.

The Seller may from time to time offer new products which have not been described in this Prospectus and borrowers whose loans have been sold to the Covered Bond Guarantor may have the opportunity to convert to these products. See "Summary of the Principal Documents-Mortgage Sale Agreement-Product Switches, Further Advances and Redraws" for more information in relation to the impact of certain product switches in relation to loans.

The loans sold to the Covered Bond Guarantor will be secured by registered first ranking mortgages on owner-occupied or non-owner occupied residential properties located in the Commonwealth of Australia. The mortgaged properties may consist of detached individual houses or units, condominiums, townhouses, row houses, duplexes and other attached dwelling units.

Loans originated by the Seller may bear interest at (1) a rate per annum that is subject to periodic adjustment, as frequently as daily, as announced by the Seller from time to time, (2) a fixed rate per annum for a specified interval (generally 1, 2, 3, 4, 5, 7 or 10 years) which then reverts to a rate described in (1) above unless the borrower applies for a further fixed rate term, or (3) an initial fixed rate per annum which, after a specified period, may be reset for a further fixed rate period.

Proceeds of the loans may be used by borrowers to acquire property, refinance existing loans or for other personal or investment requirements (subject to the satisfaction of the Seller). Certain loans may have been the subject of refinancing for the purpose of utilising equity. See "The Seller's Key Product Types-Home Loan Features" below.

The Seller and its originators may from time to time offer borrowers an opportunity to convert a loan to another product which may have an interest rate which is different to prevailing market rates or which may offer borrowers certain additional features (such as an offset account or a discount on fees), subject to certain eligibility criteria.

In certain respects, the loans differ from loans offered by other lenders in other jurisdictions. Some of the principal differences may be:

- *Variable Rate Loans*: The variable rate loans are not tied to an objective index, but rather are determined from time to time by the Seller in its own judgment.

- *Redraws*: As described below under "Home Loan Features-(b) Redraw," borrowers under certain loans are, subject to satisfaction of certain criteria, able to "redraw" on their mortgage loans.

- *Attached offset facilities*: As described below under "Interest Offset", offset facilities reduce the interest paid by the borrower to the Seller by reducing the effective interest bearing balance of the borrower's loan by the amount of funds in the linked offset account. This feature is only available for certain loan types.

- *Fixed Mortgage Rates*: The Seller does not originate "fixed rate" principal and interest loans in the traditional sense (i.e., loans that are issued with a single, specified rate for the term of the loan). Instead, as described above, the Seller originates loans that bear a fixed rate of interest for a specified period, but which then revert to the variable rate at the end of the specified period, unless the applicable borrower elects an alternative product type. Therefore, the interest rate at the conclusion of the "fixed" rate term may decline or increase over the remaining life of the loan.

The Seller's Key Product Types

The Seller currently offers a range of home loan products, with various features that are further described in the "Home Loan Features" section below. These home loan products may be obtained by borrowers for the primary purpose of acquiring an owner-occupied property or for the primary purpose of property investment.

ANZ Standard Variable Home Loan and ANZ Standard Variable Residential Investment Loan

This type of loan bears interest at a variable rate. The variable rates set under this product may fluctuate but are not linked to any objective index.

In addition, some loans in this category have an interest rate which is discounted by a fixed percentage to the variable rate. These discounts are offered on a discretionary basis.

ANZ Fixed Home Loan and ANZ Fixed Residential Investment Loan

This type of loan allows a borrower to set a designated rate of interest for selected periods. Terms for which the fixed rate can apply are 1, 2, 3, 4, 5, 7 and 10 years. On expiration of the fixed term, unless a new fixed term has been arranged by the borrower, or the borrower elects an alternative product type, the loan will automatically revert to the variable rate. Following this, the borrower may apply for another fixed rate term and payment of a new loan approval fee may be applicable.

ANZ Simplicity PLUS Home Loan and ANZ Simplicity PLUS Residential Investment Loan

This type of loan has a variable interest rate which is linked to its own independent index codes (not to any objective index) and these may fluctuate independently of any such rates in the market. This product offers fewer features (when compared with the ANZ Standard Variable Home Loan and ANZ Standard Variable Rate Residential Investment Loan) and no ongoing fees.

Home Loan Features

Each loan may have some or all of the features described in this section. In addition, during the term of any loan, the Seller may agree to change any of the terms of that loan from time to time at the request of the borrower.

(a) *Variable or fixed interest rates*. Unless otherwise specified, all loans in the cover pool at the Cut-off Date are mortgage loans with either variable or fixed rates. Borrowers, in the case of loans with a variable rate, are able to apply at a future date to fix the interest rate for selected terms, as described in "The Seller's Key Product Types-ANZ Fixed Home Loan and ANZ Fixed Residential Investment Loan" section above. Whole or partial prepayments on fixed rate loans may oblige the borrower to pay an early repayment cost. Additional payments can be made by the borrower for most types of variable rate loans without penalty.

The applicable interest rate may differ depending on the primary purpose of the loan (owner-occupied or investment) and the payment arrangement (interest only or principal and interest).

(b) *Redraw*. Borrowers may request a redraw of principal where they have made early or additional repayments on a loan for which redraw is available. The aggregate amount that may be advanced at any time is limited to the amount of additional principal repayments made by the borrower, provided all other required repayments have been made. See "Summary of the Principal Documents-Mortgage Sale Agreement-Product Switches, Further Advances and Redraws" for more information in relation to redraws.

Redraws can generally be made when the following criteria are met or otherwise at the Seller's discretion:

- the loan must have been fully drawn;
- the loan must not have been fully repaid;
- the loan must not be in a fixed rate period;
- the amount of early or additional repayments, less any previous redraws, must total an amount advised by the Seller from time to time;
- if the loan is guaranteed, the written consent of the guarantor must be obtained (applicable to Letters of Offer issued prior to 9 February 2008); and
- no event of default has occurred during the loan term.

These criteria may change from time to time at the discretion of the Seller.

(c) *Loans paid in advance with redraw available.* Borrowers who have a redraw facility and have made higher repayments than their required repayments will be considered to have paid in advance. In this instance, if the borrower does not make their required repayment, including repayment of interest, the required repayment may be taken from the funds available for redraw, until the available redraw amount cannot cover the required repayment. Any excess principal paid down because the borrower has funds in an offset account (and has made no adjustments to minimise repayments) will also be considered to have been paid in advance. However, such excess principal will not be available for redraw or to cover future required repayments.

(d) *Substitution of security.* Subject to, and in accordance with, the Servicing Procedures, the borrower may be permitted to transfer the loan so that it is secured by different security. If this results in an increase in the loan size, it is treated as a further advance.

(e) *Shared securities*. Some borrowers may have the option of more than one separate advance under separate loan contracts but secured by the same property. If a borrower requests the splitting of a loan, a partial prepayment of the existing loan would occur using the proceeds of the second loan with a separate loan account being established for the second loan.

(f) *Further advances*. The terms and conditions of the loans may provide borrowers the ability to seek further advances under their loans (i.e., in excess of the original approved loan balance). Any such further advances are subject to credit assessment and, if approved, will be advanced by the Seller.

(g) *Home loan packages.* Borrowers may elect to take out a home loan package, which typically comprises of an eligible home loan, an eligible transaction account and an optional eligible credit card. The home loan package has qualifying criteria based on the borrower's total aggregate loan amount and provides various benefits. These benefits may include interest rate discounts and fee waivers or reductions on certain home loan, transaction account and credit card product types.

Loan Renewals and Variations

From time to time borrowers may seek to vary the terms of their loan or apply for additional funds.

A loan may be varied in certain circumstances where, for example, there is an addition or removal of a borrower, a change to the required repayment amount or loan term or a change from an amortising loan to an interest only loan.

Where there is an application for additional funds, the Seller may either provide a further advance under the existing loan or lend the required funds under a separate supplementary loan (in which case, a new loan account will be established in the Seller's records). The borrower may elect whether funds are advanced under the existing loan or under a separate supplementary loan.

Interest Offset

The Seller offers borrowers an interest offset product known as "ANZ One Offset". This product can be linked to an eligible home loan account and may be used to reduce the interest payable on the borrower's home loan by offsetting the amount owed on the home loan against the amount of funds in the ANZ One Offset account.

There is no interest offset feature available to borrowers under "ANZ Simplicity PLUS Home Loans" and "ANZ Simplicity PLUS Residential Investment Loans". There is no interest offset feature available to borrowers under "ANZ Fixed Home Loans" and ANZ Fixed Residential Investment Loans" that, in each case, have a term greater than one year. The Seller may, in its discretion, treat another loan as an eligible ANZ loan for the purposes of offset.

The Seller does not actually pay interest to the borrower on the linked offset account but reduces the amount of interest which is payable by the borrower under its loan. This is achieved by reducing the effective interest bearing balance of the borrower's loan by the amount of funds in the linked offset account. The borrower continues to make its required repayments. The Seller will pay to the Trust the aggregate of all interest amounts offset subject to, and in accordance with, the Program Documents.

If, following a Title Perfection Event, the Covered Bond Guarantor obtains legal title to a loan, the Seller will no longer be able to offer an interest offset arrangement for that loan.

Interest Only Periods

A borrower may request to make payments of interest only on the borrower's loan for a period of up to 5 years in the case of owner occupied loans (excluding ANZ Simplicity PLUS Home Loans) and a period of up to 10 years in the case of investment loans. Any extension requires a credit assessment.

If the Seller agrees to such a request it does so by either applying higher principal repayments upon expiration of the interest only period so that the loan is repaid within its original term or by extending the loan term by a period matching the interest only period (without exceeding a 30 year term loan). Such loans will only be included in the pool of loans for the Trust to the extent described in this Prospectus.

Interest only extensions on owner occupied loans may also be granted for up to 10 years in certain financial hardship cases.

Additional Features

From time to time, additional features in relation to a loan that are not described above may be offered by the Seller, or features that have been previously offered may cease to be offered by the Seller and any fees or other conditions applicable to such features may be added, removed or varied by the Seller.

Origination Process

The loans in the pool for the Trust includes a portfolio of mortgage loans which are originated by the Seller and its distribution networks through loan applications from new and existing borrowers. The Seller originates loans through the following key sources:

(a) The Seller's established distribution network. This includes the branch network, private banking, telephone sales operation, business relationship managers and via the Internet through the Seller's website at www.anz.com.

(b) Approved mortgage brokers and the Seller's network of independently owned mobile lending franchises. Brokers must be a representative of an ANZBGL accredited aggregator, and each individual sales force member must complete an accreditation program prior to introducing applications to the Seller. Approved mobile lending franchisees operate under a franchise agreement with the Seller, and all employees involved in home loan sales are required to complete training and accreditation. Franchisees act as credit representatives of the Seller. All broker and mobile lender applications are assessed by the Seller according to its credit assessment criteria and processes, and are managed by the Seller following settlement of the loan.

Approval and Underwriting Process

When a loan application is received it is processed in accordance with the Seller's approval policies. These policies are subject to continuous review and amendment by the Seller. The Seller, like other lenders in the Australian residential mortgage loan market, does not divide its borrowers into groups of differing credit quality for the purposes of setting standard interest rates for its residential mortgage loans. All borrowers must satisfy the Seller's approval criteria described in this section.

Loan advances may be applied for owner-occupied, investment or personal purposes, and for the purchase, construction or renovation of a residential or investment property. While loan advances may also be applied to finance loans secured by land only, such loans are not eligible for inclusion in the cover pool. Construction loans are also not eligible for inclusion in the cover pool until construction is completed.

There is a minimum loan amount of A$20,000 (although supplementary loans may be made to existing borrowers in amounts under this minimum and, in limited circumstances in the past, the minimum loan amount was not observed) and no maximum loan amount (subject to security and capacity to repay).

For loan applications in respect of loans with a total value of less than A$2,000,000, the Seller lends up to:

(a) except as outlined in paragraphs (b) to (d) below and in each case in accordance with the Seller's credit policy:

- in the case of principal and interest loans, a maximum of 90 per cent of the market value of the property (excluding any capitalised amounts, such as Lenders Mortgage Insurance ("**LMI**") or mortgage protection insurance) or up to a maximum of 92 per cent if LMI premium is capitalised to the loan;
- in the case of owner occupied interest only loans, a maximum of 80 per cent of the market value of the property (including capitalised amounts, such as LMI or mortgage protection insurance); and
- in the case of residential investment interest only loans, a maximum of 90 per cent of the market value of the property (including any capitalised amounts, such as LMI or mortgage protection insurance);

(b) in the case of owner-occupied principal and interest loans where the borrower is classified as a staff member of the Seller or as an existing customer, a maximum of 95 per cent of the market value of the property (excluding any capitalised amounts, such as LMI or mortgage protection insurance) or up to a maximum of 97 per cent if LMI premium is capitalised to the loan;

(c) where the borrower is classified as an eligible health professional (or any other defined professional as determined by the Seller from time to time):

- in the case of residential investment loans (whether principal and interest loans or interest only loans), a maximum of 90 per cent of the market value of the property (excluding capitalised amounts);
- in the case of owner occupied principal and interest loans, a maximum of 95 per cent of the market value of the property (excluding capitalised amounts);

(d) a maximum of 70 per cent of the market value of the property (including capitalised amounts) where the lending is for properties located in mining regions (identified by specified post codes) (no LMI is available for these loans); and

(e) a maximum of 80 per cent of the market value of the property (including capitalised amounts) where the lending is for apartments located in specified post codes.

It is the Seller's standard policy that LMI be issued for all loans which have both a total loan value of less than A$2,000,000 (at the time of origination of that loan) and a loan-to-value ratio of more than 80 per cent on standard residential properties. The insurance provides 100 per cent coverage for the Seller against loss on the entire loan principal, interest and recovery expenses (but not early repayment costs or additional interest accrued on amounts in arrears). In some circumstances, LMI may be waived for loans to eligible health professionals (and any other defined professional as determined by the Seller from time to time) and eligible staff members of the Seller.

For loan applications in respect of loans with a total value of between A$2,000,000 and A$3,000,000 the Seller lends up to a maximum of 80 per cent of the market value of the property (excluding any capitalised amounts). No LMI is available on loans within or over this value range.

For loan applications in respect of loans with a total value over A$3,000,000 the Seller lends up to a maximum of 75 per cent of the market value of the property (excluding any capitalised amounts), subject to the Seller's discretion taking into consideration market and property characteristics. No LMI is available on loans within or over this value range.

The Seller may also offer lending for non-standard residential properties (which may include small apartments, studio apartments, warehouse and university apartments) to which the Seller applies lower loan to value ratio thresholds.

The minimum term for a loan is one month. The maximum initial loan term is 30 years. The approval process includes verifying the borrower's identity and application details, considering the suitability of the loan type against the borrower's stated purpose, assessing the borrower's ability to repay the loan in accordance with the Seller's credit assessment policies and determining the value of the mortgaged property.

Process for Verification of Application Details

The verification process includes applicants providing proof of identity, information in respect of employment, income, expenses, liabilities and, for loans where the loan to value ratio exceeds 85 per cent, savings. In some cases, the Seller relies on information provided to it by borrowers or their agents as an outcome of enquiries made of the borrower. In some instances the information provided is compared to benchmarks and/or reviewed by the Seller for certain undisclosed expenses. Application details can be verified by reference to information already in the Seller's possession, such as bank accounts held with the Seller. For an employed applicant, the process will include verifying income levels by reference to appropriate documents, such as recent payslips or bank statements submitted by the applicant or their agent, salary credits to a bank account held with the Seller or tax assessments provided by the applicant or their agent. For a self-employed or business applicant the process may include checking annual accounts, tax assessments and periodic business tax reports (known as "*business activity statements*"), in each case provided by the applicant or their agent. Where applicants have home loans with other financial institutions, the process requires the applicant to provide the last three months' statements of the existing home loans to determine the regularity of loan repayments.

The Seller checks the credit histories of existing borrowings from the Seller and undertakes external credit checks (which outline previous enquiries for credit made by the applicant and historical loan defaults that are recorded for that applicant). In some instances, the Seller also utilises certain automated processes designed to detect debts to other financial institutions that were not disclosed by the applicant on its application. Information on an individual able to be shared by lenders through the credit reporting system has been limited to credit applications and credit defaults (known as "negative credit reporting"). However, progressive implementation of "comprehensive credit reporting" which involves reporting on additional data including the types of loans and credit accounts held, when accounts were opened and closed, credit limits and repayment history commenced among some lenders since 2018. This was in response to an announcement by the Federal Treasurer on 2 November 2017 that the Australian Government would legislate for a mandatory comprehensive credit reporting regime and it was initially contemplated that those reforms would come into effect by 1 July 2018. In fact it was not until February 2021 that the *National Consumer Credit Protection Amendment (Mandatory Credit Reporting and Other Measures) Act 2021* (Cth) was passed, introducing amendments to the *National Consumer Credit Protection Act 2009* requiring that eligible licensees supply certain comprehensive credit information to eligible credit reporting bodies on

consumer credit accounts the eligible licensee holds. That mandatory comprehensive credit reporting regime will begin on 1 July 2021. ANZBGL has commenced reporting comprehensive credit card, personal loan, car loan, overdraft and home loan data.

Assessing Ability to Repay

An assessment is made of the applicant's ability to repay the proposed loan. The assessment is subject to interest rate buffers, minimum living expense floors and interest rate floors. The ability to repay is primarily based on the applicant's income being sufficient to cover all commitments including the proposed loan, along with any risk factors identified in verifying the applicant's income, savings or credit history. For interest only loans, the Seller assesses affordability of the entire loan amount against the residual principal and interest term. The Seller also applies minimum interest rate buffers to all other existing debt (other than the current home loan application being assessed).

Valuation of mortgaged property

The maximum allowable loan-to-value ratio, being the ratio of the loan amount (including certain capitalised amounts (if any) such as LMI but which may include capitalised fees (if any) such as registration fees) to the value of the mortgaged property, is calculated and an offer for finance is made conditional upon any outstanding approval conditions being satisfied. The amount of the loan that will be approved for a successful applicant is based on an assessment of the applicant's ability to repay the proposed loan and the loan-to-value ratio. For the purposes of calculating the loan-to-value ratio, except as otherwise described in this Prospectus, the value of the properties proposed as security for the loans to be assigned to the Trust have been determined at origination by one of the following methods:

- Valuation by appraiser. Valuations by qualified professional appraisers are carried out when there is some attribute of the loan or the property offered as security which, in accordance with the Seller's policies, requires a professional appraiser to undertake the assessment.

- Contract of sale. A contract of sale that specifies the amount paid for the proposed security property can be used under designated policies of the Seller. Such policies may include the validation of the amount paid using an automated valuation model.

- Automated valuation model. Valuations obtained by supplying the address and key features of the property offered as security to an external party which returns a statistically-derived valuation may be used where permitted by the Seller's policies.

- Valuation by an officer of the Seller. Historically, where there were no qualified professional valuers available in the area where the security property is located, an authorised officer of the Seller may have been utilised to procure the valuation in accordance with the Seller's policies. This valuation method is no longer utilised.

The maximum loan-to-value ratio that is permitted for any loan is determined according to the Seller's credit policy and is dependent on the size of the proposed loan, the main purpose of the lending, the nature and location of the proposed property and other relevant factors. Where more than one property is offered as security for a loan, the valuation for each property is considered and assessed against the loan amount sought.

Credit Assessment

The Seller uses application credit scoring as part of its assessment process in combination with automated policy rules. The application scorecards, policy rules and lending matrices use credit bureau data, existing customer data and data obtained from the customer to determine an

automated response. Any manual assessment is conducted by a centralised credit assessment team. None of the Seller's lending authorities sit with sales agents or third party introducers.

- Credit scorecard. A credit scorecard system developed by the Seller automatically and consistently applies the Seller's credit assessment rules without relying on the credit experience of the inputting officer. The credit scorecard returns a decision to approve, reject or refer an application. An application is referred by the system if certain risk factors, such as loan size or a high commitment level, are present which require the application to be assessed by an experienced loan officer. The credit score determined by this system is based on historical performance data of the Seller's mortgage loan portfolio.

- Credit approval authorities. Mortgage loan applications which are referred or declined by the credit scorecard or via manual escalation are assessed by a loan officer. Each loan officer is allocated a credit approval authority based on their level of experience and past performance. Loans which have certain risk characteristics, such as loan size or a high commitment level, are assessed or verified by more experienced loan officers.

- The Seller monitors the quality of lending decisions and approvals.

Servicing

The Servicer

ANZBGL (the **Servicer**) will be responsible for servicing the Purchased Receivables on behalf of the Covered Bond Guarantor.

General

The Servicer is contractually obligated to administer and service the Purchased Receivables:

- in such a manner and with the same level of skill, care and diligence as would a Prudent Mortgage Lender following such collection procedures as it follows with respect to any comparable mortgage loans beneficially owned and serviced by it; and

- in accordance with the operational and servicing procedures and policies adopted by the Servicer in accordance with its credit and risk policy (as amended from time to time).

Servicing procedures include responding to customer inquiries, managing and servicing the features and facilities available under the Purchased Receivables and the management of delinquent mortgage loans.

See "*Summary of the Principal Documents-Servicing Deed*" for a more detailed description of the undertakings, remuneration and removal or resignation of the Servicer.

Delegation by the Servicer

While this Prospectus describes the Servicer as performing all Servicer functions, the Servicer has the power to delegate or subcontract the performance of all or any of its powers and obligations under the Servicing Deed to third parties, including its mortgage originators. References to the Servicer servicing the Purchased Receivables should be construed accordingly. Such third parties may in turn delegate or sub-contract some or all of their obligations to other parties. Such delegates will utilise the Servicer's standard systems and procedures or systems and procedures which are consistent with those of the Servicer in administering and servicing the Purchased Receivables. Despite any delegation, the Servicer remains responsible and liable for the performance of its obligations under the Servicing Deed.

Collection and enforcement procedures

A borrower must make each repayment due under the terms and conditions of the borrower's loan on or before its scheduled due date. A borrower will generally elect to make their repayments weekly, fortnightly or monthly so long as the equivalent of the monthly required repayment is received on or before its due date. Payment can be made to a branch (by cash or cheque), via electronic funds transfer from another financial institution or via the Servicer's phone banking, internet banking or mobile banking application or by direct debit to a nominated bank account.

The majority of repayments on the loans are made by way of direct debits to a nominated bank account (held with the Seller), known as direct loan payments (**DLP**). The amount of the DLP is not automatically reduced if the minimum required repayment on the loan falls (e.g., following an interest rate reduction) but it is automatically increased if the minimum required repayment on the loan increases (e.g., following an interest rate increase). This process applies to principal and interest customers who have selected this payment option.

A loan is subject to action (as described below) in relation to delinquent payment whenever the monthly required repayment is not paid by its due date. However, under the terms of certain loans, borrowers may pay amounts which are additional to their monthly required repayment and have these funds available to redraw at a subsequent date. In the case of loans with redraw balances, or where there are funds available in a linked offset account, if a borrower subsequently fails to make some or all of a monthly required repayment, the Seller may apply funds available through the redraw or offset account to address the monthly required repayment.

The Servicer's collections system identifies loan accounts which are delinquent and allocates overdue loans to collection officers to take action.

Actions taken by the Servicer in relation to delinquent accounts will be determined according to a number of factors, including the following (with the input of a mortgage insurer if applicable):

- modelled behavioural score;
- delinquency history; and
- loan balance.

The Servicer may agree to a short term arrangement accepting less than the monthly required repayment in order to address temporary financial difficulty. Arrears accumulated during such arrangements may be naturally cured or capitalised through modification of loan contracts once the financial difficulty has been resolved and monthly required payments have been made for a consecutive 6 months. Longer term hardship may result in modification of loan contracts to, among other things, allow capitalisation of arrears, conversion to interest only, reduced interest margins and/or term extension. In considering a borrower with financial difficulty, the Servicer consults with the borrower and considers the causes of the borrower missing repayments and evaluates the probability of returning the loan to the original repayment schedule at the earliest opportunity.

If financial hardship is persistent and the sustainability of future payment is doubtful, legal notices are issued and recovery action is initiated by the Servicer. Recovery action is arranged by collections staff in conjunction with internal or external legal advisers. Recovery actions include:

- voluntary sale by the borrower;
- initiating a mortgagee sale; and

- making claims on lender's mortgage insurance.

Each account is graded into a previously impaired, very high, high, medium or low risk category. The grading process considers factors such as the borrower's previous arrears history.

Borrowers whose loans are in arrears can receive reminders via SMS, direct phone contact and by letter. The frequency of these delinquency reminders will vary according to the number of days the loan is delinquent and the risk grading allocated to the relevant loan.

When a loan is delinquent for 60 days, subject to certain exceptions, a default notice will be sent to the borrower(s) and guarantor(s) requiring repayment of all delinquent amounts within 30 days. At the expiration of the default notice period, the account is transferred to the Servicer's recovery solicitors who are instructed to conduct the litigation process on behalf of the Servicer. The recovery solicitors follow procedures developed by the Servicer for a standard litigation process. Any variance from the agreed process is referred to the Servicer for further instructions. The Servicer receives confirmation of any action that has been undertaken by the recovery solicitors at each stage throughout the recovery process.

Court proceedings against the borrower will be commenced once appropriate demands and notices have been issued by the recovery solicitors. This usually occurs within 4 to 6 weeks of a matter being referred to the recovery solicitors.

Once the court papers have been served on the borrower, and provided that the borrower does not defend the court action, the Servicer can then enter default judgment in the relevant court against the borrower for possession of any security property for recovery of the debt owing. Once the Servicer has entered judgment it will apply for a warrant or writ of possession whereby the sheriff will set a date for the borrower to be evicted from the property. Timeframes for setting the date of eviction vary between relevant states and territories.

Once possession is obtained, appraisals and valuations are obtained by the Servicer and a reserve price is set for sale of the property by way of auction or private sale.

The process described above assumes that the borrower has either taken no action or has not honoured any commitments made to cure the default to the satisfaction of the Servicer and, in some cases, the relevant Mortgage Insurer. It should also be noted that the Servicer's ability to exercise its power of sale of the mortgaged property is dependent upon the statutory restrictions of the relevant state or territory as to notice requirements. In addition, there may be factors outside the control of the Servicer, such as whether the borrower contests the sale and the market conditions at the time of sale, which may affect the length of time between the decision of the Servicer to exercise its power of sale and final completion of the sale.

The Servicer's collection and enforcement procedures may change from time to time in accordance with business judgment, internal policy and changes to legislation and guidelines established by the relevant regulatory bodies.

Certain polices and processes described above have been temporarily adjusted on account of the COVID-19 pandemic. See "—COVID-19" for more information.

Loan Variations

The Seller, in its discretion, may agree with a borrower from time to time to vary the terms and conditions of a loan without following the underwriting procedures described in this section. Such loan variations include changes to the interest rate and reductions in the term of the loan. See "Summary of the Principal Documents—Mortgage Sale Agreement—Product Switches, Further Advances and Redraws", "Collection and Enforcement Procedures" and "—COVID-19" for more information in relation to the impact of certain variations to loans.

Remediation

Processing errors due to certain system and process issues have been identified relating to some home loans and related products in the portfolio of the Australia Division of ANZBGL, including some loans that are Purchased Receivables. The affected Purchased Receivables may constitute up to 2 per cent of the receivables in the cover pool (calculated on the basis of principal balances) as at 31 March 2021. ANZBGL is remediating these issues by measures that include refunding amounts incorrectly charged to affected customers. In so far as these issues may affect Purchased Receivables and may amount to non-compliance with ANZBGL's obligations as Servicer under the Servicing Deed (which is not admitted), ANZBGL does not consider the amount required for remediation to be material or that any such issues, or their consequences, would be materially prejudicial to Covered Bondholders. Operational reviews by ANZBGL may in the future identify other errors and systems and process issues that require remediation. The effect of any such matters on Covered Bondholders cannot be ascertained at the date of this Prospectus.

SUPERVISION AND REGULATION OF AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

As a major banking group, the Group is subject to extensive regulation by regulatory agencies and security exchanges in each of the major markets where it operates. This section provides an overview of the regulatory landscape applicable to the Group, focusing on Australia, New Zealand and the United States.

AUSTRALIA

Prudential and Regulatory Supervision

The Supervisory Role of APRA

Since 1 July 1998, APRA has been responsible for the prudential and regulatory supervision of Australian ADIs, which include banks (including ANZBGL), credit unions, building societies, insurance companies and superannuation funds. Prior to this, the Australian banking industry was regulated by the RBA. The RBA has retained overall responsibility for monetary policy, financial system stability and payments system regulation. APRA draws authority from the Australian Prudential Regulation Authority Act 1998 of Australia.

APRA requires ADIs to meet certain prudential requirements that are covered in a range of prudential standards made by APRA ("**APRA Prudential Standards**").

APRA discharges its responsibilities in part by requiring ADIs subject to its supervision to regularly provide it with reports that set forth a broad range of information, including financial and statistical data relating to their financial position and information in respect of prudential and other matters. APRA gives special attention to capital adequacy, liquidity, earnings, credit quality and associated loan loss experience, concentration of risks, maturity profile of assets and liabilities, operational risks, market risks, interest rate risk in the banking book ("**IRRBB**"), exposures to related entities, outsourcing, funds management, governance, business continuity management, audit and related matters, securitisation activities and international banking operations. APRA may also exercise certain investigative powers if an ADI fails to provide information about its financial condition. Where APRA considers that an ADI may become unable to meet its obligations or may suspend payment (among other circumstances), APRA can take control of the ADI's business (including by appointment of a Banking Act statutory manager). APRA also has power to direct the ADI not to make payments in respect of its indebtedness. In addition, APRA has powers under the Financial Sector (Transfer and Restructure) Act 1999 of Australia to require the compulsory transfer of some or all of an ADI's assets and liabilities or its shares to another body specified by APRA (which need not in all cases be an ADI). Broadly, APRA may require such a transfer in circumstances including where the relevant Australian Minister declares that the transfer should occur, or APRA is satisfied that there has been a contravention of the Banking Act or regulations or instruments made under it or the ADI has informed APRA that it is likely to become unable to meet its obligations or is about to suspend payment, and certain other criteria are met, including that APRA is satisfied that the transfer is appropriate having regard to the interests of the financial sector as a whole. A counterparty to a contract with an ADI cannot rely solely on the fact that a Banking Act statutory manager is in control of the ADI's business or on the making of a direction or compulsory transfer order as a basis for denying any obligations to the ADI or for accelerating any debt under that contract, closing out any transaction relating to that contract or enforcing any security under that contract.

In carrying out its supervisory role, APRA supplements its analysis of statistical data collected from each ADI with selective "on site" visits and formal meetings with the ADI's senior management and the external auditor. APRA has also formalised a consultative relationship with each ADI's external auditor, with the agreement of the ADIs. The external auditor provides

additional assurance to APRA that the information sourced from an ADI's accounting records and included in the ADI's APRA reporting is, in all material respects, reliable and in accordance with the relevant APRA Prudential and Reporting Standards. The external auditor also undertakes targeted reviews of specific risk management areas as selected by APRA. In addition, the Board of an ADI must make an annual declaration to APRA on risk management of the ADI in the form specified by applicable prudential standards.

Other Australian Regulators

In addition to APRA and its prudential and regulatory supervision, ANZBGL and its Australian subsidiaries are supervised and regulated in some respects by other regulators including the ASIC, the ACCC, the AUSTRAC, the Office of the Australia Information Commissioner ("**OAIC**") and various securities exchanges.

ASIC is Australia's corporate, markets, financial services and consumer credit regulator. It regulates Australian companies, financial markets, financial services organisations and professionals who deal in and advise on investments, superannuation, insurance, deposit-taking and credit. As the consumer credit regulator, ASIC licenses and regulates people and businesses engaging in consumer credit activities (including banks, credit unions, finance companies, and mortgage and finance brokers). ASIC ensures that licensees meet the standards, including those related to responsibilities to consumers that are set out in the Australian National Consumer Credit Protection Act 2009. As the markets regulator, ASIC assesses how effectively authorised financial markets are complying with their legal obligations to operate fair, orderly and transparent markets. Since 1 August 2010, ASIC has had responsibility for the supervision of trading on Australia's domestic licensed equity, derivatives and futures markets. As the financial services regulator, ASIC licenses and monitors financial services businesses to ensure that they operate efficiently, honestly and fairly. These businesses typically deal in superannuation, managed funds, shares and company securities, derivatives and insurance. ANZBGL provides products and participates in markets regulated by ASIC.

The ACCC is an independent Commonwealth statutory authority that promotes competition and fair trading in the Australian marketplace to benefit consumers, businesses and the community. It also regulates national infrastructure services. Its primary responsibility is to ensure that individuals and businesses, including the Group, comply with the Australian competition, fair trading and consumer protection laws.

AUSTRAC is Australia's financial intelligence agency and its anti-money laundering and counter-terrorism financing regulator. The ANZ Group is required to comply with certain anti-money laundering and counter-terrorism financing legislation and regulations under Australian law, including the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 of Australia ("**AML Act**"). The AML Act is administered by AUSTRAC.

The OAIC is an independent agency within the Australian Attorney General's portfolio. Its primary functions are privacy, freedom of information and government information policy, with responsibilities including conducting investigations, reviewing decisions, handling complaints, and providing guidance and advice.

Capital and Liquidity

Capital

The common framework for determining the appropriate level of bank regulatory capital is set by the BCBS under a framework that is commonly known as "Basel 3".

For calculation of minimum capital requirements under Pillar 1 ("**Capital Requirements**") of the Basel Accord, the Group has been accredited by APRA to use the Advanced Internal Ratings

Based methodology for credit risk weighted assets and Advanced Measurement Approach for the operational risk weighted asset equivalent.

Effective 1 January 2013, APRA has adopted the majority of Basel 3 capital reforms in Australia. APRA views the Basel 3 reforms as a minimum requirement and hence has not incorporated some of the concessions proposed in the Basel 3 rules and has also set higher requirements in other areas. As a result, Australian banks' Basel 3 reported capital ratios are not directly comparable with international peers. The Basel 3 reforms include: increased capital deductions from CET1 capital, an increase in capitalisation rates (including prescribed minimum capital buffers, fully effective from 1 January 2016), tighter requirements around new AT1 and Tier 2 securities and transitional arrangements for existing AT1 and Tier 2 securities that do not conform to the new regulations. Other changes include capital requirements for counterparty credit risk and an increase in the asset value correlation with respect to exposures to large and unregulated financial institutions as well as changes that have resulted from the FSI as described below.

For further discussion regarding capital regulatory developments, refer to "Australian Regulatory Developments" below.

Liquidity

ANZBGL's liquidity and funding risks are governed by a detailed policy framework that is approved by ANZBGL's Board Risk Committee. The management of the liquidity and funding positions and risks is overseen by the Group Asset and Liability Committee. ANZBGL's liquidity risk appetite is defined by the ability to meet a range of regulatory requirements and internal liquidity metrics mandated by ANZBGL's Board Risk Committee. The metrics cover a range of scenarios of varying duration and level of severity. This framework helps:

- provide protection against shorter-term but more extreme market dislocations and stresses;
- maintain structural strength in the balance sheet by ensuring that an appropriate amount of longer-term assets are funded with longer-term funding; and
- ensure no undue timing concentrations exist in the Group's funding profile.

A key component of this framework is the Liquidity Coverage Ratio ("**LCR**") that was implemented in Australia on 1 January 2015. The LCR is a severe short term liquidity stress scenario mandated by banking regulators including APRA. It was introduced as part of the Basel 3 international framework for liquidity risk measurement, standards and monitoring. As part of meeting the LCR requirements, ANZBGL has a Committed Liquidity Facility ("**CLF**") with the RBA. The CLF has been established as a solution to a High Quality Liquid Asset shortfall in the Australian marketplace and provides an alternative form of RBA-qualifying liquid assets. The total amount of the CLF available to a qualifying ADI is set at least annually by APRA. From 1 January 2021, ANZBGL's CLF is A$10.7 billion (2020 calendar year end: A$35.7 billion).

Additionally, the Group has implemented APRA's Net Stable Funding Ratio ("**NSFR**") requirement from 1 January 2018 following the release of the NSFR final standards in December 2016. The Group's Level 2 NSFR was 121% as of 31 March 2021 (30 September 2020: 124%).

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

Capital Management and Liquidity within APRA's Regulations

For further details of the Group's capital management and liquidity refer to the sections entitled "Capital management – including discontinued operations", “Funding – including discontinued operations” and "Liquidity risk – including discontinued operations" set out in "Group Results" of "ANZBGL's Half Year 31 March 2021 Consolidated Financial Report, Dividend Announcement and Appendix 4D", which is incorporated by reference into this Base Prospectus.

Banking Executive Accountability Regime

The Treasury Laws Amendment (Banking Executive Accountability and Related Measures) Act 2018 established the BEAR. ANZBGL's obligations under the BEAR commenced on 1 July 2018.

The BEAR aims to strengthen the responsibility and accountability framework for the most senior and influential directors and executives in ADI groups. Under the BEAR:

- ANZBGL is required to register individuals with APRA before appointing them to certain senior executive or director positions and maintain and provide APRA with a map of the roles and responsibilities of such persons across the ADI group, and to provide APRA with accountability statements for each of these senior executives or directors, detailing that individual's roles and responsibilities;

- where ANZBGL's registered senior executives and directors do not meet accountability obligations, APRA is empowered to disqualify those individuals as senior executives or directors without a court order (but subject to a right of administrative review in accordance with Part VI of the Banking Act);

- ANZBGL is obliged to set remuneration policies for directors and senior executives consistent with BEAR's requirements, including for the deferral of certain components of that remuneration; and

- ANZBGL may be liable for substantial penalties for failing to comply with its BEAR obligations.

The Australian Government announced in January 2020 that BEAR will be replaced by the FAR, which proposes to extend the regime to other APRA-regulated entities and directors / senior executives to increase accountability. FAR would be jointly administered by APRA and ASIC and could impose larger civil penalties for any breaches.

Crisis Management

The Financial Sector Legislation Amendment (Crisis Resolution Powers and Other Measures) Act 2018 enhanced APRA's powers to facilitate the orderly resolution of the entities it regulates (and their subsidiaries) in times of distress. Additional powers which could impact the Group include greater oversight, management and directions powers in relation to ANZBGL and other Group entities which were previously not regulated by APRA, increased statutory management powers over regulated entities within the Group and changes which are designed to give statutory recognition to the conversion or write-off of regulatory capital instruments (the "**Statutory Conversion and Write-Off Provisions**").

The Statutory Conversion and Write-Off Provisions apply in relation to regulatory capital instruments issued by certain financial sector entities (including ADIs, of which ANZBGL is one) that contain provisions for conversion or write-off for the purposes of APRA's prudential standards. Where the Statutory Conversion and Write-Off Provisions apply to an instrument, that instrument may be converted in accordance with its terms. This is so despite any law (other than specified laws, currently those relating to the ability of a person to acquire interests in an Australian corporation or financial sector entity), the constitution of the issuer, any contract to

which the issuer is a party, and any listing rules, operating rules or clearing and settlement rules applicable to the instrument. In addition, the Banking Act includes a moratorium on the taking of certain actions, such as denying any obligation, accelerating any debt, closing out any transaction or enforcing any security, on grounds relating to the operation of the Statutory Conversion and Write-Off Provisions.

Regulatory Developments – Capital and Liquidity

APRA Guidance on Capital Management

In response to COVID-19, APRA provided guidance on capital management, including as to its expectations in relation to dividends. Most recently, in December 2020, APRA updated their guidance, whereby from the 2021 calendar year, APRA will no longer hold ADIs to a minimum level of earnings retention but ADIs will need to maintain vigilance and careful planning in capital management, including conducting regular stress testing and assurance on the capacity to continue to lend. APRA also stated that the onus will be on Boards to carefully consider the sustainable rate for dividends, taking into account the outlook for profitability, capital and economic environment.

RBNZ Capital Requirements

In December 2019, the RBNZ announced its capital review policy decisions for New Zealand banks. In November 2020, the RBNZ released for consultation its draft Banking Prudential Requirements for these capital policy changes.[6] See "*Supervision and Regulation - New Zealand – New Zealand Regulatory Developments - RBNZ review of capital requirements*" for more information about the RBNZ's final decisions.

The key requirements of the RBNZ's final capital requirements are:

- Tier 1 capital requirement of 16% of RWA for ANZ New Zealand of which up to 2.5% of this could be in the form of AT1 capital. Total Capital requirement remained at 18% of RWA of which up to 2% can be Tier 2 Capital;
- redeemable preference shares are allowable as AT1 capital. It is anticipated that ANZ New Zealand will be able to refinance existing internal AT1 securities to external counterparties;
- increase RWA outcomes for internal ratings-based ("**IRB**") banks to approximately 90% of what would be calculated under the Basel Standardised Measurement Approach ("**Standardised approach**"):
    - apply an 85% output floor for credit risk RWA of IRB banks;
    - increase the scalar applied to credit risk RWA of IRB banks from 1.06 to 1.2; and
- implemented over a transition period concluding on 1 July 2028.

The net impact on the ANZ Group is an increase in CET1 capital of approximately A$0.7 billion between 31 March 2021 and the end of the transition period (based on the ANZ Group's 31 March 2021 balance sheet). This amount could vary over time subject to changes to capital requirements for ANZ New Zealand (for example, from RWA growth), potential dividend payments and the level of capital already retained by ANZ New Zealand to meet the final RBNZ requirements.

[6] RBNZ released its consultation paper titled "Capital Review Paper 4: How much capital is enough?" on 14 December 2018.

See "*New Zealand - New Zealand Regulatory Developments - RBNZ review of capital requirements*" for more information.

RBNZ restrictions on distributions and capital instruments

In April 2020, the RBNZ amended ANZ New Zealand's Conditions of Registration to (among other things) not allow the payment of ordinary dividends. With effect from April 29, 2021, this restriction was eased to allow ANZ New Zealand to pay ordinary dividends up to a maximum of 50% of its earnings. This restriction applies to all New Zealand-incorporated banks and will remain in place until 1 July 2022 (subject to no significant worsening in economic conditions). This amendment restricts the amount of dividends that ANZ New Zealand can pay to its ultimate shareholder, ANZBGL.

From April 2020 until April 2021, the RBNZ also restricted ANZ New Zealand, and other New Zealand-incorporated banks, from redeeming capital instruments. Accordingly, ANZ New Zealand was not permitted to redeem its NZ$500 million of Capital Notes in May 2020, although ANZ New Zealand could continue making interest payments on those Capital Notes (subject to certain conditions). Further, ANZ New Zealand did not exercise its option to convert the Capital Notes in May 2020. The terms of the Capital Notes provide for their conversion into a variable number of ANZBGL ordinary shares in May 2022 (subject to certain conditions). Conversion will result in an increase in the Group’s CET1 capital (approximately 10 basis points) at Level 2.

See "*Recent Developments* " and "*Supervision and Regulation - New Zealand - New Zealand Regulatory Developments - Regulatory Response to the COVID-19 Pandemic and Other Developments*" for more information.

Financial System Inquiry

The Australian Government completed a comprehensive inquiry into Australia's financial system in 2014 which included a number of key recommendations that may have an impact on regulatory capital levels. APRA initiatives in support of the FSI are:

- In July 2017, APRA released an information paper outlining its assessment on the additional capital required for the Australian banking sector to be considered 'unquestionably strong' as originally outlined in the FSI final report in December 2014. APRA indicated that "in the case of the four major Australian D-SIBs, this equated to a benchmark CET1 capital ratio, under the current capital adequacy framework, of at least 10.5% from 1 January 2020".

- APRA is consulting on a number of proposals in relation to risk-weighting framework revisions to credit risk, operational risk, market risk and interest rate risk in the banking book requirements. In December 2020, APRA released a consultation paper regarding proposed changes to the a capital framework for ADIs aimed at embedding 'unquestionably strong' levels of capital, improving the flexibility of the framework, and improving the transparency of ADI capital strength. These proposals replace previous consultation packages released by APRA in 2018 and 2019 in relation to proposed revisions to the capital framework for ADIs and is expected to be implemented from 1 January 2023. Key aspects of ARPA's latest December 2020 proposals are:

    - Increased alignment with internationally agreed Basel standards;

    - Implementing more risk-sensitive risk weights for residential mortgage lending;

- Introduction of the Basel II capital floor that limits the RWA outcome for IRB ADIs to no less than 72.5% of the RWA outcome under the standardised approach;

- Improving the flexibility of the capital framework through the introduction of a default level of the CCyB of 100 basis points of RWA and increasing the capital conservation buffer CCB for IRB ADIs by 150 basis points (from 250 basis points to 400 basis points);

- Improving the transparency and comparability of ADIs' capital ratios, including by requiring IRB ADIs to also publish their capital ratios under the standardised approach; and

- Implementing a Minimum Leverage Ratio for IRB ADIs at 3.5%. APRA's "**Leverage Ratio**" compares Tier 1 capital to the "exposure measure" (expressed as a percentage) as defined by APRA Prudential Standard APS 110. It is designed as a non-risk based supplement or backstop to the current risk based capital requirements and is intended to restrict the build-up of excessive leverage in the banking system.

APRA has indicated that the above proposals will likely result in a decrease in RWA by 10% for IRB ADIs, but this will be offset by the increased capital allocation to regulatory buffers. APRA has also indicated that, as ADIs are currently meeting the ‘unquestionably strong' benchmarks, it is not APRA's intention to require ADIs to raise additional capital. Accordingly, APRA has therefore sought to calibrate the proposed capital requirements for ADIs, measured in dollar terms, to be consistent at an industry level with the existing ‘unquestionably strong' capital benchmarks for ADIs under the current capital framework. The impact of these proposed changes on individual ADIs (including ANZBGL), however, will vary depending on the final form of requirements implemented by APRA.

APRA's consultation for the above is ongoing. However, in response to the challenging economic environment resulting from the COVID-19 disruptions, APRA has:

- announced a temporary change to its expectations with regards to ADIs, such as ANZBGL, maintaining bank capital ratios at the "unquestionably strong" benchmark of 10.5% for CET1. During the period of the COVID-19 disruption, APRA has stated that it would not be concerned if ADIs are not meeting this benchmark as the current large buffers may be needed to facilitate ongoing lending to the Australian economy; and

- deferred its scheduled implementation of changes to ADIs risk-weighting framework and Leverage Ratio requirements by one year. The majority of the capital reforms were initially due for implementation on 1 January 2022, but these have now been revised to 1 January 2023. The deferral also includes APRA proposals on improving transparency, international comparability and flexibility of the ADI capital framework.

Given the number of items that are yet to be finalised by APRA, the final outcome of the FSI including any further changes to APRA's prudential standards or other impacts on the Group remains uncertain.

APRA Total Loss Absorbing Capacity Requirements

In July 2019, APRA announced its decision on loss-absorbing capacity pursuant to which it will require Australian D-SIBs, including ANZBGL, to increase their total capital by 3% of risk weighted assets by January 2024. Based on the Group's capital position as at 31 March 2021, this represents an incremental increase in the total capital requirement of approximately A$4 billion, with an equivalent decrease in other senior funding. APRA has stated that it anticipates

that Australian D-SIBs would satisfy the requirement predominantly with additional Tier 2 capital. APRA is considering, over the next four years, feasible alternative methods for raising an additional 1% to 2% of risk weighted assets. As part of APRA's update on the APS111 consultation in May 2021, APRA has indicated their intention to work with the industry and the RBNZ on how the RBNZ's proposed new definitions of Additional Tier 1 (AT1) and Tier 2 capital could contribute towards the overall loss absorbing capacity of banking groups. APRA has also indicated that subject to appropriate strengthening of cross-border resolution arrangements, APRA could take into account the RBNZ's qualifying AT1 and Tier 2 capital when determining the financial resources needed to support the orderly resolution of major banks.

Level 3 Conglomerates ("Level 3") framework

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

In August 2016, APRA confirmed the deferral of capital requirements for conglomerate groups, to allow for the final capital requirements arising from FSI recommendations as well as from international initiatives that are in progress. APRA has not proposed any date for implementing any changes.

The non-capital components of the Level 3 framework relating to group governance, risk exposures, intragroup transactions and other risk management and compliance requirements came into effect on 1 July 2017. These requirements have had no material impact on the Group's capital position nor ANZBGL's funding of its subsidiaries. See "Restrictions on ANZBGL's ability to provide financial support" below for further discussion on the impact of the Level 3 framework on ANZBGL's ability to support its related entities, including ANZ New Zealand.

Revisions to Related Entities Framework

In August 2019, APRA announced that it will amend APS 222 to reduce the limits for Australian ADIs' individual entity exposure to related ADIs (or overseas equivalents) from 50% of Level 1 total capital to 25% of Level 1 Tier 1 capital, and aggregate exposures from 150%. of Level 1 total capital to 75% of Level 1 Tier 1 capital. As exposures are measured net of capital deductions, the proposed changes to APRA's capital regulations (contained in APS 111)will affect the measurement of ADI exposures. On the basis that the APS 111 revisions are implemented as currently proposed, the reduction in the above limits is not expected to have a material impact on the Group. The proposed implementation date has been deferred by APRA to 1 January 2022. Refer to "*Restrictions on ANZBGL's ability to provide financial support*" below for more detail.

Revisions to APS 111 Capital Adequacy Measurement of Capital

In October 2019, APRA released a discussion paper on draft revisions to APS 111 for consultation. The most material change from APRA's proposal is in relation to the treatment of capital investments into ADIs (or overseas equivalents) and insurance subsidiaries at Level 1, with the tangible component of the investment changing from a 400% risk weighting to:

- 250% risk weighting up to an amount equal to 10% of ANZBGL's net Level 1 CET1 capital; and
- the remainder of the investment will be treated as a CET1 capital deduction.

In an update in May, APRA reiterated the above proposals and responded to submissions made by the industry in relation to the issues raised from the October 2019 discussion paper. ANZBGL is reviewing the implications for its current investments. The net impact on the Group

is unclear and will depend upon a number of factors including the capitalisation of the affected subsidiaries at the time of implementation, the final form of the prudential standard, as well as the effect of management actions being pursued that have the potential to materially offset the impact of these proposals. Based on ANZBGL's current investment in its affected subsidiaries and in the absence of any offsetting management actions, the above proposals imply a reduction in ANZBGL's Level 1 CET1 capital ratio of up to approximately A$2 billion (approximately 60 basis points). However, ANZBGL believes that this outcome is unlikely and, post implementation of management actions, the net capital impact could be minimal. There is no impact on the Group's Level 2 CET1 capital ratio arising from these proposed changes. The proposed implementation date has been deferred by APRA to January 2022.

In November 2020, APRA further announced, that until the new APS 111 is finalised and implemented, APRA will require any new or additional equity investments in banking and insurance subsidiaries, where the amount of that new or additional investments takes the aggregate value of the investment above 10% of an ADI's CET1 capital, to be fully funded by equity capital at the ADI parent company level. This treatment would apply to the proportion of the new or additional investment that is above 10% of an ADI's CET1 capital.

Restrictions on ANZBGL's ability to provide financial support

Effect of APRA's Prudential Standards

APRA's current or future requirements may have an adverse effect on ANZBGL's business, results of operations, liquidity, capital resources or financial condition.

APS 222 sets minimum requirements for ADIs in Australia, including ANZBGL, in relation to the monitoring, management and control of risks which arise from associations with related entities and also includes maximum limits on intra-group financial exposures.

Under APS 222, ANZBGL's ability to provide financial support to related entities (including ANZ New Zealand) is subject to the following restrictions:

- ANZBGL should not undertake any third party dealings with the prime purpose of supporting the business of related entities;
- ANZBGL must not hold unlimited exposures (i.e., should be limited as to specified time or amount) to related entities (e.g., not provide a general guarantee covering any of the obligations of related entities) either in aggregate or at an individual entity level;
- ANZBGL must not enter into cross-default clauses whereby a default by a related entity on an obligation (whether financial or otherwise) triggers or is deemed to trigger a default of ANZBGL on its obligations; and
- the level of exposure, net of exposures deducted from capital, of ANZBGL's Level 1 total capital base:

    (i) to related ADIs or equivalents, such as ANZ New Zealand, should not exceed 50% on an individual exposure basis or 150% in aggregate to all related ADIs or equivalents;

    (ii) to other related entities:

        (a) in the case of a regulated related entity, should not exceed 25% on an individual exposure basis; or

        (b) in the case of any other (unregulated) related entity, should not exceed 15% on an individual exposure basis; and

(c) should not exceed in aggregate 35% to all non-ADIs or equivalent related entities.

In August 2019, APRA released an update to APS 222. Changes that affect the quantum and nature of the financial support that ANZBGL can provide to ANZ New Zealand are:

- change the Level 1 capital base used for setting the exposure limits from total capital to Tier 1 capital; and
- reduce the individual ADI exposure limit to 25% of Level 1 Tier 1, and the aggregate to 75% of Level 1 Tier 1 capital base.

The proposed implementation date of 1 January 2021 for APS 222 has been deferred by APRA to 1 January 2022. APRA has provided for entity-specific transitional arrangements or flexibility on a case by case basis.

Further, in October 2019, APRA released a discussion paper on draft revisions to APS 111, which proposes to change the Level 1 capital treatment for Australian ADIs, such as ANZBGL, investing in ADIs (or overseas equivalents) and insurance subsidiaries, as outlined above in "*Revisions to APS 111 Capital Adequacy Measurement of Capital*". The proposed implementation date has been deferred by APRA to 1 January 2022.

If implemented, these APS 111 changes would reduce ANZBGL's Level 1 Tier 1 capital base and exposure to ANZ New Zealand for the purposes of APS 222 reporting. As a result, ANZBGL's expected exposure to ANZ New Zealand at 1 January 2022 would be compliant with the APS 222 limits.

However, if the APS 111 changes are not implemented and the APS 222 changes become effective, it is still possible that the changes outlined in APRA's announcement in connection with APS 222 could adversely impact the ANZ New Zealand Group's business, results of operations, liquidity, capital resources or financial condition, as well as, its credit ratings and its ability to grow its business as ANZBGL's exposure to ANZ New Zealand would be near the limit of 25% of Level 1 Tier 1 capital, although ANZBGL would be able to apply for transition relief.

In addition, APRA has confirmed that, by 1 January 2021, no more than 5% of ANZBGL's Level 1 Tier 1 capital base can comprise non-equity exposures to its New Zealand operations (including its subsidiaries incorporated in New Zealand, such as ANZ New Zealand, and ANZBGL's New Zealand branch) during ordinary times. This limit does not include holdings of capital instruments or eligible secured contingent funding support provided to the ANZ New Zealand Group during times of financial stress.

APRA has also confirmed that contingent funding support by ANZBGL to its ANZ New Zealand operations during times of financial stress must be provided on terms that are acceptable to APRA. At present, only covered bonds meet APRA's criteria for contingent funding. APRA also requires that ANZBGL's total exposures to its New Zealand operations must not exceed 50% of ANZBGL's Level 1 Tier 1 capital base.

Effect of the Level 3 framework

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

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

- the exposures that would be approved for third parties of broadly equivalent credit status; and

- the potential impact on ANZBGL's capital and liquidity positions and ability to continue operating in the event of a failure by the subsidiary.

These requirements are not expected to place additional restrictions on ANZBGL's ability to provide financial or operational support to its subsidiaries, including ANZ New Zealand.

Regulatory Developments- Other

Regulatory Response to COVID-19

Australian regulators and the Australian Government implemented a broad range of measures in response to the COVID-19 pandemic. Many measures have impacted, and may continue to impact, the ANZ Group. These include the measures outlined below.

In March 2020, the RBA established a term funding facility ("**TFF**") for the banking system. ADIs are able to obtain an initial allowance of up to 3% of their outstanding credit (measured as the average of an ADIs total credit in the relevant three month period) and an additional funding allowance if they increase lending to business, especially to small and medium-sized businesses. In September 2020 the RBA announced a supplementary funding allowance available from 1 October 2020 to 30 June 2021 and extended the deadline for drawdowns of the additional funding allowance based on an ADI's lending to businesses from 31 March 2021 to 30 June 2021. The supplementary funding allowance is fixed at 2% of an ADI's outstanding credit (measured as the average of an ADIs total credit in the relevant three month period). As at 31 March 2021, ANZBGL had fully drawn A$12 billion from its initial TFF allowance and it had not drawn anything from its additional TFF allowance of A$8 billion.

In March 2020, APRA announced, among other matters:

- the suspension of the majority of its planned policy and supervision initiatives in response to the impact of COVID-19, including substantive public consultations and actions to finalise revisions to the prudential framework that were underway or upcoming, including consultations on prudential and reporting standards. In an update in August 2020, APRA announced that apart from a limited number of high-priority policy initiatives, APRA did not plan to recommence consultation on any other matters for the remainder of 2020. However, in February 2021, as part of APRA's announcement of its policy program for 2021, the majority of the policy and supervision initiatives suspended from March 2020 have resumed;

- a temporary change to its expectations with regards to ADIs maintaining bank capital ratios at the "unquestionably strong" benchmark. During the period of the COVID-19 disruption, APRA stated that it would not be concerned if ADIs did not meet this benchmark, as the current large buffers may be needed to facilitate ongoing lending to the Australian economy;

- an exemption for banks from having to treat eligible small business loans and home loans, which are subject to a COVID-19 loan repayment deferral, as ‘arrears' or ‘restructured' for capital purposes. APRA initially provided the capital treatment exemption for a period of up to 6 months from March 2020, but in July 2020, APRA allowed an extension to align with a further period of loan deferrals until the earlier of an aggregate period of deferral totalling ten months or 31 March 2021. The extension of the loan deferral arrangements (and associated capital treatment) is subject to ADIs undertaking an appropriate credit assessment to ascertain if an extension or new deferral is appropriate for the particular borrower given their circumstances. There has not been any further extension of the loan deferral arrangements after 31 March 2021.

In March 2020, ASIC announced that it would focus its regulatory efforts on challenges created by COVID-19. For information on the recalibration of ASIC's priorities see "*Recalibration of ASIC's Regulatory Priorities*" in risk factor "*Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group's Position*".

In March 2020, the ACCC announced that, while its 2020 compliance and enforcement priorities remain in place, it will re-focus its efforts to those priorities of most relevance to competition and consumer issues arising from the impact of COVID-19. Further, the ACCC provided an authorization for the Australian Banking Association and participating member banks (including ANZBGL) to co-operate to provide relief packages for individuals and businesses affected by COVID-19.

In March 2020, AUSTRAC announced that it will constructively work with reporting entities, such as ANZBGL, as they manage their money laundering and terrorism financing risks during the COVID-19 disruptive period. This included considering such reporting entities' circumstances when applying anti-money laundering and counter-terrorism financing laws

For further information, refer to risk factor "*Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group's Position*".

For information relating to the regulatory response to the COVID-19 pandemic in New Zealand, see *"Supervision and regulation - New Zealand - New Zealand Regulatory Developments - Regulatory Response to the COVID-19 Pandemic and Other Developments".*

The full extent of the duration and severity of the impact of the COVID-19 pandemic remains subject to significant uncertainties. Accordingly, while Australian regulators have re-focused their priorities to their usual supervisory initiatives, regulators continue to monitor the effect of COVID-19 and will adjust their approach as necessary. Given this, the regulation and supervision of, and enforcement against, financial services groups such as the ANZ Group continue to be uncertain and, as at the date of this Base Prospectus, are difficult to predict.

COVID-19 resulted in the Australian Commonwealth and State Governments enacting many measures to combat the spread of the virus and economic impacts. The Australian and State and Territory Governments imposed wide ranging restrictions due to COVID-19 on, suspensions and limitations of, or advice against, travel, events, and meetings and many other normal activities and undertaken substantial and costly monetary and fiscal interventions. For example, the Victorian State Government declared a temporary 'state of disaster' in August 2020 and imposed extensive restrictions on business, household and other activities. As an example of economic measures, the Australian Commonwealth Government provided until the end of March 2021 a 'JobKeeper Payment' (where eligible businesses significantly impacted by COVID-19 are able to access a subsidy from the Australian Government to continue paying their eligible employees). The Australian Commonwealth and State Governments may in the foreseeable future implement, extend and introduce further measures. It is not clear what effect, if any, the cessation of economic assistance measures will have on the economy. A further key response to COVID-19 has been, and will continue to be, the vaccination of people against the virus. The degree of success of the vaccination program may have an effect on economic activity. As at the date of this Base Prospectus, it is unclear what the full impact of these measures will be on the Group.

Royal Commission

A Royal Commission is a formal public inquiry that can only be instigated by the executive branch of the Australian Government and is directed by terms of reference. The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (the "**Royal Commission**") was directed to inquire into, and report on, whether any conduct of financial service entities (including ANZBGL) might have amounted to misconduct or conduct

falling below community standards and expectations. The Royal Commission was also tasked with considering the causes of that conduct, in particular the role of culture, governance, remuneration and risk management practices, the effectiveness of regulators and making policy recommendations in response.

The final report (the "**Final Report**") of the Royal Commission was released publicly in February 2019. In the Final Report, the Commissioner of the Royal Commission identified conduct by financial service entities, including ANZBGL, that may have amounted to misconduct or that has fallen short of community standards and expectations.

The Final Report contained 76 recommendations across several matters, among them, banking, financial advice, superannuation, insurance, culture, governance and remuneration and regulators.

The Australian Government provided its response to the Royal Commission in February 2019, which included a commitment to take action on all of the Royal Commission's recommendations and additional commitments to address issues raised in the Final Report.

In August 2019, the Australian Government released a roadmap to the implementation of its response. APRA, ASIC and the industry have also implemented or begun the implementation process for a number of recommendations directed towards them. The Australian Parliament passed legislation in December 2020 and March 2021 concerning a number of recommendations of the Royal Commission.

Some of the more significant changes that have resulted or are likely to result from the recommendations of the Royal Commission include:

- adjustments to the regime of self-reporting of breaches of financial services laws and the introduction of an equivalent regime for breaches of credit laws;
- giving ASIC the ability to issue directions to prevent or address suspected breaches of financial services and credit laws;
- allowing ASIC to enforce financial services industry codes by attaching civil penalties to breaches of identified provisions of approved industry codes and establishing enforceable mandatory codes of conduct for the financial services industry;
- amendments to the prohibition on hawking (or unsolicited selling) of financial products;
- the introduction of a compensation scheme of last resort;
- the increased focus, and changes to policy, of APRA on governance, culture, remuneration and accountability, which has commenced and includes proposed changes to how banks pay senior executives; and
- the proposed replacement of the BEAR with the Financial Accountability Regime, which will be jointly administered by ASIC and APRA and will impose penalties on individuals and carry higher penalties for entities than BEAR.

Actions taken in connection with the other recommendations of the Royal Commission not highlighted above could also impact the Group's Position.

In February 2019, ANZBGL announced 16 commitments responding to a number of the Royal Commission's recommendations and comments. These commitments are meant to improve the treatment of retail customers, small businesses and farmers in Australia. They include, among other matters, commitments relating to remediation, remuneration, accountability, culture and governance and regulators. As at 1 April 2021, ANZBGL has completed 11 of its 16

commitments. ANZBGL continues to engage with the Australian Government, its regulators and industry as they progress their response to the Royal Commission recommendations.

In addition to the specific recommendations, the Royal Commission's conclusions have led or may lead to regulators commencing investigations into various financial services entities, including the Group, which could subsequently result in administrative or enforcement action being taken. The recommendations and the Government's commitments have also led to the Group's regulators altering their existing policies and practices and legislation being passed to expand regulatory powers.

The Royal Commission has also referred instances of potential misconduct to APRA or ASIC for consideration where they are not already being investigated. Where these matters relate to the Group, it may result in proceedings being brought against Group entities, which could result in the imposition of civil or criminal penalties on the Group.

The Royal Commission is resulting in additional costs and may lead to further exposures, including exposures associated with further regulator activity or potential customer exposures such as class actions, individual claims or customer remediation or compensation activities, and may have an adverse impact on the Group's Position. The outcomes and total costs associated with these possible exposures remain uncertain.

The Royal Commission may also lead to increased political or regulatory scrutiny of the financial industry in New Zealand.

Self-assessment into frameworks and practices

On 1 May 2018, APRA indicated that all regulated financial institutions would benefit from conducting a self-assessment into their frameworks and practices in relation to governance, culture and accountability and that, for large financial institutions such as the Group, APRA will be seeking written assessments that have been reviewed and endorsed by their boards. APRA made these indications in light of the issues that were identified in the final report relating to the prudential inquiry into another major ADI, which was established to examine the frameworks and practices in relation to the governance, culture and accountability within that ADI group. ANZBGL submitted its written self-assessment to APRA on 30 November 2018. On 22 August 2019, ANZBGL released an article from ANZBGL's Chairman detailing the actions (including development of a 'roadmap') being taken by ANZBGL to address the issues raised in its self-assessment report. ANZBGL's roadmap has five focus areas: culture; governance and accountability; management of operational risk; remediation; and simplification. The roadmap is a multi-year program. APRA requires ANZBGL to hold an additional capital overlay of A$500 million for operational risk (from 30 September 2019) until ANZBGL has effectively completed the planned uplift as outlined in ANZBGL's roadmap.

Residential mortgage lending practices

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

- in December 2014, APRA outlined additional steps it may take to reinforce sound residential mortgage lending practices of ADIs, indicating that it will pay particular attention to certain areas of concern, including higher risk mortgage lending, growth in lending to property investors (particularly if the growth is materially above an annual benchmark of 10%) and loan affordability tests for new borrowers; and

- in March 2017, APRA outlined that ADIs will be expected, among other things, to:

- limit the flow of new interest-only lending to 30% of total new residential mortgage lending ("**30% Interest-Only Benchmark**"). Within this limit, ADIs were expected to place strict internal limits on the volume of interest-only lending at loan-to-valuation ratios ("**LVRs**") above 80% and ensure there was strong scrutiny and justification of any instances of interest-only lending at LVRs above 90%; and

- manage lending to investors so as to comfortably remain below the previously advised benchmark of 10% annual growth in lending to property investors ("**10% Investor Loan Growth Benchmark**").

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

In April 2018 and December 2018, APRA outlined that the 10% Investor Loan Growth Benchmark and 30% Interest-Only Benchmark, respectively, will no longer apply to ADIs in certain circumstances. The benchmarks no longer apply to the Group.

APRA has indicated that it will continue to monitor closely conditions in the housing market more generally and despite the removal of the benchmarks, a return to more rapid rates of investor loan growth or re-acceleration in interest-only lending at an industry-wide level would raise systemic concerns and that such an environment could lead APRA to consider the need to apply industry-wide measures.

The National Credit Code contained in Schedule 1 of the NCCP Act imposes a range of disclosure and conduct obligations (including certain "responsible lending" obligations) on persons engaging in a credit activity in addition to imposing authorisation and licencing requirements on participants.

In December 2020, the Australian Government introduced a bill into the Australian Parliament that would largely remove the responsible lending requirements in the NCCP Act for ADIs. ADIs will continue to be regulated under APRA's existing standards. They will also continue to be subject to other disclosure and conduct obligations under the NCCP Act.

Changes in classifications for residential mortgage loans

The current classification of ANZBGL's residential mortgage loans, as reported to regulators and the market, is generally determined during the loan origination process (i.e., loan application, processing and funding), based on information provided by the customer or subsequently when a customer requests changes to the loan.

Classification of residential mortgage loans may change due to:

- incorrect classification at origination: to the extent that customers inaccurately advise ANZBGL of their circumstances at origination, there is a risk that loans may be incorrectly classified, and such loans may be reclassified;

- changes in customer circumstances: ongoing appropriateness of a given classification relies on the customer's obligation to advise ANZBGL of any changes in the customer's circumstances and on ANZBGL's ability to independently validate the information provided by its customers. To the extent that customers advise of any changes in their circumstances or when ANZBGL makes such a determination based on its verification processes, a loan may be reclassified;

- regulatory or other changes: the criteria for loan classifications, and their interpretation, may change for one or more reporting purposes, which may affect the classification of certain loans; and

- changes in ANZBGL's systems and processes.

Incorrect classification or re-classification of loans may affect a customer's ability to meet required repayments, such as when an owner-occupied property loan is re-classified to an investment property loan, which may attract a higher interest rate. The inability of customers to meet repayment obligations on re-classified loans may increase the risk of default on such loans, which may adversely affect the Group's Position.

Other

For further information on regulatory developments, including the risks they pose to the ANZ Group, refer to risk factor "*Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the Group's Position*".

Sections 102.6 and 102.7 of the Australian Criminal Code

Under Sections 102.6 and 102.7 of the Australian Criminal Code (contained in the Criminal Code Act 1995 of Australia), a person commits a criminal offence if the person intentionally receives funds from, makes funds available to, collects funds for or on behalf of, or provides support or resources to a terrorist organisation in circumstances where the person knows, or is reckless as to whether, the organisation is a terrorist organisation. An organisation is a terrorist organisation if it is directly or indirectly engaged in, preparing, planning, assisting in or fostering the doing of a terrorist act, or is prescribed as a terrorist organisation in regulations under the Criminal Code Act 1995 of Australia.

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

NEW ZEALAND

The supervisory role of the RBNZ

The Reserve Bank of New Zealand Act 1989 (the "**Reserve Bank Act**") requires the RBNZ to exercise its powers of registration of banks and prudential supervision of registered banks (including ANZ New Zealand) for the purposes of:

- promoting the maintenance of a sound and efficient financial system; and

- avoiding significant damage to the financial system that could result from the failure of a registered bank.

The RBNZ's policy around the registration of banks aims to ensure that only financial institutions of appropriate standing and repute are able to become registered banks. Subject to this requirement, the RBNZ has stated that it intends to keep to a minimum any impediments to the entry of new registered banks, in order to encourage competition in the banking system.

The RBNZ's supervisory functions are aimed at encouraging the soundness and efficiency of the financial system as a whole, and are not aimed at preventing individual bank failures or at protecting creditors. The RBNZ seeks to achieve this by drawing on and enhancing disciplines that are naturally present in the market.

The RBNZ places considerable emphasis on a requirement that banks regularly disclose information on financial performance and risk positions, and on a requirement that directors regularly attest to certain key matters. These measures are intended to strengthen market disciplines and to ensure that responsibility for the prudent management of banks lies with those who the RBNZ considers are best placed to exercise that responsibility - the directors and management.

The main elements of the RBNZ's supervisory role include:

- requiring all banks to comply with certain minimum prudential requirements, which are applied through conditions of registration. These include constraints on connected exposures, minimum capital adequacy requirements and minimum standards for liquidity risk management, and are set out in more detail below;
- monitoring each registered bank's financial condition and compliance with conditions of registration, principally on the basis of published half-yearly disclosure statements and monthly reporting submitted privately to the RBNZ. This monitoring is intended to ensure that the RBNZ maintains familiarity with the financial condition of each bank and the banking system as a whole, and maintains a state of preparedness to invoke crisis management powers should this be necessary;
- consulting with the senior management of registered banks;
- using crisis management powers available to it under the Reserve Bank Act to intervene where a bank distress or failure situation threatens the soundness of the financial system;
- assessing whether a bank is carrying on business prudently;
- issuing guidelines on overseeing banks' compliance with anti-money laundering and countering financing of terrorism requirements;
- monitoring banks' outsourcing arrangements to determine whether a registered bank's risks associated with outsourcing are appropriately managed;
- issuing guidelines on banks' internal capital adequacy process and liquidity policy;
- issuing guidelines on corporate governance; and
- maintaining close working relationships with parent bank supervisors (such as APRA in Australia) on bank-specific issues, policy issues and general matters relating to the condition of the financial system in New Zealand and in the countries where parent banks are domiciled.

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

The RBNZ publishes a quarterly "dashboard" of key information on registered banks on the RBNZ's website. The dashboard aims to improve the ability of the public and market participants to understand and act on information about such banks' financial strength and risk profile. The information is sourced from private reporting that banks provide to the RBNZ. Information relating to the ANZ New Zealand Group published in the dashboard is not

incorporated by reference herein and does not form part of this Base Prospectus. In some cases, information relating to the ANZ New Zealand Group published in the dashboard has been classified and presented differently to the presentation in the ANZ New Zealand consolidated financial statements.

New Zealand-incorporated banks are required to comply with the Basel 3 capital adequacy requirements, as modified to reflect New Zealand conditions. The RBNZ also requires most New Zealand-incorporated banks, including ANZ New Zealand, to maintain a conservation buffer of 2.5% above the minimum ratios or face restrictions on distributions. The RBNZ also has the discretion to apply a countercyclical buffer of common equity with an indicative range of between 0 and 2.5%, although there is no formal upper limit. There are also counterparty credit risk requirements and additional disclosure requirements to incorporate Basel 3. These capital requirements are expected to change from 2022 as a result of the RBNZ's capital reforms, although some aspects of the RBNZ's capital reforms will proceed from 1 July 2021, including the new rules around capital instruments, see "New Zealand Regulatory Developments - RBNZ review of capital requirements" below for further information.

New Zealand-incorporated banks (including ANZ New Zealand) are required to comply with the RBNZ's Liquidity Policy ("**BS13**"). A requirement of BS13 is that New Zealand-incorporated banks meet a minimum core funding ratio ("**CFR**") of 75% ensuring that at least a minimum proportion of bank funding is met through customer deposits, term wholesale funding and Tier 1 capital. However, with effect from 2 April 2020, the RBNZ amended ANZ New Zealand's Conditions of Registration to reduce ANZ New Zealand's minimum CFR to 50% in response to the COVID-19 pandemic. The RBNZ intends to revert back to the previous 75% CFR from 1 January 2022.

Basel 3 proposes a liquidity policy which the RBNZ considers very similar to the intent of BS13. However, the RBNZ considers that certain aspects of the Basel 3 liquidity standards are not suitable for adoption in New Zealand.

The RBNZ is undertaking a thematic review of compliance with BS13 ("**BS13 Thematic Review**"), which it intends to complete by mid-2021. Findings from the BS13 Thematic Review are intended to provide input into a forthcoming review of BS13. See "*New Zealand Regulatory Developments — Thematic review of registered banks' compliance with the RBNZ Liquidity Policy*" below for further information.

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

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

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

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

- commence or continue any action or other proceedings including proceedings by way of counterclaim against that bank;
- issue any execution, attach any debt, or otherwise enforce or seek to enforce any judgment or order obtained in respect of that bank;

- take any steps to put that bank into liquidation; or
- exercise any right of set off against that bank.

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

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

New Zealand Regulatory Developments

Regulatory Response to the COVID-19 Pandemic and Other Developments

The exact ramifications of COVID-19 on the regulation and supervision of financial services groups such as the ANZ New Zealand Group are still uncertain and, as of the date of this Base Prospectus, difficult to predict.

In response to the COVID-19 pandemic, the RBNZ and the New Zealand Government have implemented a broad range of measures to promote financial stability and ensure foreign exchange, debt and money markets continue operating efficiently and at low cost, many of which affect the ANZ New Zealand Group. As of the date of this Base Prospectus, it remains unclear what the full impact of these measures will be on the ANZ New Zealand Group.

The RBNZ announced in March 2020 that it would defer external-facing work on most of its regulatory initiatives. The RBNZ also extended the transition period for BS11 to October 2023, and there have been delays to the commencement of some upcoming amendments to the Credit Contracts and Consumer Finance Act 2003 ("**CCCFA**") with the majority of the changes coming into effect on 1 October 2021.

The RBNZ delayed the start date for the increase in bank capital arising from the capital reforms for New Zealand incorporated banks to 2022. Some aspects of the capital reforms will proceed during 2021, including recognition of Tier 2 capital instruments issued in accordance with the new requirements. The conclusion of the transition period is 1 July 2028. The implementation timetable may be revised if conditions warrant in 2021.

The RBNZ amended ANZ New Zealand's Conditions of Registration in response to the COVID-19 pandemic, as follows:

- In May 2020, the RBNZ temporarily removed LVR restrictions for residential mortgage lending. However, effective from March 2021, the pre-pandemic LVR restrictions were reinstated. These LVR restrictions require New Zealand registered banks to restrict new non-property-investment residential mortgage lending over 80% LVR to no more than 20% of the dollar value of a bank's new "non- property-investment residential mortgage lending" (which is a standard residential mortgage loan secured over only owner-occupied residential property), and restrict "property investment residential mortgage" (which is a standard residential mortgage loan that is not a non-property-investment residential mortgage loan) lending over 70% LVR to no more than 5% of the dollar value of a bank's new property investment residential mortgage lending. Additionally, effective from May 2021, New Zealand registered banks are required to restrict property investment residential mortgage lending over 60% LVR to

no more than 5% of the dollar value of a bank's new property investment residential mortgage lending.

- In April 2020, various changes were made, including:
  - restricting ANZ New Zealand from paying dividends or other distributions, other than discretionary payments payable to holders of AT1 capital instruments;
  - the reduction of the minimum requirement for ANZ New Zealand's CFR from 75% to 50%; and
  - updates to refer to the revised version of BS11 dated April 2020 and to reflect the extension of the transition period for existing outsourcing arrangements under BS11 to 1 October 2023.

The RBNZ announced in May 2021 that it intends to increase the CFR minimum requirement back to 75% on 1 January 2022 (subject to no significant worsening of economic conditions).

With effect from 29 April 2021, the RBNZ amended ANZ New Zealand's Conditions of Registration to (among other things) restrict the payment of dividends by ANZ New Zealand to a maximum of 50% of its earnings. This restriction applies to all New Zealand-incorporated banks and will remain in place until 1 July 2022 (subject to no significant worsening in economic conditions). This amendment restricts the amount of dividends that ANZ New Zealand can pay to its ultimate shareholder, ANZBGL.

From April 2020 until April 2021, the RBNZ also restricted ANZ New Zealand, and other New Zealand-incorporated banks, from redeeming capital instruments. Accordingly, ANZ New Zealand was not permitted to redeem its NZ$500 million of Capital Notes in May 2020, although ANZ New Zealand could continue making interest payments on those Capital Notes (subject to certain conditions). Further, ANZ New Zealand did not exercise its option to convert the Capital Notes in May 2020. The terms of the Capital Notes provide for their conversion into a variable number of ANZBGL ordinary shares in May 2022 (subject to certain conditions). Conversion will result in an increase in the Group’s CET1 capital (approximately 10 basis points) at Level 2.

The New Zealand Government and certain New Zealand banks (including ANZ New Zealand) implemented the Business Finance Guarantee Scheme ("**BFGS**") to assist with the provision of credit to businesses for the purpose of managing liquidity needs as a result of COVID-19 and to help them to position themselves for the subsequent economic recovery. All businesses with annual revenues of up to NZ$200 million and who meet other criteria set by the New Zealand Treasury are eligible. A limit of NZ$5 million per loan applies and the loans have a maximum term of five years. The New Zealand Government takes 80% of the credit risk of each loan, with the other 20% to be retained by the banks. The scheme is open for applications until 30 June 2021.

The New Zealand Government has also implemented a Small Business Cashflow Loan Scheme, under which the New Zealand Inland Revenue Department provides loans of up to NZ$100,000 to assist small businesses impacted by the COVID-19 pandemic. The interest rate is 3% per annum. However, interest will not be charged if the loan is fully paid back within two years. The maximum term of the loans is five years, and businesses are not required to make repayments for the first two years. The scheme applies the same eligibility criteria as the Wage Subsidy Scheme. Businesses will have to declare that they are a viable business and that they will use the money for core business operating costs.

The RBNZ also implemented an up to NZ$100 billion Large Scale Asset Purchase ("**LSAP**") program, under which it will purchase New Zealand Government bonds, New Zealand

Government Inflation-Indexed Bonds and Local Government Funding Agency bonds, on the secondary market and inject cash into the banking system by June 2022. The LSAP program aims to provide further support to the New Zealand economy, build confidence, and keep interest rates low. The LSAP program increases the amount of money circulating in the New Zealand banking system available to banks, including ANZ New Zealand, as deposits. The RBNZ continues to monitor the effectiveness of the LSAP program and will make further adjustments and additions if needed.

The RBNZ has also implemented a Funding for Lending Program ("**FLP**") that makes available to banks direct secured funding equivalent to 4% of the relevant bank's eligible loans for a term of three years at the prevailing official cash rate over the drawdown period. Additional FLP funding equivalent to a further 2% of eligible loans will be available to banks that meet certain requirements to increase eligible loans. The FLP is intended to provide banks with low cost funding and encourage lower borrowing costs for New Zealand businesses and households.

From early-2020 to 31 March 2021, the New Zealand Government and the RBNZ implemented a financial support package for homeowners (the "Mortgage Repayment Deferral Scheme") and businesses affected by the economic impacts of COVID-19, in which ANZ New Zealand, along with other New Zealand banks, agreed to participate. The package included a Mortgage Repayment Deferral Scheme for residential mortgage, agriculture and small to medium-sized business customers. The Mortgage Repayment Deferral Scheme was available to eligible ANZ New Zealand customers impacted by COVID-19. Under the Mortgage Repayment Deferral Scheme, repayments could initially be deferred for any period up to six months, as agreed between the bank and the borrower. The period of a repayment deferral under the Mortgage Repayment Deferral Scheme was not treated as a period in arrears, and the granting of a repayment deferral was not treated as a distressed restructuring. ANZ New Zealand followed its usual processes for capitalizing interest on loans under the Mortgage Repayment Deferral Scheme. Treatment of loan repayment deferrals as 'performing loans' ended on 31 March 2021.

The financial support package included a Leave Support Scheme and Short-Term Absence Payments to help businesses pay their employees who needed to self-isolate as a result of COVID-19 and could not work from home. Wage Subsidy Schemes were also previously available to help employers adversely affected by COVID-19 lockdowns to continue to pay their staff.

Other support facilities introduced in order to support liquidity that have since been suspended include the Term Lending Facility, Term Auction Facility, and Corporate Open Market Operation. The RBNZ is considering additional monetary instruments that could be deployed in the future including a negative official cash rate, receiving interest rate swaps and purchasing foreign assets.

The Companies Act 1993 and other legislation have been amended to help businesses facing insolvency due to COVID-19 to remain viable, including by introducing a COVID-19 Business Debt Hibernation ("**BDH**") regime. Under the regime, eligible entities (including companies, partnerships, incorporated societies, and other bodies) are able to submit a proposal to their creditors for putting their business debts into 'hibernation'. Creditors will have one month from the date the entity notifies the Registrar of Companies of its intention to enter into BDH to vote on the proposal, and the proposal will take effect if 50% of creditors (by number and value) agree. There will be a moratorium on the enforcement of debts during the initial one-month period following notification to the Registrar of Companies, and a further six month moratorium if the proposal is agreed to. The proposal, if agreed to, will be subject to any conditions agreed with creditors. The BDH regime does not limit enforcement action by creditors with security over the whole, or substantially the whole, of an entity's property, and certain debts (including debts owed to employees) are excluded from the regime entirely. In December 2020, the New Zealand Government extended the BDH regime until 31 October 2021.

The New Zealand Government also made a number of tax reforms to provide relief to businesses. These include a temporary loss carry-back scheme, under which businesses expecting to make a loss in either of the 2019-2020 or 2020-2021 income years can offset that loss against income from the preceding income year, and receive a refund of some or all of the tax paid for that preceding year. Several changes have been made to assist medium and smaller businesses, including raising the provisional tax threshold from NZ$2,500 to NZ$5,000, in order to lower compliance costs and introducing new rules to allow businesses meeting certain "business continuity criteria" to carry-forward their tax losses notwithstanding changes in continuity of shareholder ownership.

The New Zealand Government announced its Half Year Economic and Fiscal Update ("**HYEFU**") on 16 December 2020. The HYEFU outlined the New Zealand Government's fiscal support measures in response to the COVID-19 pandemic which included a NZ$12.1 billion initial support package and a NZ$50 billion COVID-19 Response and Recovery Fund ("**CRRF**"). As at the date of the HYEFU NZ$51.8 billion of the initial support package and CRRF had been allocated to initiatives, including the Wage Subsidy Scheme and subsequent extensions, the BFGS, costs associated with managed isolation facilities and purchasing of vaccines. The remaining NZ$10.3 billion of CRRF funding was unallocated at the time of the HYEFU.

RBNZ review of capital requirements

Between May 2017 and December 2019, the RBNZ conducted a comprehensive review of the capital adequacy framework applying to New Zealand incorporated banks. The RBNZ's final decisions on the capital review as they relate to ANZ New Zealand are set out below. In response to the COVID-19 pandemic, the RBNZ delayed the start date for the increased capital requirements to support credit availability. The new regime is expected to be implemented in stages from 1 October 2021.

- ANZ New Zealand’s total capital requirement will increase to 18% of RWA, including tier 1 capital of at least 16% of RWA. Up to 2.5% of the tier 1 capital requirement can be made up of AT1 capital, with the remainder of the tier 1 requirement made up of CET1 capital. The increased capital ratios requirement will be implemented progressively from 1 July 2022 to 1 July 2028. AT1 capital must consist of perpetual preference shares, which may be redeemable. The total capital requirement can also include tier 2 capital of up to 2% of RWA. Tier 2 capital must consist of long-term subordinated debt.

- The tier 1 capital requirement will include a CET1 prudential capital buffer of 9% of RWA. This will include: a 2% domestic, systemically important bank capital buffer; a 1.5% 'early-set' counter-cyclical capital buffer, which can be temporarily reduced to 0% following a financial crisis, or temporarily increased to prevent asset price bubbles from developing; and a 5.5% capital conservation buffer.

- Contingent capital instruments will no longer be treated as eligible regulatory capital. As at 31 March 2021, ANZ New Zealand had approximately NZ$2,741 million of AT1 instruments that will progressively lose eligible regulatory capital treatment over a transition period from January 1 2022 to July 1 2028.

- As an IRB accredited bank, ANZ New Zealand’s RWA outcomes will be increased to approximately 90% of what would be calculated under the standardised approach. This will be achieved by applying an 85% output floor from 1 January 2022, and increasing the credit RWA scalar from 1.06 to 1.20 from 1 October 2022.

- ANZ New Zealand will be required to report RWA, and resulting capital ratios, using both the internal models and the standardized approaches from 1 January 2022.

The RBNZ's reforms will result in a material increase in the level of capital that ANZ New Zealand is required to hold, although the amount of the increase is currently uncertain. The reforms could have a material impact on ANZ New Zealand and its business, including on its capital allocation and business planning.

Since 30 September 2018, CET1 capital has increased by NZ$3.8 billion to NZ$12.9 billion at 31 March 2021 and total capital has increased by NZ$3.8 billion to NZ$15.7 billion, in preparation for these changes and due to the RBNZ's COVID-19 related dividend restrictions.

See "- *Australia - Australian Regulatory Developments - ANZBGL Update on RBNZ Capital Requirements*" for information on the impact of these requirements on ANZBGL.

Non-compliance with Conditions of Registration

Set out below are outstanding and recent instances of non-compliance by the ANZ New Zealand Group with its Conditions of Registration that were disclosed in the Half Year Disclosure Statement.

Material non-compliance with conditions of registration

A review of ANZ New Zealand's compliance with the RBNZ's capital adequacy requirements was undertaken under Section 95 of the RBNZ Act and was completed in April 2020. ANZ New Zealand has accepted the improvements identified in the review, and is working to rectify its processes. The RBNZ has stated that it is confident ANZ New Zealand will resolve this matter without issue, and has emphasised that the ANZ New Zealand Group remains sound and well capitalised.

As first reported in the ANZ New Zealand 2019 Disclosure Statement, ANZ New Zealand has not complied with condition of registration 1B in relation to the implementation of changes to rating models and processes that were not approved by the RBNZ.

Applying the last RBNZ approved methodologies to the affected exposures as at 30 September 2019 would have decreased RWA by NZ$47 million (0.05%) in aggregate, which was not sufficient to affect the reported capital ratios.

Affected models and the initial dates of non-compliance are:

- Commercial Property Model Suite (Single Investment, Multi Investment, Hotel Investment, Special Purpose Asset Investment, Single Residential Development, Commercial Development, Englobo Land Pre Development) - 2011
- Non-Bank Financial Institutions Model Suite (Life Insurance, Non-life Insurance, Insurance Holding Company, Finance Companies, Financial Services Companies, Real Money Funds) - 2009
- Project and Structured Finance - 2009
- Bank, Country & Sovereigns - 2008

ANZ New Zealand's model compendium required under section 1.3B of the RBNZ's Capital Adequacy Framework (Internal Models Based Approach) ("**BS2B**") was found to be non-compliant as it included unapproved model changes.

The first tranche of remediated models was submitted to the RBNZ for approval in August 2020, a second tranche was submitted in November 2020, with a third submission completed in April 2021. As at 30 April 2021, fourteen remediated models had been submitted to the RBNZ for approval, with the three remaining models expected to be submitted before the end of 2021.

Other matters relevant to the conditions of registration

There are other matters currently under review where there may be more than one valid interpretation of the respective policy wording or requirement. Where there may be some uncertainty about the interpretation ANZ New Zealand has applied, where appropriate it has sought guidance from, and will be liaising with, the RBNZ on these matters.

Section 95 Reviews

On 5 July 2019, the RBNZ issued a notice under Section 95 of the RBNZ Act requiring ANZ New Zealand to obtain two external reviews: the first on ANZ New Zealand's compliance with certain aspects of BS2B (Capital Adequacy Review); and the second on the effectiveness of ANZ New Zealand's directors' attestation and assurance framework (Attestation Review).

The Attestation Review and the Capital Adequacy Review were completed in December 2019 and April 2020, respectively. ANZ New Zealand is committed to implementing the recommendations and addressing the issues raised by these reviews.

Due to the impacts of the COVID-19 pandemic, the RBNZ extended the time period for addressing the Attestation Review recommendations, subject to ANZ New Zealand obtaining external interim reviews of the remediation activities being undertaken in respect of the Attestation Review and the Capital Adequacy Review, assessed as at March 2021, with final reviews being assessed as at September 2021 for the Attestation Review and December 2021 for the Capital Models review. The interim review of the Attestation Review is in the process of being finalised. The interim review of the Capital Adequacy Review has been completed. The external reviewer has reported that ANZ New Zealand has made significant progress to address non-compliance issues and improvement areas identified by the Capital Adequacy Review, and the programme of work is expected to be completed by December 2021.

The Attestation Review and the Capital Adequacy Review have highlighted the need for a broader program of improving ANZ New Zealand's processes covered by those reviews, and this programme is now in its implementation phase.

See "*New Zealand Regulatory Developments - FMA and RBNZ conduct and culture review*" below for further information.

Loan calculator remediation

In June 2017, ANZ New Zealand self-reported a problem with a loan calculator to the New Zealand Commerce Commission ("**Commerce Commission**"). The problem affected some of ANZ New Zealand's customers' loans that were varied between May 2015 and May 2016. The loan calculator was used to calculate customer repayments and loan terms when customers asked for changes to their home, personal and business loans. The problem resulted in some customers paying less than they should have on affected loans. ANZ New Zealand fixed the calculator in May 2016. ANZ New Zealand has previously credited approximately NZ$8.4 million to affected customers to put the affected loans back into the position they would have been in had the error not occurred. In March 2020, the Commerce Commission announced it had agreed with ANZ New Zealand that ANZ New Zealand would pay some customers affected by the issue a further NZ$29.4 million. These payments are nearing completion.

RBNZ's revised outsourcing policy

BS11 requires large New Zealand-incorporated banks, such as ANZ New Zealand, to have the legal and practical ability to control and execute outsourced functions. BS11 applies to all new outsourcing arrangements entered into from 1 October 2017. The RBNZ has issued revised Conditions of Registration to ANZ New Zealand effective from 2 April 2020, which include an

extension of the transition period to full compliance for existing outsourcing arrangements under BS11 from 1 October 2022 to 1 October 2023.

Conditions of Registration

The BS11 requirements form part of ANZ New Zealand's Conditions of Registration. If ANZ New Zealand does not comply with its condition of Registration in relation to outsourcing, the RBNZ could take enforcement action, such as putting further restrictions on ANZ New Zealand's use of outsourcing.

A formal program has been established and is responsible for delivering ANZ New Zealand's compliance with BS11, as outlined in its Path-to-Compliance Plan. In order to be compliant with BS11, ANZ New Zealand must be able to meet the policy outcomes on a stand-alone basis without reliance on any other Group entity. The policy outcomes are defined as ANZ New Zealand being able to:

- continue to meet daily clearing, settlement, and other time-critical obligations;
- monitor and manage financial positions, including credit, liquidity and market risk positions;
- make available the systems and financial data necessary for the statutory manager and the RBNZ to have options available for managing the failed bank; and
- provide basic banking services to existing customers, including liquidity (both access to deposits and to credit lines as defined in basic banking services) and account activity reporting.

Compliance obligations

BS11 imposes a number of ongoing compliance requirements on ANZ New Zealand. In particular:

- ANZ New Zealand must have a compendium of outsourcing arrangements;
- all contracts to which BS11 applies must include prescribed contractual terms allowing the RBNZ access to details of the contract and service, and not allowing the vendor to terminate if ANZ New Zealand is under statutory management;
- the RBNZ must provide its non-objection for all new outsourcing arrangements (including with other Group entities), unless an exemption applies;
- ANZ New Zealand must have a separation plan that describes how it will operate services or functions that are outsourced to a related party in the event of the appointment of a statutory manager to ANZ New Zealand, or separation from ANZBGL. A final separation plan, fully compliant with BS11, must be in place by 1 October 2023 and will be subject to annual testing; and
- ANZ New Zealand must obtain an independent, external review of progress against its Path-to-Compliance Plan and compliance of new arrangements on an annual basis during the transition period and at least every three years thereafter.

Financial Markets (Derivatives Margin and Benchmarking) Reform Amendment Act 2019 ("FMRA Act")

The FMRA Act was enacted in August 2019 and addresses aspects of New Zealand law that impeded the ability of certain New Zealand entities (including registered banks such as ANZ New Zealand) to comply with foreign derivative margin requirements (in particular, statutory

moratoria on creditors' claims under insolvency or restructuring regimes, and the ranking of creditors in certain circumstances). These legislative impediments had resulted in a reduction of the number of counterparties with which ANZ New Zealand was able to enter into uncleared OTC derivative transactions.

The amendments made under the FMRA Act, which as of 14 March 2021 have all become effective, allow derivative counterparties, which enter into derivatives with these New Zealand entities, to enforce their security interest over margin without undue delay, and ahead of other creditors, in the event of the other party to the derivative defaulting (provided that, prior to enforcement, the margin is in the possession or under the control of the enforcing counterparty or its agent). More specifically, the amendments:

- allow these derivative counterparties to enforce against the margin notwithstanding the general moratoria on claims that ordinarily apply in statutory management and voluntary administration; and
- ensure that when these derivative counterparties enforce their security interest over margin, their claim ranks ahead of other potential claims under the New Zealand Companies Act 1993 and the New Zealand Personal Property Securities Act 1999.

The FMRA Act also amended the Financial Markets Conduct Act 2013 ("**FMCA**") to establish a new licensing regime for administrators of financial benchmarks. These amendments aim to ensure that New Zealand's regulatory regime for financial benchmarks (including the New Zealand Bank Bill Benchmark Rate) meets the equivalence requirements for the purposes of the Benchmarks Regulation.

Replacement of the Financial Advisers Act 2008

In March 2021, New Zealand introduced a new financial advice regime. The Financial Services Legislation Amendment Act 2019 ("**FSLAA**"), which inserted the provisions of the new financial advice regime into the FMCA and amended the Financial Service Providers (Registration and Dispute Resolution) Act 2008. The key changes to the regime include:

- requiring financial advice providers to be licensed;
- removing the requirement that only a natural person can give financial advice (enabling robo-advice);
- expanding the minimum standards of competence, knowledge, and skill to all categories of people giving regulated financial advice to retail clients;
- requiring all people who give regulated financial advice to retail clients to comply with standards of ethical behaviour, conduct, and client care;
- adding new requirements that anyone who gives financial advice must give priority to the interests of the client, ensure the client understands the nature and scope of advice and disclose prescribed information;
- limiting who can give regulated financial advice;
- simplifying the regime and its terminology, for example by simplifying financial adviser types and services they can provide;
- amending the requirements to be registered on the New Zealand Financial Service Providers Register to prevent its misuse; and

- adding requirements to ensure that there are appropriate processes and controls in place to limit, regulate and monitor the financial advice provided by nominated representatives.

ANZ New Zealand has obtained a transitional financial advice provider license from the FMA and has up to two years to apply for and obtain a full license.

Review of the Reserve Bank Act

From November 2017 to April 2021, the New Zealand Government undertook a review of the Reserve Bank Act, with the goal of modernising New Zealand's monetary and financial stability policy frameworks and the RBNZ's governance and accountability settings.

Phase one of the review was completed in 2018, and resulted in the enactment of the Reserve Bank of New Zealand (Monetary Policy) Amendment Act 2018, which made several changes to New Zealand's monetary policy framework.

Phase two involved a comprehensive review of the financial policy provisions of the Reserve Bank Act, including provisions that provide the legislative basis for the RBNZ's prudential regulation and supervision functions and its crisis management framework, and institutional matters such as the RBNZ's legislative objectives, broader governance arrangements and its funding model.

The New Zealand Government has announced in-principle decisions relating to the regulation of deposit takers, including:

- introducing a formal depositor insurance scheme that will protect depositors' savings up to an insured limit of NZ$100,000 per depositor, per institution;
- making Non-Bank Deposit Takers ("**NBDTs**") and banks subject to a single prudential regulatory regime;
- strengthening accountability requirements on directors of companies that are deposit takers;
- strengthening the RBNZ's supervision and enforcement tools, including with powers to undertake on-site inspections as part of its supervision activities; and
- clarifying and strengthening the RBNZ's crisis resolution framework, including providing the RBNZ with the ability to "bail-in" (that is, write-down or convert to equity) certain unsecured liabilities as a new mechanism for recapitalizing a failing bank.

The New Zealand Government intends to replace the Reserve Bank Act with two separate pieces of legislation – the "Reserve Bank of New Zealand Act" and the "Deposit Takers Act" – which will implement the decisions from this review. The Reserve Bank of New Zealand Act will set out the overall governance and accountability framework for the RBNZ across all its functions. It will also provide for the RBNZ's central banking functions, including the framework for monetary policy. The Reserve Bank of New Zealand Bill is currently before the Finance and Expenditure Committee. The Deposit Takers Act will integrate the two different legislative frameworks for deposit taking institutions (banks and NBDTs) and establish the deposit insurance scheme. In April 2021, the New Zealand Government announced its in-principle decisions to adopt the final measures resulting from the review. An exposure draft of a Deposit Takers Bill is expected to be provided to the public for consultation in October 2021, with implementation of the deposit insurance scheme expected in 2023.

RBNZ review of mortgage bond collateral standards

The RBNZ has undertaken consultation on the terms under which the RBNZ would be prepared to accept mortgage bonds (such as residential mortgage-backed securities or covered bonds) as collateral for the RBNZ's lending operations in the future, and is proposing a new Residential Mortgage Obligations ("**RMO**") standard. The RBNZ is proposing to gradually phase in RMO to replace internal residential mortgage backed securities over a five-year transition period.

FMA and RBNZ conduct and culture review

Following the establishment of the Australian Royal Commission, the Financial Market Authority (the "**FMA**") and the RBNZ conducted a joint review of conduct and culture in the New Zealand banking sector in 2018 and 2019. The FMA and RBNZ's industry report concluded that conduct and culture issues did not appear to be widespread in New Zealand banks. There were a small number of issues related to poor conduct by bank staff across the industry. Issues relating to system or process weaknesses were more commonplace. The industry report noted that the FMA and the RBNZ were concerned about the identification and remediation of conduct issues and risks in the banks' businesses, and potential weaknesses in the governance and management of conduct risks.

The FMA and RBNZ have continued to engage with banks that took part in the review, including ANZ New Zealand. In July 2019, the FMA and the RBNZ provided ANZ New Zealand with their specific feedback letter. In their letter, the FMA and the RBNZ noted that ANZ New Zealand's conduct and culture plan appeared to address the relevant issues identified in the feedback letters and published reports. In addition, the FMA and the RBNZ informed ANZ New Zealand that the outcomes of the Section 95 Reviews may result in ANZ New Zealand needing to amend its conduct and culture plan. See "— Section 95 Reviews" for further information.

ANZ New Zealand is continuing to provide regular progress updates on its conduct and culture plan to the FMA and the RBNZ.

RBNZ's approach to supervision of financial institutions

In June 2019, the RBNZ announced that it would intensify its supervision of financial institutions (including ANZ New Zealand). The RBNZ indicated that financial institutions could expect more intrusive supervision, including more reviews, a deeper scrutiny of boards and management, and enforcement action in cases of non-compliance. For further discussion, see "*Risk Factors—Legal and regulatory risk—Regulatory changes or a failure to comply with laws, regulations or policies may adversely affect the ANZ New Zealand Group's Position*".

RBNZ breach disclosure and reporting regime

Since January 2021, the RBNZ has introduced a new framework for the reporting and publishing of regulatory breaches by New Zealand banks. Banks are required to report promptly to the RBNZ when there is a breach or possible breach of a regulatory requirement in a material manner, and report all minor breaches every six months. Actual material breaches will then be published on the RBNZ's website. Since March 2021, a materiality threshold applies to the disclosure of breaches of a bank's conditions of registration in their disclosure statements.

FMA review of sales incentives structures in the New Zealand banking industry

In November 2018, the FMA released its findings from its review of incentive structures in the New Zealand banking industry.

The industry review found that the incentives of salespeople across the New Zealand banking industry are highly sales focused and that there is a high risk of inappropriate sales practices occurring. The industry review also found that significant changes are being made to incentive schemes across the New Zealand banking industry.

From 1 October 2019, ANZ New Zealand removed sales incentives for all frontline staff and made changes to its remuneration structure to reduce the emphasis on variable remuneration and individual performance. Frontline Retail and Business Banking staff do not have incentives paid based on individual performance (including payments based on sales measures). Instead staff are eligible for a Group Performance Dividend ("GPD") payment based on overall ANZ Group performance. Some staff are also eligible for a variable remuneration component called At Risk Pay ("ARP") which is based on business, team and individual performance. For any roles with an individual performance component, ANZ New Zealand is committed to ensuring that there are no incentives linked to sales measures. Employees who do not meet the minimum standards of behaviour and performance will not receive, or will receive a smaller proportion of, GPD and ARP.

In July 2019, the FMA and the RBNZ, in their feedback letter to ANZ New Zealand on its conduct and culture plan, noted the requirement for ANZ New Zealand to notify the FMA, in writing, if ANZ New Zealand intends to materially change its approach to incentives outlined in ANZ New Zealand's conduct and culture plan.

Proposed conduct regulations for financial institutions

The Financial Markets (Conduct of Institutions) Amendment Bill ("**FMCIA Bill**") was introduced to the New Zealand Parliament in December 2019. The FMCIA Bill would require financial institutions (including registered banks, licensed insurers and NBDTs) that are in the business of providing relevant services to:

- obtain a license under Part 6 of the FMCA;
- comply with a fair conduct principle (requiring them to treat consumers fairly, including by paying due regard to their interests);
- establish, implement, maintain and comply with an effective fair conduct program to operationalise the fair conduct principle; and
- comply with regulations that regulate incentives.

Financial institutions and intermediaries would be subject to the FMCA's compliance and enforcement tools such as civil pecuniary penalties for contraventions of various obligations, and licensed financial institutions would be subject to licensing actions such as censure and the imposition of action plans.

These proposals are intended to form the basis of a broad conduct regime that could be expanded over time with further obligations on regulated entities.

In August 2020, the Finance and Expenditure Committee released its report on the FMCIA Bill, recommending it be passed with amendments. Among other things, the updated Bill now:

- clarifies the fair conduct principle by inserting a non-exhaustive list of relevant factors required to treat consumers fairly;
- changes the requirement that fair conduct programmes must be published in full to requiring a summary of the programme to be published and the programme to be provided to the FMA;
- removing the duty for intermediaries to comply with fair conduct programmes, and the duty for financial institutions to ensure intermediary compliance with fair conduct programmes; and
- inserts a list of matters the Minister must have regard to before recommending to regulate or prohibit incentives.

In April 2021, the New Zealand Government released two discussion documents regarding the treatment of intermediaries under, and the development of regulations to support, the new conduct of the financial institutions regime. This consultation may result in amendments to the Bill later in 2021.

Amendments to the CCCFA

In December 2019, the CCLA Act was enacted. The CCLA Act makes a number of significant changes to the CCCFA, including:

- introducing a new duty on directors and senior managers of creditors under consumer credit contracts to exercise due diligence to ensure that the creditor complies with its duties and obligations under the CCCFA. Proposed remedies for failure to comply with this duty include compliance orders, civil pecuniary penalties, statutory damages and payment of compensation. This change takes effect on 1 October 2021;
- strengthening enforcement provisions, including by providing civil pecuniary penalties and statutory damages for breaches of lender responsibility principles;
- requiring lenders to keep records of their inquiries in relation to their compliance with the responsible lending principles and how they calculate credit and default fees. This change takes effect on 1 October 2021;
- amending the provisions relating to how disclosure is made, including in relation to electronic disclosure; and
- requiring debt collectors to disclose key information to the debtor at the commencement of debt collection action. This change takes effect on 1 October 2021.

Certain amendments contained in the CCLA Act (including changes to electronic disclosure rules and the introduction of civil pecuniary penalties) have already come into effect. As a result of the COVID-19 pandemic, the commencement of Part 5A of the CCLA Act, relating to fit and proper person certification, was delayed and will now come into force on 1 June 2021, and the commencement of the remaining provisions of the CCLA Act and new regulations will now occur on 1 October 2021. The ANZ New Zealand Group is undertaking a program of work in relation to its current CCCFA processes and the upcoming CCLA Act reforms.

Thematic review of registered banks' compliance with the RBNZ Liquidity Policy

The RBNZ is undertaking a thematic review of compliance with BS13, which it intends to complete by mid-2021. The BS13 Thematic Review is expected to deliver an assessment of the compliance of registered banks in New Zealand with the quantitative and qualitative requirements of BS13 as well as provide useful insights into the banking industry's current liquidity management practices. The findings from the BS13 Thematic Review are also intended to provide input into a forthcoming review of BS13. ANZ New Zealand is continuing to work with the RBNZ on the BS13 Thematic Review.

Cyber resilience guidance and information sharing consultation

In April 2021, the RBNZ released guidance that outlines its expectations on cyber resilience for regulated entities (including ANZ New Zealand). The guidance aims to raise awareness of, and ultimately promote, the cyber resilience of the financial sector, especially at the board and senior management level. This guidance draws upon leading international and national cybersecurity standards and guidelines and is intended to provide high-level principle-based recommendations for entities.

The RBNZ also plans to promote information sharing with other relevant government agencies including the National Cyber Security Centre, the NZ Computer Emergency Response Team and the FMA. Details of the RBNZ's information gathering and sharing plan are under development and expected to be published for public consultation in mid-2021.

Privacy Act 2020

The Privacy Act 2020 ("**Privacy Act**") came into effect on 1 December 2020. The Privacy Act enhances the role of the Privacy Commissioner and promotes early intervention and risk management by organizations that handle personal information (such as ANZ New Zealand). Key changes relevant to ANZ New Zealand include:

- the mandatory notification of privacy breaches that cause serious harm (or are likely to do so) to the Privacy Commissioner and affected parties, for which failure to comply is an offence subject to a fine of up to $10,000 per breach;
- the ability for the Privacy Commissioner to issue compliance notices and data access notices, with a fine of up to $10,000 for non-compliance; and
- the introduction of controls on the disclosure of information overseas, including the requirement to ensure overseas entities receiving New Zealanders' personal information have similar levels of privacy protection to those in New Zealand.

The Privacy Act affects the handling of personal information ANZ New Zealand receives from customers and counterparties. ANZ New Zealand has implemented a programme to ensure compliance with the new privacy obligations from 1 December 2020.

UNITED STATES

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

Under the Bank Holding Company Act of 1956 (the "**BHC Act**"), the activities of a FHC are subject to restrictions if it is determined that the FHC (in the case of ANZBGL, at the ANZ Group level or at the level of its U.S. bank subsidiary in Guam and American Samoa) ceases to be "well managed" or "well capitalised" or is the subject of an enforcement action requiring it to maintain a specific level of capital, or if its U.S. bank subsidiary in Guam and American Samoa fails to maintain at least a “Satisfactory” or better rating under the Community Reinvestment Act. The FRB is the "umbrella" supervisor with jurisdiction over FHCs, including ANZBGL.

ANZBGL is subject to U.S. federal laws and regulations, including the International Banking Act of 1978 (the "**IBA**"). Under the IBA, all branches and agencies of foreign banks in the United States are subject to reporting and examination requirements similar to those imposed on domestic banks that are owned or controlled by U.S. bank holding companies. As a federally-licensed branch regulated primarily by the Office of the Comptroller of the Currency in the United States (the "**OCC**"), ANZBGL's New York branch ("**New York Branch**") can engage in activities permissible for national banks, with the exception that the New York Branch may not accept retail deposits. The New York Branch does not accept retail deposits (only institutional and corporate deposits) and thus is not subject to the supervision of the Federal Deposit Insurance Corporation ("**FDIC**"). The U.S. bank subsidiary operating in Guam and American Samoa does accept retail deposits and is subject to supervision by the FDIC.

Most U.S. branches and agencies of foreign banks, including the New York Branch, are subject to reserve requirements on deposits pursuant to regulations of the FRB. The New York Branch must maintain its accounts and records separate from those of the Group generally and must comply with such additional requirements as may be prescribed by the OCC. The IBA and the BHC Act also affect the Group's ability to engage in non-banking activities in the United States.

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

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

The "Volcker Rule" adopted under Dodd-Frank, among other things, prohibits banks and their affiliates from engaging in certain "proprietary trading" (but allows certain activities such as underwriting, market making-related and risk-mitigating hedging activities) and limits the sponsorship of, and investment in, private equity funds and hedge funds, subject to certain important exceptions and exemptions.

Other Dodd-Frank regulations impose minimum margin requirements on uncleared swaps, require the central execution and clearing of standardised OTC derivatives on regulated trading platforms and clearing houses, set limits on the size of positions in certain types of derivatives and provide for heightened supervision of OTC derivatives dealers and major market participants. ANZBGL is a provisionally registered swap dealer under the Commodity Exchange Act and Commodity Futures Trading Commission ("**CFTC**") regulations. In addition, other affiliated entities within the Group could become subject to swap registration, depending on the level of their swap dealing activities with counterparties that are U.S. persons. Even if not required to be registered with the CFTC, such entities are potentially subject to certain of the CFTC's regulatory requirements, in connection with transactions that they enter into with counterparties that are U.S. persons.

In 2020, the CFTC adopted rules regarding cross-border transactions which, among other things, permit "substituted compliance" by swap dealers located in non-U.S. jurisdictions with regulatory schemes determined by the CFTC to be comparable to its own. The CFTC has previously made such a determination with respect to certain aspects of Australian law and regulation pursuant to guidance issued by the CFTC prior to its adoption of the cross-border rules, and that determination remains in effect under the new rules. Pursuant to that determination, ANZBGL is able to rely on substituted compliance with respect to certain aspects of CFTC rules in connection with transactions outside the U.S. with non-U.S. counterparties.

U.S. prudential regulators and the CFTC have implemented rules imposing initial and variation margin requirements on transactions in uncleared swaps and security-based swaps. As ANZBGL is supervised by the FRB and operates the New York Branch that is regulated by the OCC, it needs to comply with the uncleared swap margin rules promulgated by the FRB, Farm Credit Administration, FDIC, Federal Housing Financial Agency and the OCC. These rules impose requirements to collect and post initial and variation margin in respect of in-scope trading with in-scope counterparties. The rules of the prudential regulators and the CFTC also allow non-U.S. swap dealers, such as ANZBGL, to comply with the applicable laws of non-

U.S. jurisdictions in lieu of compliance with their margin rules, or otherwise not to comply with U.S. margin rules, with respect to certain categories of transactions and counterparties.

Dodd-Frank also requires ANZBGL to submit U.S. resolution plans to the FRB and the FDIC. ANZBGL submitted its most recent U.S. resolution plan in December 2018. ANZBGL also is subject to "enhanced prudential regulations" under Reg. YY, Subpart N, which was adopted pursuant to Dodd-Frank Section 165, and which requires quarterly and annual certification of compliance with the financial and risk oversight requirements thereof. In October 2019, the FRB and the FDIC issued final rules that would apply tailored requirements on resolution planning and a modification of the enhanced prudential standards applicable to foreign banking organisations, depending on the size of their U.S. operations and their risk profile. Under the final rules, ANZBGL is next required to submit a reduced resolution plan by 1 July 2022 because it continued to be a triennial reduced filer on 1 October 2020.

ANZBGL conducts it debt capital markets activities in the United States through ANZ Securities, Inc. ("**ANZSI**"). ANZSI is a broker-dealer licensed by the U.S. Securities and Exchange Commission ("**SEC**") and supervised by the SEC and the Financial Industry Regulatory Authority ("**FINRA**"). ANZSI is also licensed states and territories where it does business. The SEC and FINRA have extensive compliance requirements that apply to ANZSI, including recordkeeping, transaction and communications monitoring, supervision of ANZSI staff, internal policies and procedures, and many others that govern the day-to-day business of ANZSI. ANZSI is subject to periodic reviews of its operations by the SEC and FINRA.

The FATCA requires financial institutions to undertake specific customer due diligence and provide information on account holders who are U.S. citizens or tax residents to the United States Federal tax authority, the Internal Revenue Service, either directly or via local tax authorities. If the required customer due diligence and provision of account holder information is not undertaken and provided in a manner and form meeting the applicable requirements, the Group and/or persons owning assets in accounts with Group members may be subjected to a 30% withholding tax on certain amounts. While such withholding tax may currently apply only to certain payments derived from sources within the United States, no such withholding tax will be imposed on any payments derived from sources outside the United States that are made prior to the date that is two years after the date on which final U.S. regulations defining the term "foreign passthru payment" are enacted. There is currently no proposed or final definition of "foreign passthru payment" and it is therefore impossible to know whether certain payments could possibly be treated as foreign passthru payments.

The discussion above reflects proposed U.S. regulations that eliminate withholding on certain gross proceeds payments and delay the effective date for withholding on payments from sources outside the United States. The U.S. Treasury Department has indicated that taxpayers may rely on the proposed regulations. The discussion assumes that the regulations will be finalised in their current form and will be effective retroactively.

In addition to FATCA, the U.S. may require the Group in certain circumstances to provide certain information to U.S. payers (withholding agents, custodians, etc.), and the Group and/or its customers may face withholding tax if the Group does not provide such information in compliance with the applicable rules and regulations. Moreover, even if the Group does provide the required information, withholding may still be applicable to certain U.S. source payments.

In the event that any country in which ANZBGL operates does not have or enforce an Intergovernmental Agreement with the United States, and that country has local law impediments preventing compliance with FATCA, the Group may also be subject to broader compliance issues, significant withholding exposure and other operational impacts.

A major focus of U.S. governmental policies affecting financial institutions has been combating money laundering, terrorist financing and violations of U.S. sanctions. The Uniting and

Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "**Patriot Act**") substantially broadened the scope of U.S. anti-money laundering laws by imposing significant compliance and due diligence obligations, identifying crimes and stipulating penalties and expanding the extra-territorial jurisdiction of the U.S. The U.S. Treasury Department has issued a number of regulations implementing various requirements of the Patriot Act, and other U.S. laws with respect to sanctions, that apply to U.S. financial institutions, including subsidiaries and branches of foreign banks such as ANZBGL's U.S. broker-dealer subsidiary, the New York Branch and ANZBGL's bank subsidiary that operates in Guam and American Samoa.

Those regulations require financial institutions operating in the United States to maintain appropriate policies, procedures and controls to detect, prevent, and report money laundering and terrorist financing and to verify the identity of their customers. They also require financial institutions in the United States to operate in compliance with U.S. sanctions regimes. In addition, the U.S. bank regulatory agencies have imposed heightened standards and U.S. law enforcement authorities have been taking a more active role, resulting in intensified enforcement of such matters. Failure of a financial institution to maintain and implement adequate policies and procedures to combat money laundering and terrorist financing, and to comply with U.S. sanctions regimes, could have serious legal and reputational consequences for the financial institution, as well as result in the imposition of civil, monetary and criminal penalties.

OTHER REGULATORS

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

In addition to the prudential capital oversight that APRA conducts over ANZBGL and its branch operations and the supervision and regulation described above, local banking operations in all of the ANZBGL offshore branches and banking subsidiaries are subject to host country supervision by their respective regulators, such as the RBNZ, the OCC, the FRB, the UK Prudential Regulatory Authority, the Monetary Authority of Singapore, the Hong Kong Monetary Authority, the China Banking and Insurance Regulatory Commission and other financial regulatory bodies in those countries and in other relevant countries. These regulators, among other things, may impose minimum capitalisation requirements on those operations in their respective jurisdictions.

The Group is also required to comply with certain anti-money laundering and counterterrorism financing legislation and regulations under the local laws of all the countries in which it operates.

PERPETUAL CORPORATE TRUST LIMITED

(ABN 99 000 341 533)

The ANZ Residential Covered Bond Trust (ABN 73 378 956 428) ("**Trust**") is a special purpose trust established by the Notice of Creation of Trust on 31 October 2011 pursuant to the Trust Terms Deed. Perpetual Corporate Trust Limited, the Covered Bond Guarantor is the trustee of the Trust.

Perpetual Corporate Trust Limited was incorporated in New South Wales on 27 October 1960 as T.E.A. Nominees (N.S.W.) Ltd under the Companies Act of 1936 of New South Wales. The name was changed to Perpetual Corporate Trust Limited on 18 October 2006 and Perpetual Corporate Trust Limited now operates as a limited liability public company under the Australian Corporations Act. Perpetual Corporate Trust Limited is registered in New South Wales and its registered office is at Level 18, 123 Pitt Street, Sydney, NSW 2000, Australia. The telephone number of the Covered Bond Guarantor's principal office is +61 2 9229 9000. The website of Perpetual Corporate Trust Limited is www.perpetual.com.au. No information on such website forms part of this Prospectus.

Perpetual Corporate Trust Limited has 10,010,000 ordinary shares issued with a paid amount of A$1.00 per share. Perpetual Corporate Trust Limited is a wholly owned subsidiary of Perpetual Trustee Company Limited (ABN 42 000 001 007), which is a wholly owned subsidiary of Perpetual Limited, a publicly listed company on the Australian Securities Exchange.

The principal activities of Perpetual Corporate Trust Limited are the provision of trustee and other commercial services. Perpetual Corporate Trust Limited (ABN 99 000 341 533) has obtained an Australian Financial Services Licence under Part 7.6 of the Australian Corporations Act (AFSL No. 392673). Perpetual Corporate Trust Limited and its related companies provide a range of services including custodial and administrative arrangements to the funds management, superannuation, property, infrastructure and capital markets. Perpetual Corporate Trust Limited and its related companies are leading trustee companies in Australia with in excess of A$400 billion under administration.

The name and function of each of the Directors of Perpetual Corporate Trust Limited is listed below. The business address of each Director is Level 18, 123 Pitt Street Sydney NSW 2000 Australia.

- Mark Smith, Director;
- Christopher Green, Director; and
- Richard McCarthy, Director.

The Covered Bond Guarantor is dependent on the Trust Manager, the Servicer and the Calculation Manager (among others) to provide certain management and administrative services to it, on the terms of the Supplemental Deed and the other Programme Documents.

As at the date of this Prospectus, no potential conflicts or actual conflicts of interest have been identified between any duties owed to the Covered Bond Guarantor by any of the Directors of Perpetual Corporate Trust Limited listed above and their private interests that are not being actively managed.

ANZ Residential Covered Bond Trust

The principal activities of the Trust are set out in the Trust Terms Deed and the Supplemental Deed and include the acquiring and disposing of, Receivables, Authorised Investments and

Substitution Assets, issuing (and redeeming or purchasing) Units and performing its obligations in respect of those Units, guaranteeing the obligations of the Issuer under and in respect of the Covered Bonds and entering into, performing its obligations and exercising its rights under and taking any action contemplated by any of the Programme Documents.

The Residual Capital Unitholder and Residual Income Unitholder of the Trust at the date of this Prospectus is ANZBGL.

The audited annual financial statements (including the auditor's report thereon and notes thereto) in respect of the years ended 30 September 2020 and 30 September 2019 are set out in the ANZ Residential Covered Bond Trust 2020 Special Purpose Financial Report and the ANZ Residential Covered Bond Trust 2019 Special Purpose Financial Report respectively, each of which have been previously published and filed with the FCA and are attached to this Prospectus as Annex B.

Apart from the disclosure differences as outlined in the basis of preparation, the audited special purpose financial statements of the Trust (including the auditor’s report and the notes thereto) in respect of the year ended 30 September 2020 and the year ending 30 September 2019, to the extent applicable, comply with the Australian Accounting Standards adopted by the Australian Accounting Standards Board which are equivalent of the International Financial Reporting Standards as issued by the International Accounting Standards Board.

ANZ CAPEL COURT LIMITED

(ABN 30 004 768 807)

Trust Manager

At the date of this Prospectus, the Trust Manager is ANZ Capel Court Limited. The business address of the Trust Manager is Level 5, 242 Pitt Street, Sydney, NSW, 2000, Australia.

Pursuant to the Management Agreement, the Trust Manager will act as manager of the Trust and will provide certain administrative services required by the Trust pursuant to the Programme Documents. As compensation for the performance of the Trust Manager's obligations under the Management Agreement, the Supplemental Deed and the other Programme Documents and as reimbursement for its related expenses, the Trust Manager will be entitled to a fee, which will be paid in accordance with the applicable Cashflow Allocation Methodology.

The Trust has not engaged since its establishment and will not engage whilst the Covered Bonds or the Intercompany Loan remains outstanding, in any material activities other than activities incidental to its establishment, activities contemplated under the Programme Documents to which it is or will be a party and other matters which are incidental or ancillary to the foregoing.

Directors

The directors of ANZ Capel Court Limited, the business address of each of whom should be regarded for the purposes of this Prospectus as being Level 5, 242 Pitt Street, Sydney, NSW, 2000, Australia and their principal outside activities, where significant, are as follows:

Monica Ann Bartolo	Director	Head of Funds Australia, Financial Institutions Group, Australia and New Zealand Banking Group Limited
Graham David Metcalf	Director	Head of Structured Capital Markets, Markets, Australia and New Zealand Banking Group Limited
Michael John Prosser	Director	Head of Institutional Portfolio Management, Australia and New Zealand Banking Group Limited

As at the date of this Prospectus, no potential conflicts or actual conflicts of interest exist between any duties owed to ANZ Capel Court Limited by the members of its Board of Directors listed above and their private interests and/or other duties in respect of their management roles other than to the extent contemplated by "*Market risks associated with Covered Bonds issued under the Programme – Conflict of Interest*".

Delegation by the Trust Manager

The Trust Manager may, in performing its functions under the Supplemental Deed, the Management Agreement and the other Programme Documents, delegate to any service provider the performance of any of its functions and appoint any person to be delegate or sub-delegate, in each case subject to and in accordance with the provisions of the Supplemental Deed and the Management Agreement, as the case may be.

Financial Information

At the end of the financial year (the "**Financial Year**") in which the Trust has been established and at the end of each Financial Year thereafter of the Trust, the Trust Manager will prepare and publish audited historical financial information in respect of the Trust.

SUMMARY OF THE PRINCIPAL DOCUMENTS

Bond Trust Deed

The Bond Trust Deed, entered into between, amongst others, the Issuer, the Covered Bond Guarantor and the Bond Trustee on or about the Programme Date, is the principal agreement governing the Covered Bonds (along with the Deed Poll for the Australian Registered Covered Bonds). The Bond Trust Deed contains provisions relating to:

(a) the constitution of the Covered Bonds and the Programme Conditions (as more fully set out under "*Terms and Conditions of the Covered Bonds*" above);

(b) the covenants of the Issuer and the Covered Bond Guarantor;

(c) the terms of the Covered Bond Guarantee (as described below);

(d) the enforcement procedures relating to the Covered Bonds and the Covered Bond Guarantee; and

(e) the appointment, powers and responsibilities of the Bond Trustee and the circumstances in which the Bond Trustee may resign or retire or be removed.

The Covered Bond Guarantee

The Covered Bond Guarantee

The Covered Bond Guarantor has guaranteed to the Bond Trustee, for the benefit of Covered Bondholders, the prompt performance by the Issuer of its obligations to pay Guaranteed Amounts as and when the same shall become Due for Payment.

Following the occurrence of an Issuer Event of Default and the service by the Bond Trustee of firstly, an Issuer Acceleration Notice on the Issuer (with a copy to the Covered Bond Guarantor) and secondly, a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), the Covered Bond Guarantor shall pay or procure to be paid on each Scheduled Payment Date (or on such later date provided for in the Bond Trust Deed) to or to the order of the Bond Trustee (for the benefit of the Covered Bondholders) an amount equal to those Guaranteed Amounts which shall have become Due for Payment in accordance with the terms of the Bond Trust Deed (or which would have become Due for Payment but for any variation, release or discharge of the Guaranteed Amounts) but which have not been paid by the Issuer to the relevant Covered Bondholder, Receiptholders and/or Couponholders on the relevant date for payment.

Following the occurrence of a Covered Bond Guarantor Event of Default and the service by the Bond Trustee of a Covered Bond Guarantee Acceleration Notice on the Issuer and the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee), in respect of the Covered Bonds of each Series which shall have become immediately due and repayable (or which would have become Due for Payment but for any variation, release or discharge of the Guaranteed Amounts), the Covered Bond Guarantor shall pay or procure to be paid to or to the order of the Bond Trustee (for the benefit of itself and the Covered Bondholders) in the manner described in the Bond Trust Deed) the Guaranteed Amounts.

Subject to the grace periods specified in Programme Condition 9(b) (*Covered Bond Guarantor Events of Default*), failure by the Covered Bond Guarantor to pay the Guaranteed Amounts when Due for Payment will constitute a Covered Bond Guarantor Event of Default.

Covered Bond Guarantor not obliged to pay additional amounts

All payments of principal and interest (if any) in respect of the Covered Bonds, Receipts and Coupons by or on behalf of the Covered Bond Guarantor will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessment or governmental charges of whatever nature unless such withholding or deduction is required by law or administrative practice of any jurisdiction. If any payments made by the Covered Bond Guarantor under the Covered Bond Guarantee are or become subject to any withholding or deduction, on account of any taxes, duties or other charges of whatever nature, imposed or levied by or on behalf of Australia or by any other authority having power to tax, the Covered Bond Guarantor will not be obliged to pay any additional amount to the Bond Trustee or any Covered Bondholder as a consequence. For the purposes of the preceding sentence, any deduction or withholding imposed or required pursuant to FATCA shall be deemed a tax imposed by the United States. If any such withholding or deduction is required, the Covered Bond Guarantor shall pay the Guaranteed Amounts net of such withholding or deduction and shall account to the appropriate tax authority for the amount required to be withheld or deducted.

See "*Taxation*" for further information.

Covered Bond Guarantor as principal debtor and not merely as surety

The Covered Bond Guarantor has agreed that its obligations under the Bond Trust Deed shall be as if it were principal debtor and not merely as surety or guarantor and shall be absolute and (following service of an Issuer Acceleration Notice and Notice to Pay or a Covered Bond Guarantee Acceleration Notice) unconditional, irrespective of and unaffected by, any invalidity, irregularity, illegality or unenforceability of, or defect in, any provisions of the Bond Trust Deed or any other Programme Document, or the absence of any action to enforce the same or the waiver, modification or consent by the Bond Trustee, any of the Covered Bondholders, Receiptholders or Couponholders in respect of any provisions of the same or the obtaining of any judgment or decree against the Issuer, or any action to enforce the same, or any other circumstances which might otherwise constitute a legal or equitable discharge or defence of a guarantor.

Excess Proceeds

Following the occurrence of an Issuer Event of Default and the delivery of an Issuer Acceleration Notice, and Notice to Pay any Excess Proceeds which are received by the Bond Trustee from the Issuer or any receiver, liquidator, administrator or other similar official appointed in relation to the Issuer and are then held by it or under its control, shall be paid by the Bond Trustee on behalf of the Covered Bondholders of the relevant Series to the Covered Bond Guarantor, as soon as practicable, and shall be held by the Covered Bond Guarantor in the GIC Account and the Excess Proceeds shall thereafter form part of the Secured Property and shall be used by the Covered Bond Guarantor in the same manner as all other moneys from time to time standing to the credit of the GIC Account pursuant to the Deed of Charge and the Supplemental Deed. Any Excess Proceeds received by the Bond Trustee and held by it or under its control shall discharge *pro tanto* the obligations of the Issuer in respect of the Covered Bonds, Receipts and Coupons (as applicable and to the extent of the amount so received and subject to restitution of the same if such Excess Proceeds shall be required to be repaid by the Covered Bond Guarantor) (but the Issuer shall be deemed not to have discharged such obligations for the purposes of subrogation rights of the Covered Bond Guarantor contemplated by the Covered Bond Guarantee and the Bond Trust Deed). However, the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee are (following service of an Issuer Acceleration Notice and Notice to Pay or, if earlier, service of an Covered Bond Guarantee Acceleration Notice) unconditional and irrevocable and the receipt by, or on behalf of, the Bond Trustee of any Excess Proceeds shall not reduce or discharge any such obligations.

By subscribing for Covered Bonds, each Covered Bondholder shall be deemed to have irrevocably directed the Bond Trustee to pay the Excess Proceeds to the Covered Bond Guarantor in the manner as described above.

For the avoidance of doubt, any payments by the Covered Bond Guarantor to the Covered Bondholders out of the Excess Proceeds shall reduce the Guaranteed Amounts pro tanto.

The Bond Trust Deed (including the Covered Bond Guarantee) and any non-contractual obligations arising out of or in connection with it are (subject to the statement under Deed Poll below) governed by English law.

Deed Poll

The Deed Poll, entered into between the Issuer and the Bond Trustee on or about the Programme Date, is the document that constitutes and contains the covenant of the Issuer to make payment on the Australian Registered Covered Bonds. The Australian Registered Covered Bonds are issued subject to and on the terms set out in the Programme Conditions (as they relate to Australian Registered Covered Bonds) and the Deed Poll. The Deed Poll and the Australian Registered Covered Bonds are governed by the laws of the State of Victoria, Australia.

Security Trust Deed

The Security Trust Deed, entered into between the Covered Bond Guarantor, the Security Trustee, the Trust Manager and the Bond Trustee sets out the terms and conditions of the appointment of the Security Trustee under the Programme. As security for the Covered Bond Guarantor's obligations to the Secured Creditors, to pay the Secured Money, the Trustee has, under the Deed of Charge, granted a charge to the Security Trustee over all of the Assets of the Trust for the benefit of the Secured Creditors.

The Security Trust Deed contains:

(a) terms of the Security Trust, including commencement and termination provisions, the rights of the Secured Creditors and the general powers, rights and responsibilities of the Security Trustee;

(b) covenants of the Trustee and the Trust Manager;

(c) basic representations and warranties of the Trustee, Security Trustee and Trust Manager;

(d) provisions relating to the crystallisation of the charge granted under the Deed of Charge from a floating charge to a fixed charge in certain circumstances such as the occurrence of a Covered Bond Guarantor Event of Default;

(e) provisions relating to the enforcement of the security including the appointment of a receiver and the general powers of the receiver;

(f) provisions containing various limits and exclusions on the Security Trustee's liability; and

(g) provisions relating to the means by which the Security Trustee is to take instructions.

Commencement and Termination

A Security Trust will commence on the date on which the Notice of Creation of Trust in respect of that Security Trust is executed and terminates on the earlier of:

(a) the Vesting Date in respect of that Security Trust; and

(b) the date on which the related Trust is terminated in accordance with the Trust Deed.

Rights of Secured Creditors

(a) The Secured Creditors of a Security Trust are bound by, and are deemed to have notice of, the provisions of the Programme Documents of the Trust to which the Security Trust relates. The rights of the Secured Creditors of a Security Trust are limited by the terms of such Programme Documents.

(b) Without limiting paragraph (a), no Secured Creditor in respect of the Trust is entitled (other than as permitted by the Security Trust Deed or any other Programme Document in respect of the Trust) to:

(i) interfere with any Trust or any rights or powers of the Trust Manager or the Trustee under the Trust Deed or any other Programme Document in respect of the Trust;

(ii) exercise a right in respect of an Asset of the Trust or lodge a caveat or other notice affecting an Asset of the Trust or otherwise claim any interest in an Asset of the Trust;

(iii) subject to the Programme Documents for the Trust, require the transfer to it of any Asset of the Trust;

(iv) seek to terminate or wind up the Trust;

(v) have any recourse whatsoever to the Trustee or the Trust Manager in its personal capacity except in the case of fraud, gross negligence or wilful default on the part of the Trustee or the Trust Manager (as the case may be); or

(vi) seek to remove the Trustee or the Trust Manager.

Subordination

Each of the Secured Creditors agrees to be bound by the terms of the Cashflow Allocation Methodology set out in the Supplemental Deed. Each of the Secured Creditors (other than the Bond Trustee in relation to the Covered Bond Guarantee) has further agreed with each other party to the Security Trust Deed that, notwithstanding any other provision contained in the Security Trust Deed or in any other Programme Document (other than clause 9.3 of the Demand Loan Agreement (described below in the section "*Summary of the Principal Documents - Demand Loan Agreement*" of this Prospectus) to which sub-paragraphs (i) to (iv) (inclusive) below are subject):

(a) it will not demand or receive payment of, or any distribution in respect of or on account of, any amounts payable by the Trustee or the Security Trustee, as applicable, to that Secured Creditor under the Programme Documents, in cash or in kind and will not, save to the extent permitted by or provided for in the Programme Documents, apply any money or assets in discharge of any such amounts payable to it (whether by set-off or by any other method), unless all amounts then due and payable by the Trustee to all other Secured Creditors ranking higher in the Cashflow Allocation Methodology have been paid in full;

(b) if any amount is received by it (including by way of set-off) in respect of Secured Money owed to it:

(i) prior to the occurrence of a Covered Bond Guarantor Event of Default or service of a Covered Bond Guarantee Acceleration Notice on the Trustee and the Issuer (copied to the Trust Manager and the Security Trustee), the enforcement of the

Charge (or any combination of them), other than in accordance with the provisions of the Security Trust Deed and the Pre-acceleration Allocations or the Guarantee Allocations or as a result of the set-offs described in the Intercompany Loan Agreement and the Demand Loan Agreement, as applicable, then an amount equal to the difference between the amount so received by it and the amount that it would have received had it been paid in accordance with the provisions of the Security Trust Deed and the Pre-acceleration Allocations or the Guarantee Allocations, as applicable, shall be received and held by it as trustee for the Trustee and shall be paid over to the Trustee immediately upon receipt so that such amount can be applied in accordance with the provisions of the Security Trust Deed and the Pre-acceleration Allocations or the Guarantee Allocations, as applicable; and

(ii) after the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice on the Trustee and the Issuer (copied to the Trust Manager and the Security Trustee), the enforcement of the Charge (or any combination of them), other than in accordance with the provisions of the Security Trust Deed and the Post-enforcement Allocations or as a result of the set-offs described in the Intercompany Loan Agreement and the Demand Loan Agreement then an amount equal to the difference between the amount so received by it and the amount that it would have received had it been paid in accordance with the provisions of the Security Trust Deed and the Post-enforcement Allocations shall be received and held by it as trustee for the Security Trustee and shall be paid over to the Security Trustee immediately upon receipt so that such amount can be applied in accordance with the provisions of the Security Trust Deed and the Post enforcement Allocations;

(c) without prejudice to the foregoing, whether in the winding up of the Trust or any other party to the Programme Documents or otherwise, if any payment or distribution (or the proceeds of any enforcement of any Encumbrance) is received by a Secured Creditor (other than the Bond Trustee in relation to the Covered Bond Guarantee) in respect of any amount payable by the Trustee or the Security Trustee or any insolvency official of the Trust, as applicable, to that Secured Creditor under the relevant Programme Document at a time when, by virtue of the provisions of the relevant Programme Document, the Supplemental Deed and the Security Trust Deed, no payment or distribution should have been made, the amount so received shall promptly be paid by that Secured Creditor to the Security Trustee and pending such payment shall be held by that Secured Creditor upon trust for the Security Trustee and immediately upon receipt by the Security Trustee shall be applied in accordance with the terms of the Security Trust Deed and the other Programme Documents; and

(d) it shall not claim, rank, prove or vote as creditor of the Trustee or its estate in competition with any prior ranking Secured Creditors in the Cashflow Allocation Methodology, the Security Trustee or the Bond Trustee, as applicable, or except to the extent expressly permitted in the Intercompany Loan Agreement and the Demand Loan Agreement claim a right of set-off until all amounts then due and payable to Secured Creditors who rank higher in the Cashflow Allocation Methodology have been paid in full.

Limitation of liability of the Security Trustee

The Security Trust Deed contains a number of provisions which seek to exclude or limit the liability duties or responsibilities of the Security Trustee. In some cases this exclusion is absolute (for instance that it is not required to keep under review the financial condition of any party and is not required to advance or use its own funds for the payment of costs and expenses) and in others the exclusion only applies to the extent that any such matter or liability is not

caused by the fraud, gross negligence or wilful default of the Security Trustee (for instance, losses arising out of the exercise or non-exercise of a discretion).

Security Trustee obtaining instructions

For so long as any Covered Bonds are outstanding the Security Trustee must, upon actually becoming aware of the occurrence of a Covered Bond Guarantor Event of Default in respect of the Trust and delivery of a Covered Bond Guarantee Acceleration Notice:

(a) notify all Secured Creditors that the charge granted under the Deed of Charge has taken effect as a fixed charge over all of the Secured Property and details known to it of the Covered Bond Guarantor Event of Default and the actions and procedures which the Covered Bond Guarantor and the Trust Manager have notified the Security Trustee are being taken or will be taken by the Trustee and the Trust Manager to remedy the relevant Covered Bond Guarantor Event of Default; and

(b) request the Bond Trustee (as Voting Secured Creditor) to provide directions to the Security Trustee as to the action to be taken by the Security Trustee in relation to the event.

The Security Trust Deed is governed by the laws of the State of Victoria, Australia.

Deed of Charge

Pursuant to the terms of the Deed of Charge entered into on 31 October 2011 between the Covered Bond Guarantor, the Trust Manager, the Security Trustee and the Bond Trustee, as security for the payment of the Secured Money, the Covered Bond Guarantor charges all of its right, title and interest in the Secured Property to the Security Trustee itself and on trust for the Secured Creditors.

Nature of the Charge

The security created by the Deed of Charge is a "floating charge". A floating charge over assets should be distinguished from a fixed charge over assets.

A floating charge "floats" over a class of assets which may change from time to time. The person granting the floating charge may deal with those assets and give third parties title to the assets free from any encumbrance ("**Encumbrance**") where such dealings and transfers of title are in the ordinary course of such person's business. The Covered Bond Guarantor has agreed not to dispose of or create interests in the Assets of the Trust subject to a floating charge except as permitted by the Programme Documents and the Trust Manager has agreed not to direct the issuer trustee to take any such actions. If the Covered Bond Guarantor disposes of any of the Assets of the Trust, including any Purchased Receivables the person acquiring the property will take it free of the floating charge. The floating charge granted over the trust assets will "crystallise" and take effect as a fixed charge immediately prior to the occurrence of a Covered Bond Guarantor Event of Default; a Trustee breach of the negative pledge or no disposal covenant contained within the Security Trust Deed (which has exclusion for Encumbrances granted and disposals made in a manner permitted by the Programme Documents); certain notices are issued by the Australian Federal Commissioner of Taxation; the Trustee files an Australian tax return which results in tax being due by the Trustee as trustee which is not paid; or the law provides that the Charge becomes fixed. On crystallisation of a floating charge, the Covered Bond Guarantor may not deal with the assets of the Trust without the consent of the Security Trustee.

Under section 79 of the PPSA, a person who has granted security over an asset may nevertheless pass title to that asset to another person notwithstanding that the relevant dealing contravened the terms of the relevant security. Accordingly, if the Covered Bond Guarantor deals with the

Assets of the Trust in breach of its undertaking described above, a third party could obtain title to those assets. However, if this occurred, the Security Trustee would remain entitled to enforce its rights against the Covered Bond Guarantor subject to the terms of the Programme Documents in respect of that breach.

Bond Trustee

The Bond Trustee is a party to the Deed of Charge in its capacity as a trustee for the Covered Bondholders of the Trust from time to time under the Bond Trust Deed. The rights, remedies and discretions of the Covered Bondholders under the Deed of Charge, including all rights to vote or give instructions or consent to the Security Trustee and to enforce any undertakings or warranties under the Deed of Charge may only be exercised through the Bond Trustee in accordance with and subject to the Bond Trust Deed. The Security Trustee is entitled to rely on instructions or directions given to it by the Bond Trustee as being given on behalf of the Covered Bondholders without the need to inquire whether any such instructions are in accordance with the Bond Trust Deed or as to the reasonableness of the Bond Trustee.

Except where expressly provided otherwise in the Deed of Charge or the Security Trust Deed, the Security Trustee will not be required to exercise any right, power, or discretion under the Deed of Charge or the Security Trust Deed and the other Programme Documents, (including to require anything to be done, form any opinion or view, make a determination or give any consent, waiver or approval under the Deed of Charge or the Security Trust Deed and the other Programme Documents) without first obtaining a direction from the Bond Trustee (where the Bond Trustee is the Voting Secured Creditor) or instructions from the Voting Secured Creditors of the Trust given by Extraordinary Resolution (where the Bond Trustee is not the Voting Secured Creditor). The Deed of Charge is governed by the laws of the State of Victoria, Australia.

Intercompany Loan Agreement

Subject to the terms of the Intercompany Loan Agreement on each Issue Date, it is anticipated that the Intercompany Loan Provider will make a Term Advance to the Covered Bond Guarantor in an amount equal to either (i) if a Current Covered Bond Swap is entered into on the relevant Issue Date, the Principal Amount Outstanding on the Issue Date of each relevant Series or, as applicable, each relevant Tranche of Covered Bonds in the Specified Currency of the relevant Series or Tranche of Covered Bonds or (ii) if a Contingent Covered Bond Swap is entered into on the relevant Issue Date, the Australian Dollar Equivalent of the nominal value of each relevant Series or, as applicable, each relevant Tranche of Covered Bonds and for a matching term. The Australian Dollar Equivalent of each Term Advance will be used by the Covered Bond Guarantor: (A) if a New Receivable Portfolio is being acquired in connection with the issue of the related Series or Tranche of Covered Bonds (i) to fund (in whole or in part) the Purchase Price of the New Receivable Portfolio from the Seller in accordance with the terms of the Mortgage Sale Agreement (or to fund the repayment of a short-term Demand Loan used for that purpose); and/or (ii) acting on the directions of the Trust Manager, to invest in Substitution Assets in an amount not exceeding the limit prescribed by the Supplemental Deed to the extent required to meet the Asset Coverage Test; and thereafter or otherwise the Covered Bond Guarantor (acting at the direction of the Trust Manager) may use such proceeds (subject to complying with the Asset Coverage Test as confirmed by the Trust Manager to the Covered Bond Guarantor in writing): (B) if an existing Series or Tranche or part of an existing Series or Tranche of Covered Bonds is being refinanced by the issue of a further Series or Tranche of Covered Bonds to which the Term Advance relates, to repay the Term Advance(s) corresponding to the Covered Bonds being so refinanced (after exchange into the currency of the Term Advance(s) being repaid, if necessary); and/or (C) to make a repayment of the Demand Loan, provided that the Calculation Manager has calculated the Asset Coverage Test as at the Intercompany Loan Drawdown Date having taken into account such repayment and the Calculation Manager has confirmed that the Asset Coverage Test will continue to be met

after giving effect to such repayment; and/or (D) to make a deposit of all or part of the proceeds in the GIC Account (including, without limitation, to fund the Reserve Fund to an amount not exceeding the amount by which the Reserve Fund Required Amount exceeds the existing balance of the Reserve Ledger as calculated by the Trust Manager on the immediately preceding Determination Date). The Trust Manager will direct the Covered Bond Guarantor as to how such proceeds will be used.

The Issuer will not rely on repayment of any Term Advance in order to meet their respective repayment obligations under the Covered Bonds. The Covered Bond Guarantor will pay amounts due in respect of each Term Advance in accordance with the relevant Cashflow Allocation Methodology. Prior to the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), amounts due in respect of each Term Advance will be paid by the Covered Bond Guarantor to, or as directed by, the Intercompany Loan Provider on each Trust Payment Date, subject to paying all higher ranking amounts in the applicable Cashflow Allocation Methodology. Any failure by the Covered Bond Guarantor to pay any amounts due on the Term Advances will not affect the liability of the Issuer to pay the relevant amount due on the Covered Bonds. To the extent that the Covered Bond Guarantor makes, or there is made on its behalf, a payment under the Covered Bond Guarantee, in relation to any Covered Bonds and together with the Relevant Acquired Covered Bonds, the "**Relevant Covered Bonds**"), the Intercompany Loan Provider will on such payment being made become obliged to pay to the Covered Bond Guarantor either:

(a) to the extent Term Advances and Demand Loan Advances are denominated in the same currency as the Relevant Covered Bonds, an amount equal to such payment; or

(b) to the extent Term Advances and Demand Loan Advances are denominated in Australian Dollars and the Relevant Covered Bonds are not denominated in Australian Dollars, an amount equal to the Australian Dollar Equivalent of such payment.

Any amounts owing by the Intercompany Loan Provider (as Issuer) to the Covered Bond Guarantor in respect of amounts paid by the Covered Bond Guarantor under the Covered Bond Guarantee in relation to the relevant Covered Bonds or the amounts due in respect of Covered Bonds which may be purchased by the Covered Bond Guarantor, as applicable, shall be set-off automatically (notwithstanding the Cashflow Allocation Methodology and without any action being required by the Covered Bond Guarantor, the Trust Manager, the Calculation Manager, the Intercompany Loan Provider or the Security Trustee) against any amounts payable by the Covered Bond Guarantor under the Intercompany Loan Agreement as described below. The amount set-off shall be the amount of the payment made by the Covered Bond Guarantor under the Covered Bond Guarantee in relation to the relevant Covered Bonds (or the Australian Dollar Equivalent of such amount if the related Term Advance is denominated in Australian Dollars and the relevant Covered Bonds are not denominated in Australian Dollars) or the Principal Amount Outstanding of any relevant Covered Bonds purchased or otherwise acquired and cancelled by the Covered Bond Guarantor in accordance with Programme Condition 5(h) (*Purchases*) or Programme Condition 5(i) (*Cancellation*) and/or in the case of an N Covered Bond, in accordance with the relevant Condition of the relevant N Covered Bond Conditions (if applicable) (or the Australian Dollar Equivalent of such amount if the related Term Advance is denominated in Australian Dollars and the relevant Covered Bonds are not denominated in Australian Dollars), as applicable, which amount shall be applied to reduce amounts payable under the Intercompany Loan Agreement in relation to the Term Advance corresponding to the relevant Covered Bonds in the following order of priority:

(a) first, to reduce and discharge interest (including accrued interest) due and unpaid on the outstanding principal balance of such Term Advance;

(b) second, to reduce and discharge the outstanding principal balance of such Term Advance; and

(c) third, to reduce and discharge any other amounts due and payable by the Covered Bond Guarantor to the Intercompany Loan Provider under the Intercompany Loan Agreement.

The Intercompany Loan Agreement is governed by the laws of the State of Victoria, Australia.

Demand Loan Agreement

Under the Demand Loan Agreement, the Demand Loan Provider agrees to make available to the Covered Bond Guarantor, an Australian Dollar revolving credit facility under which the Demand Loan Provider may make Demand Loan Advances to the Covered Bond Guarantor. The interest rate on the Demand Loan will be equal to the 30 day Bank Bill Rate on the first day of each interest period under the Demand Loan Agreement plus a spread to be determined by the Demand Loan Provider. The balance of the Demand Loan will fluctuate over time, as described below.

The proceeds of each Demand Loan Advance may only be used by, or on behalf of, the Covered Bond Guarantor (a) as consideration (in whole or part) for the acquisition of Receivables and Related Security from the Seller on a Transfer Date where the aggregate proceeds of the related Term Advance (if any) made on that date and/or (subject to paragraph (e) of the Pre-acceleration Principal Allocations) the Available Principal Receipts (if any) (or both) are not sufficient to pay the Purchase Price for the relevant New Receivable Portfolio; (b) to repay a Term Advance on the date on which the Series of Covered Bonds corresponding to such Term Advance matures to the extent proceeds of sale of Receivables to the Seller, Available Principal Receipts (subject to paragraph (g)(ii) of the Pre-acceleration Principal Allocations) and the proceeds of any Term Advances available to be used in accordance with clause 3.1(b) of the Intercompany Loan Agreement are not sufficient for that purpose; (c) to rectify a failure to meet the Asset Coverage Test (and using the proceeds to deposit into the GIC Account, invest in Substitution Assets (subject to limits), purchase New Receivables pursuant to the Mortgage Sale Agreement or any combination of them); (d) to rectify a breach of the Pre-Maturity Test; (e) to rectify an Interest Rate Shortfall; and (f) to pay to the Seller the Purchase Price of a Further Advance or to reimburse the Seller for funding a Redraw (if on any Trust Payment Date the Available Principal Receipts (if any) are not sufficient to pay to the Seller the Purchase Price of a Further Advance or to reimburse the Seller for funding a Redraw that the Covered Bond Guarantor has agreed may remain in the Purchased Receivables in accordance with the Mortgage Sale Agreement).

The Covered Bond Guarantor shall repay the principal on the Demand Loan in accordance with the applicable Cashflow Allocation Methodology and the terms of the Demand Loan Agreement and the Supplemental Deed, using (i) funds in the Transaction Accounts; and/or (ii) proceeds from the sale of Substitute Assets and/or the payment in kind mechanic described below in respect of the Senior Portion Outstanding and using Authorised Investments; and/or (iii) proceeds of the sale, pursuant to the Supplemental Deed, of Receivables to the Seller or to another person subject to the Sellers right of pre-emption; and/or (iv) proceeds of a Term Advance pursuant to the terms of the Intercompany Loan Agreement (see "*Cashflows*" below).

At any time prior to an Issuer Event of Default and provided the conditions precedent set out in the Demand Loan Agreement have been satisfied, the Covered Bond Guarantor may re-borrow any amount of the Demand Loan repaid by the Covered Bond Guarantor in accordance with the Demand Loan Agreement and the relevant Cashflow Allocation Methodology. Unless otherwise agreed by the Demand Loan Provider, no further Demand Loan Advances will be made to the Covered Bond Guarantor under the Demand Loan Facility following an Issuer Event of Default or Covered Bond Guarantor Event of Default.

The Demand Loan Provider may from time to time request the Covered Bond Guarantor to make repayment of all or part of the Demand Loan (including when the Demand Loan Provider is requested to do so by APRA).

A request for repayment shall be deemed to have been given by the Demand Loan Provider to the Covered Bond Guarantor as described above:

(a) for the maximum amount permitted as described below if the Demand Loan Provider's (i) long-term credit rating from Moody's is at any time A2 (or lower) or from Fitch is at any time BBB (or lower); or (ii) short-term credit rating from Moody's is at any time P-2 (or lower) or from Fitch is at any time F1 (or lower);

(b) for the Senior Portion Outstanding if an Issuer Event of Default occurs or a Covered Bond Guarantee Acceleration Notice is delivered to the Covered Bond Guarantor.

The Trust Manager has agreed to notify the Covered Bond Guarantor when any such request for repayment is deemed to have been given.

Subject to the second following paragraph, if a demand for repayment of all of part of the Demand Loan is given no less than one Local Business Day before a Determination Date or a demand for repayment is deemed to have been given as described above, then subject to the repayment in kind provisions described below and, to the extent it is not inconsistent with the Cashflow Allocation Methodology and the repayment in kind provisions, the Trust Manager has agreed to direct the Covered Bond Guarantor to repay the relevant amount of the Demand Loan on the next Trust Payment Date by an amount determined by the Trust Manager to be equal to the lesser of:

(a) the amount requested to be repaid by the Demand Loan Provider; and

(b) where neither an Issuer Event of Default has occurred nor a Covered Bond Guarantee Acceleration Notice has been given, the maximum amount (as calculated by the Calculation Manager) that will not result in a breach of the Asset Coverage Test after giving effect to such repayment.

To the extent on any Trust Payment Date prior to delivery of a Notice to Pay or Covered Bond Guarantee Acceleration Notice, the Asset Coverage Test will be breached after giving effect to a repayment of the Demand Loan, the amount repayable on the Demand Loan on such date will be reduced (such reduced amount to be determined by the Trust Manager and notified by the Trust Manager to the Covered Bond Guarantor in writing).

After enforcement of the Charge, the Trust Manager has agreed to direct the Covered Bond Guarantor to make repayment:

(a) where it relates to the Senior Portion Outstanding, on the date which is 5 Business Days after the date of the demand or deemed demand; and

(b) otherwise, on the Trust Payment Date immediately following the Determination Date which falls immediately after the date of the demand or deemed demand.

Except to the extent that the Trust Manager determines that funds are to be available for the purpose of repaying all or part of the Senior Portion Outstanding of the Demand Loan pursuant to paragraph (b) of the Pre-acceleration Principal Allocations, the Covered Bond Guarantor (acting on the directions of the Trust Manager) and the Demand Loan Provider have agreed that in all circumstances the obligation of the Covered Bond Guarantor to repay the Senior Portion Outstanding of the Demand Loan (or the relevant part of it demanded for repayment) is to be satisfied by:

(a) the Covered Bond Guarantor either extinguishing its interest in or (if title to the relevant Receivables has been perfected) transferring Receivables to the Demand Loan Provider (the "**Relevant Receivables**"); or

(b) transferring to the Demand Loan Provider Authorised Investments (of the type described in paragraphs (a), (b) or (c) of that term) or Substitution Assets other than cash.

(the assets described in sub-paragraphs (a) and (b) "**Relevant Assets**") in the manner set out below on the relevant Trust Payment Date or other date on which the Senior Portion Outstanding of the Demand Loan or part of it is required to be repaid in accordance with the Demand Loan Agreement (the "**Senior Demand Loan Repayment Date**"). The Trust Manager must not give direction to the Trustee to apply monies in accordance with the Cashflow Allocation Methodology to the extent it would result in a breach of clause 9.3 (*Repayment in kind of Senior Portion Outstanding*) of the Demand Loan Agreement described under "*Summary of the Principal Documents – Demand Loan Agreement*".

The Relevant Assets will be:

(a) if a Senior Pool Register is maintained in accordance with clause 9.5 (Maintenance of Senior Pool Register) of the Demand Loan Agreement, those or, where applicable, a subset of those (selected by the Trust Manager), set out in the Senior Pool Register (if any); or

(b) if no Senior Pool Register is maintained, those Relevant Assets selected by the Trust Manager from time to time and in any event when necessary to enable the Trustee to satisfy its obligations under clause 9.3 (Repayment in kind of Senior Portion Outstanding) of the Demand Loan Agreement and the Trust Manager (and failing which the Demand Loan Provider) is free to select as it sees fit the Relevant Assets to be reconveyed by the Covered Bond Guarantor in satisfaction of repayment of the Demand Loan under the above paragraph.

The Trust Manager (and failing which the Demand Loan Provider) has agreed to select Relevant Assets:

(a) for Receivables, on a random basis and such that the weighted average LVR of the Purchased Receivables which will remain after removal of the Relevant Receivables will not be materially different to the weighted average LVR prior to such removal; and

(b) such that the aggregate principal outstanding of the Relevant Assets is as close as possible (acting reasonably) to but not greater than the principal amount of the relevant Senior Portion Outstanding to be repaid under the Demand Loan Agreement.

Within two Business Days after demand or deemed demand for repayment of the Senior Portion Outstanding the Trust Manager has agreed to give a notice (the "**Asset Selection Notice**") to the Demand Loan Provider, the Covered Bond Guarantor and the Security Trustee which specifies the Relevant Assets (the "**Demand Loan Repayment Assets**") which are to be extinguished or transferred (as the case may be) by the Covered Bond Guarantor (acting at the direction of the Trust Manager) in satisfaction of repayment of the Demand Loan and the aggregate outstanding principal balance of those Relevant Assets as at the last day of the immediately preceding Collection Period (the "**Relevant Cut-Off Date**"). If the Trust Manager fails to do so within the time period described in this paragraph the Demand Loan Provider may prepare the Asset Selection Notice in accordance with the Demand Loan Agreement.

With effect from the relevant Demand Loan Repayment Date the Demand Loan Repayment Assets will be transferred to the Demand Loan Provider.

The Demand Loan Provider has agreed that with effect from the extinguishment or transfer (as applicable) of the Covered Bond Guarantor's interest in the relevant Demand Loan Repayment Assets to the Demand Loan Provider, the Covered Bond Guarantor's obligation to repay the relevant portion of the Demand Loan to be repaid is fully and finally discharged. The liability of the Covered Bond Guarantor to the Demand Loan Provider to repay the Senior Portion Outstanding of the Demand Loan is secured pursuant to the Deed of Charge and this payment in kind provision in priority to other liabilities of the Covered Bond Guarantor and nothing in the Cashflow Allocation Methodology shall be construed to the contrary.

The Demand Loan Agreement provides that, the rights given to the Demand Loan Provider under the Demand Loan Agreement (including, without limitation, the rights to demand, and receive, repayment of the Demand Loan including by payment in kind under this provision), and the Covered Bond Guarantor's liabilities under it, are not affected by an ADI statutory manager (as defined in section 13A of the Australian Banking Act) being in control of the Demand Loan Provider's business. The Demand Loan Agreement provides that, an ADI statutory manager in control of the Demand Loan Provider's business is entitled to exercise any of the rights of the Demand Loan Provider under the Demand Loan Agreement.

Any amounts owing by the Demand Loan Provider (as Issuer) to the Covered Bond Guarantor in respect of amounts paid by the Covered Bond Guarantor under the Covered Bond Guarantee in relation to the particular Series or Tranche of Covered Bonds or the purchase of the particular Series or Tranche of Covered Bonds by the Covered Bond Guarantor, as applicable, which are not set-off in accordance with the order of priority contained in the Intercompany Loan Agreement (set out above) shall, despite the Cashflow Allocation Methodology, be set-off automatically (and without any action being required by the Covered Bond Guarantor, the Trust Manager, the Calculation Manager, the Intercompany Loan Provider or the Security Trustee) against any amounts payable by the Covered Bond Guarantor (including in kind as described above) under the Demand Loan Agreement in the following order of priority:

(a) first, to reduce and discharge interest (including accrued interest) due and unpaid on the Demand Loan;

(b) second, to reduce and discharge the outstanding principal balance of the Demand Loan; and

(c) third, to reduce and discharge any other amounts due and payable by the Covered Bond Guarantor to the Demand Loan Provider under the Demand Loan Agreement.

The Demand Loan Provider, in its capacity as Calculation Manager, may (but is not obliged to) maintain and keep up to date a register of Receivables, Substitution Assets and Authorised Investments (of the type described in paragraphs (a), (b) or (c) of that term) having an aggregate principal balance outstanding not greater than the Senior Portion Outstanding of the Demand Loan (Senior Pool Register). If the Calculation Manager maintains a Senior Pool Register, the Calculation Manager:

(a) subject to certain conditions, is free to select as it sees fit the Receivables, Substitution Assets and Authorised Investments (of the type described in paragraphs (a), (b) or (c) of that term) registered on it;

(b) when selecting Receivables must do so on a random basis and such that the weighted average LVR of the Purchased Receivables which are not registered on the Senior Pool Register is not materially different to the weighted average LVR of those Purchased Receivables which are registered on the Senior Pool Register; and

(c) must do so such that the aggregate principal outstanding of the Assets registered on the Senior Pool Register is as close as possible (acting reasonably) to but not greater than the Senior Portion Outstanding at the date of determination.

An Asset will only cease to be on the Senior Pool Register if the Calculation Manager gives notice to the Covered Bond Guarantor and the Trust Manager specifying each such Asset and the date on which it ceases to be so registered.

The Demand Loan Agreement is governed by the laws of the State of Victoria, Australia.

Mortgage Sale Agreement

The Seller

Receivables have been sold to the Covered Bond Guarantor from time to time on a fully serviced basis pursuant to the terms of the Mortgage Sale Agreement entered into on the Programme Date between, amongst others, ANZBGL as Seller, Calculation Manager, Issuer, Servicer and Seller Trust Beneficiary, the Trustee, the Covered Bond Guarantor, the Seller Trust Trustee, the Trust Manager and the Security Trustee.

Sale by the Seller of Receivables

The Purchased Receivables will consist of Receivables sold from time to time by the Seller to the Covered Bond Guarantor in accordance with the terms of the Mortgage Sale Agreement. The types of Receivables forming part of the Purchased Receivables will vary over time provided that, at the time the relevant Receivables are sold to the Covered Bond Guarantor, the Receivables are Qualifying Receivables (as described below) on the relevant Transfer Date. Accordingly, New Receivables sold by the Seller to the Covered Bond Guarantor on a Transfer Date may have characteristics that differ from Receivables already in the Purchased Receivables as at that date.

Prior to the occurrence of an Issuer Event of Default or a Covered Bond Guarantor Event of Default, the Covered Bond Guarantor will acquire Receivables from the Seller in the four circumstances described below:

(a) first, in relation to the issue of Covered Bonds from time to time in accordance with the Programme, the proceeds of a Demand Loan and/or a Term Advance (after being swapped into Australian Dollars at the applicable Swap Rate if the Term Advance is not denominated in Australian Dollars), together with (if applicable) any Available Principal Receipts available for that purpose, may be applied in whole or in part by the Covered Bond Guarantor to acquire Receivables from the Seller;

(b) second, if at any time prior to the service of an Asset Coverage Test Breach Notice (which has not been revoked) both:

(i) the amount of Available Principal Receipts available for distribution on the immediately following Trust Payment Date exceeds the amount required to be applied under paragraphs (a) to (d) inclusive of the Pre-acceleration Principal Allocations; and

(ii) the Trust Manager considers (having regard to the composition of the Purchased Receivables and the amount of Substitution Assets and Authorised Investments held by the Covered Bond Guarantor, at that time) that all or part of the Available Principal Receipts remaining after application under paragraphs (a) to (d) inclusive of the Pre-acceleration Principal Allocations should be utilised to acquire New Receivables,

then the Covered Bond Guarantor shall use the Available Principal Receipts to acquire New Receivables from the Seller on the relevant Transfer Date;

(c) *third*, (as set out in the Supplemental Deed) the Covered Bond Guarantor and the Seller are required to ensure that the Purchased Receivables are maintained at all times in compliance with the Asset Coverage Test (as determined by the Trust Manager on each Determination Date). If on any Determination Date the Purchased Receivables are not in compliance with the Asset Coverage Test (because the Adjusted Aggregate Receivable Amount is less than the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds, the Seller has agreed to use all reasonable endeavours to offer to sell sufficient New Receivables to the Covered Bond Guarantor so the Asset Coverage Test is met on or before the next Determination Date; and

(d) *fourth*, (as set out in the Servicing Deed) if the Servicer notifies the Covered Bond Guarantor and the Seller that the Interest Rate Shortfall Test has not been met and the Trust Manager or the Security Trustee notify the Servicer and the Seller that further Receivables should be sold to the Covered Bond Guarantor to rectify the Interest Rate Shortfall, the Seller has agreed to use all reasonable endeavours to offer to sell in accordance with the Mortgage Sale Agreement sufficient New Receivables to the Covered Bond Guarantor on or before the next succeeding Determination Date to avoid the Interest Rate Shortfall on that Determination Date.

In exchange for the sale of the Receivables to the Covered Bond Guarantor, the Seller will receive a cash payment of the Purchase Price on the applicable Transfer Date.

The Seller and the Covered Bond Guarantor (at the Trust Manager's discretion) may agree that all or part of the Purchase Price for each New Receivable Portfolio shall be set-off against any amount payable on the Transfer Date by ANZBGL as Intercompany Loan Provider or Demand Loan Provider (or both) under the Intercompany Loan Agreement or the Demand Loan Agreement (or both).

The Seller will be required to repurchase Receivables sold to the Covered Bond Guarantor in the circumstances described below under "*Repurchase by the Seller following breach of Representations and Warranties*" and "*Product Switches, Further Advances and Redraws*".

Qualifying Receivable

The sale of New Receivables to the Covered Bond Guarantor will be subject to certain conditions being satisfied on the relevant Transfer Date, including that:

(a) no Issuer Event of Default or Covered Bond Guarantor Event of Default has occurred and is continuing;

(b) the Trust Manager (having consulted with the Seller) is not aware, and could not reasonably be expected to be aware, that the purchase would have an Adverse Rating Effect;

(c) if a Receivable offered for sale constitutes a New Product Type, a Rating Agency Notification having been delivered in respect of the New Product Type; and

(d) each New Receivable is a Qualifying Receivable.

A "**Qualifying Receivable**" is a Receivable that satisfies the following conditions:

(a) it is due from a Debtor who is a natural person and resident of Australia;

(b) it is repayable in Australian Dollars;

(c) it is fully drawn (other than to the extent Redraws or Further Advances are available to the Debtor under such Receivable);

(d) the term of the Receivable does not exceed 30 years;

(e) it has a Current Principal Balance no greater than A$2,000,000;

(f) it is secured by a Mortgage over Property in Australia which is either a registered first ranking mortgage or a second ranking registered mortgage where there are two registered mortgages over the Property securing the Receivable and the Seller is the first mortgagee and the first ranking registered mortgage is also being acquired by the Covered Bond Guarantor;

(g) the Property subject to a Mortgage has erected on it a residential dwelling which is not under construction (excluding renovations permitted by the terms of the Receivable);

(h) it is not 31 days or more in arrears;

(i) its sale does not contravene or conflict with any applicable law; and

(j) the Debtor has made at least one interest payment under the Receivable.

On each Transfer Date, the Representations and Warranties (described below in "*Representations and Warranties*") will be given by the Seller to the Covered Bond Guarantor, the Trust Manager and the Security Trustee in respect of the Receivables sold by the Seller to the Covered Bond Guarantor.

(a) on the relevant Transfer Date on which such Receivable is acquired by the Covered Bond Guarantor; and

(b) if the Seller grants a Further Advance or Product Switch in relation to a Purchased Receivable, on the date on which the Further Advance or Product Switch is granted.

Transfer of Title to the Receivables to the Covered Bond Guarantor

Receivables will be sold by the Seller to the Covered Bond Guarantor by way of equitable assignment. Notice of the sale will not be initially provided to the Debtors. For discussion of issues relating to equitable assignment, refer to *"Risk Factors Relating to the Covered Bond Guarantor, Including the Ability of the Covered Bond Guarantor to Fulfil its Obligations in relation to the Covered Bond Guarantee"* and *"Issues affecting the Covered Bond Guarantor's title to the Purchased Receivables"* above.

The completion and lodgement of transfers of Mortgages to the Covered Bond Guarantor and the notifications to the relevant Debtors notifying such Debtors of the sale of Purchased Receivables to the Covered Bond Guarantor and the transfer of custody of the Title Documents to the Covered Bond Guarantor, or the Trust Manager on its behalf, may be completed by the Covered Bond Guarantor, or the Trust Manager on its behalf, after the earliest to occur of the following events ("**Title Perfection Events**"):

(a) the occurrence of an Issuer Event of Default and the service on the Issuer (with a copy to the Covered Bond Guarantor) of an Issuer Acceleration Notice and the service on the Covered Bond Guarantor of a Notice to Pay (with a copy to the Trust Manager) unless the Seller has notified the Covered Bond Guarantor that it will accept the offer set out in a Selected Receivables Offer Notice within the prescribed time in relation to the Receivables specified in the Selected Receivables Offer Notice, in which case, the completion and delivery of transfers to the Covered Bond Guarantor and the notifications to the relevant Debtors and the transfer of custody shall not occur in relation to the Receivables as specified and a Title Perfection Event in relation to the relevant Receivables will not have occurred; or

(b) in respect of Selected Receivables only, the acceptance of an offer to sell the Selected Receivables (in accordance with the Programme Documents) by any person who is not the Seller; or

(c) the Seller or the Covered Bond Guarantor (or both) being required to perfect legal title to the Receivables by law or by an order of a court of competent jurisdiction; or

(d) the Charge under the Deed of Charge or any material part of the Charge being in the opinion of the Security Trustee (acting on the directions of the Voting Secured Creditors) in jeopardy and the Security Trustee determining or being directed by the Voting Secured Creditors, to take that action to reduce that jeopardy; or

(e) the termination of ANZBGL's role as Servicer under the Servicing Deed unless (i) at the relevant date of termination any Substitute Servicer is a member of the ANZ Group or (ii) the Security Trustee otherwise consents (such consent to be given if a Rating Agency Notification has been delivered by the Trust Manager to the Covered Bond Guarantor and the Security Trustee in respect of the termination of ANZBGL's role as Servicer);

(f) the Seller requesting the perfection of a sale of Receivables by giving notice in writing to the Covered Bond Guarantor and the Security Trustee;

(g) the occurrence of an Insolvency Event in relation to the Seller; or

(h) the Seller's unsecured, unsubordinated, long-term senior debt obligations have been downgraded below Baa3 by Moody's or BBB- by Fitch.

The Seller undertakes (to the extent that it receives or there is received to its order after a Transfer Date but prior to any repurchase or extinguishment of the relevant property, interest, right or benefit or the proceeds (or both) thereof) any of the following) to hold any property, interest, right or benefit or the proceeds (or both) thereof sold to the Covered Bond Guarantor, to the extent the relevant property comprises cash, on trust for the Covered Bond Guarantor until it remits, assigns or transfers (or both) the same to the Covered Bond Guarantor.

Prior to the acquisition by the Covered Bond Guarantor of any Receivables from the Seller the Seller delivered a properly executed registrable power of attorney appointing the Covered Bond Guarantor as its attorney, with full powers of substitution, to: (I) execute, deliver, lodge and register with any Land Titles Office of any relevant Australian jurisdiction any transfer of mortgage relating to any Receivables in accordance with the Mortgage Sale Agreement; and (II) execute, deliver, lodge and register with any Land Titles Office in any relevant Australian jurisdiction any other documents, perform any act, matter or thing necessary to perfect the Covered Bond Guarantor's legal title to the mortgages relating to the Receivables. The power of attorney will not be exercisable by the Covered Bond Guarantor until the occurrence of a Title Perfection Event. Upon the occurrence of a Title Perfection Event, the Servicer must deliver to or at the written direction of the Covered Bond Guarantor all Title Documents and the Covered Bond Guarantor, acting on the direction of the Trust Manager, must as soon as practicable take all necessary steps to protect the Covered Bond Guarantor's interest in and title to, the Receivables, including: (1) signing (where necessary under the Seller's Power of Attorney) and lodging or submitting any transfer or caveat with the land titles office of the appropriate jurisdiction; (2) initiating legal proceedings to take possession of the Title Documents that have not been delivered by the Servicer; (3) the giving of notice of the transfers to the relevant Debtors, insurers and other interested persons; and (4) requiring each relevant Debtor to make all payments in respect of the relevant Receivables to the GIC Account.

The Seller has agreed to indemnify each of the Covered Bond Guarantor and the Security Trustee from and against any and all costs, fees and expenses (including, without limitation, legal fees and expenses and any applicable GST thereon) which may be properly incurred by

the Covered Bond Guarantor or the Security Trustee (or both) by reason of doing any act, matter or thing in order to protect or perfect legal title to the Receivables (where entitled to do under the terms of the Mortgage Sale Agreement).

Representations and Warranties

Neither the Covered Bond Guarantor nor the Security Trustee has made or has caused to be made on its behalf any enquiries, searches or investigations in respect of the Receivables to be sold to the Covered Bond Guarantor. Instead, each will rely entirely on the Representations and Warranties made by the Seller and contained in the Mortgage Sale Agreement. The Seller's Representations and Warranties in relation to a Receivable sold or to be sold to the Covered Bond Guarantor include substantially the following:

(a) At the time the Seller entered into the Receivable, the Receivable complied in all material respects with all applicable laws.

(b) The Receivable was originated by the Seller in accordance with, in all material respects, its Servicing Procedures in force at the time of the origination of the Receivable.

(c) The terms of the Receivable have not been impaired, waived, altered or modified in any respect, except changes to the terms of the Receivable to which a Prudent Mortgage Lender might have agreed.

(d) The Receivable has been made on the terms of, or on terms not materially different from, documents forming part of the standard mortgage documentation of the Seller.

(e) The Receivable, the related Mortgage and any other Related Security are enforceable in accordance with their terms against the relevant Debtor or security provider (as the case may be) (subject to laws relating to insolvency and creditors' rights generally).

(f) The Receivable is a Qualifying Receivable.

(g) The Receivable was originated in the ordinary course of the residential secured lending activities of the Seller.

(h) At the time the Seller entered into the Receivable, it had not received any notice of the insolvency or bankruptcy of the Debtor or that the Debtor did not have the legal capacity to enter into the Receivable.

(i) The Seller is the sole legal and beneficial owner of the Receivable, the related Mortgage and any other Related Security, and no Encumbrance exists in relation to its right, title and interests in the Receivable, the related Mortgage and any other Related Security, and the Seller has not received notice from any person that claims to have an Encumbrance ranking in priority to or equal with the related Mortgage or Related Security (other than an Encumbrance arising by operation of law).

(j) To the best of the Seller's knowledge and belief it holds, or it is able to obtain, all documents (whether in paper or electronic form) necessary to enforce the provisions of, and the security created by, the Receivable.

(k) Except if the Receivable is subject to a fixed rate of interest at any time and except as may be provided by applicable laws or any binding code or arrangement applicable to banks or other lenders in the business of making retail home loans, the interest payable on the Receivable is not subject to any limitation and no consent, additional memoranda or other writing is required from the Debtor to give effect to a change in the interest rate payable on the relevant Receivable and any change will be effective on notice being given to the Debtor in accordance with the Receivable Conditions.

(l) In relation to a Receivable, prior to originating the Receivable, and where required under the Servicing Procedures the relevant Property was valued in accordance with the Servicing Procedures.

(m) The relevant Property subject to a Mortgage is a residential property situated in Australia.

(n) In respect of each Property subject to a Mortgage, at the time the Receivable and Mortgage was entered into all necessary steps were taken to ensure that the Mortgage complied with all legal requirements applicable at that time to be a first ranking registered mortgage or, where the Seller already held the first ranking registered mortgage a second ranking registered mortgage (subject to any statutory charges, any prior charges of a body corporate, service company or equivalent, whether registered or otherwise) in either case secured over Property, subject to stamping (if applicable) and registration in due course.

(o) Since the origination of the Receivable, full and proper accounts, books and records have been kept showing clearly all material transactions, payments, receipts, notices and proceedings relating to the Receivable and all such accounts, books and records are up to date, accurate in all material respects and have been kept to standards acceptable to a Prudent Mortgage Lender and are in the possession of the Seller.

(p) The Seller is lawfully entitled to assign the Receivable upon the terms and conditions of the Mortgage Sale Agreement and no consent to the sale and assignment of the Receivable or notice of that sale and assignment is required to be given by or to any Debtor.

(q) Upon the acceptance of the offer contained in a New Receivable Portfolio Sale Notice, beneficial ownership of the Receivable will vest in the Covered Bond Guarantor free and clear of all Encumbrances (other than Encumbrances arising by operation of law).

(r) Neither the entry by the Seller into the Mortgage Sale Agreement nor the sale of the rights, title, interests and benefits in the Receivables contemplated by the Mortgage Sale Agreement will have a material adverse effect on any Receivable.

(s) All formal approvals, consents and other steps necessary to permit the sale of the Receivable under the Mortgage Sale Agreement have been obtained or taken.

Seller Trust

The Mortgage in respect of a Purchased Receivable may constitute an "all money mortgage" in that such Mortgage purports to secure the repayment of indebtedness which a Debtor owes, or may owe, to the Seller, as applicable, from time to time that is not assigned to the Covered Bond Guarantor (such as business loans) ("**Associated Debt**") as well as securing the repayment of the Receivable (each, an "**All Moneys Mortgage**"). Pursuant to a trust to be established on the date that an All Moneys Mortgage is assigned by the Seller to the Covered Bond Guarantor (each such trust, a "**Seller Trust**"), the Covered Bond Guarantor will hold the Covered Bond Guarantor's whole right, title, benefit and interest in such All Moneys Mortgage and the proceeds of enforcement of such All Moneys Mortgage on trust for itself and the Seller absolutely, as applicable, (such property being the "**Seller Trust Property**"). Each of the Covered Bond Guarantor and the Seller, as applicable, will have an interest in the Seller Trust Property and in the event that enforcement proceedings are instituted against a Debtor under the terms of the All Moneys Mortgage, any proceeds which are available to be distributed will be distributed under the terms of the Seller Trust, first, to meet all costs, charges and expenses of the Seller Trust Trustee (being the Covered Bond Guarantor), the Trust Manager or the relevant mortgagee or any receiver, receiver and manager or attorney incurred in the enforcement of the Receivable; second, to the Covered Bond Guarantor, the amount required

to pay, in full, the Current Principal Balance of each related Purchased Receivable together with accrued interest and arrears of interest and expenses payable, the payment of which is secured by the All Moneys Mortgage; third, following the repayment in full of the amounts referred to above, to the Seller the amount required to pay, in full, all amounts due and payable under the related Associated Debt (including accrued interest and any other amounts due in respect thereof), the payment of which is secured by the All Moneys Mortgage; and fourth, as to any excess, to the Debtor in respect of the relevant All Moneys Mortgage. An All Moneys Mortgage may be enforceable on the occurrence of a default by the relevant Debtor under the terms of the Receivables or under the terms of the Associated Debt.

If the Covered Bond Guarantor or, following the service of a Covered Bond Guarantee Acceleration Notice, the Security Trustee receives notice from the Seller that a Purchased Receivable is secured by an All Moneys Mortgage, the Covered Bond Guarantor or the Security Trustee (as the case may be) will not dispose of, or create an interest in, the All Moneys Mortgage or the Purchased Receivable secured by the All Moneys Mortgage, unless the Covered Bond Guarantor (acting on the directions of the Trust Manager) or the Security Trustee (as the case may be) notifies the relevant third party receiving that interest in the All Moneys Mortgage, or the Receivable secured by the Mortgage, of the Seller Trust and the terms of any agreement with respect to the disposal of, or the creation of the interest in, the All Moneys Mortgage or the Receivable (except where the agreement is with the Seller) includes a requirement on the relevant acquirer to hold the All Moneys Mortgage upon trust for itself and the Seller (and any subsequent purchaser of the Associated Debt) on the same terms as the Seller Trust and undertakings on the same terms as those in the Seller Trust by the relevant acquirer in favour of, and enforceable by, the Seller and any third party purchaser of any Associated Debt unless expressly agreed otherwise by the Seller.

Neither the Covered Bond Guarantor nor the Security Trustee will grant, provide or agree to any release, discharge, surrender, waiver or variation of that All Moneys Mortgage without the prior written consent of the Seller. If the Seller reasonably believes that the Covered Bond Guarantor or the Security Trustee intends to dispose of, or create an interest in, any Related Security which also secures, or relates to, Associated Debt the Seller may lodge a caveat to protect its interest in the relevant Associated Debt.

Repurchase by the Seller following breach of Representations and Warranties

If the Seller receives a Receivable Repurchase Notice from the Covered Bond Guarantor identifying a Purchased Receivable which did not, as at the relevant Transfer Date, materially comply with the Representations and Warranties set out in the Mortgage Sale Agreement, then the Seller will be required to repurchase any such Receivable, unless the Related Security for the Purchased Receivable also secures another Purchased Receivable that is not the subject of the same Receivable Repurchase Notice, for the Repurchase Price payable at the Repurchase Date.

Product Switches, Further Advances and Redraws

A Purchased Receivable will be subject to a Product Switch when the Seller agrees to a variation in the Receivable Conditions applicable to a Debtor's Receivable which means the Receivable would no longer be a Qualifying Receivable and/or moving a Debtor to an alternative mortgage product, including a change in Product Type.

If the Seller agrees to make a Product Switch in relation to a Purchased Receivable, the Seller shall be required to offer to repurchase the Receivable by serving a Seller Receivable Repurchase Notice on the Covered Bond Guarantor, unless:

(a) the Product Switch is a change to another Product Type which at that time has been approved for acceptance by the Covered Bond Guarantor (acting on the Trust Manager's direction); or

(b) the Seller has obtained the written agreement of the Covered Bond Guarantor (at the direction of the Trust Manager) that the Receivable may remain in the Purchased Receivables.

The Trust Manager is under no obligation whatsoever to direct the Covered Bond Guarantor to agree that a Receivable to which an offer of a Product Switch relates may remain in the Purchased Receivables (and the Covered Bond Guarantor is similarly under no such obligation to so agree), and any such decision shall be made at the Trust Manager's absolute discretion, provided that in no circumstances shall the Trust Manager direct the Covered Bond Guarantor to agree that a Receivable to which an offer of a Product Switch relates may remain in the Purchased Receivables if the Receivable would not be a Qualifying Receivable immediately after the Product Switch occurs. Any Receivable subject to a Product Switch repurchased by the Seller shall be repurchased at the Repurchase Price payable as at the Repurchase Date.

A Purchased Receivable will be subject to a Further Advance if an existing Debtor requests further moneys to be advanced to him or her under the relevant Receivable in circumstances which do not amount to a Redraw and such request is granted. A Purchased Receivable will be subject to a Redraw when the Seller agrees to a re-advance by the Seller of some or all of the Overpayments that the Debtor has paid on the Receivable.

If the Seller agrees to make a Further Advance or a Redraw in relation to a Purchased Receivable, the Covered Bond Guarantor shall be entitled to (acting at the direction of the Trust Manager) extinguish the Covered Bond Guarantor's right, title and interest in the relevant Purchased Receivable in favour of the Seller or request the Seller to repurchase the Purchased Receivable related to the Further Advance or Redraw. The Trust Manager is under no obligation whatsoever to direct the Covered Bond Guarantor to pay to the Seller the Purchase Price of a Further Advance or reimburse the Seller for funding a Redraw (and the Covered Bond Guarantor is similarly under no such obligation to so pay), and any such decision shall be made at the Trust Manager's absolute discretion, provided that under no circumstances shall the Trust Manager direct the Covered Bond Guarantor to agree to pay to the Seller the Purchase Price of a Further Advance or reimburse the Seller for funding a Redraw if (in the Trust Manager's reasonable opinion): (i) the Receivable would not be a Qualifying Receivable immediately after the Further Advance or Redraw is made; or (ii) on the Determination Date following the date on which the Further Advance or Redraw is made it is determined by the Trust Manager that either there will be insufficient Available Principal Receipts that are able to be applied for that purpose on the next Trust Payment Date in accordance with the Pre acceleration Principal Allocations or a Reimbursement Demand Loan Advance will not be made by the Demand Loan Provider for that purpose, in respect of that request, for whatever reason. The Trust Manager, shall notify the Seller on or before the relevant Trust Payment Date as to whether or not the Trust Manager intends to direct the Covered Bond Guarantor to pay to the Seller the Purchase Price of a Further Advance or to reimburse the Seller for funding the Redraw.

If the Trust Manager notifies the Seller that it has determined not to direct the Covered Bond Guarantor to pay the Seller the Purchase Price of a Further Advance or to reimburse the Seller for funding a Redraw, then the Covered Bond Guarantor (acting at the direction of the Trust Manager) must serve a Receivable Repurchase Notice on the Seller. The Covered Bond Guarantor shall be required to sell and the Seller shall be required to repurchase the relevant Receivable on the relevant Repurchase Date in accordance with the Mortgage Sale Agreement. Any Receivable subject to a Further Advance or Redraw repurchased by the Seller shall be repurchased at the Repurchase Price of the Receivable payable as at the Repurchase Date less the Further Advance or the Redraw (as the case may be).

Defaulted Receivables

If a Receivable becomes a Defaulted Receivable, then that Defaulted Receivable will be attributed a zero value in the calculation of the Asset Coverage Test and the Amortisation Test on the relevant Determination Date.

General ability to repurchase

The Seller may, at any time prior to the occurrence of an Issuer Event of Default, by serving a Seller Receivable Repurchase Notice in relation to one or more Purchased Receivables on the Covered Bond Guarantor (copied to the Trust Manager), offer to repurchase such Purchased Receivables and its Related Security (unless the Related Security also secures another Purchased Receivable that is not also subject to the offer contained in the Seller Receivable Repurchase Notice) and to pay to the Covered Bond Guarantor the Repurchase Price in respect of such Purchased Receivables on the Repurchase Date. The Covered Bond Guarantor shall be under no obligation whatsoever to accept such an offer. In no circumstances shall the Covered Bond Guarantor accept (nor shall the Trust Manager direct it to accept) any such offer unless the Calculation Manager has first confirmed that, after any extinguishment in respect of the Purchased Receivable, the Asset Coverage Test will be met.

Timing of repurchase and payment of repurchase price

A repurchase of the right, title and interest in a Purchased Receivable in the circumstances described under "*Repurchase by the Seller following breach of Representations and Warranties*", "*Product Switches, Further Advances and Redraws*" and "*General ability to repurchase*" will take place on a date agreed by the Seller and the Covered Bond Guarantor (acting on the direction of the Trust Manager) or on the next Trust Payment Date to occur following expiry of a period of five days following the date of the service by the Seller of a Seller Receivable Repurchase Notice or the date of the service by the Covered Bond Guarantor of the Receivable Repurchase Notice.

Right of pre-emption

Under the terms of the Mortgage Sale Agreement, the Seller will have a right of pre-emption in respect of any sale, in whole or in part, of Selected Receivables. The Covered Bond Guarantor may be required to sell selected Receivables in the circumstances described in "*Supplemental Deed – Sale of Selected Receivables if the Pre-Maturity Test is breached*", "*Supplemental Deed – Sale of Selected Receivables following the Demand Loan Provider making demand that the Demand Loan be repaid*", "*Supplemental Deed – Sale of Selected Receivables following service of an Asset Coverage Test Breach Notice*" and "*Supplemental Deed – Sale of Selected Receivables following service of a Notice to Pay*" below.

In connection with the sale of Selected Receivables, the Covered Bond Guarantor will serve on the Seller a Selected Receivable Offer Notice offering to sell those Selected Receivables for not less than the Selected Receivables' market price (if there is one) or otherwise for the best price reasonably obtainable having regard to the circumstances existing when they are sold, but in any event: (a) following the service of an Asset Coverage Test Breach Notice (but prior to the service of a Notice to Pay), for an amount not less than the Current Principal Balance of the Selected Receivables plus the arrears of interest and accrued interest thereon; and (b) following a breach of the Pre-Maturity Test or service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), for an amount not less than the Adjusted Required Redemption Amount for the relevant Series of Covered Bonds. The Seller may accept the Covered Bond Guarantor's offer to sell the relevant Selected Receivables in accordance with the foregoing by paying, within ten Local Business Days of service of the Selected Receivable Offer Notice on the Seller, the Purchase Price set out in the Selected Receivable Offer Notice, provided that if an Issuer Event of Default has occurred but no liquidator, statutory manager,

receiver, receiver and manager or administrator has been appointed to the Seller, the Seller's right to accept the offer (and therefore its right of pre-emption) will be conditional upon the delivery within such ten Local Business Day period of a solvency certificate in a form acceptable to the Trust Manager acting reasonably). Upon receipt by the Covered Bond Guarantor of the Purchase Price set out in the Selected Receivable Offer Notice, the Covered Bond Guarantor's right, title and interest in: (a) the relevant Selected Receivables referred to in the relevant Selected Receivable Offer Notice; and (b) unless the Related Security also secures another Purchased Receivable that is not also subject to the offer continued in the Selected Receivable Offer Notice, the Related Security is extinguished or transferred (as the case may be) to the Seller free from any Encumbrance).

If the Seller rejects the Covered Bond Guarantor's offer or fails to accept it in accordance with the foregoing, the Covered Bond Guarantor will offer to sell the Selected Receivables to other Purchasers (subject to further right of pre-emption in favour of the Seller if required by law) (as described under "*Supplemental Deed – Method of Sale of Selected Receivables*", below).

Further drawings under the Receivables

The Seller will be solely responsible for funding all further drawings, if any, in respect of Purchased Receivables (including, but not limited to, Further Advances and Redraws).

The Mortgage Sale Agreement is governed by the laws of the State of Victoria, Australia.

Servicing Deed

Pursuant to the terms of the Servicing Deed entered into on the Programme Date between, among others, the Covered Bond Guarantor, ANZBGL (in its separate capacities as Servicer and as Seller), the Trust Manager and the Security Trustee, the Covered Bond Guarantor (as Covered Bond Guarantor and as Seller Trust Trustee) appoints ANZBGL as Servicer and it has agreed to administer and service on behalf of and for the benefit of the Covered Bond Guarantor the Purchased Receivables sold by the Seller to the Covered Bond Guarantor.

The Servicer will be required to administer and service the Purchased Receivables in accordance with:

(a) at all times in the best interest of the Covered Bond Guarantor;

(b) in accordance with all applicable laws (including Consumer Credit Law if it applies to those Receivables); and

(c) subject to (b), in accordance with the Servicer's Servicing Procedures in all material respects.

The Servicer will have the power to exercise the rights, powers and discretions and to perform the duties of the Covered Bond Guarantor and the Seller (according to their respective estates and interests) in relation to the Purchased Receivables that it is servicing pursuant to the terms of the Servicing Deed and to do anything which it reasonably considers necessary, convenient or incidental to the administration of the Purchased Receivables provided that such rights of the Servicer are exercised in the best interests of the Covered Bond Guarantor.

Undertakings of the Servicer

Pursuant to the terms of the Servicing Deed, the Servicer covenants with and undertakes to the Covered Bond Guarantor (for itself and as Seller Trust Trustee), the Trust Manager and the Security Trustee that, without prejudice to any of its specific obligations under the Servicing Deed, it will:

(a) administer and service the Purchased Receivables in accordance with all applicable laws (including Consumer Credit Law) and the Servicing Procedures;

(b) provide the Services set out in the Servicing Deed in such manner and with the same level of skill, care and diligence as would a Prudent Mortgage Lender;

(c) maintain all authorisations, licences, permits, approvals and other registrations as may be required under any applicable legislation to act as servicer of the Purchased Receivables;

(d) prepare and collate all reasonably necessary performance statistics of the Purchased Receivables;

(e) provide to the Covered Bond Guarantor and the Trust Manager promptly from time to time such information, documents, records, reports or other information relating to the Purchased Receivables or the operations of the Servicer as may be reasonably requested by either of them;

(f) maintain a loan account in respect of each Purchased Receivable and give all notices, documents or statement required to be given under the Servicing Procedures to the relevant Debtor;

(g) not, without the consent of the Security Trustee, consent to the creation or existence of an Encumbrance in any Purchased Receivable, except either as permitted by the Servicing Procedures or as expressly provided for or permitted by the Programme Documents;

(h) following any amendment, consolidation, novation or substitution of a Mortgage, promptly procure registration with the relevant Land Titles Office of any Mortgage that relates to a Purchased Receivable in accordance with the Servicing Procedures;

(i) electronically identify each Purchased Receivable in its electronic database in order to identify the Receivable as being the property of the Covered Bond Guarantor and to identify the Receivable Scheduled Payments and other relevant cashflows in respect of each Purchased Receivable;

(j) except as required by law or required or permitted by, the Servicing Procedures and the Receivable Conditions, not without the consent of the Covered Bond Guarantor release the Debtor from any amount owing in respect of a Purchased Receivable or otherwise vary or discharge any such Receivable;

(k) not grant any extension of the maturity of a Purchased Receivable or allow any reduced payment that would result in such extension except:

  (i) as required or permitted by the Servicing Procedures and the Receivable Conditions;

  (ii) as approved by the Covered Bond Guarantor (as directed by the Trust Manager) and the relevant Mortgage Insurer (if applicable); or

  (iii) as required by applicable law and any regulatory undertakings binding on the Servicer;

(l) forthwith upon becoming aware of any event which may reasonably give rise to an obligation of the Seller to repurchase any Receivable pursuant to the Mortgage Sale Agreement, notify the Covered Bond Guarantor in writing of such event;

(m) ensure that, to the extent required by the Consumer Credit Law, it remain a licensee for the purposes of the Consumer Credit Law;

(n) to the extent it is within its control, to remain a Licensee and to immediately notify the Covered Bond Guarantor and the Trust Manager if it ceases to be a Licensee; and

(o) comply with the requirement of the Consumer Credit Law, in exercising its rights and carrying out its obligations under the Servicing Deed and ensure that its actions or omissions do not cause the Covered Bond Guarantor to breach the Consumer Credit Law in respect of the Receivables.

Interest Rate Shortfall Test

The Servicer shall, if the Interest Rate Swap is not in effect in accordance with its terms, determine on each Determination Date, having regard to:

(a) the fixed interest rate and the variable interest rate and any other discretionary rate or margin in respect of the Purchased Receivables which the Servicer proposes to set under the Servicing Deed for the next succeeding Trust Payment Period (the "**relevant Trust Payment Period**"); and

(b) the other resources available to the Covered Bond Guarantor, including the Covered Bond Swap Agreements (if any) and the Reserve Fund (as advised by the Covered Bond Guarantor, acting at the direction of the Trust Manager),

whether the Covered Bond Guarantor would receive an amount of income during the relevant Trust Payment Period which, when aggregated with the funds otherwise available to the Covered Bond Guarantor, is less than the amount which is the aggregate of (i) the amount of interest which would be payable (or provisioned to be paid) by or on behalf of the Covered Bond Guarantor under the Intercompany Loan Agreement (or, if a Notice to Pay has been served on the Covered Bond Guarantor (with a copy to the Trust Manager), the Covered Bond Guarantee) and the Demand Loan Agreement on the Trust Payment Date falling at the end of the relevant Trust Payment Period and the relevant amounts payable (or provisioned to be paid) to the Covered Bond Swap Providers under the Covered Bond Swap Agreements in respect of all Covered Bonds on the Trust Payment Date falling at the end of the relevant Trust Payment Period; and (ii) the other expenses payable (or provisioned to be paid) by the Covered Bond Guarantor on the Trust Payment Date falling at the end of the relevant Trust Payment Period ranking in priority thereto in accordance with the relevant Cashflow Allocation Methodology applicable prior to a Covered Bond Guarantor Event of Default (the "**Interest Rate Shortfall Test**"). Any interest rate shortfall under the Interest Rate Shortfall Test is referred to in this Prospectus as an "**Interest Rate Shortfall**".

If the Servicer determines that the Interest Rate Shortfall Test will not be met, it will give written notice to the Covered Bond Guarantor and the Seller (copied to the Trust Manager and the Security Trustee), within five Local Business Days of the relevant Determination Date, of the amount of the Interest Rate Shortfall and the variable interest rate and the other discretionary rates or margins which would, in the Servicer's opinion, need to be set in order for no shortfall to arise, and the Interest Rate Shortfall Test to be met on the next succeeding Determination Date, having regard to the date(s) on which the changes to the variable interest rate and the other discretionary rates or margins would take effect, following which: (i) (subject to the Servicing Deed and the Mortgage Sale Agreement), the Servicer shall set the variable interest rate and/or other discretionary rates or margins applicable to the Purchased Receivables at such levels; and/or (ii) the Trust Manager) or the Security Trustee may notify the Servicer and the Seller that, having regard to the obligations of the Covered Bond Guarantor and the amount of the Interest Rate Shortfall, further Receivables should be sold by the Seller to the Covered Bond Guarantor pursuant to the Mortgage Sale Agreement to rectify the Interest Rate Shortfall, in

which case, the Seller will use all reasonable endeavours to offer to sell in accordance with the Mortgage Sale Agreement sufficient New Receivables to the Covered Bond Guarantor on or before the next succeeding Determination Date to rectify the Interest Rate Shortfall on that Determination Date.

Yield Shortfall Test

If, at any time following an Issuer Event of Default (and for so long as such Issuer Event of Default continues unremedied) or the service of an Asset Coverage Test Breach Notice which has not been revoked, and the Interest Rate Swap is not in effect in accordance with its terms, the Servicer shall determine on each Determination Date, having regard to the aggregate of:

(a) the fixed interest rate and the variable interest rate (as the case may be) and any other discretionary rate or margin, in respect of the Purchased Receivables which the Servicer proposes to set under the Servicing Deed for the relevant Trust Payment Period; and

(b) the resources available to the Covered Bond Guarantor under the Covered Bond Swap Agreements (if any),

whether the Covered Bond Guarantor would receive an aggregate amount of interest from the Purchased Receivables and amounts under the Covered Bond Swap Agreements during the relevant Trust Payment Period which would give an annual yield that is sufficient to enable the Covered Bond Guarantor to make the payments and provisions in items (a)-(g) (inclusive) of the Guarantor Allocations in full on the next 12 Trust Payment Dates to occur following the end of the Collection Period commencing immediately prior to the Determination Date (the "**Yield Shortfall Test**"). Any yield shortfall shall be referred to as the "**Yield Shortfall**".

If the Servicer determines that the Yield Shortfall Test will not be met, it will give written notice to the Covered Bond Guarantor (copied to the Trust Manager) and the Security Trustee, within five Local Business Days of the relevant Determination Date, of the amount of the Yield Shortfall and the variable interest rate and the other discretionary rates or margins which would, in the Servicer's opinion, need to be set in order for no shortfall to arise and the Yield Shortfall Test to be met, having regard to the date(s) on which the changes to the variable interest rate and the other discretionary rates or margins would take effect and at all times acting in accordance with the standards of a Prudent Mortgage Lender. If the Covered Bond Guarantor (acting at the direction of the Trust Manager) or the Security Trustee notifies the Servicer that, having regard to the obligations of the Covered Bond Guarantor, the variable interest rate or the other discretionary rates or margins should be increased, the Servicer will take all steps which are necessary and are in accordance with the standards and practices of a Prudent Mortgage Lender to increase the variable interest rate or any other discretionary rates or margins, including giving any notice which is required in accordance with the Servicing Deed or the Receivable Conditions.

Remuneration

The Covered Bond Guarantor shall, in accordance with the Cashflow Allocation Methodology, pay to the Servicer for the provision of the Services an administration fee which shall be agreed in writing between the Covered Bond Guarantor, or the Trust Manager on its behalf, the Security Trustee and the Servicer. The Covered Bond Guarantor will on each Trust Payment Date, subject to the relevant Cashflow Allocation Methodology as further consideration for the Services supplied to it by the Servicer under the Servicing Deed, reimburse the Servicer for all out-of-pocket costs, expenses and charges properly incurred by the Servicer in the performance of the Services, including any such costs, expenses or charges not reimbursed to the Servicer on any previous Trust Payment Date.

Collections

The Servicer acts as independent contractor for the Covered Bond Guarantor to collect payments in respect of the Purchased Receivables (including, without limitation, a Receivable Scheduled Payment). If the Servicer receives, during a Collection Period, any money whatsoever arising from the Purchased Receivables which money belongs to the Covered Bond Guarantor and such money is to be credited to the GIC Account pursuant to the Servicing Deed, the Servicer shall hold such money on trust for the Covered Bond Guarantor and shall ensure that all such moneys are readily identified. All such amounts described above received by the Servicer during a Collection Period shall be credited to the GIC Account either on the Trust Payment Date immediately following the end of that Collection Period (for so long as ANZBGL has short-term credit ratings of no lower than P-1 from Moody's and F1 from Fitch and a long-term credit rating of A from Fitch) or, in any other case, within two Local Business Days of receipt. The Servicer has no obligation itself to advance payments that Debtors fail to make in a timely fashion.

ANZBGL shall, if it credits money received during a Collection Period to the GIC Account in accordance with the Servicing Deed, on the Trust Payment Date immediately following the end of that Collection Period, credit an additional amount to the GIC Account calculated as interest on the amount of that money for the period during which it was held by ANZBGL during that Collection Period. Any such interest is to be calculated on the Determination Date immediately following the end of the Calculation Period by ANZBGL in its absolute discretion on the daily balance of the amount of money for the period during which it was held by ANZBGL during the Collection Period and at a rate determined on the first day of that Collection Period as the rate equal to the applicable 30 days Bank Bill Rate determined by ANZBGL in its sole discretion.

Removal or resignation of the Servicer

The Covered Bond Guarantor (acting at the direction of the Trust Manager) or the Security Trustee (acting on the directions of the Voting Secured Creditors) shall, at any time after, upon written notice to the Servicer, terminate the Servicer's rights and obligations from a date (not earlier than the date of the notice) specified in the notice, but without prejudice to any then existing rights and liabilities of the parties to the Servicing Deed, if any of the following events (each a "**Servicer Termination Event**") occurs:

(a) the Servicer fails to remit, or pay, any amount due under the Programme Documents within seven Local Business Days of receipt of a notice from either the Covered Bond Guarantor or the Trust Manager to do so;

(b) the Servicer fails to prepare and submit to the Covered Bond Guarantor or the Trust Manager in a timely and accurate fashion any information so required under the Programme Documents which the Security Trustee considers (acting on the directions of the Voting Secured Creditors) is materially prejudicial to the Covered Bondholders and if capable of remedy, is not remedied within 20 Local Business Days after notice delivered to the Servicer by the Covered Bond Guarantor or the Trust Manager;

(c) an Insolvency Event occurs in respect of the Servicer;

(d) the Servicer fails to observe or perform any term, covenant, condition or obligation provided for in the Programme Documents (other than those referred to in paragraphs (a) and (b) above which the Security Trustee considers (acting on the directions of the Voting Secured Creditors) is materially prejudicial to the Covered Bondholders and continues unremedied for 20 Local Business Days after notice delivered to the Servicer by the Covered Bond Guarantor or the Trust Manager (or such longer period as may be agreed between the Servicer and the Covered Bond Guarantor); or

(e) the Servicer's unsecured, unsubordinated, long-term senior debt obligations have been downgraded below Baa3 by Moody's or BBB- by Fitch.

Any termination of the appointment of the Servicer (and the appointment of a Substitute Servicer as described below) is conditional upon the Trust Manager having delivered a Rating Agency Notification to the Covered Bond Guarantor, the Seller, the Servicer and the Substitute Servicer in respect of such termination of the appointment of the Servicer and the appointment of the Substitute Servicer.

If the appointment of the Servicer is terminated as described above, then with effect from the date of termination (each such date, a Servicer Transfer Date), unless and until a Substitute Servicer that satisfies the conditions set out below, has been appointed (without limiting the obligations of the Covered Bond Guarantor (at the direction of the Trust Manager) to use its reasonable endeavours to appoint a Substitute Servicer), the Covered Bond Guarantor shall be taken to be the Substitute Servicer and shall perform all obligations and shall be entitled to exercise all rights, of the Servicer under the Programme Documents.

Despite the entitlement of the Servicer to sub-contract or delegate the performance of all or any of its powers and obligations under and in accordance with the terms of the Servicing Deed, if the Covered Bond Guarantor is appointed as a Substitute Servicer as set out above, the Covered Bond Guarantor will not be liable for the acts or omissions of any officer, employee, attorney, agent, delegate, subcontractor, sub-delegate or sub-agent or for the fees and expenses of such officer, employee, agent, delegate, subcontractor, sub-delegate or sub-agent appointed or delegated to by the Covered Bond Guarantor in respect of the performance of all or any of its powers and obligations as Substitute Servicer.

In acting as Servicer as set out above, the Covered Bond Guarantor will not be responsible for and will not be liable for, any inability to perform, or deficiency in performing, its duties and obligations as Servicer if:

(a) the Covered Bond Guarantor is unable to perform those duties as a consequence of:

  (i) the acts or omissions of the previous Servicer or any other party to a Programme Document (other than the Covered Bond Guarantor or any Related Entity of the Covered Bond Guarantor), including any of their agents or delegates; or

  (ii) the state of affairs of the previous Servicer, and its books and records; or

(b) the Covered Bond Guarantor is unable, after using reasonable endeavours, to obtain information and documents or obtain access to software, personnel or resources from the previous Servicer the Covered Bond Guarantor requires and which are reasonably necessary for the Covered Bond Guarantor to perform those duties and obligations.

Further, in acting as Servicer as set out above:

(a) the Covered Bond Guarantor does not make or repeat any representation of the Servicer under the Programme Documents (but without limiting any representation under a Programme Document which is expressed to be a representation of the Covered Bond Guarantor in that capacity);

(b) the Covered Bond Guarantor does not assume any indemnity obligations of the Servicer; and

(c) the applicable limitation of liability clauses (including clause 30 of the Supplemental Deed) applies in respect of the Covered Bond Guarantor acting in the capacity of Servicer.

If the Covered Bond Guarantor is required to act as Servicer as set out above, the outgoing Servicer undertakes to do all things necessary, and to use reasonable endeavours to do all things reasonably requested by the Covered Bond Guarantor (including providing all material, relevant information which it has in its possession as Servicer), to effect the servicing transition from it as Servicer to the Covered Bond Guarantor or the Covered Bond Guarantor's delegate (including direct debit facilities).

For so long as the Covered Bond Guarantor is acting as servicer it is entitled to the fee payable to the Servicer or such other fee as may be agreed with the Trust Manager in respect of which it has given a Rating Agency Notification.

In addition, subject to the fulfilment of a number of conditions, including, without limitation, that a Substitute Servicer has been appointed, the Servicer may voluntarily resign by giving not less than 12 months' notice to the Covered Bond Guarantor, the Trust Manager and the Security Trustee and the Seller Trust Beneficiaries. Any such Substitute Servicer must have experience in administering and servicing housing loans secured on residential and (if applicable) commercial properties in Australia, shall have all authorisations, permissions and licences required by law for the purposes of administering and servicing mortgages of residential properties in Australia and must have entered into an agreement with the Covered Bond Guarantor, the Trust Manager and the Security Trustee substantially on the same terms as the Servicing Deed or on such terms as are satisfactory to the Trust Manager and the Servicer shall not be released from its obligations under the Servicing Deed until such new agreement has been entered into by all parties thereto and is in full force and effect.

On or after the effective date of the termination of the appointment of, or resignation of, the Servicer, the Servicer must, subject to all applicable privacy legislation forthwith deliver (and in the meantime, hold on trust for, and to the order of, the Security Trustee) the Title Documents, all books of account, papers, records, registers, correspondence and documents in its possession or under its control relating to the affairs of, or belonging to, the Covered Bond Guarantor and the Purchased Receivables (if practicable, on the date of receipt) any moneys and any other assets then held by the Servicer on behalf of the Covered Bond Guarantor and any other assets of the Trust to, or at the direction of, the Covered Bond Guarantor, and the Servicer shall take such further action as the Covered Bond Guarantor (or the Trust Manager on its behalf) and the Security Trustee (as applicable) shall require.

The Servicing Deed will terminate automatically at such time as the Covered Bond Guarantor has no further interest in any of the Purchased Receivables.

The Servicer may sub-contract or delegate the performance of its duties under the Servicing Deed, provided that it meets conditions as set out in the Servicing Deed.

Neither the Bond Trustee nor the Security Trustee is obliged to act as Servicer in any circumstances.

The Servicing Deed is governed by the laws of the State of Victoria, Australia.

Trust Terms Deed

The Trust Terms Deed, entered into between the Trust Manager and the Trustee on 31 October 2011, is the principal agreement that sets out the terms of the Trust and sets out the provisions governing the relationship between the Trust Manager and the Trustee. The Trust Terms Deed contains provisions relating to (but not limited to):

(a) the establishment of a Trust by the Trust Manager, including the conditions of these Trusts such as duration and termination provisions;

(b) the interests of the Unitholders, including the liability of the Unitholders and Secured Creditors;

(c) the Trust Manager's discretion as to the investments of the Trusts, including provisions as to the Assets of the Trusts;

(d) the terms of the appointment, powers, obligations, delegation and costs of the Trustee and the Trust Manager;

(e) the covenants of the Trustee and the Trust Manager;

(f) the representations and warranties of the Trustee and the Trust Manager; and

(g) the rights and liabilities of the Trustee and Trust Manager.

Covenants of the Trust Manager

The Trust Manager covenants with the Trustee in respect of each Trust that it will:

(a) use its best endeavours and carry on and conduct its business to which its obligations and functions under the Trust Terms Deed relate, in a proper and efficient manner;

(b) subject to the appointment of any Servicer in respect of the Assets of the Trust, manage the Trust;

(c) act honestly and in good faith in the performance of its duties and in the exercise of its discretions under the Trust Terms Deed;

(d) make available for inspection by the Trustee and the Auditor during normal business hours and after the receipt of reasonable notice, the books and records of the Trust Manager relating to the Trust;

(e) give to the Trustee and the Auditor written or oral information in the possession of the Trust Manager which either may reasonably require with respect to all matters relating to the Assets or the Trust;

(f) pay to the Trustee within three Business Days of receipt all money that is payable by the Trust Manager to the Trustee under the Programme Documents (except as otherwise provided under the Programme Documents);

(g) make any filings required in connection with the Trust or the Assets with any Governmental Agency and within all applicable deadlines;

(h) prepare and submit to the Trustee for signing and filing on a timely basis all income or other tax returns or elections required to be filed with respect to the Trust and ensure that the Trustee is directed to pay any taxes (including taxes assessed on the income of the Trust, it being acknowledged however that the Trustee and the Trust Manager will cooperate to ensure that no such tax falls due) required to be paid by the Trust;

(i) it will keep accounting records which correctly record and explain all amounts paid and received by the Trustee and the Trust Manager and arranging for audited accounts to be prepared as and when required by the Programme Documents; and

(j) notify the Trustee and each Designated Rating Agency as soon as practicable after becoming aware that a Title Perfection Event, an Issuer Event of Default, Potential Issuer Event of Default, a Trust Manager Default, a Servicer Termination Event, a Swap Provider Default, a Swap Provider Downgrade Event or a Calculation Manager Default has occurred.

Covenants of the Trustee

The Trustee covenants with the Trust Manager that the following covenants are for the benefit of the Trust Manager, the Secured Creditors and the Unitholders of the Trust jointly and severally:

(a) it will act continuously as trustee of the Trust until the Trust is terminated in accordance with the Trust Terms Deed or until it has retired or been removed in accordance with the Trust Terms Deed;

(b) it will take all such corporate actions which are necessary (including, without limitation, obtaining all such corporate authorisations and approvals) to ensure that it is able to exercise all its powers and remedies and perform all its obligations under the Programme Documents;

(c) except where required by statute or law, it will not sell, mortgage, charge or part with the possession of any of the Assets of the Trust (or permit any of its officers to do so) except as permitted by the Programme Documents;

(d) it will forward promptly to the Trust Manager all notices, reports, circulars and other documents received by it as holder of the Assets;

(e) it will act honestly and in good faith in the performance of its duties and the exercise of its discretions under the Trust Terms Deed in relation to the Trust, having regard to the interests of the Unitholders and the Secured Creditors of the Trust;

(f) it will exercise such diligence and prudence as a prudent person of business would exercise in performing its express functions and in exercising its discretions under the Trust Terms Deed in relation to the Trust, having regard to the interests of the Unitholders and the Secured Creditors of the Trust;

(g) it will use its best endeavours to carry on and conduct its business insofar as it relates to the Trust Terms Deed in a proper and efficient manner;

(h) it will not create any Encumbrance over the Assets of the Trust for the benefit of any person except as permitted under the Programme Documents;

(i) it will give any reasonable assistance to the Trust Manager in relation to the Trust as is reasonably requested by the Trust Manager (at the cost of the Trust Manager); and

(j) it will promptly notify the Trust Manager and each Designated Rating Agency of the occurrence of any Trustee Default.

Trust Manager Default

If a Trust Manager Default occurs, the Trustee may either at its discretion, waive this Trust Manager Default, or the Trustee can, by giving notice to the Trust Manager and by giving a Rating Agency Notification, immediately remove the Trust Manager. The Trustee may then appoint another corporation to be the manager of the Trust. Until the appointment of any replacement trust manager is complete (whether upon removal or retirement of the Trust Manager), the Trustee must act as Trust Manager in accordance with the Trust Terms Deed.

Trustee Default

The Trust Manager may, by written notice, require the Trustee to retire as trustee for all Trusts if it reasonably believes a Trustee Default has occurred. If the Trustee refuses to retire within 30 days of being required to do so, the Trust Manager is entitled to remove the Trustee from office immediately by notice in writing. The Trust Manager may then appoint a replacement

trustee by deed. This appointment is not complete until the new trustee executes a deed by which it covenants to be bound by the Trust Terms Deed and until a Rating Agency Notification is given by the Trust Manager. Until an appointment is made, the Trust Manager (subject to the law) is to act as trustee.

Representations and Warranties

Trust Manager

The Trust Manager represents and warrants to the Trustee that:

(a) it has been duly incorporated as a company limited by shares in accordance with the laws of Victoria, is validly existing under those respective laws and has power and authority to carry on its business as it is now being conducted;

(b) it has power to enter into and observe its obligations under the Trust Terms Deed and the Programme Documents to which it is a party;

(c) it has in full force and effect the authorisations necessary to authorise its execution, delivery and performance of the Trust Terms Deed and the Programme Documents to which it is a party, observe obligations under them and allow them to be enforced, and has filed all necessary returns with the Australian Securities and Investments Commission;

(d) its obligations under the Trust Terms Deed and the Programme Documents to which it is a party are valid, binding and enforceable against it in accordance with their terms subject to laws and defences generally affecting creditor's rights;

(e) no Trust Manager Default continues unremedied;

(f) it does not enter into the Trust Terms Deed or any Programme Document in the capacity of a trustee of any trust or settlement; and

(g) no Insolvency Event has occurred and is subsisting in respect of it.

Limitation of liability of Trustee and Trust Manager

Notwithstanding any other provision of the Trust Terms Deed, neither the Trustee nor the Trust Manager is liable:

(a) in connection with anything done by it in good faith and (in the case of the Trust Manager) without negligence in reliance upon any document, form or list except where it is actually aware that the document, form or list is not genuine; or

(b) if it fails to do anything because it is prevented or hindered from doing it by law or order; or

(c) to anyone for payments made by it in good faith to a fiscal authority in connection with taxes (including taxes assessed on the income of the Trust) or other charges in respect of a Trust even if the payment need not have been made; or

(d) other than as required under the Trust Terms Deed, if a person fails to carry out an agreement with the Trustee or the Trust Manager in connection with any Trust; or

(e) to anyone because of any error of law or any matter done or omitted to be done by it in good faith in the event of the liquidation or dissolution of a company (other than a company under its control),

except to the extent that any of the foregoing is caused by the Trustee's or the Trust Manager's (as the case may be) own gross negligence, fraud or wilful default.

Indemnification of Covered Bond Guarantor

Subject to the applicable Cashflow Allocation Methodology, the Covered Bond Guarantor will be indemnified out of the assets of the Trust against all costs, expenses, loss and liabilities properly incurred by the Covered Bond Guarantor in performing any of its duties or exercising any of its powers under the Trust Terms Deed in relation to the Trust to the extent that the cost, expense, loss or liability has been incurred by the Covered Bond Guarantor in connection with the performance of its duties or the exercise of its powers in respect of the trust and except to the extent that any such cost, expense, loss or liability is caused by the Covered Bond Guarantor's breach of trust, fraud, gross negligence or wilful default.

Limitation of liability of Covered Bond Guarantor

The Trust Terms Deed contains a number of provisions which seek to exclude or limit the liability, duties or responsibilities of the Covered Bond Guarantor and which are incorporated into other Programme Documents to which the Covered Bond Guarantor is a party. This exclusion only applies to the extent that any such loss, cost, charge, liability or expense is not caused by the fraud, gross negligence or wilful default of the Covered Bond Guarantor (for instance, losses arising out of the exercise or non-exercise of a discretion). The exclusion includes liability of the Covered Bond Guarantor for any loss, costs, charges or expenses caused in connection with actions of the Trust Manager and Servicer, but the Covered Bond Guarantor is not required to supervise or keep itself informed about or take any action to investigate the circumstances of a Servicer or the Trust Manager, or the performance of their respective obligations under any Programme Document.

The Trust Terms Deed is governed by the laws of the State of Victoria, Australia.

Asset Monitor Agreement

Under the terms of the Asset Monitor Agreement entered into on the Programme Date and amended on 22 May 2012 between the Asset Monitor, the Covered Bond Guarantor, the Trust Manager, ANZBGL (in its capacities as Issuer, Seller and Calculation Manager), the Bond Trustee and the Security Trustee, the Asset Monitor has agreed, subject to due receipt of the information to be provided by the Calculation Manager to the Asset Monitor, to carry out various testing and notification duties and to report on the arithmetic accuracy of the calculations performed by the Calculation Manager on the Determination Date immediately prior to each anniversary of the Programme Date, with a view to confirmation of compliance by the Covered Bond Guarantor with the Asset Coverage Test or the Amortisation Test, as applicable, on that Determination Date.

If the long-term ratings of the Calculation Manager (or if the Calculation Manager is not so rated, if the long-term unsecured, unguaranteed and unsubordinated debt obligation ratings of the Calculation Manager's holding company) fall below Baa3 by Moody's or BBB- by Fitch (and for as long as they remain below such ratings), the Asset Monitor will, subject to receipt of the relevant information from the Calculation Manager, be required to report on such arithmetic accuracy following each Determination Date.

If any test conducted by the Asset Monitor reveals arithmetic errors in the relevant calculations performed by the Calculation Manager such that the Asset Coverage Test or the Amortisation Test has been failed on the applicable Determination Date (where the Calculation Manager had recorded it as being satisfied) or the Adjusted Aggregate Receivable Amount or the Amortisation Test Aggregate Receivable Amount is mis-stated by the Calculation Manager by an amount exceeding 1 per cent of the actual Adjusted Aggregate Receivable Amount or the Amortisation Test Aggregate Receivable Amount, as applicable, (as at the date of the relevant

Asset Coverage Test or the relevant Amortisation Test), the Asset Monitor will be required to conduct such tests following each Determination Date for a period of six months thereafter.

The Asset Monitor will be entitled, in the absence of manifest error, to assume that all information provided to it by the Calculation Manager for the purpose of reporting on the arithmetic accuracy is true and correct and not misleading and is not required to report as such or otherwise take steps to verify the accuracy of any such information. The Asset Monitor Report will be delivered to the Calculation Manager, the Covered Bond Guarantor, ANZBGL, the Bond Trustee and the Security Trustee.

The Asset Monitor has also been appointed the cover pool monitor in respect of the Trust and the Programme for purposes of the Australian Banking Act. In respect of each date falling six months after the first Issue Date (each, an "**Audit Date**") and subject to receipt of the certain information to be provided to the Asset Monitor by the Trust Manager and the Calculation Manager, Servicer, including the Receivables Register and the Fixed Income Register, the Investments Ledger (as described under the definition of Ledger in the "*Glossary*") and account statements, the Asset Monitor will (subject to the terms of the Asset Monitor Agreement):

(a) assess the keeping by the Calculation Manager of an accurate register of the assets in the cover pool of the Covered Bond Guarantor; and

(b) assess compliance by the Issuer with sections 31 and 31A of the Australian Banking Act.

The Asset Monitor may perform the obligations in paragraphs (a) and (b) above by sampling in accordance with auditing standards made under the Australian Corporations Act.

The Covered Bond Guarantor will pay to the Asset Monitor a fee as agreed between the Trust Manager and the Asset Monitor from time to time.

The Covered Bond Guarantor (at the direction of the Trust Manager), may, at any time, but only with the prior written consent of the Security Trustee acting on the instructions of the Bond Trustee (if there are Covered Bonds outstanding) or (if there are no Covered Bonds outstanding) the Majority Secured Creditors, terminate the appointment of the Asset Monitor by giving at least 40 Local Business Days prior written notice to the Asset Monitor and the Asset Monitor may, at any time, resign by giving at least 40 Local Business Days prior written notice to the Issuer, the Covered Bond Guarantor, the Trust Manager and the Security Trustee, save that such 40 Local Business Days' notice period shall not be required if (i) the Security Trustee (acting on the instructions of the Bond Trustee if there are Covered Bonds outstanding or on the instructions of the Majority Secured Creditors if there are no Covered Bonds Outstanding) agrees that the resignation of the Asset Monitor may take effect at an earlier time; or (ii) the Asset Monitor is required to resign pursuant to the applicable professional standards to which it is subject at the time of such resignation.

Upon giving notice of termination or receiving notice of resignation, the Covered Bond Guarantor (at the direction of the Trust Manager) shall use its best endeavours to promptly appoint a substitute Asset Monitor pursuant to an agreement, on substantially the same terms as the terms of the Asset Monitor Agreement, to provide the services set out in the Asset Monitor Agreement. If a substitute Asset Monitor is not appointed by the date which is 20 Local Business Days prior to a Determination Date in respect of which the Calculation Manager's calculations are to be tested in accordance with the terms of the Asset Monitor Agreement, then the Covered Bond Guarantor (at the direction of the Trust Manager) shall use all reasonable endeavours to appoint an Asset Monitor that is eligible to be an Asset Monitor under the Australian Banking Act approved by the Security Trustee to carry out the relevant tests on a one-off basis. The Trust Manager shall promptly notify the Designated Rating Agencies of the appointment of any substitute Asset Monitor to carry out the relevant tests.

None of the Covered Bond Guarantor, the Bond Trustee nor the Security Trustee shall be obliged to act as Asset Monitor in any circumstances.

The Asset Monitor Agreement is governed by the laws of the State of New South Wales, Australia.

Supplemental Deed

The Supplemental Deed, made between, the Covered Bond Guarantor and Trustee, the Trust Manager, ANZBGL (in its capacity as Seller, Servicer, Calculation Manager, Residual Income Unitholder and Residual Capital Unitholder), the Bond Trustee and the Security Trustee sets out (in addition to the Trust Terms Deed) the terms of the Trust.

Beneficiaries

The beneficial interest in the Trust is represented by the issue of one Residual Capital Unit and one Residual Income Unit to the Residual Capital Unitholder and the Residual Income Unitholder. The Residual Income Unitholder is entitled to an annual distribution equal to the net income, if any, of the Trust for each financial year and, on the Termination Date, repayment of the issue price of A$5 paid for the Residual Income Unit. The Residual Capital Unitholder is not entitled to receive any distributions in respect of the Trust other than on the Termination Date, repayment of the issue price of A$5 paid for the Residual Capital Unit.

Asset Coverage Test

The terms of the Supplemental Deed, for so long as Covered Bonds remain outstanding and prior to the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), provide that the Purchased Receivables are subject to, and the Trust Manager must determine on each Determination Date whether the Purchased Receivables are in compliance with, the Asset Coverage Test.

If on any Determination Date the Purchased Receivables are not (or are deemed not to be) in compliance with the Asset Coverage Test, the Trust Manager must notify the Trustee, the Bond Trustee and the Security Trustee and the Trust Manager must direct the Trustee to cure the non-compliance by (i) acquiring New Receivables from the Seller in accordance with the Mortgage Sale Agreement (see "*Summary of the Principal Documents – Mortgage Sale Agreement – Sale by the Seller of Receivables*"); and/or (ii) acquiring Substitution Assets; and/or (iii) make a drawing under the Demand Loan Agreement or any combination of the above, in each case in order to ensure that the Asset Coverage Test is met on the immediately succeeding Determination Date. If, on two successive Determination Dates, the Purchased Receivables are not (or are deemed not to be) in compliance with the Asset Coverage Test, the Asset Coverage Test will be breached and the Bond Trustee must (subject to the Bond Trustee having actual knowledge or express notice of the breach) serve an Asset Coverage Test Breach Notice on the Trustee and notify each Designated Rating Agency. The Asset Coverage Test Breach Notice will be deemed to be revoked if, on the next Determination Date to occur following the service of an Asset Coverage Test Breach Notice, the Asset Coverage Test is subsequently satisfied and neither a Notice to Pay nor a Covered Bond Guarantee Acceleration Notice has been served. If the Asset Coverage Test Breach Notice is deemed to be revoked, the Trust Manager shall immediately notify in writing the Trustee, the Bond Trustee and each Designated Rating Agency thereof.

Following service of an Asset Coverage Test Breach Notice (which has not been revoked):

(a) the Trustee may be required to sell Selected Receivables (as further described under "*Sale of Selected Receivables following service of an Asset Coverage Test Breach Notice*"); and

(b) the Issuer will not be permitted to issue any further Covered Bonds.

If an Asset Coverage Test Breach Notice has been served and not been deemed to be revoked and if on the following Determination Date the Purchased Receivables are not (or are deemed not to be) in compliance with the Asset Coverage Test an Issuer Event of Default shall occur.

On any Determination Date, the Purchased Receivables will satisfy the "**Asset Coverage Test**" if the Adjusted Aggregate Receivable Amount is an amount at least equal to the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds.

For the purposes of the Asset Coverage Test (unless otherwise expressly provided) a reference to Purchased Receivables:

(a) includes Receivables to be acquired by the Covered Bond Guarantor on or before the Trust Payment Date immediately following the relevant Determination Date (the "**Relevant Trust Payment Date**"); and

(b) excludes Purchased Receivables which will no longer be beneficially owned by the Covered Bond Guarantor on the Relevant Trust Payment Date.

To the extent that, on the Relevant Trust Payment Date, for whatever reason:

(a) Receivables described in paragraph (a) above are not acquired by the Covered Bond Guarantor on or before the Relevant Trust Payment Date;

(b) Receivables described in paragraph (b) above remain beneficially owned by the Covered Bond Guarantor on the Relevant Trust Payment Date; or

(c) both (a) and (b) apply,

and the Asset Coverage Test would not have been satisfied if it had been calculated on that basis, then as at the immediately preceding Determination Date the Purchased Receivables will be deemed not to have satisfied the Asset Coverage Test at that time.

If the Asset Coverage Test is calculated on any date which is not a Determination Date (the "**Intra-period Determination Date**") then, for the purposes of determining the Adjusted Aggregate Receivable Amount on such Intra-period Determination Date, references in the relevant operative provisions to "Determination Date" shall be deemed to be to such Intra-period Determination Date, and references to "Collection Period" shall be deemed to be the last Collection Period preceding the Intra-period Determination Date.

"**Adjusted Aggregate Receivable Amount**" means the amount calculated on each Determination Date as follows:

$$(A + B + C + D + E) - Z$$

where:

"**A**" means the lower of:

(a) the sum of the Loan to Value Ratio Adjusted Receivable Amount of each Purchased Receivable; and

(b) the sum of the Asset Percentage Adjusted Receivable Balance Amount of each Purchased Receivable;

as at the Determination Date.

"**B**" equals the aggregate amount of any proceeds of any Term Advances and/or any Demand Loan Advances which have not been applied that is determined at the Determination Date as applicable to the Trust Payment Date that immediately follows that Determination Date;

"**C**" equals the aggregate principal balance of any Substitution Assets and Authorised Investments that is determined at the Determination Date as applicable to the Trust Payment Date that immediately follows that Determination Date;

"**D**" equals the aggregate amount of Receivable Principal Receipts collected by the Servicer during the immediately preceding Collection Period and credited, or to be credited on the immediately succeeding Trust Payment Date, to the GIC Account (without double counting any amounts already covered in B above) but excluding any amounts due to be applied on or before the immediately succeeding Trust Payment Date in accordance with the Cashflow Allocation Methodology;

"**E**" equals the aggregate amount that is determined at the Determination Date of as applicable to the Trust Payment Date that immediately follows that Determination Date:

(i) the balance standing to the credit of the Pre Maturity Ledger; and

(ii) Remaining Available Principal Receipts credited to the GIC Account under paragraph (j) of the Pre-acceleration Principal Allocations,

in each case without double counting any amounts already covered in D above but excluding any amounts due to be applied on or before the immediately succeeding Trust Payment Date in accordance with the Cashflow Allocation Methodology; and

"**Z**" equals the product of:

(i) the weighted average remaining maturity of all Covered Bonds (expressed in years) then outstanding calculated by the Calculation Manager that is determined at the Determination Date as applicable to the Trust Payment Date that immediately follows that Determination Date (provided that if the weighted average remaining maturity of all Covered Bonds (expressed in years) then outstanding is less than one, such weighted average remaining maturity shall be deemed for the purposes of this calculation, to be one);

(ii) the Australian Dollar Equivalent of the then aggregate Principal Amount Outstanding of the Covered Bonds;

(iii) either:

(A) for so long as the Interest Rate Swap is in effect in accordance with the terms hereof, zero; or

(B) otherwise, (B + C + D + E) / (A + B + C + D + E); and

(iv) the then Negative Carry Factor, where the "Negative Carry Factor" is either;

(a) for so long as the Interest Rate Swap is in effect in accordance with the terms hereof, zero; or

(b) otherwise, the percentage rate per annum equal to the sum of:

(a) 0.50 per cent (or, on any Determination Date, such other percentage (if any) which, as at that Determination Date, has most recently been

determined by the Trust Manager and notified by the Trust Manager to each Designated Rating Agency and the Security Trustee); and

(b) the weighted average of the Relevant Spread of each Series of Covered Bonds then outstanding determined by reference to the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the applicable Series of Covered Bonds, where the "Relevant Spread" is (a) in the case of a Series of floating rate Covered Bonds the specified currency of which is A$, the Margin for the Series specified in the applicable Final Terms or in the case of Exempt Covered Bonds, the applicable Pricing Supplement; and (b) in any other case the Floating Rate Payer Spread under, and as defined in, the applicable Covered Bond Swap.

"**LVR Adjusted Receivable Amount**" means the amount calculated for a Purchased Receivable, on the relevant Determination Date, as:

(a) for each Purchased Receivable that is not then a Defaulted Receivable, the lesser of:

(i) the outstanding Current Principal Balance of the Purchased Receivable as at the last day of the immediately preceding Collection Period; and

(ii) 80 per cent of the Indexed Valuation for the Property charged by a Mortgage which secures the Purchased Receivable as at the last day of the immediately preceding Collection Period (but without double counting across Purchased Receivables);

(b) for each Purchased Receivable that is then a Defaulted Receivable, zero;

less:

(c) where a Purchased Receivable was, in the immediately preceding Collection Period, known by the Trustee or the Trust Manager to be in breach of the Representations and Warranties contained in the Mortgage Sale Agreement as at the date of its sale to the Trustee, and the Seller has not repurchased the Purchased Receivable to the extent required by the terms of the Mortgage Sale Agreement: an amount equal to the LVR Adjusted Receivable Amount determined on the basis that only paragraph (a) of that definition applies (calculated as at the last day of the immediately preceding Collection Period) for each Purchased Receivable to which this paragraph (c) applies; and

(d) where the Seller, in any preceding Collection Period, was in material breach of any other warranty under the Mortgage Sale Agreement and/or the Servicer was, in any preceding Collection Period, in material breach of a term of the Servicing Deed: an amount equal to the resulting financial loss incurred by the Trustee in the immediately preceding Collection Period (such financial loss to be calculated by the Trust Manager without double counting and to be reduced by any amount paid (in cash or in kind) to the Trustee by the Seller or by the Servicer (as applicable) to indemnify the Trustee for such financial loss).

"**Asset Percentage Adjusted Receivable Balance Amount**" means the amount calculated for a Purchased Receivable, on the relevant Determination Date, as the Asset Percentage multiplied by:

(a) for each Purchased Receivable that is not then a Defaulted Receivable, the lesser of:

(i) the outstanding Current Principal Balance of the Purchased Receivable as at the last day of the immediately preceding Collection Period; and

(ii) 100 per cent of the Latest Valuation for the Property charged by a Mortgage which secures the Purchased Receivable at the last day of the immediately preceding Collection Period (but without double counting across Purchased Receivables); and

(b) for each Purchased Receivable that is then a Defaulted Receivable, zero;

less:

(c) where a Purchased Receivable was, as at the last day of the immediately preceding Collection Period, known by the Trustee or the Trust Manager to be in breach of the Representations and Warranties contained in the Mortgage Sale Agreement as at the date of its sale to the Trustee, and the Seller has not repurchased the Purchased Receivable to the extent required by the terms of the Mortgage Sale Agreement: an amount equal to the Asset Percentage Adjusted Receivable Balance Amount determined on the basis that only paragraph (a) of that definition applies (calculated as at the last day of the immediately preceding Collection Period) for each Purchased Receivable to which this paragraph (c) applies; and

(d) where the Seller, in any preceding Collection Period, was in material breach of any other warranty under the Mortgage Sale Agreement and/or the Servicer was, in any preceding Collection Period, in material breach of a term of the Servicing Deed: an amount equal to the resulting financial loss incurred by the Trustee in the immediately preceding Collection Period (such financial loss to be calculated by the Trust Manager without double counting and to be reduced by any amount paid (in cash or in kind) to the Trustee by the Seller or by the Servicer (as applicable) to indemnify the Trustee for such financial loss).

"**Asset Percentage**" means the lowest of:

(a) 95 per cent;

(b) such percentage figure determined by the Trust Manager on or about the Programme Date and on each Determination Date (and on such other dates as may be agreed between the Seller and the Trust Manager), being the percentage figure that is necessary to ensure that the Covered Bonds maintain the then current ratings assigned to them by Fitch;

(c) such percentage figure as may be selected by the Trust Manager, from time to time and notified to Moody's and the Security Trustee on the Determination Date, or if no notification is made to Moody's and the Security Trustee on such Determination Date, on the last date of such notification. While it has no obligation to do so, if the Trust Manager so elects to notify Moody's and the Security Trustee of a new percentage figure, this percentage figure will be the difference between 100 and the percentage amount of the credit enhancement that is necessary to ensure that there is sufficient credit enhancement for the Covered Bonds to achieve a "Aaa" rating by Moody's using Moody's expected loss methodology (regardless of the actual Moody's rating of the Covered Bonds at the time); and

(d) such other percentage figure as may be determined by the Seller from time to time and notified to each of the Covered Bond Guarantor and the Trust Manager.

There is no obligation on the Covered Bond Guarantor, the Trust Manager or the Seller to ensure that a "AAA" rating or any other rating is maintained by Fitch or a "Aaa" rating or any other rating is maintained by Moody's and neither the Seller nor the Trust Manager is under an obligation to change the percentage figure selected by it and notified to Fitch or Moody's, as applicable, and the Security Trustee in line with the level of credit enhancement required to

ensure a "AAA" or any other rating is maintained by Fitch or a "Aaa" or any other rating by Moody's.

"**Indexed Valuation**" means at any date in relation to any Purchased Receivable secured over any Property:

(a) where the Latest Valuation of that Property is equal to or greater than the Property Price Indexed Valuation as at that date, the Property Price Indexed Valuation; or

(b) where the Latest Valuation of that Property is less than the Property Indexed Valuation as at that date, the Latest Valuation plus 85 per cent of the difference between the Latest Valuation and the Property Price Indexed Valuation.

"**Property Index**" means the index of increases in house prices issued by RP Data Ltd known as "RP Data-Rismark Hedonic Indices" or such other valuation index:

(a) selected by the Calculation Manager from time to time and notified to the Trust Manager and the Covered Bond Guarantor which is widely used in the Australian residential mortgage lending market by major financial institutions; or

(b) that is provided or sponsored by a Designated Rating Agency or its affiliate that the Trust Manager and the Issuer may agree from time to time.

"**Property Price Indexed Valuation**", in relation to any property at any date means the Latest Valuation of the property increased or decreased as appropriate by the increase or decrease in the Property Index since the date of that Latest Valuation, as calculated by the Trust Manager as at the Determination Date in March, June, September and December based on the most recent publication of the Property Index.

Amortisation Test

For so long as Covered Bonds are outstanding at any time following service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) (but prior to service of an Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee) or the enforcement of the Charge,) the Purchased Receivables are subject to and the Trust Manager must determine on each Determination Date whether the Purchased Receivables are in compliance with the Amortisation Test.

If on any Determination Date following service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) (but prior to the service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee) or the enforcement of the Charge) the Purchased Receivables are not in compliance with the Amortisation Test a Covered Bond Guarantor Event of Default will occur. The Trust Manager must immediately notify the Covered Bond Guarantor, the Security Trustee and the Bond Trustee of any breach of the Amortisation Test.

On any Determination Date, the Purchased Receivables will satisfy the Amortisation Test if the Amortisation Test Aggregate Receivable Amount is an amount at least equal to the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds ("**Amortisation Test**").

"**Amortisation Test Aggregate Receivable Amount**" means the amount calculated on each relevant Determination Date as follows:

A + B + C - Z

where:

"**A**" equals the aggregate of the Amortisation Test Current Principal Balance of each Purchased Receivable;

"**Amortisation Test Current Principal Balance**" means the amount calculated as the product of:

(a) the lesser of:

(i) the outstanding Current Principal Balance of the Purchased Receivable as calculated on the last day of the immediately preceding Collection Period; and

(ii) 80 per cent of the Indexed Valuation for the Property charged by a Mortgage which secures the Purchased Receivable as at the last day of the immediately preceding Collection Period (but without double counting across Purchased Receivables); and

(b) "**M**", where:

(i) for each Purchased Receivable that is not then a Defaulted Receivable M = 1.0; and

(ii) for each Purchased Receivable that is then a Defaulted Receivable, M = zero;

"**B**" equals the sum of the amount of any cash standing to the credit of the GIC Account and the principal amount of any Authorised Investments (excluding any Receivable Revenue Receipts received in the immediately preceding Collection Period and any principal amounts due to be applied on or before the next Trust Payment Date in accordance with the Cashflow Allocation Methodology);

"**C**" equals the aggregate principal balance of any Substitution Assets not taken into account elsewhere in this calculation;

"**Z**" equals the product of:

(a) the weighted average remaining maturity of all Covered Bonds (expressed in years) then outstanding; and

(b) the A$ Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds; and

(c) either:

(i) for so long as the Interest Rate Swap is in effect in accordance with the terms thereof, zero; or

(ii) otherwise, (B + C) / (A + B + C); and

(d) the Negative Carry Factor.

Sale of Selected Receivables if the Pre-Maturity Test is breached

The Supplemental Deed provides for the sale of Selected Receivables in circumstances where the Pre-Maturity Test has been breached in relation to a Series of Hard Bullet Covered Bonds. The Pre-Maturity Test will be breached in relation to a Series of Hard Bullet Covered Bonds if:

(i) ANZBGL's short-term credit rating from Moody's falls to P-2 (or lower) or from Fitch falls to F1 (or lower); or

(ii) ANZBGL's long-term credit rating from Fitch is A (or lower); and

(iii) the Final Maturity Date of the Series of Hard Bullet Covered Bonds will fall within 12 months from the relevant Pre-Maturity Test Date.

The Covered Bond Guarantor will be obliged to sell Selected Receivables to Purchasers, subject to the rights of pre-emption enjoyed by the Seller to buy the Selected Receivables pursuant to the terms of the Mortgage Sale Agreement and subject to any Pre-Maturity Demand Loan Advance having been made by the Demand Loan Provider from time to time. The proceeds from any such sale will be credited to the GIC Account. If the Issuer fully repays a Series of Hard Bullet Covered Bonds on their Final Maturity Date, any amount standing to the credit of the Pre-Maturity Ledger on the GIC Account following such repayment in full shall be applied by the Covered Bond Guarantor, acting on the directions of the Trust Manager, in accordance with the applicable Cashflow Allocation Methodology unless the Issuer is in breach of the Pre-Maturity Test in respect of any other Series of Hard Bullet Covered Bonds, in which case sufficient cash shall be retained on the Pre-Maturity Ledger in order to provide funding for the repayment of that other Series of Hard Bullet Covered Bonds. Otherwise, the proceeds will be applied as set out in "*Credit Structure*" below.

For a description of the Pre-Maturity Test, see "*Credit Structure – Pre-Maturity Test*" below.

Sale of Selected Receivables following the Demand Loan Provider making demand that the Demand Loan be repaid

If, prior to the service of an Asset Coverage Test Breach Notice or a Notice to Pay, the Demand Loan Provider requests payment of all or part of the Demand Loan, the Covered Bond Guarantor will, subject to first utilising any Available Principal Receipts that are available for that purpose in accordance with the applicable Cashflow Allocation Methodology, be obliged to sell Selected Receivables in accordance with the Supplemental Deed (as described below), subject to the rights of pre-emption enjoyed by the Seller to buy the Selected Receivables pursuant to the Mortgage Sale Agreement. The proceeds from any such sale will be credited to the GIC Account and applied as set out in the applicable Cashflow Allocation Methodology. Any such sale will be subject to the condition that the Asset Coverage Test is satisfied after receipt of the proceeds of such sale and repayment, after giving effect to such repayment.

Sale of Selected Receivables following service of an Asset Coverage Test Breach Notice

After service of an Asset Coverage Test Breach Notice (which has not been revoked) but prior to service of a Notice to Pay, the Covered Bond Guarantor will, subject to first utilising the proceeds of any advance made by the Demand Loan Provider under the Demand Loan Agreement, be obliged to sell Selected Receivables in accordance with the Supplemental Deed (as described below), subject to the rights of pre-emption enjoyed by the Seller to buy the Selected Receivables pursuant to the Mortgage Sale Agreement. The proceeds from any such sale will be credited to the GIC Account and applied as set out in the Cashflow Allocation Methodology.

Sale of Selected Receivables following service of a Notice to Pay

After a Notice to Pay has been served on the Covered Bond Guarantor (with a copy to the Trust Manager) following the occurrence of an Issuer Event of Default, the Covered Bond Guarantor will be obliged to sell Selected Receivables in accordance with the Supplemental Deed (as described below), subject to the rights of pre-emption enjoyed by the Seller to buy the Selected Receivables pursuant to the Mortgage Sale Agreement. The proceeds from any such sale will be credited to the GIC Account and applied as set out in the Guarantee Allocations.

Method of Sale of Selected Receivables

If the Covered Bond Guarantor is required to sell Selected Receivables to Purchasers following the Demand Loan Provider requesting repayment of all or part of the Demand Loan, service of an Asset Coverage Test Breach Notice, a breach of the Pre-Maturity Test or the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), the Covered Bond Guarantor will be required to ensure that before offering Selected Receivables for sale:

(a) the Selected Receivables are selected on a basis that is representative of the Purchased Receivables as a whole and that if a Purchased Receivable is selected, its Related Security is also selected unless the Related Security also secures a Purchased Receivables Portfolio that is not also a Selected Receivable; and

(b) the Selected Receivables have an aggregate Current Principal Balance in an amount (the "**Required Current Principal Balance Amount**") which is as close as possible to the amount calculated as follows:

(i) following the Demand Loan Provider requesting repayment of the Demand Loan (or a part of it), such amount that would ensure that, if the Selected Receivables were sold at their Current Principal Balance plus the arrears of interest and fees and accrued interest thereon, the amount of the Demand Loan that the Demand Loan Provider has requested repayment of as calculated on the date of the request could be repaid, subject to satisfaction of the Asset Coverage Test following such repayment; or

(ii) following the service of an Asset Coverage Test Breach Notice (but prior to service of a Notice to Pay), such amount that would ensure that, if the Selected Receivables were sold at their Current Principal Balance plus the arrears of interest and fees and accrued interest thereon, the Asset Coverage Test would be satisfied on the next Determination Date taking into account the payment obligations of the Trustee on the Trust Payment Date following that Determination Date; or

(iii) following a breach of the Pre-Maturity Test or service of a Notice to Pay:

$$N \times \frac{\text{Aggregate Current Principal Balance for all Purchased Receivables}}{\text{Net Required Redemption Amount}}$$

where "**N**" is an amount equal to the Australian Dollar Equivalent of:

(a) in respect of Selected Receivables being sold following a breach of the Pre-Maturity Test in respect of a Series of Hard Bullet Covered Bonds, the Required Redemption Amount of each Series of Hard Bullet Covered Bonds in respect of which the Pre-Maturity Test has been breached less amounts standing to the credit of the Pre-Maturity Ledger; or

(b) in respect of Selected Receivables being sold following the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), the Required Redemption Amount of the Earliest Maturing Covered Bonds less amounts standing to the credit of the GIC Account and the principal amount of any Authorised Investments and the principal amount of any Substitution Assets that have not been sold in accordance with the Supplemental Deed (excluding all amounts to be applied on the next following Trust Payment Date to repay higher ranking amounts in the Guarantee Allocations (including the Senior Portion Outstanding of the Demand Loan) and those amounts that are required to repay any Series of

Covered Bonds which mature prior to or on the same date as the relevant Series of Covered Bonds) (see "*Limit on Investing in Substitution Assets and Authorised Investments*" below).

For the avoidance of doubt, Selected Receivables may comprise the entire Assets.

The Covered Bond Guarantor (at the direction of the Trust Manager) must offer the Selected Receivables for sale to Purchasers for not less than the Selected Receivables' market price (if there is one) or otherwise for the best price reasonably obtainable having regard to the circumstances existing when they are sold but in any event:

(a) following the service of an Asset Coverage Test Breach Notice (but prior to the service of a Notice to Pay), for an amount not less than the Current Principal Balance of the Selected Receivables plus the arrears of interest and fees and accrued interest thereon; and

(b) following a breach of the Pre-Maturity Test or service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), for an amount not less than the Adjusted Required Redemption Amount for the relevant Series of Covered Bonds.

Following breach of the Pre-Maturity Test or service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) if the Selected Receivables have not been sold (in whole or in part) in an amount equal to the Adjusted Required Redemption Amount by the date which is six months prior to either:

(a) the Final Maturity Date in respect of the Earliest Maturing Covered Bonds (after taking into account all payments, provisions and credits to be made in priority thereto) (where the Covered Bonds are not subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee);

(b) the Extended Due for Payment Date in respect of the Earliest Maturing Covered Bonds (after taking into account all payments, provisions and credits to be made in priority thereto) (where the Covered Bonds are subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee); or

(c) in respect of a sale in connection with the Pre-Maturity Test, the Final Maturity Date of the relevant Series of Hard Bullet Covered Bonds,

then the Covered Bond Guarantor (acting on the direction of the Trust Manager) must (subject to, only if required by law, a right of pre-emption in favour of the Seller using procedures set out in clause 19 of the Mortgage Sale Agreement) offer the Selected Receivables for sale for not less than the Selected Receivables' market price (if there is one) or otherwise for the best price reasonably obtainable having regard to the circumstances existing when they are sold notwithstanding that such amount may be less than the Adjusted Required Redemption Amount. Following the service of a Notice to Pay but prior to the occurrence of a Covered Bond Guarantor Event of Default, in addition to offering Selected Receivables for sale to Purchasers in respect of the Earliest Maturing Covered Bonds, the Covered Bond Guarantor, or the Trust Manager on its behalf (subject to a right of pre-emption in favour of the Seller using the procedures set out in clause 19 of the Mortgage Sale Agreement) is permitted to offer for sale a portfolio of Selected Receivables, in accordance with the provisions summarised above, in respect of other Series of Covered Bonds.

The Covered Bond Guarantor (at the direction of the Trust Manager) is also permitted to offer for sale to Purchasers part of any portfolio of Selected Receivables (a "**Partial Portfolio**"). Except in circumstances where the portfolio of Selected Receivables is being sold within six months of, as applicable, the Final Maturity Date or, if the Covered Bonds are subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee, the Extended Due

for Payment Date in respect of the Series of Covered Bonds to be repaid from such proceeds, the sale price of the Partial Portfolio shall (as a proportion of the Adjusted Required Redemption Amount) be at least equal to the proportion that the aggregate Current Principal Balance of the Receivables in the Partial Portfolio bears to the aggregate Current Principal Balance of the Receivables in the relevant portfolio of Selected Receivables.

The Covered Bond Guarantor (at the direction of the Trust Manager) will through a tender process appoint a portfolio manager to advise it in relation to the sale of the Selected Receivables (except where the Seller is buying the Selected Receivables in accordance with its right of pre-emption in the Mortgage Sale Agreement). The terms of the agreement giving effect to the appointment in accordance with such tender shall be approved by the Security Trustee. Such approval will not be required if the portfolio manager is an investment bank or accountant of recognised standing.

In respect of any sale of Selected Receivables following service of an Asset Coverage Test Breach Notice (if not revoked) or a Notice to Pay, the Covered Bond Guarantor, or the Trust Manager on its behalf, will instruct the portfolio manager to use all reasonable endeavours to procure that Selected Receivables are sold as quickly as reasonably practicable (in accordance with the recommendations of the portfolio manager), taking into account the market conditions at that time and the scheduled repayment dates of the Covered Bonds and the terms of the Supplemental Deed.

The terms of any sale and purchase agreement with respect to the sale of Selected Receivables (which shall give effect to the recommendations of the portfolio manager) will be subject to the prior written approval of the Security Trustee (unless the Selected Receivables are being sold to the Seller following the exercise of its rights of pre-emption using the procedures set out in clause 19 of the Mortgage Sale Agreement). The Security Trustee will not be required to release the Selected Receivables from the Charge unless the conditions relating to the release of the Charge (as described under "*Deed of Charge – Release of Security*" below) are satisfied.

Following the service of a Notice to Pay, if Purchasers accept the offer or offers from the Covered Bond Guarantor so that some or all of the Selected Receivables and the Related Security shall be sold prior to the next following Final Maturity Date or, if the Covered Bonds are subject to an Extended Due for Payment Date in respect of the Covered Bond Guarantee, the next following Extended Due for Payment Date in respect of the Earliest Maturing Covered Bonds, then the Covered Bond Guarantor, or the Trust Manager on its behalf, will, subject to the paragraph above, enter into a sale and purchase agreement with the relevant Purchasers, which will require, amongst other things, a cash payment from the relevant Purchasers. Any such sale will not include any representations or warranties from the Covered Bond Guarantor or the Seller in respect of the Selected Receivables unless expressly agreed by the Security Trustee or otherwise agreed with the Seller.

Limit on Investing in Substitution Assets and Authorised Investments

Provided no Asset Coverage Test Breach Notice is outstanding, there has been no breach of the Pre-Maturity Test and prior to the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), the Trust Manager may direct the Covered Bond Guarantor to invest Available Principal Receipts and the proceeds of Term Advances standing to the credit of the GIC Account in Substitution Assets, provided that the aggregate amount so invested in certain Substitution Assets (when aggregated with any Authorised Investments then held by the Trustee) does not exceed 15 per cent of the Australian Dollar Equivalent of the aggregate Face Value of Outstanding Covered Bonds at any one time and provided that such investments are made in accordance with the terms of the Supplemental Deed. Depositing any amounts in any Trust Account will not constitute an investment in Substitution Assets for these purposes.

Following an Issuer Event of Default and the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) or a breach of the Pre-Maturity Test, all Substitution Assets shall be sold by the Covered Bond Guarantor, acting on the directions of the Trust Manager, as quickly as reasonably practicable and the proceeds credited to the GIC Account after which the Covered Bond Guarantor shall be permitted to invest all available moneys in Authorised Investments, provided that such sales or investments are made in accordance with the terms of the Supplemental Deed.

Other than after an Issuer Event of Default, Covered Bond Guarantor Event of Default, Title Perfection Event or the Pre-Maturity Test is breached, the Trust Manager undertakes not give a direction to the Covered Bond Guarantor to acquire or dispose of Assets if to do so would result in the aggregate principal amount of Qualifying Receivables held by the Covered Bond Guarantor being less than 81 per cent of the total Assets of the Trust (to be calculated in accordance with generally accepted accounting principles applied in the customary manner for trusts of the nature of the Covered Bond Guarantor).

Covenants of the Covered Bond Guarantor

In addition to the covenants in the Trust Terms Deed (as described under "*Trust Terms Deed*" above), the Covered Bond Guarantor covenants for the benefit of the Trust Manager, the Secured Creditors and the Unitholders that it will act on all written directions given to it by the Trust Manager which it is satisfied are given in accordance with the terms of the Programme Documents.

Other Provisions

The allocation and distribution of Available Revenue Receipts, Available Principal Receipts and all other amounts received by the Covered Bond Guarantor is described under "*Cashflows*" below.

The Supplemental Deed is governed by the laws of the State of Victoria, Australia.

Principal Agency Agreement

The Principal Agency Agreement, entered into between the Issuer, the Covered Bond Guarantor, the Covered Bond Paying Agent, the Transfer Agent, the U.S. Paying Agent, the U.S. Transfer Agent, the U.S. Registrar, the Trust Manager, the Exchange Agent, the Luxembourg Registrar and the Bond Trustee is the principal agreement that sets out the appointments for the agency positions under the Programme. The Principal Agency Agreement contains provisions relating to (but not limited to):

(a) the appointment of Agents;

(b) the issue of Bearer Global Covered Bonds and Registered Global Covered Bonds and the issue of Definitive Covered Bonds, including the terms;

(c) the Exchange of Global Covered Bonds and Determination of Distribution Compliance Period, the Exchange and Transfer of Covered Bonds and the regulations for Transfers and Exchanges of Registered Covered Bonds;

(d) the duties and responsibilities of the Agents, including any changes in the Agents; and

(e) cancellation and issue of replacement provisions for the Covered Bonds, Receipts, Coupons and Talons.

Under the Principal Agency Agreement, the Covered Bond Paying Agent is appointed as Agent for the Issuer and the Covered Bond Guarantor and along with the other Paying Agents, they are appointed for the purposes of paying sums due on any Covered Bonds, Receipts and

Coupons and performing other obligations and duties imposed upon it by the applicable Conditions and as out in the Principal Agency Agreement.

The Principal Agency Agreement also appoints each Transfer Agent for the Issuer and the Covered Bond Guarantor for the purposes of effecting the transfers of Registered Definitive Covered Bonds and performing all other obligations imposed upon it by the Programme Conditions and as set out in the Principal Agency Agreement.

The Principal Agency Agreement appoints the Exchange Agent for the Issuer and the Covered Bond Guarantor for the purposes of effecting the conversion of non-U.S. dollar payments into U.S. dollars and performing all other obligations imposed upon it by the Programme Conditions and as set out in the Principal Agency Agreement.

The Principal Agency Agreement appoints each Registrar for the Issuer and the Covered Bond Guarantor for the purposes of completing, authenticating and delivering Regulation S Global Covered Bonds and Rule 144A Global Covered Bonds and authenticating and delivering Registered Definitive Covered Bonds; paying sums due on Registered Global Covered Bonds and Registered Definitive Covered Bonds; and performing all other obligations and duties imposed upon it by the Conditions and as set out in the Principal Agency Agreement. Each Registrar may from time to time, subject to the prior written consent of the Issuer, delegate certain of its functions and duties set out in this Agreement to the Covered Bond Paying Agent.

The obligations of the Agents under the Principal Agency Agreement and several and not joint.

The Principal Agency Agreement and any non-contractual obligations arising out of or in connection with it are governed by the laws of England.

Swap Agreements

In order to hedge certain interest rate, currency or other risks in respect of amounts received by the Covered Bond Guarantor under the Receivables and other Assets of the Trust and amounts payable by the Covered Bond Guarantor under the Intercompany Loan Agreement to the Intercompany Loan Provider and/or amounts payable by the Covered Bond Guarantor under the Covered Bond Guarantee to Covered Bondholders in respect of the Covered Bonds on issue, the Covered Bond Guarantor will enter into certain swap transactions with swap providers as described below.

Each such swap transaction (including, without limitation, the Interest Rate Swap and each Covered Bond Swap) (the "**Swaps**") will be between a swap provider (the "**Swap Provider**") and the Covered Bond Guarantor (and the Trust Manager) and will be governed by and subject to, an agreement in the form of the 2002 ISDA Master Agreement governed by the laws of the State of Victoria, Australia as published by the International Swaps & Derivatives Association, Inc. ("**ISDA**") together with its Schedule and Credit Support Annexes (to be in the form of the 1995 Credit Support Annexes (Transfer – English Law) published by ISDA) and the Confirmations evidencing the relevant swap transactions entered into thereunder (together, the "**Swap Agreement**").

Interest Rate Swap Agreement

Some of the Purchased Receivables from time to time pay a variable amount of interest. Other Receivables pay a fixed rate of interest for a period of time. Interest income from other Assets of the Trust is also calculated on differing bases. However, the Australian Dollar payments to be made by the Covered Bond Guarantor under the Covered Bond Swaps, the Intercompany Loan and the Demand Loan will be based on the Bank Bill Rate for varying periods. To provide a hedge against the variance between:

(a) the rates of interest payable on the Purchased Receivables and income from other Assets of the Trust; and

(b) the Bank Bill Rate for the applicable interest of calculation period,

the Covered Bond Guarantor, the Trust Manager and the Interest Rate Swap Provider will enter into an Interest Rate Swap under the Interest Rate Swap Agreement.

The Interest Rate Swap Agreement is governed by the laws of the State of Victoria, Australia.

Covered Bond Swap Agreements

Where Covered Bonds are issued in a currency and/or on an interest rate basis different to the basis for the amounts payable to the Covered Bond Guarantor under the Interest Rate Swap, the Covered Bond Guarantor will enter into one or more Covered Bond Swaps with one or more Covered Bond Swap Providers. Each Covered Bond Swap may be either a "**Forward Starting Covered Bond Swap**" (also referred to as a Contingent Covered Bond Swap) or a "**Non-Forward Starting Covered Bond Swap**" (also referred to as a Current Covered Bond Swap) and each will constitute a Transaction (as described in the relevant Covered Bond Swap) under a Covered Bond Swap Agreement (such Covered Bond Swap Agreements, together, the "**Covered Bond Swap Agreements**").

Where the Covered Bond Guarantor enters into a Forward Starting Covered Bond Swap, the Term Advances made under the Intercompany Loan will be made in Australian Dollars, regardless of the currency of the relevant Series or Tranche, as applicable, of Covered Bonds.

Each Forward Starting Covered Bond Swap will provide a hedge (after service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager)) against certain interest rate, currency and/or other risks in respect of amounts received by the Covered Bond Guarantor under the Interest Rate Swap and amounts payable by the Covered Bond Guarantor under the Covered Bond Guarantee in respect of the Covered Bonds (after service of a Notice to Pay).

Each Non-Forward Starting Covered Bond Swap will provide a hedge against certain interest rate, currency and/or other risks in respect of amounts received by the Covered Bond Guarantor under the Interest Rate Swap and amounts payable by the Covered Bond Guarantor under the Intercompany Loan Agreement (prior to service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager)) and under the Covered Bond Guarantee in respect of the Covered Bonds (after service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager)).

Where required to hedge such risks, one or more Covered Bond Swap(s) will be entered into under a Covered Bond Swap Agreement in relation to each relevant Series or Tranche, as applicable, of Covered Bonds. A Covered Bond Swap Agreement may relate to any number of Covered Bond Swaps in relation to any number of Series or Tranches of Covered Bonds.

Under the Forward Starting Covered Bond Swaps, the Covered Bond Swap Provider will pay to the Covered Bond Guarantor on each Interest Payment Date after service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) (or, in the case of the first payment by the Covered Bond Swap Provider, if an Issuer Event of Default has occurred as the result of a failure by the Issuer to pay in full the principal and interest when due and payable (subject to applicable grace periods), on the second Business Day following service of that Notice to Pay), an amount equal to the amounts that are then payable by the Covered Bond Guarantor under the Covered Bond Guarantee in respect of interest (or in the case of the first payment by the Covered Bond Guarantor Swap Provider any principal falling within the Guaranteed Amounts then Due for Payment) payable under the relevant Series or Tranche of Covered Bonds. In return, the Covered Bond Guarantor will pay to the Covered Bond Swap Provider on each Trust Payment Date after service of a Notice to Pay on the Covered Bond

Guarantor (with a copy to the Trust Manager) an amount in Australian Dollars calculated by reference to the Bank Bill Rate for one month Australian Dollar deposits (or the rate for such other period as may be specified in the relevant Confirmation) plus a spread. Unless the Covered Bond Swap terminates earlier or the Confirmation for the Covered Bond Swap provides otherwise, on the first to occur of (i) the date on which the Early Redemption Amount is payable; and (ii) the Final Maturity Date, in each case in relation to the relevant Series or Tranche of Covered Bonds, the Covered Bond Swap Provider will pay to the Covered Bond Guarantor an amount equal to the Early Redemption Amount or the Final Redemption Amount (as the case may be) of the relevant Series or Tranche of Covered Bonds in exchange for payment by the Covered Bond Guarantor of the Australian Dollar Equivalent of that amount. In the case of Extendable Maturity Covered Bonds which are subject to an Extended Due for Payment Date, unless the Covered Bond Swap terminates earlier or the Confirmation for the Covered Bond Swap provides otherwise, exchanges will be required to be made under the Covered Bond Swap on each Interest Payment Date on which any part of the Covered Bonds are redeemed until (and including) the Trust Payment Date that falls on or immediately following the Extended Due for Payment Date.

Under the Non-Forward Starting Covered Bond Swaps:

(a) if the related Term Advance is made in Australian Dollars, the Covered Bond Guarantor will pay to the Covered Bond Swap Provider on each Trust Payment Date an amount in Australian Dollars calculated by reference to the 30 day Bank Bill Rate (or the rate for such other period as may be specified in the relevant Confirmation) plus a spread. In return the Covered Bond Swap Provider will pay to the Covered Bond Guarantor on each Interest Payment Date an amount in Australian Dollars calculated by reference to the 30 day Bank Bill Rate (or the rate for such other period as may be specified in the relevant Confirmation) plus a spread; and

(b) if the related Term Advance is made in a currency other than Australian Dollars, on the relevant Issue Date, the Covered Bond Guarantor will pay to the Covered Bond Swap Provider an amount equal to the amount received by the Covered Bond Guarantor under the related Term Advance (being the aggregate nominal amount of such Series or Tranche, as applicable, of Covered Bonds) and in return the Covered Bond Swap Provider will pay to the Covered Bond Guarantor the Australian Dollar Equivalent of the first mentioned amount. Thereafter, the Covered Bond Guarantor will pay to the Covered Bond Swap Provider on each Trust Payment Date an amount in Australian Dollars calculated by reference to the 30 day Bank Bill Rate (or the rate for such other period as may be specified in the relevant Confirmation) plus a spread. In return, the Covered Bond Swap Provider will pay to the Covered Bond Guarantor on each Interest Payment Date an amount in the relevant currency equal to the relevant amount of interest then payable under the related Term Advance in accordance with the Intercompany Loan Agreement. Unless the Covered Bond Swap terminates earlier or the Confirmation for the Covered Bond Swap provides otherwise, on the first to occur of (i) the date on which the Early Redemption Amount is payable; and (ii) the Final Maturity Date, in each case in relation to the relevant Series or Tranche of Covered Bonds, the Covered Bond Swap Provider will pay to the Covered Bond Guarantor an amount in the relevant currency equal to the principal then outstanding on the related Term Advance in exchange for payment by the Covered Bond Guarantor of the Australian Dollar Equivalent of that amount.

Unless the Confirmation for the relevant Covered Bond Swap provides otherwise, each Covered Bond Swap will terminate on the earlier of (i) the Trust Payment Date that falls on or immediately following the Final Maturity Date for the relevant Series or Tranche of Covered Bonds; (ii) the date on which all of the relevant Series or Tranches of Covered Bonds have been repaid or redeemed in full; and (iii) the date on which the Trust terminates. However, where the relevant Series or Tranche of Covered Bonds are Extendable Maturity Covered Bonds and the

Covered Bonds are subject to an Extended Due for Payment Date, unless the Covered Bond Swap terminates earlier or the Confirmation for the Covered Bond Swap provides otherwise, the Covered Bond Swap will terminate on the earlier of (i) the Trust Payment Date that falls on or immediately following the Extended Due for Payment Date; (ii) the date on which all of the relevant Series or Tranches of Covered Bonds have been repaid or redeemed in full; and (iii) the date on which the Trust terminates.

Rating Downgrade Event

Under the terms of each Swap Agreement, in the event that the rating(s) of the Swap Provider is downgraded by a Designated Rating Agency below the rating(s) specified in the relevant Swap Agreement (in accordance with the Designated Rating Agencies' criteria) for that Swap Provider, that Swap Provider agrees, in accordance with the relevant Swap Agreement, to take certain remedial measures which may include:

(a) providing collateral for its obligations under the Swap Agreement in accordance with that Swap Agreement and the related Swap Agreement Credit Support Documents;

(b) arranging for its obligations under the relevant Swap Agreement to be transferred to a replacement entity provided that such entity is an entity with the ratings specified by the relevant Designated Rating Agency;

(c) procuring another entity to become co-obligor or guarantor in respect of its obligations under the Swap Agreement provided that such entity is an entity with the ratings specified by the relevant Designated Rating Agency; or

(d) taking such other action in relation to the swap transactions governed by the relevant Swap Agreement, provided that, the Trust Manager has confirmed to the Covered Bond Guarantor that it has notified each Designated Rating Agency of those actions and that the Trust Manager is satisfied that such actions will not result in the withdrawal or downgrade of the credit ratings assigned to the outstanding Covered Bonds.

A failure to take such steps within the time periods specified in the Swap Agreement may allow the Covered Bond Guarantor to terminate the Swap Agreement.

Other Termination Events

A Swap Agreement may also be terminated early in certain other circumstances, including:

(a) at the option of any party to the Swap Agreement, if there is a failure by the other party to pay any amounts due under such Swap Agreement within the specified grace period;

(b) upon the occurrence of an insolvency event in relation to the Swap Provider or the merger of the Swap Provider without its assumption of the obligations under such Swap Agreement;

(c) there is a change in law which results in the illegality of the obligations to be performed by either party under the Swap Agreement or a force majeure event which renders performance impossible or impracticable;

(d) in relation to a Covered Bond Swap only, if the corresponding Series of Covered Bonds are redeemed or cancelled (in which case only the relevant Covered Bond Swap transaction(s) will be terminated and the Swap Agreement will remain in effect in relation to any other Covered Bond Swap(s) entered into under that Swap Agreement);

(e) the making of an amendment (without the consent of the Swap Provider) to the relevant Cashflow Allocation Methodology which has a material adverse effect on the amounts paid to the Swap Provider under the relevant Cashflow Allocation Methodology;

(f) the making of an amendment (without the consent of the Swap Provider) to the Programme Documents, such that the Swap Provider would, immediately after such amendment, be required to pay more or receive less under the Swap Agreement than would otherwise have been the case immediately prior to such amendment or such that the Swap Provider would suffer an adverse consequence as a result of such amendment; and

(g) if a Covered Bond Guarantor Event of Default occurs and the Bond Trustee serves a Covered Bond Guarantor Acceleration Notice on the Issuer and the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee).

Upon the termination of a Swap Agreement, the Covered Bond Guarantor or the Swap Provider may be liable to make a termination payment to the other party in accordance with the provisions of the relevant Swap Agreement.

Swap Agreement Credit Support Document

The Covered Bond Guarantor and each Swap Provider will also enter into one or more credit support documents with respect to the requirements of each Designated Rating Agency in the form of the ISDA 1995 Credit Support Annex (Bilateral Form - Transfer) to the ISDA Master Agreement (the "**Swap Agreement Credit Support Document**"). Each Swap Agreement Credit Support Document will provide that, from time to time, if required to do so following its downgrade by the relevant Designated Rating Agency and subject to the conditions specified in the relevant Swap Agreement Credit Support Document and the relevant Swap Agreement, the relevant Swap Provider will make transfers of collateral to the Covered Bond Guarantor in support of its obligations under the Swap Agreement (the "**Swap Collateral**") and the Covered Bond Guarantor will be obliged to return equivalent collateral in accordance with the terms of the relevant Swap Agreement Credit Support Document. Each Swap Agreement Credit Support Document will be governed by the laws of the State of Victoria, Australia.

Swap Collateral required to be posted by the relevant Swap Provider pursuant to the terms of the Swap Agreement Credit Support Document may be delivered in the form of cash or securities. Cash amounts will be paid into an account designated as a "**Swap Collateral Cash Account**" opened and held with an Eligible Bank. References to a Swap Collateral Cash Account and to payments from such accounts are deemed to be a reference to payments from such accounts as and when opened by the Covered Bond Guarantor.

If a Swap Collateral Cash Account is opened, cash (and all income in respect thereof) transferred as collateral will only be available to be applied in returning collateral (and income thereon) or in satisfaction of amounts owing by the Swap Provider in accordance with the terms of the Swap Agreement Credit Support Document or in payment of any rates or equivalent in respect of the account. The proceeds of securities transferred as collateral (including any interest or other income earned in respect of those securities) are also only available to be applied in this manner.

Any Swap Collateral Excluded Amounts will be paid to the relevant Swap Provider directly and not via the Cashflow Allocation Methodology.

Limited Recourse

All obligations of the Covered Bond Guarantor to the relevant Swap Provider under the Swap Agreements are limited in recourse to the Secured Property.

Governing Law

The Swap Agreements any non-contractual obligations arising out of or in connection with it will be governed by the laws of the State of Victoria, Australia.

Account Bank Agreement

Pursuant to the terms of the Account Bank Agreement entered into on the Programme Date between, amongst others, the Covered Bond Guarantor, ANZBGL as Account Bank, Calculation Manager and Seller Trust Beneficiary, the Trust Manager and the Security Trustee, the Covered Bond Guarantor will maintain with the Account Bank the GIC Account described below, the Transaction Accounts and the Swap Collateral Cash Account, which will be operated in accordance with the Supplemental Deed, the Deed of Charge, the Security Trust Deed and the relevant Swap Agreements.

Pursuant to the terms of the Account Bank Agreement, the Covered Bond Guarantor will maintain in its name, but in its capacity as Seller Trust Trustee, with the Account Bank a further bank account (the "**Seller Trust Account**"). The Seller Trust Trustee (at the direction of the Trust Manager) will deposit, on its receipt, the proceeds of enforcement of any All Moneys Mortgage which constitutes Seller Trust Property in the Seller Trust Account in accordance with the Mortgage Sale Agreement.

The Covered Bond Guarantor (acting on the direction of the Trust Manager) or the Security Trustee may, by serving a written notice on the Account Bank, terminate the appointment of the Account Bank if the following matters occur:

(a) if a deduction or withholding for or on account of any tax is imposed, or it appears likely that such a deduction or withholding will be imposed, in respect of the interest payable on any Trust Account, as applicable and such imposition has or is likely to have a Material Adverse Effect; or

(b) if the Account Bank fails to make payment on the due date of any payment due and payable by it under the Account Bank Agreement and such default is not waived by in the case of a termination by the Covered Bond Guarantor acting on the direction of the Trust Manager, the Covered Bond Guarantor (acting on the directions of the Trust Manager) or, in the case of a termination by the Security Trustee, the Security Trustee, as applicable, and such default continues unremedied for a period of five Local Business Days; or

(c) if the Account Bank fails to perform any of its other material obligations under the Account Bank Agreement, the Security Trust Deed, the Deed of Charge or any other Programme Document to which it is a party which failure is, in the opinion of the Security Trustee, materially prejudicial to the Covered Bondholders (and such failure is not waived by the Covered Bond Guarantor with the prior written consent of the Security Trustee and such failure remains unremedied for a period of ten Local Business Days after the Trust Manager or the Security Trustee has given notice of such failure to the Account Bank.

The Covered Bond Guarantor and the Security Trustee shall, by serving a written notice on the Account Bank, terminate the appointment of the Account Bank if the following matters occur:

(a) if the Account Bank ceases to be an Eligible Bank and the Account Bank does not, within 30 Local Business Days of the occurrence of such event, obtain a guarantee of its obligations under the Account Bank Agreement from an Eligible Bank; or

(b) if an Insolvency Event occurs in respect of the Account Bank.

If the appointment of the Account Bank is terminated, the Trust Manager will be required to use its reasonable endeavours (in consultation with the Covered Bond Guarantor and the Security Trustee) to establish replacement bank accounts with an Eligible Bank on substantially the same terms as the Account Bank Agreement. However, there can be no assurance that a replacement bank will be found within a particular period or that any replacement bank will in

fact be an Eligible Bank. The Trust Manager will have no liability to any person in the event that, after having used reasonable endeavours, replacement bank accounts cannot be established which satisfy these and other requirements of the Account Bank Agreement.

The Account Bank Agreement is governed by the laws of the State of Victoria, Australia.

Indirect Tax Sharing Agreement

On 30 March 2012, ANZBGL entered into an indirect tax sharing agreement ("**Indirect Tax Sharing Agreement**") as the representative member ("**Representative Member**") of a GST group consisting of itself and certain other contributing members (together, the "**GST Group**"). Under Division 48 of the GST Act, the Representative Member of a GST group deals with all GST liabilities and entitlements of a GST group and (in most cases) supplies between members of the same GST group are not subject to GST.

Under sub-section 444-90(1) in Schedule 1 to the Taxation Administration Act 1953, the members of a GST group are jointly and severally liable to pay any GST (or, if relevant, luxury car tax) by the representative member, except to the extent to which the member's joint and several liability is limited by sub-section 444-90(1A) in Schedule 1 to the Taxation Administration Act 1953.

The Indirect Tax Sharing Agreement was entered into by the GST Group members to establish a valid indirect tax sharing agreement for the purpose of agreeing and specifying the extent of the contributions for each contributing member. On 18 April 2012, Perpetual Corporate Trust Limited as Trustee of the ANZ Residential Covered Bond Trust entered into a deed of adherence ("**Deed of Adherence**") agreeing to join the GST Group as a member subject to the tax sharing provisions set forth in the Indirect Tax Sharing Agreement. ANZBGL and the Covered Bond Guarantor have been advised that a nil amount is a reasonable allocation to the Covered Bond Guarantor of the GST Group's GST (or, if relevant, luxury car tax) liability.

CREDIT STRUCTURE

The Covered Bonds will be direct, unsecured and unconditional obligations of the Issuer and will rank *pari passu* without any preference among themselves and, save for certain debts of the Issuer required to be preferred by law, including but not limited to, those referred to in Division 2 and 2AA of Part II of the Australian Banking Act and section 86 of the Australian Reserve Bank Act at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time outstanding. The Covered Bond Guarantor has no obligation to pay the Guaranteed Amounts under the Covered Bond Guarantee until the occurrence of (a) (i) an Issuer Event of Default, and (ii) service by the Bond Trustee on the Issuer (with a copy to the Covered Bond Guarantor) of an Issuer Acceleration Notice and the service on the Covered Bond Guarantor (with a copy to the Trust Manager) of a Notice to Pay or, (b) if earlier, following the occurrence of a Covered Bond Guarantor Event of Default, service by the Bond Trustee on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee) of a Covered Bond Guarantee Acceleration Notice. The Issuer will not rely on any payments by the Covered Bond Guarantor in order to pay interest or repay principal under the Covered Bonds.

There are a number of features of the Programme which enhance the likelihood of timely and, as applicable, ultimate payments to Covered Bondholders, as follows:

(a) the Covered Bond Guarantee provides credit support to the Issuer;

(b) the Pre-Maturity Test is intended to provide liquidity to the Covered Bond Guarantor in relation to amounts of principal due on the Final Maturity Date of the Hard Bullet Covered Bonds in certain circumstances;

(c) the Asset Coverage Test is intended to test, prior to the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), the asset coverage of the Covered Bond Guarantor's assets in respect of the Covered Bonds on a monthly basis;

(d) the Amortisation Test is intended to test the asset coverage of the Covered Bond Guarantor's assets in respect of the Covered Bonds following the occurrence of an Issuer Event of Default, service on the Issuer (with a copy to the Covered Bond Guarantor) of an Issuer Acceleration Notice and service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager);

(e) a Reserve Fund will be established in the GIC Account to trap Available Revenue Receipts or to credit the proceeds of a Term Advance if, on a Determination Date, ANZBGL's short term, unsecured, unsubordinated and unguaranteed debt obligations are not rated at least F1+ by Fitch and P-1 by Moody's. A Reserve Fund was established in 2020 following the Issuer's short term, unsecured, unsubordinated and unguaranteed obligations being rated F1 by Fitch and, as at the date of this Prospectus, continues to be maintained; and

(f) under the terms of the Account Bank Agreement, the Account Bank has agreed to pay a rate of interest per annum equal to the 30 day Bank Bill Rate on that day (or, if that day is not a Local Business Day, the immediately preceding Local Business Day) (calculated on the basis of the actual number of days elapsed and a 365 day year) (as determined by the Account Bank) on the balance from time to time of the GIC Account from (and including) the first day of each Collection Period (or, in the case of the first Collection Period, the first Transfer Date) to (and including) the last day of the Collection Period.

Certain of these factors are considered more fully in the remainder of this section.

Covered Bond Guarantee

Pursuant to the terms of the Bond Trust Deed, the Covered Bond Guarantor has guaranteed payments of interest and principal under the Covered Bonds issued by the Issuer. The Covered Bond Guarantor has agreed to pay amounts equal to the Guaranteed Amounts when the same become Due for Payment but which would otherwise be unpaid by the Issuer. The obligations of the Covered Bond Guarantor under the Covered Bond Guarantee constitute direct, unconditional (following service of a Notice to Pay or a Covered Bond Guarantee Acceleration Notice) and unsubordinated obligations (subject as provided in Programme Condition 16 and/or, in the case of an N Covered Bond, as provided in the relevant N Covered Bond Conditions (if applicable) of the Covered Bond Guarantor, secured as provided in the Deed of Charge, the Security Trust Deed and the Supplemental Deed. The Bond Trustee will be required to serve a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) following the occurrence of an Issuer Event of Default and service on the Issuer (with a copy to the Covered Bond Guarantor) of an Issuer Acceleration Notice (whereupon the Covered Bonds will become immediately due and payable as against the Issuer but not at such time as against the Covered Bond Guarantor).

A Covered Bond Guarantee Acceleration Notice (subject to certain limitations) may be served by the Bond Trustee on the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee) following the occurrence of a Covered Bond Guarantor Event of Default. If a Covered Bond Guarantee Acceleration Notice is served, the Covered Bonds will become immediately due and payable (if they have not already become due and payable) and the obligations of the Covered Bond Guarantor under the Covered Bond Guarantee will be accelerated and the Security Trustee will be entitled to enforce the Charge. Payments made by the Covered Bond Guarantor under the Covered Bond Guarantee will be made subject to, and in accordance with, the Guarantee Allocations or the Post-enforcement Allocations, as applicable.

See further "*Summary of the Principal Documents – Bond Trust Deed*" as regards the terms of the Covered Bond Guarantee.

See further "*Cashflows – Guarantee Allocations*" as regards the payment of amounts payable by the Covered Bond Guarantor to Covered Bondholders and other Secured Creditors following service of a Notice to Pay.

Pre-Maturity Test

For so long as Hard Bullet Covered Bonds remain outstanding, prior to the occurrence of an Issuer Event of Default or a Covered Bond Guarantor Event of Default, each Series of Hard Bullet Covered Bonds is subject to a Pre-Maturity Test on each Local Business Day during the Pre-Maturity Test Period (being the 12 months prior to the Final Maturity Date of the relevant Series of Hard Bullet Covered Bonds (the "**Pre-Maturity Test Period**")). The Pre-Maturity Test will be breached in relation to a Series of Hard Bullet Covered Bonds if ANZBGL's short-term credit rating from Moody's falls to P-2 (or lower) or from Fitch falls to F1 (or lower) or ANZBGL's long-term credit rating from Fitch is A (or lower) and the Final Maturity Date of the Series of Hard Bullet Covered Bonds falls within 12 months from the relevant Pre-Maturity Test Date (the "**Pre-Maturity Test**"). If the Pre-Maturity Test is breached within such specified period and certain actions are not taken, an Issuer Event of Default will occur.

Asset Coverage Test

The Asset Coverage Test is intended to test the asset coverage of the Covered Bond Guarantor's assets in respect of the Covered Bonds on a monthly basis. This is to ensure that the assets of the Covered Bond Guarantor do not fall below a certain threshold and are sufficient for the

Covered Bond Guarantor to meet its obligations under the Covered Bond Guarantee and senior expenses which rank in priority or *pari passu* with amounts due on the Covered Bonds.

The Supplemental Deed provides that, prior to the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager), the Purchased Receivables are subject to the Asset Coverage Test. Accordingly, for so long as Covered Bonds remain outstanding, the Covered Bond Guarantor must ensure that on each Determination Date, the Adjusted Aggregate Receivable Amount will be in an amount equal to or in excess of the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds. The Asset Coverage Test will be tested by the Calculation Manager on each Determination Date.

Pursuant to the terms of the Mortgage Sale Agreement, the Seller has agreed to use all reasonable efforts to transfer Receivables to the Covered Bond Guarantor in order to ensure that the Purchased Receivables are in compliance with the Asset Coverage Test. The consideration payable to the Seller for the sale of such Receivables to the Covered Bond Guarantor may be funded by (i) cash available to the Covered Bond Guarantor to pay for such Receivables in accordance with the Pre-acceleration Principal Allocations; or (ii) a drawing under the Demand Loan Agreement (or both).

Alternatively, the Covered Bond Guarantor may purchase Substitution Assets or request drawings under the Demand Loan Agreement (as directed by the Trust Manager) in order to ensure that the Covered Bond Guarantor is in compliance with the Asset Coverage Test.

If the Adjusted Aggregate Receivable Amount is less than the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding of all Covered Bonds on a Determination Date and also on the next following Determination Date, the Asset Coverage Test will be breached and the Bond Trustee will serve an Asset Coverage Test Breach Notice on the Covered Bond Guarantor (subject to the Bond Trustee having actual knowledge or express notice of the breach) and notify each Designated Rating Agency. The Bond Trustee shall be deemed to revoke an Asset Coverage Test Breach Notice if, on the next Determination Date to occur following the service of an Asset Coverage Test Breach Notice, the Asset Coverage Test is subsequently satisfied and neither a Notice to Pay nor a Covered Bond Guarantee Acceleration Notice has been served. If the Asset Coverage Test Breach Notice is not revoked on the next Determination Date after service of such Asset Coverage Test Breach Notice on the following Determination Date an Issuer Event of Default will occur.

See further "*Summary of the Principal Documents – Supplemental Deed – Asset Coverage Test*" above.

Amortisation Test

The Amortisation Test is intended to ensure that, following service of a Notice to Pay, the assets of the Covered Bond Guarantor do not fall below a certain threshold to ensure that the assets of the Covered Bond Guarantor are sufficient to meet its obligations under the Covered Bond Guarantee and senior expenses which rank in priority to or *pari passu* with amounts due on the Covered Bonds.

Pursuant to the Supplemental Deed, the Covered Bond Guarantor must ensure that on each Determination Date following service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) but prior to the service of a Covered Bond Guarantee Acceleration Notice or the enforcement of the Charge, the Amortisation Test Aggregate Receivable Amount is in an amount at least equal to the Australian Dollar Equivalent of the aggregate Principal Amount Outstanding under the Covered Bonds.

See further "*Summary of the Principal Documents – Supplemental Deed – Amortisation Test*" above.

Reserve Fund

If ANZBGL's short-term, unsecured, unsubordinated and unguaranteed debt obligations are not rated at least P-1 by Moody's and F1+ by Fitch, the Covered Bond Guarantor is required to establish a reserve fund within the GIC Account and to credit to the Reserve Fund the proceeds of Available Revenue Receipts or the remaining proceeds of a Term Advance up to an amount equal to the higher of the Australian Dollar Equivalent of the aggregate of the interest due for payment on each Series of Covered Bonds on the next three Trust Payment Dates and three month's interest that will accrue on each Series of Covered Bonds then outstanding together with an amount equal to one-quarter of the anticipated aggregate annual amount payable in respect of the items specified in paragraphs (a) to (d) of the Pre-acceleration Revenue Allocations (see "*Cashflows - Pre-acceleration Revenue Allocations*" below) (the "**Reserve Fund Required Amount**"). A Reserve Fund was established in 2020 following the Issuer's short term, unsecured, unsubordinated and unguaranteed obligations being rated F1 by Fitch and, as at the date of this Prospectus, continues to be maintained.

CASHFLOWS

As described above under Credit Structure, until a Notice to Pay or Covered Bond Guarantee Acceleration Notice is served, the Covered Bonds will be obligations of the Issuer only. The Issuer is liable to make payments when due on the Covered Bonds, whether or not it has received any corresponding payment from the Trustee.

This section summarises the Cashflow Allocation Methodology of the Covered Bond Guarantor as to the allocation and distribution of amounts standing to the credit of the Transaction Accounts and their order of priority:

(a) prior to the service of a Notice to Pay or a Covered Bond Guarantee Acceleration Notice or the enforcement of the Charge ("**Pre-acceleration Allocations**");

(b) following service of a Notice to Pay (but prior to the service of a Covered Bond Guarantee Acceleration Notice or the enforcement of the Charge ("**Guarantee Allocations**"); and

(c) following the service of a Covered Bond Guarantee Acceleration Notice or the enforcement of the Charge ("**Post-enforcement Allocations**"),

all in accordance with the Supplemental Deed and Security Trust Deed, as applicable.

Prior to any application of funds under the Pre-acceleration Principal Allocations, the Guarantee Allocations and the Post Enforcement Allocations (but subject to paragraph (b) of the Pre-acceleration Principal Allocations) the Trust Manager agrees to direct the Trustee to (and, if the Post Enforcement Allocations apply, the Security Trustee acknowledges that the Trustee must) repay the Senior Portion Outstanding of the Demand Loan (or the relevant part of it demanded or deemed to be demanded for repayment) in accordance with the payment in kind provisions of the Demand Loan Agreement as described in "*Summary of the Principal Documents - Demand Loan Agreement*". The Trust Manager must not give direction to the Trustee to apply monies in accordance with the Cashflow Allocation Methodology to the extent it would result in a breach of the payment in kind provisions of the Demand Loan Agreement.

Pre-acceleration Allocations

Prior to the service of a Notice to Pay or a Covered Bond Guarantee Acceleration Notice or the enforcement of the Charge, Available Revenue Receipts standing to the credit of the Transaction Accounts shall be allocated and distributed as described below.

On the Determination Date immediately preceding each Trust Payment Date, the Trust Manager, shall calculate:

(a) the amount of Available Revenue Receipts available for distribution on the following Trust Payment Date;

(b) the Reserve Fund Required Amount if applicable; and

(c) if the Pre-Maturity Test has been breached in respect of a Series of Hard Bullet Covered Bonds, on each Determination Date falling within the Pre-Maturity Test Period and ending on the Final Maturity Date of the relevant Series of Hard Bullet Covered Bonds, whether or not the amount standing to the credit of the Pre-Maturity Ledger at such date is less than the Australian Dollar Equivalent of the Required Redemption Amount for the relevant Series of Hard Bullet Covered Bonds in respect of which the Pre-Maturity Test has been breached at such date.

Pre-acceleration Revenue Allocations

At any time prior to the service on the Trustee (with a copy to the Trust Manager) of a Notice to Pay, the service of a Covered Bond Guarantee Acceleration Notice on the Trustee and the Issuer (copied to the Trust Manager and the Security Trustee) or the enforcement of the Charge, subject to "Allocation and distribution of the Available Revenue Receipts following service of an Asset Coverage Test Breach Notice" and after application of "Pre-acceleration payments (other than principal) under Swaps", the Trustee (at the direction of the Trust Manager) must apply the Available Revenue Receipts in the following order of priority:

(a) *first*, A$1,000 to the Residual Income Unitholder to the extent not otherwise paid in the then current Financial Year;

(b) *second*, in or towards satisfaction *pro rata* and *pari passu* of any amounts due and payable to the Trustee as trustee of the Trust, the Bond Trustee and the Security Trustee, any remuneration due and payable to each Agent under the provisions of the Principal Agency Agreement and any amounts due and payable to other third parties and incurred without breach by the Trustee of the Programme Documents to which it is a party (and for which payment has not been provided for elsewhere in the Cashflow Allocation Methodology) and to provide for any such amounts expected to become due and payable by the Trustee in the Trust Payment Period in which such Trust Payment Date occurs and to discharge any liability of the Trustee for taxes;

(c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

  (i) any remuneration then due and payable to the Servicer and any costs, charges, liabilities and expenses then due or to become due and payable to the Servicer under the provisions of the Servicing Deed in the Trust Payment Period in which such Trust Payment Date occurs, together with applicable GST (or other similar taxes) thereon;

  (ii) any remuneration then due and payable to the Calculation Manager and any costs, charges, liabilities and expenses then due or to become due and payable to the Calculation Manager under the provisions of the Supplemental Deed in the Trust Payment Period in which such Trust Payment Date occurs, together with applicable GST (or other similar taxes) thereon;

  (iii) amounts (if any) due and payable to the Account Bank (including costs) pursuant to the terms of the Account Bank Agreement, together with applicable GST (or other similar taxes) thereon;

  (iv) amounts due and payable to the Asset Monitor pursuant to the terms of the Asset Monitor Agreement (other than the amounts referred to in paragraph (j) below), together with any applicable GST (or other similar taxes) thereon; and

  (v) any remuneration then due and payable to the Trust Manager and any costs, charges, liabilities and expenses then due or to become due and payable to the Trust Manager pursuant to the Supplemental Deed and the Trust Terms Deed in the Trust Payment Period in which such Trust Payment Date occurs, together with any applicable GST (or other similar taxes) thereon;

(d) *fourth*, in or towards payment on the Trust Payment Date or to provide for payment on such date in the future of such proportion of the relevant payment falling due in the future as the Trust Manager may reasonably determine of any amount due or to become due and payable to the Interest Rate Swap Provider in respect of the Interest Rate Swap (including any termination payment due and payable by the Trustee under the Interest

Rate Swap but excluding any Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premium received from any replacement Interest Rate Swap Provider) pursuant to the terms of the Interest Rate Swap Agreement;

(e) *fifth*, in or towards payment on the Trust Payment Date or to provide for payment on such date in the future of such proportion of the relevant payments falling due in the future as the Trust Manager may reasonably determine, *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) any amounts due or to become prior to the next Trust Payment Date due and payable to the Covered Bond Swap Provider (other than in respect of principal) *pro rata* and *pari passu* in respect of each relevant Covered Bond Swap (including any termination payment due and payable (other than in respect of principal) by the Trustee under the relevant Covered Bond Swap Agreement, but excluding any Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premiums received from any relevant replacement Covered Bond Swap Provider) in accordance with the terms of the relevant Covered Bond Swap Agreement; and

(ii) any amounts due or to become due and payable (excluding principal amounts) to the Intercompany Loan Provider *pro rata* and *pari passu* in respect of each Term Advance pursuant to the terms of the Intercompany Loan Agreement,

but, in the case of any such payment or provision, after taking into account any amounts receivable from the Interest Rate Swap Provider under the Interest Rate Swap Agreement and, if applicable, any amounts (other than principal) receivable from the Covered Bond Swap Provider under the relevant Covered Bond Swap Agreement on the Trust Payment Date or such date in the future as the Trust Manager may reasonably determine;

(f) *sixth*, if the Trustee, or the Trust Manager on its behalf, is required to credit to the Pre-Maturity Ledger as provided in clause 10.5 of the Supplemental Deed and after first taking into account any amounts to be applied in accordance with paragraph (b) of *Pre-acceleration Principal Allocations*, on the Trust Payment Date in or towards a credit to the Pre-Maturity Ledger and deposit into the GIC Account of an amount equal to:

(i) the Australian Dollar Equivalent of the Required Redemption Amount for each Series of Hard Bullet Covered Bonds in respect of which the Pre-Maturity Test has been breached calculated as at the immediately preceding Determination Date, less

(ii) any amounts standing to the credit of the Pre-Maturity Ledger as at the immediately preceding Determination Date;

(g) *seventh*, in or towards a credit to the Reserve Ledger and deposit into the GIC Account of an amount up to but not exceeding the amount by which the Reserve Fund Required Amount exceeds the existing balance of the Reserve Ledger as calculated on the immediately preceding Determination Date;

(h) *eighth*, if a Servicer Termination Event has occurred, all remaining Available Revenue Receipts to be deposited into the GIC Account (with a corresponding credit to the Revenue Ledger) until the relevant Servicer Termination Event is either remedied by the Servicer or waived by the Security Trustee (acting on the directions of the Voting Secured Creditors) or a replacement servicer is appointed to service the Purchased Receivables (or the relevant part thereof);

(i) *ninth*, in or towards payment *pro rata* and *pari passu* in accordance with the respective amounts thereof of any Excluded Swap Termination Amounts due and payable by the Trustee under the Swap Agreements, except to the extent such amounts have been paid out of any premiums received from any relevant replacement Swap Provider;

(j) *tenth*, in or towards payment of any indemnity amount due to the Asset Monitor pursuant to the terms of the Asset Monitor Agreement;

(k) *eleventh*, any interest amount due, or to become due and payable in respect of the Demand Loan, to the Demand Loan Provider pursuant to the terms of the Demand Loan Agreement for each Demand Loan Interest Period ending on a date up to and including the relevant Trust Payment Date; and

(l) *last*, the balance to the Residual Income Unitholder by way of distribution of the remaining income of the Trust.

Allocation and distribution of Available Revenue Receipts following service of an Asset Coverage Test Breach Notice

At any time after service on the Trustee of an Asset Coverage Test Breach Notice (which has not been revoked), but prior to the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice on the Issuer (with a copy to the Covered Bond Guarantor) or, if earlier, the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee) and the enforcement of the Charge, all Available Revenue Receipts will continue to be applied (at the direction of the Trust Manager) in accordance with the Pre-acceleration Revenue Allocations, save that, whilst any Covered Bonds remain outstanding, no moneys will be applied under paragraphs (e)(ii), (k) and (l) of the Pre-acceleration Revenue Allocations and the remainder (if any) will be deposited into the GIC Account (with a corresponding credit to the Revenue Ledger) and applied as Available Revenue Receipts on the next succeeding Trust Payment Date.

Pre-acceleration application of payments (other than principal) under Swaps

At any time prior to the service on the Trustee (with a copy to the Trust Manager) of a Notice to Pay or the service of a Covered Bond Guarantee Acceleration Notice on the Trustee and the Issuer (copied to the Trust Manager and the Security Trustee) or the enforcement of the Charge:

(a) any amounts (other than Swap Collateral Excluded Amounts) received by or on behalf of the Trustee under the related Interest Rate Swap Agreement on or after a Trust Payment Date but prior to the immediately succeeding Trust Payment Date will be applied by the Trustee (acting on the directions of the Trust Manager), together with any provision for such payments made on any preceding Trust Payment Date, to make payments (other than in respect of principal) due and payable *pro rata* and *pari passu* in respect of the Current Covered Bond Swap under the relevant Covered Bond Swap Agreement or, as the case may be, in respect of each relevant Term Advance under the Intercompany Loan Agreement, or otherwise to make provision for such payments on such date in the future of such proportion of the relevant payment falling due in the future as the Trust Manager may reasonably determine;

(b) any amounts (other than in respect of principal and any Swap Collateral Excluded Amounts) received by or on behalf of the Trustee under a Current Covered Bond Swap on or after a Trust Payment Date but prior to the immediately succeeding Trust Payment Date will be applied by the Trustee (acting on the directions of the Trust Manager), together with any provision for such payments made on any preceding Trust Payment Date, to make payments (other than principal) due and payable *pro rata* and *pari passu* in respect of each relevant Term Advance under the Intercompany Loan Agreement or

otherwise to make provision for such payments on such date in the future of such proportion of the relevant payment falling due in the future as the Trust Manager may reasonably determine; and

(c) any amounts (other than any Swap Collateral Excluded Amounts) received by or on behalf of the Trustee under the Interest Rate Swap Agreement and any amounts (other than in respect of principal and any Swap Collateral Excluded Amounts) received under a Covered Bond Swap Agreement on or after the Trust Payment Date but prior to the immediately succeeding Trust Payment Date that are not put towards a payment or provision in accordance with paragraph (e) of the Pre-acceleration Revenue Allocations or paragraphs (a) and (b) above will be credited to the Revenue Ledger and deposited into the GIC Account and applied as Available Revenue Receipts on the Trust Payment Date (if received on that date) or on the next succeeding Trust Payment Date (if received after a Trust Payment Date).

Allocation and Distribution of Available Principal Receipts prior to service of a Notice to Pay, or a Covered Bond Guarantee Acceleration Notice and/or the commencement of winding up proceedings against the Trust and/or the realisation of the Charge

Prior to the service of a Notice to Pay on the Covered Bond Guarantor (with a copy to the Trust Manager) or a Covered Bond Guarantee Acceleration Notice on the Covered Bond Guarantor and the Issuer (copied to the Trust Manager and the Security Trustee) or the enforcement of the Charge, Available Principal Receipts standing to the credit of the Transaction Accounts shall be allocated and distributed as described below.

On each Determination Date, the Trustee, or the Trust Manager on its behalf, shall calculate the amount of Available Principal Receipts available for distribution on the immediately following Trust Payment Date.

If the Trustee has been so directed by the Trust Manager, on each Trust Payment Date, the Trustee will transfer funds from the GIC Account to the Transaction Accounts in an amount equal to the lower of (a) the amount required to make the payments or credits described below and (b) the amount of all Available Principal Receipts standing to the credit of the GIC Account.

Pre-acceleration Principal Allocations

At any time prior to the service on the Trustee (with a copy to the Trust Manager) of a Notice to Pay or the service of a Covered Bond Guarantee Acceleration Notice on the Trustee and the Issuer (copied to the Trust Manager and the Security Trustee) or the enforcement of the Charge, subject to Allocation and distribution of Available Principal Receipts following service of an Asset Coverage Test Breach Notice, the Trustee (at the direction of the Trust Manager) must apply the Available Principal Receipts in the following order of priority:

(a) *first*, if the Trustee, or the Trust Manager on its behalf, is required to make a deposit to the Pre-Maturity Ledger, on the Trust Payment Date in or towards a credit to the Pre-Maturity Ledger and deposit into the GIC Account of an amount equal to:

(i) the Australian Dollar Equivalent of the Required Redemption Amount for each Series of Hard Bullet Covered Bonds in respect of which the Pre-Maturity Test has been breached calculated as at the immediately preceding Determination Date, less

(ii) any amounts standing to the credit of the Pre-Maturity Ledger as at the immediately preceding Determination Date;

(b) *second*, to the extent:

(i) a demand for repayment of it has been made under and as permitted by the Demand Loan Agreement and that demand for repayment, at the direction of the Trust Manager, is not to be met by reconveying to, or extinguishing in favour of, the Seller Relevant Receivables under clause 9.3 (*Repayment in kind of Senior Portion Outstanding*) of the Demand Loan Agreement; and

(ii) there is a credit balance in the Principal Ledger of the GIC Account,

to repay the Senior Portion Outstanding of the Demand Loan to the Demand Loan Provider;

(c) *third*, provided that at that time the balance of the Pre-Maturity Ledger is equal to the amount required by clause 10.3 of the Supplemental Deed, towards Available Revenue Receipts to the extent amounts have been paid under clause 16.1(f) of the Supplemental Deed and not otherwise reimbursed;

(d) *fourth*, to the extent agreed with the Seller to reimburse the Seller for funding any Redraws or Further Advances that the Trustee has agreed may remain in the Purchased Receivables in accordance with clause 7 of the Mortgage Sale Agreement;

(e) *fifth*, to acquire New Receivables offered to the Trustee by the Seller in accordance with the terms of the Mortgage Sale Agreement or (subject to clause 9.4 of the Supplemental Deed) to acquire Substitution Assets (or both) in an amount sufficient to ensure that, taking into account the other resources available to the Trustee, the Trustee is in compliance with the Asset Coverage Test;

(f) *sixth*, to deposit the remaining Available Principal Receipts into the GIC Account (with a corresponding credit to the Principal Ledger) in an amount sufficient to ensure that, taking into account the other resources available to the Trustee, the Trustee is in compliance with the Asset Coverage Test;

(g) *seventh*, in or towards repayment on the Trust Payment Date (or to provide for repayment on such date in the future of such proportion of the relevant payment falling due in the future as the Trust Manager may reasonably determine) of each relevant Term Advance by making the following payments:

(i) the amounts (in respect of principal) due or to become due and payable to any Covered Bond Swap Provider *pro rata* and *pari passu* in respect of any Current Covered Bond Swap (including any termination payment (relating solely to principal) due and payable by the Trustee under the Current Covered Bond Swap Agreement, but excluding any Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premiums received from any replacement Swap Provider) in accordance with the terms of the Covered Bond Swap Agreement; and

(ii) after taking into account, if applicable, any amounts in respect of principal receivable from a Covered Bond Swap Provider under a Current Covered Bond Swap (if any) on the Trust Payment Date or such date in the future as the Trust Manager may reasonably determine, the amounts (in respect of principal) due and payable or to become due and payable to the Intercompany Loan Provider *pro rata* and *pari passu* in respect of each relevant Term Advance;

(h) *eighth*, to pay the Purchase Price for New Receivables sold to the Trustee in accordance with the Mortgage Sale Agreement following receipt by the Seller of a notice from the Trustee in accordance with clause 4.3 of the Mortgage Sale Agreement;

(i) *ninth*, to the extent not paid under paragraph (b) above, to repay such amount of the principal outstanding on the Demand Loan that is due to the Demand Loan Provider pursuant to the terms of the Demand Loan Agreement, to the extent that such payment would not cause the Asset Coverage Test to be breached; and

(j) *last*, the remainder:

(i) if Covered Bonds are outstanding or to the extent the Available Principal Receipts comprise proceeds of a borrowing made in connection with a proposed issue of Covered Bonds, to the GIC Account; and

(ii) if (i) does not apply, to the Residual Income Unitholder.

Nothing in the Pre-acceleration Principal Allocations limits the application of clause 9.3 (Repayment in kind of Senior Portion Outstanding) of the Demand Loan Agreement.

Allocation and distribution of Available Principal Receipts following service of an Asset Coverage Test Breach Notice

At any time after the service on the Trustee of an Asset Coverage Test Breach Notice (which has not been revoked), but prior to the occurrence of an Issuer Event of Default and service of an Issuer Acceleration Notice on the Issuer (with a copy to the Covered Bond Guarantor) or, if earlier, the occurrence of a Covered Bond Guarantor Event of Default and service of a Covered Bond Guarantee Acceleration Notice on the Trustee and the Issuer (copied to the Trust Manager and the Security Trustee) or enforcement of the Charge, all Available Principal Receipts will continue to be applied in accordance with the Pre-acceleration Principal Allocations save that, whilst any Covered Bonds remain outstanding, no moneys will be applied under paragraph (e) of the Pre acceleration Principal Allocations and the remainder (if any) will be deposited into the GIC Account (with a corresponding credit to the Principal Ledger) and applied as Available Principal Receipts on the next succeeding Trust Payment Date.

Pre-acceleration application of payments in respect of principal under Swaps

At any time prior to the service on the Trustee (with a copy to the Trust Manager) of a Notice to Pay or the service of a Covered Bond Guarantee Acceleration Notice on the Trustee and the Issuer (copied to the Trust Manager and the Security Trustee) or the enforcement of the Charge:

(a) any amounts (other than Swap Collateral Excluded Amounts) in respect of principal received by or on behalf of the Trustee under a Current Covered Bond Swap (if any) on or after the Trust Payment Date but prior to the immediately succeeding Trust Payment Date will be applied, by the Trustee (at the direction of the Trust Manager), together with any provision for such payments made on any preceding Trust Payment Date, (provided that all principal amounts outstanding under the related Series of Covered Bonds which have fallen due for repayment on such date have been repaid in full by the Issuer), to make payments in respect of principal due and payable to the Intercompany Loan Provider in respect of the corresponding Term Advance under the Intercompany Loan Agreement or otherwise to make provision for such payments on such date in the future of such proportion of the relevant payment falling due in the future as the Trust Manager may reasonably determine;

(b) any amounts (other than Swap Collateral Excluded Amounts) of principal received under a Current Covered Bond Swap (if any) on the Trust Payment Date or any date prior to the immediately succeeding Trust Payment Date which are not put towards a payment or provision in accordance with paragraph (g) of the Pre-acceleration Principal Allocations or paragraph (a) above will be credited to the Principal Ledger and deposited into the GIC Account and applied as Available Principal Receipts on the

Trust Payment Date (if received on that date) or on the immediately succeeding Trust Payment Date (if received after a Trust Payment Date); and

(c) any amounts (other than Swap Collateral Excluded Amounts) of principal received:

(i) from the Seller in respect of a repurchase or extinguishment of Receivables; and

(ii) from the Demand Loan Provider in respect of any Final Maturity Demand Loan Advance,

to enable the Trustee, acting on the directions of the Trust Manager, to apply such amounts to repay a Term Advance on the date on which the Covered Bonds corresponding to such Term Advance mature will not be applied in accordance with the Pre-acceleration Principal Allocations and will (after being swapped if necessary under the relevant Current Covered Bond Swap (if any)) be applied by the Trustee (acting on the directions of the Trust Manager) or be deemed to have been so applied (in accordance with the Programme Documents) in repayment of the relevant Term Advance on the date on which the Covered Bonds corresponding to such Term Advance mature, subject to the Asset Coverage Test being met on the date of such repayment after giving effect to such repayment.

Allocation and distribution of Available Revenue Receipts and Available Principal Receipts following service of a Notice to Pay

At any time after the service of a Notice to Pay on the Trustee (with a copy to the Trust Manager), but prior to service of a Covered Bond Guarantee Acceleration Notice or the enforcement of the Charge, all Available Revenue Receipts and Available Principal Receipts will be applied as described below.

If a Notice to Pay has been served on the Trustee (with a copy to the Trust Manager), on the Final Maturity Date of a Series of Hard Bullet Covered Bonds, the Trustee, acting on the direction of the Trust Manager, shall apply all moneys (if any) standing to the credit of the Pre-Maturity Ledger (and transferred from the GIC Account to the Transaction Accounts) to repay the relevant Series.

Guarantee Allocations

At any time after the service of a Notice to Pay on the Trustee (and copied to the Trust Manager), but prior to service of a Covered Bond Guarantee Acceleration Notice on the Trustee and the Issuer (copied to the Trust Manager and the Security Trustee) or the enforcement of the Charge, the Trustee (at the direction of the Trust Manager) must apply the Available Revenue Receipts and Available Principal Receipts in the following order of priority:

(a) *first*, A$1,000 to the Residual Income Unitholder to the extent not otherwise paid in the then current Financial Year;

(b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) all amounts due and payable or to become due and payable to the Bond Trustee (excluding all amounts otherwise payable to the Covered Bondholders, Receiptholders and Couponholders under the Guarantee Allocations) in the Trust Payment Period in which such Trust Payment Date occurs under the provisions of the Bond Trust Deed together with interest and any applicable GST (or other similar taxes) thereon;

(ii) all amounts due and payable or to become due and payable to the Security Trustee (excluding all amounts otherwise payable to the Covered Bondholders,

Receiptholders and Couponholders under the Guarantee Allocations) in the Trust Payment Period in which such Trust Payment Date occurs under the provisions of the Security Trust Deed together with interest and any applicable GST (or other similar taxes) thereon;

(iii) all amounts due and payable or to become due and payable to itself as trustee of the Trust in the Trust Payment Period in which such Trust Payment Date occurs under the Supplemental Deed and the Trust Terms Deed together with interest and any applicable GST (or other similar taxes) thereon;

(c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) any remuneration then due and payable to the Agents under the provisions of the relevant Agency Agreement together with applicable GST (or other similar taxes) thereon; and

(ii) any amounts then due and payable by the Trustee to third parties and incurred without breach by the Trustee of the Programme Documents to which it is a party (and for which payment has not been provided for elsewhere in this Guarantee Allocations) and to provide for any such amounts expected to become due and payable by the Covered Bond Guarantor in the Trust Payment Period in which such Trust Payment Date occurs and to pay or discharge any liability of the Trustee for taxes;

(d) *fourth*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) any remuneration then due and payable to the Servicer and any costs, charges, liabilities and expenses then due or to become due and payable to the Servicer in each case in the Trust Payment Period in which such Trust Payment Date occurs under the provisions of the Servicing Deed together with any applicable GST (or other similar taxes) thereon;

(ii) any remuneration then due and payable to the Calculation Manager and any costs, charges, liabilities and expenses then due or to become due and payable to the Calculation Manager in each case in the Trust Payment Period in which such Trust Payment Date occurs under the provisions of the Supplemental Deed, together with any applicable GST (or other similar taxes) thereon;

(iii) amounts (if any) due and payable to the Account Bank (including costs) pursuant to the terms of the Account Bank Agreement, together with any applicable GST (or other similar taxes) thereon;

(iv) amounts due and payable to the Trust Manager under the Supplemental Deed and the Trust Terms Deed together with any applicable GST (or other similar taxes) thereon;

(v) amounts due and payable to the Asset Monitor (other than the amounts referred to in paragraph (l) below) pursuant to the terms of the Asset Monitor Agreement, together with applicable GST (or other similar taxes) thereon;

(e) *fifth*, in or towards payment on the Trust Payment Date, or to provide for payment on such date in the future of such proportion of the relevant payment falling due in the future as the Trust Manager may reasonably determine, of any amount due or to become due and payable to the Interest Rate Swap Provider in respect of the Interest Rate Swap (including any termination payment due and payable by the Trustee under the Interest

Rate Swap but excluding any Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premiums received from any replacement Interest Rate Swap Provider) in accordance with the terms of the Interest Rate Swap Agreement;

(f) *sixth*, the accrued but unpaid interest in respect of the Senior Portion Outstanding of the Demand Loan, to the Demand Loan Provider pursuant to the terms of the Demand Loan Agreement for each Demand Loan Interest Period ending on a date up to and including the date of application of funds under this paragraph (f); and

(g) *seventh*, in or towards payment on the Trust Payment Date or to provide for payment on such date in the future of such proportion of the relevant payments falling due in the future as the Trust Manager may reasonably determine, *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) any amounts due or to become due and payable to the Covered Bond Swap Provider (other than in respect of principal) *pro rata* and *pari passu* in respect of each relevant Covered Bond Swap (including any termination payment due and payable (other than in respect of principal) by the Trustee under the relevant Covered Bond Swap Agreement, but excluding any Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premiums received from any relevant replacement Covered Bond Swap Provider) in accordance with the terms of the Covered Bond Swap Agreement; and

(ii) Scheduled Interest that is Due for Payment (or that will become Due for Payment in the Trust Payment Period in which such Trust Payment Date occurs) under the Covered Bond Guarantee in respect of each Series of Covered Bonds to the Bond Trustee or (if so directed by the Bond Trustee) the Principal Paying Agent on behalf of the Covered Bondholders, Receiptholders and Couponholders *pro rata* and *pari passu* in respect of each Series of Covered Bonds,

but, in the case of any such payment or provision, after taking into account any amounts receivable from the Interest Rate Swap Provider under the Interest Swap Agreement and, if applicable, any amounts (other than principal) receivable from the Covered Bond Swap Provider under the relevant Covered Bond Swap Agreement on the Trust Payment Date or such date in the future as the Trust Manager may reasonably determine, provided that if the amount available for distribution under this paragraph (g) (excluding any amounts received or to be received from the Covered Bond Swap Provider) would be insufficient to pay the Australian Dollar Equivalent of the Scheduled Interest that is or will be Due for Payment in respect of each Series of Covered Bonds under sub-paragraph (ii) above, the shortfall will be divided amongst all such Series of Covered Bonds on a *pro rata* and *pari passu* basis and the amount payable by the Trustee to the Covered Bond Swap Provider under the relevant Covered Bond Swap Agreement in respect of each relevant Series of Covered Bonds or provision to be made in respect thereof under sub paragraph (i) above will be correspondingly reduced to take into account the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

(h) *eighth*, in or towards payment on the Trust Payment Date or to provide for payment in the immediately succeeding Trust Payment Period, *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) any amounts (in respect of principal) due or to become due and payable to any Covered Bond Swap Provider *pro rata* and *pari passu* in respect of each relevant Covered Bond Swap (including any termination payment due and payable (in

respect of principal) by the Trustee under the relevant Covered Bond Swap Agreement, but excluding any Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premiums received from any relevant replacement Covered Bond Swap Provider) in accordance with the terms of the Covered Bond Swap Agreement; and

(ii) where appropriate, after taking into account any amounts in respect of principal receivable from the Covered Bond Swap Provider and available to make payments in respect thereof Scheduled Principal that is Due for Payment (or that will become Due for Payment in the immediately succeeding Trust Payment Period) under the Covered Bond Guarantee in respect of each Series of Covered Bonds to the Bond Trustee or (if so directed by the Bond Trustee) the Principal Paying Agent on behalf of the Covered Bondholders *pro rata* and *pari passu* in respect of each Series of Covered Bonds,

provided that if the amount available for distribution under this paragraph (h) (excluding any amounts received or to be received from the Covered Bond Swap Provider) would be insufficient to pay the Australian Dollar Equivalent of the Scheduled Principal that is or will be Due for Payment in respect of each Series of Covered Bonds under sub paragraph (ii) above, the shortfall will be divided amongst all such Series of Covered Bonds on a *pro rata* and *pari passu* basis and the amount payable by the Trustee to the Covered Bond Swap Provider under the relevant Covered Bond Swap Agreement in respect of each relevant Series of Covered Bonds or provision to be made in respect thereof under sub-paragraph (i) above will be correspondingly reduced to take into account the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

(i) *ninth*, in or towards payment on the Trust Payment Date (if such date is an Interest Payment Date) or to provide for payment on any Interest Payment Date prior to the immediately succeeding Trust Payment Date of the Final Redemption Amount (or portion thereof remaining unpaid) of any Series of Covered Bonds to which an Extended Due Date for Payment Date applies and whose Final Redemption Amount was not paid in full by the Extension Determination Date, by making the following payments, *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) any amounts due or to become due and payable to the Covered Bond Swap Provider (whether or not in respect of principal) *pro rata* and *pari passu* in respect of each relevant Covered Bond Swap (including any termination payment due and payable by the Covered Bond Guarantor under the relevant Covered Bond Swap Agreement, but excluding any Excluded Swap Termination Amount) (except to the extent that such amounts have been paid out of any premiums received from any relevant replacement Covered Bond Swap Provider) in accordance with the terms of the relevant Covered Bond Swap Agreement; and

(ii) such Final Redemption Amount *pro rata* and *pari passu* under the Covered Bond Guarantee in respect of each relevant Series of Covered Bonds to the Bond Trustee or (if so directed by the Bond Trustee) the Principal Paying Agent on behalf of the Covered Bondholders,

but, in the case of any such payment or provision, after taking into account any amounts receivable from the Interest Rate Swap Provider in respect of the Interest Rate Swap Agreement and, if applicable, any amounts (whether or not in respect of principal) receivable from the Covered Bond Swap Provider under the relevant Covered Bond Swap Agreement, provided that if the amount available for distribution under this paragraph (i) (excluding any amounts received or to be received from the Covered Bond Swap Provider) would be insufficient to pay the Australian Dollar Equivalent of such

Final Redemption Amount in respect of the relevant Series of Covered Bonds under sub-paragraph (ii) above, the shortfall will be divided amongst all such Series of Covered Bonds on a *pro rata* and *pari passu* basis and any amount payable by the Trustee to the Covered Bond Swap Provider under the relevant Covered Bond Swap Agreement in respect of each Series of Covered Bonds under sub-paragraph (i) above will be correspondingly reduced to take into account the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

(j) *tenth*, to deposit the remaining moneys in the GIC Account for application on the immediately succeeding Trust Payment Date in accordance with the priority of payments described in paragraphs (b) - (i) (inclusive) above, until the Covered Bonds have been fully repaid or provided for (such that the Required Redemption Amount has been accumulated in respect of each outstanding Series of Covered Bonds);

(k) *eleventh*, in or towards payment *pro rata* and *pari passu* according to the respective amounts thereof of any Excluded Swap Termination Amount due and payable by the Trustee under the Swap Agreements, except to the extent that such amounts have been received from any relevant replacement Swap Provider;

(l) *twelfth*, in and towards payment of all amounts due and payable (whether in respect of principal or interest) under the Intercompany Loan Agreement;

(m) *thirteenth*, in or towards payment of certain costs, expenses and indemnity amounts due by the Trustee to the Asset Monitor pursuant to the Asset Monitor Agreement;

(n) *fourteenth*, to the extent not paid under paragraph (f) above, in and towards payment of all amounts due and payable in respect of the Demand Loan pursuant to the terms of the Demand Loan Agreement; and

(o) *last*, to the Residual Income Unitholder by way of distribution of the remaining income of the Trust.

Nothing in this "*Guarantee Allocations*" limits the application of clause 9.3 (*Repayment in kind of Senior Portion Outstanding*) of the Demand Loan Agreement.

Guarantee application of payments under Swaps

At any time after the service of a Notice to Pay on the Trustee (and copied to the Trust Manager), but prior to service of a Covered Bond Guarantee Acceleration Notice on the Trustee and the Issuer (copied to the Trust Manager and the Security Trustee), or the enforcement of the Charge:

(a) any amounts received (other than Swap Collateral Excluded Amounts) by or on behalf of the Trustee under the Interest Rate Swap Agreement on or after the Trust Payment Date but prior to the immediately succeeding Trust Payment Date will be applied by the Trustee (acting on the directions of the Trust Manager) together with any provision for such payment made on any preceding Trust Payment Date, to make payments (other than in respect of principal) due and payable *pro rata* and *pari passu* in respect of each Covered Bond Swap under the relevant Covered Bond Swap Agreement or, as the case may be, in respect of Scheduled Interest that is Due for Payment under the Covered Bond Guarantee *pro rata* and *pari passu* in respect of each relevant Series of Covered Bonds;

(b) any amounts received (other than Swap Collateral Excluded Amounts) by or on behalf of the Trustee under a Covered Bond Swap (whether or not in respect of principal) on or after the Trust Payment Date but prior to the immediately succeeding Trust Payment Date will be applied by the Trustee (acting on the directions of the Trust Manager)

together with any provision for such payment made on any preceding Trust Payment Date, to make payments of Scheduled Interest or Scheduled Principal that is Due for Payment, as the case may be, in respect of the Covered Bond Guarantee *pro rata* and *pari passu* in respect of each relevant Series of Covered Bonds; and

(c) any amounts (other than Swap Collateral Excluded Amounts) received under the Interest Rate Swap Agreement or a Covered Bond Swap on or after the Trust Payment Date but prior to the immediately succeeding Trust Payment Date that are not put towards a payment or provision in accordance with paragraphs (a) or (b) above will be credited to the Revenue Ledger or the Principal Ledger and deposited into the GIC Account (as appropriate) and applied as Available Revenue Receipts or Available Principal Receipts, as the case may be, on the Trust Payment Date (if received on that date) or on the immediately succeeding Trust Payment Date (if received after a Trust Payment Date).

Application of moneys received by the Security Trustee following the service of a Covered Bond Guarantee Acceleration Notice and/or realisation of the Charge and/or the commencement of winding-up proceedings against the Trust

From and including the time when the Bond Trustee serves a Covered Bond Guarantee Acceleration Notice on the Trustee and/or winding-up proceedings are commenced against the Trust and/or the Charge is realised, no amount may be withdrawn from the Trust Accounts without the prior written consent of the Security Trustee.

Post-enforcement Allocations

Following the service on the Trustee and the Issuer (copied to the Trust Manager and the Security Trustee) of a Covered Bond Guarantee Acceleration Notice, or the enforcement of the Charge, the Security Trustee must apply available funds received or recovered by it or a Receiver and then held for or on behalf of the Trustee (excluding, for the avoidance of doubt, any amounts due or to become due in respect of any Third Party Amounts and excluding Swap Collateral Excluded Amounts due to the Swap Providers by the Trustee, under the relevant Swap Agreement which shall be paid directly to the relevant Swap Provider), in the following order of priority:

(a) *first*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) all amounts due and payable or to become due and payable to the Bond Trustee under the provisions of the Bond Trust Deed (but not including amounts otherwise payable to Covered Bondholders under the Post-enforcement Allocations) together with interest and any applicable GST (or similar taxes) thereon;

(ii) all amounts due and payable or to become due and payable to the Security Trustee and any Receiver appointed by the Security Trustee under the provisions of the Security Trust Deed (but not including amounts otherwise payable to Covered Bondholders under the Post-enforcement Allocations) together with interest and any applicable GST (or similar taxes) thereon; and

(iii) all amounts due and payable or to become due and payable to the Trustee under the provisions of the Supplemental Deed and the Trust Terms Deed together with interest and any applicable GST (or similar taxes) thereon;

(b) *second*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of any remuneration then due and payable to the Agents under or

pursuant to the Agency Agreements together with any applicable GST (or similar taxes) thereon as provided therein;

(c) *third*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof:

(i) any remuneration then due and payable to the Servicer and any costs, charges, liabilities and expenses then due or to become due and payable to the Servicer under the provisions of the Servicing Deed, together with any applicable GST (or other similar taxes) thereon;

(ii) any remuneration then due and payable to the Asset Monitor and any costs, charges, liabilities and expenses then due or to become due and payable to the Asset Monitor under the provisions of the Asset Monitor Agreement, together with any applicable GST (or other similar taxes) thereon;

(iii) any remuneration then due and payable to the Calculation Manager and any costs, charges, liabilities and expenses then due or to become due and payable to the Calculation Manager under the provisions of the Supplemental Deed, together with any applicable GST (or other similar taxes) thereon;

(iv) amounts due to the Account Bank (including any costs, charges, liabilities and expenses) pursuant to the terms of the Account Bank Agreement, together with any applicable GST (or other similar taxes) thereon; and

(v) any remuneration then due and payable to the Trust Manager and any costs, charges, liabilities and expenses then due or to become due and payable to the Trust Manager under the provisions of the Supplemental Deed and the Trust Terms Deed, together with any applicable GST (or other similar taxes) thereon;

(d) *fourth*, in or towards satisfaction of any amounts due and payable to the Interest Rate Swap Provider (including any termination payment due, but excluding any Excluded Swap Termination Amount) pursuant to the terms of the Interest Rate Swap Agreement;

(e) *fifth*, the accrued but unpaid interest in respect of the Senior Portion Outstanding of the Demand Loan, to the Demand Loan Provider pursuant to the terms of the Demand Loan Agreement for each Demand Loan Interest Period ending on a date up to and including the date of application of funds under this paragraph (e);

(f) *sixth*, in or towards satisfaction of *pro rata* and *pari passu* according to the respective amounts thereof of:

(i) any amounts due and payable to the Covered Bond Swap Provider *pro rata* and *pari passu* in respect of each relevant Covered Bond Swap (including any termination payment due and payable by the Trustee under the relevant Covered Bond Swap Agreement, but excluding any Excluded Swap Termination Amount) in accordance with the terms of the relevant Covered Bond Swap Agreement; and

(ii) the amounts due and payable under the Covered Bond Guarantee, to the Bond Trustee or (if so directed by the Bond Trustee) the relevant Paying Agent on behalf of the Covered Bondholders *pro rata* and *pari passu* in respect of interest and principal due and payable on each Series of Covered Bonds,

provided that if the amount available for distribution under this paragraph (f) (excluding any amounts received from the Covered Bond Swap Provider) would be insufficient to pay the Australian Dollar Equivalent of the amounts due and payable under the Covered

Bond Guarantee in respect of each Series of Covered Bonds under sub paragraph (ii) above, the shortfall will be divided amongst all such Series of Covered Bonds on a *pro rata* and *pari passu* basis and any amount payable by the Trustee to the Covered Bond Swap Provider under the relevant Covered Bond Swap in respect of each relevant Series of Covered Bonds or provision to be made in respect thereof under sub paragraph (i) above will be correspondingly reduced to take account of the shortfall applicable to the Covered Bonds in respect of which such payment is to be made;

(g) *seventh*, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof, of any Excluded Swap Termination Amounts due and payable by the Trustee under the Swap Agreements;

(h) *eighth*, in or towards payment of all amounts outstanding under the Intercompany Loan Agreement;

(i) *ninth*, to the extent not paid under paragraph (e) above, in or towards payment of any amounts outstanding under the Demand Loan Agreement; and

(j) *last*, the remainder as a distribution to the Residual Income Unitholder.

Nothing in this Post-enforcement Allocations limits the application of clause 9.3 (*Repayment in kind of Senior Portion Outstanding*) of the Demand Loan Agreement.

LEGAL ASPECTS OF THE RECEIVABLES PORTFOLIO

Legal Aspects of the Purchased Receivables

The following discussion is a summary of the material legal aspects of Australian Housing Loans and Mortgages. It is not an exhaustive analysis of the relevant law. Some of the legal aspects are governed by the laws of the applicable State or Territory. Laws may differ between States and Territories. The summary does not reflect the laws of any particular jurisdiction or cover all relevant laws of all jurisdictions in which a mortgaged property may be situated, although it reflects the material aspects of the laws of New South Wales (except where it expressly provides otherwise), without referring to any specific legislation of that state.

General

There are two parties to a mortgage. The first party is the mortgagor, who is either the borrower and homeowner or, where the relevant loan is guaranteed and the guarantee is secured by a mortgage, the guarantor. The mortgagor grants the mortgage over their property. The second party is the mortgagee, who is the lender. Generally, each housing loan will be secured by a mortgage which has a first ranking priority over all other mortgages granted by the relevant borrower and over all unsecured creditors of the borrower, except in respect of certain statutory rights such as some rates and taxes, which are granted statutory priority. All Housing Loans forming part of the Purchased Receivables will be secured by a first ranking registered Mortgage over Land. In practical terms, in most States and Territories a mortgagor cannot generally create another registered mortgage over the relevant mortgaged property without the consent of the prior lender.

Types of land tenure in Australia

All Australian residential housing loans may be secured by a mortgage over one of the following types of interest in land.

Torrens Title

Torrens title is the most common form by which title to land is held in Australia. Torrens title is freehold or leasehold (particularly in the Australian Capital Territory) title, interests in which are created by registration in one or more central land registries of the relevant State or Territory. Each parcel or parcels of freehold or leasehold land are represented by a specific title. Pro forma instruments are used to register most dealings with the relevant land registry.

Strata title

Strata title is a system of title (under Torrens title) under which land is commonly divided into a number of flats or apartments and is governed by the laws of the State or Territory in which the property is situated. The proprietor has title to a flat or apartment in the relevant apartment block and may freely deal with that apartment. Certain parts of the property, such as the land on which the building is erected, the stairwells and entrance lobbies, are referred to as "common property" and are held by a "body corporate"/ "owners corporation" ("**owners corporation**") for the benefit of the individual proprietors. All proprietors are members of the owners' corporation, which is vested with the control, management and administration of the common property and the strata scheme generally, including the regulations governing the apartment block, for the benefit of the proprietors. The owners' corporation generally has rights to sue an owner and assignees from the owner for unpaid levies.

Usually only Torrens title land can be the subject of strata title in this way, and so the provisions referred to in this section in relation to Torrens title apply to the title in an apartment held by a strata proprietor. In some jurisdictions, strata titling can be used to subdivide land other than an apartment building and in some jurisdictions a system of leasehold strata title exists.

Residential Crown Leasehold

All land in the Australian Capital Territory is owned by, or on behalf of, the Commonwealth of Australia. Interests in land are granted on behalf of the Commonwealth and are subject to a leasehold system of land title known as Crown leasehold. Mortgaged residential property in that jurisdiction comprises a Crown lease and use of the land is subject to the terms of that lease. A Crown lease is a lease of the land granted by the Commonwealth, a State or a Territory or an authority of the Commonwealth, a State or a Territory. The lease is granted under a statutory law of the Commonwealth, State or Territory for a certain purpose.

In the Australian Capital Territory a lease of this type:

(a) cannot usually have a term exceeding 99 years, although the term can be renewed under a generally straightforward administrative process, whereby the existing lease is surrendered and a new lease is granted for a term not exceeding 99 years, unless the Commonwealth or the Australian Capital Territory Government considers that the land is required for a public purpose; and

(b) where it involves residential property, is usually subject to a nominal rent only.

Crown leasehold land is held under Torrens title. The borrower's leasehold interest in the land is entered in a central register and the borrower may deal with its leasehold interest, including granting a mortgage over the property, generally without consent from the government.

In all cases where mortgaged property consists of a leasehold interest, the unexpired term of the lease must exceed the term of the mortgage loan secured by that mortgaged property. In the Australian Capital Territory usually a crown lease for residential property can be renewed and, if so, the mortgage continues automatically if the Crown lease is renewed prior to its expiry and the mortgage has not been discharged at the time of renewal.

Other States and Territories also have systems of Crown leasehold which are similar to the Australian Capital Territory system in some respects. However, these are generally not referred to as "Torrens title" systems and different rules apply to the taking and enforcement of security over that type of tenure. In those jurisdictions, this type of title is used primarily for rural, coastal and island landholdings.

Native Title

The common law of Australia recognises a form of native title which reflects the entitlement of indigenous inhabitants, in accordance with their traditional laws or customs, to their traditional lands ("**native title**"). Native title rights and interests are capable of being recognised over lands and waters, in circumstances where those rights have not been extinguished by prior acts on the land, or by grants of interests in relation to the land and where native title claimants have retained their connection with the relevant land.

To give statutory recognition and protection to indigenous Australians' rights and interests in land (and waters) and to resolve a number of land management issues, the Commonwealth enacted the Native Title Act in 1993 ("**Native Title Act**"), which was significantly amended in 1998.

Generally speaking, extinguishment of native title may have historically occurred, prior to the commencement of the Native Title Act, by:

(a) voluntary surrender of native title rights and interests by an indigenous group to the Crown;

(b) discontinuance of the acknowledgement of/adherence to the traditional laws and customs by the indigenous group;

(c) the impact of colonisation on the indigenous group; or

(d) certain legislative or executive acts of the Crown, made with a clear and plain intention to extinguish native title.

Native title rights and interests will have been extinguished in a number of circumstances, including where:

(a) freehold title to land was validly granted on or before 23 December 1996; or

(b) public works (that is, a building or other structure that is a fixture, road, railway, bridge, well or bore for obtaining water, or major earthworks) that were commenced to be constructed or established on the land by or on behalf of the Crown or a local government body or other statutory authority on or before 23 December 1996.

For grants of freehold title made after 23 December 1996, in relation to land where native title had not been fully extinguished, the grant must have been made in accordance with the 'future act' process outlined in the Native Title Act, in order to validly impair or extinguish native title rights in that land. Compensation is payable to the native title holders for an area for the extinguishment or impairment of native title in certain circumstances. The government, entity or person who is liable to pay the compensation, and the quantum of the compensation liability, depends on various factors.

Taking security over Land

The law relating to the granting of securities over land in Australia is complicated by the fact that each State and Territory has separate governing legislation. The following is a summary of the material issues involved in taking security over land in Australia.

Under Torrens title, registration of a mortgage using the prescribed form executed by the mortgagor is required in order for the mortgagee to obtain both the remedies of a mortgagee granted by statute and the mortgage and the relevant priorities against other secured creditors. When this occurs, the mortgagee is said to have a legal or registered title. However, registration does not transfer title in the property, and the mortgagor remains as legal owner; in short, the Torrens mortgage operates as a statutory charge. The mortgagee does not obtain an estate in the property but does have a registered interest in the land which is recorded on the register and the certificate of title for the property. A search of the register by any subsequent creditor or proposed creditor will reveal the existence of the prior mortgage.

In certain States and Territories, a mortgagee will retain a duplicate certificate of title which mirrors the original certificate of title held at the relevant land registry office. In those jurisdictions where they are issued, the duplicate certificate of title must be produced to the land registry office in order to register any later dealing, including a second or later mortgage. The procedure for a replacement certificate of title is sufficiently onerous to act as a deterrent against most mortgagor fraud. If a mortgagee fails to hold the certificate safely, this may in certain circumstances constitute negligent conduct resulting in a postponement of the mortgagee's priority to a later secured creditor.

In the Northern Territory, duplicate certificates of title are no longer issued to mortgagees as a matter of practice, although a certificate can be requested. In Queensland and South Australia, duplicate certificates of title are now no longer issued at all and the same is expected to apply soon in Western Australia, at a future date yet to be proclaimed. The Australian Capital Territory is currently transitioning to no longer requiring a certificate of title in that a paper certificate of title is still required for certain 'paper' lodgements, but is no longer required for

lodgements conducted electronically. A record of the title is stored on computer at the land registry office and the mortgage is registered on that computerised title (which is conclusive evidence of the title). In the case of Queensland, the deterrent against fraud is the requirement for the mortgagee to follow a stringent verification of identity regime in respect of the identity of the mortgagor and for the signature of the mortgagor to be witnessed by a prescribed person who must take reasonable steps to confirm the identity of the mortgagor and their entitlement to sign the mortgage. In the case of South Australia and Western Australia, and in the case of electronic lodgements in the Australian Capital Territory, the deterrent against fraud is the requirement for the mortgagee to follow a stringent verification of identity regime in respect of the identity of the mortgagor.

Australia is moving towards a national electronic conveyancing system. In New South Wales, Victoria and Western Australia a duplicate certificate of title may be issued in either paper or electronic format (although New South Wales is currently moving towards abolishing paper duplicate certificates of title by the end of 2021). An electronic duplicate certificate of title is known as an "eCT". Where a State or Territory has provision for the issue of an eCT, this effectively works in the same manner as the paper duplicate certificate of title system. The difference being that instead of being required to lodge the eCT, the mortgagee's electronic consent (digitally signed and encrypted) is required in order to register any later dealing, including a second or later mortgage.

Once the mortgagor has repaid his or her debt, a discharge executed by the mortgagee is lodged at the relevant land registry by the mortgagor or the mortgagee, and the mortgage is noted as having been released.

A lender may also take a second ranking mortgage over land in Australia. This discussion assumes that each of the first and second ranking mortgages are registered with the relevant land titles office.

The consent of the holder of the first ranking mortgage is generally required for the granting of a second ranking mortgage and a priority agreement may be entered into between the mortgagees. The priority agreement will generally regulate the enforcement and sale process in respect of the mortgaged property and the application of the sale proceeds between the first and second ranking mortgages.

If no such priority agreement is entered into, then the holder of a second ranking mortgage may commence the enforcement and sale process in respect of the mortgaged property, without the consent or control of the holder of the first ranking mortgage, but upon the sale of the mortgaged property, the second ranked mortgagee will be required to obtain the release of the first ranking mortgage from the related property, by payment of all amounts secured to the first mortgagee. Equally, the holder of the first ranking mortgage may take these actions and is required only to account to the holder of a second ranking mortgage for any sale proceeds that exceed the amount due to the holder of the first ranking mortgage.

In each case, the sale proceeds are generally applied first towards repayment of all amounts due to the holder of the first ranking mortgage. The holder of the second ranking mortgage is entitled to the sale proceeds only to the extent that all amounts due to the holder of the first ranking mortgage have been paid in full. An exception to this general position is the rule against tacking, which prevents a first ranking mortgagee obtaining priority for further advances made by the first mortgagee after receipt of notice of the second mortgage, unless there is a pre-existing obligation on the first mortgagee to make the further advance or the further advance is made in accordance with the terms of a priority agreement with the second mortgagee.

Enforcement of Registered Mortgages

Enforcement Generally

The law relating to the enforcement of registered mortgages over land in Australia is complicated by the fact that each State or Territory has separate governing legislation. The following is a summary of the material issues involved in enforcing registered mortgages in Australia.

Subject to the discussion in this section, if a borrower defaults under a housing loan, the loan documents provide that all moneys under the loan become due and payable either, in limited circumstances, immediately, or otherwise after a default notice has been given and the default has not been remedied within a prescribed period of time (generally at least 30 days). The lender then has a number of remedies, including the right to sue to recover all outstanding principal, interest and fees under the borrower's personal covenant to repay the amounts set out in the loan documents.

In addition, the lender may enforce a registered mortgage in a number of ways. They include:

- *selling the property*. The power of sale is usually expressly contained in the mortgage documents and is also implied in registered mortgages under the legislation. The legislation prescribes certain forms and periods of notice (usually not less than 30 days) to be given to the mortgagor prior to enforcement which apply notwithstanding any contrary provision in the mortgage documents. The mortgagee is under a duty to take reasonable care to ensure the mortgaged property is sold at its market value. Subject to this duty, the sale may be by public auction or private treaty. Once registered, the purchaser of the property sold pursuant to a mortgagee's power of sale becomes the owner of the property subject to any interests registered prior to the mortgage;

- *leasing the property*. When permitted under the mortgage documents, or if it enters into possession, the lender may lease the property to third parties;

- *entering into possession of the property*. If the mortgagee enters into possession, it does so in its own right and not as agent of the mortgagor and so may be personally liable for mismanagement of the property and to third parties as occupier of the property. The mortgagee may apply rent or profits received from possession of the property in satisfaction of the amount owing in respect of the loan and the related mortgage or it may sell the property. Upon taking possession, the mortgagee has a number of duties including the duty to account, to realise assets conscientiously, to get in rents and other income, to improve the property and make repairs if necessary and to take reasonable steps to maintain the security for the benefit of the guarantor (if any) (see below also for information relating to environmental liability);

- *foreclosing on the property*. This enforcement option is cumbersome and rarely, if ever, used in the case of Australian residential mortgage loans;

- appointing a receiver or receiver and manager ("**receiver**") to deal with the property or with income from the property or exercise other rights delegated to the receiver by the mortgagee. A receiver will generally manage and administer the property in the interests of the mortgagee in order to preserve the mortgagee's security and collect the income from the property. A receiver is the agent of the mortgagor and so, unlike when the mortgagee enters possession of property, in theory the mortgagee is not liable for the receiver's acts or as occupier of the property. In practice, however, the receiver will require indemnities from the mortgagee that appoints it. The receiver will also owe duties to the mortgagor, guarantor (if any) and other interested parties to act in good faith and with due care and diligence. In the case of a company mortgagor the receiver will also be subject to a duty to take all reasonable care to sell the property for not less than market value and the other duties imposed on officers and controllers under the Australian Corporations Act. This enforcement option is rarely, if ever, used in the case of Australian residential mortgage loans; or

- *obtaining an order for judicial sale under an application to the relevant Court*. This remedy is rarely used.

A mortgagee's ability to demand repayment of all amounts under a residential mortgage loan or enforce a residential mortgage is subject to the Australian National Credit Code (the "**National Credit Code**") (which will apply, in summary, where credit has been provided to an individual or strata corporation for personal, domestic or household purposes and from 1 July 2010, includes residential investment loans) which requires various demand and notice procedures to be followed notwithstanding any provisions to the contrary in the residential loan and mortgage documents. For example, as a general rule enforcement cannot occur unless the relevant default is not remedied within 30 days after a default notice is given. Debtors are also entitled to initiate negotiations with the mortgagee or commence proceedings for a postponement of enforcement action.

Penalties and Prohibited Fees

Australian courts will not enforce a borrower's obligation to pay interest on a default or delinquent payment if the interest rate charged on default is seen to be a "penalty". Whether a default interest rate is a penalty will depend on whether the interest rate is found to be wholly disproportionate to any legitimate interest that the lender is seeking to protect. If a default interest rate is too high, the borrower may be entitled to have the loan agreement reopened on the ground that it is unjust.

A maximum annual cost rate (an effective interest rate taking into account non-interest charges payable) of 48 per cent applies to contracts regulated by the National Credit Code entered into from 1 July 2013.

Under the Australian Corporations Act, the liquidator of a company mortgagor may avoid a loan and any related mortgage under which an extortionate interest rate or other charges are levied.

The National Credit Code, where it applies, requires that certain fees or charges to be levied in connection with a credit contract be specified in the contract, otherwise these fees and charges cannot be levied. The regulations under the National Credit Code may also prohibit certain fees and charges. The National Credit Code also requires that establishment fees, termination fees and prepayment fees be reasonable, or they may be reduced or set aside. In relation to home loans entered into after 1 July 2011 which are regulated by the National Credit Code, fees payable on termination are prohibited other than break fees and discharge fees. In respect of these loans, break fees must relate to the credit provider's loss arising from an early repayment of a fixed rate loan that is a result of differences in interest rates and discharge fees must be limited to reimbursing the credit provider for reasonable administrative costs of terminating the contract.

Furthermore, fees and/or interest charged may be challenged for being "void" under the National Unfair Terms Regime, as demonstrated in recent case law. For more information see "*Risk Factors Relating to the Cover Pool – Unfair Terms*".

Bankruptcy and Insolvency

The insolvency of a natural person is governed by the provisions of the Bankruptcy Act 1966 of Australia, which is a Federal statute. Secured creditors of a natural person, such as mortgagees under land mortgages, stand outside the bankruptcy. That is, the property of the bankrupt which is available for distribution to creditors by the trustee in bankruptcy does not include the mortgaged property. The mortgagee may prove, or file a claim, in the bankruptcy as an unsecured creditor if it has realised the mortgaged property and its debt has not been fully repaid, in which case it can prove for the unpaid balance. If the mortgagee proves in the

bankruptcy for the full amount of its debt without taking into account the value of the mortgaged property it will be deemed to have surrendered its security.

Certain dispositions of property (including the granting of a mortgage) by a bankrupt prior to the commencement of the bankruptcy may be avoided by a trustee in bankruptcy. These include where:

(a) the disposition was made to defraud creditors; or

(b) the disposition was made by the bankrupt within six months of the deemed commencement of the bankruptcy and that disposition gave a preference, priority or advantage to an existing creditor over at least one other outstanding creditor; or

(c) the disposition was made by the bankrupt within five years of the deemed commencement of the bankruptcy and the beneficiary of the disposition gave no consideration for the disposition or gave consideration of less value than the market value of the property.

The insolvency of a company is governed by the Australian Corporations Act. Again, secured creditors generally stand outside the liquidation. However, a liquidator may avoid a mortgage under the Australian Corporations Act because it is an uncommercial transaction, or an unfair preference to a creditor or a transaction for the purpose of defeating creditors and that transaction occurred:

(a) when the company was insolvent, or an act was done to give effect to the transaction when the company was insolvent, or the company became insolvent because of the transaction or the doing of an act to give effect to the transaction; and

(b) within a prescribed period (generally six months for an unfair preference, two years for an uncommercial transaction and ten years for a transaction to defeat creditors) before the deemed commencement of the liquidation of the company.

The liquidator may also avoid a loan or mortgage which is fraudulent or under which an extortionate interest rate or other charges are levied entered into at any time.

In addition to bankruptcy and liquidation, the Bankruptcy Act 1966 of Australia and Australian Corporations Act provide for the appointment of a controlling trustee or administrator to assume control of an insolvent mortgagor's affairs to enable a workout arrangement to be put to the mortgagor's creditors. In this event a moratorium may apply to prevent mortgagees and other creditors from taking enforcement action against the mortgagor or the mortgagor's property.

Environmental Considerations

Land which is mortgaged to a lender may be subject to unforeseen environmental problems, including land contamination. Environmental legislation which deals with liability for such problems exists at both State and Federal levels, although the majority of relevant legislation is imposed by the States. With the exception of Queensland, statutes in other Australian jurisdictions do not expressly impose liability on "passive" lenders or security holders for environmentally damaged land. The cost of rectifying the damage in all jurisdictions may attach to a person who is, for instance, an owner, occupier or person in control of the relevant property. In some but not all States, lenders may be expressly excluded from the definitions of one or more of these categories.

Merely holding security over property does not convert a lender into an owner or occupier. However, a lender or receiver who takes possession of contaminated mortgaged property or otherwise enforces its security may be liable as an owner or occupier.

In Queensland, a lender may in certain circumstances (such as where it has influence over the conduct of a borrower), or is deriving significant financial benefit (such as, by way of dividends from a borrower) be at risk of being issued an environmental protection order to rehabilitate land where the borrower is unable to do so. The costs of complying with any order will be borne by the lender. A lender will not be at risk in Queensland for ordinary transactions and services, including where a bank enters into a lending agreement with a borrower at arm's length and receives commercial benefits at commercial market rates in return for the credit, or where a lender may take security over assets of a company.

Some environmental legislation provides that security interests may be created over contaminated or other affected property to secure payment of the costs of any necessary rectification of the property. The security interests may have priority over pre-existing mortgages.

To the extent that the Trustee or a receiver appointed on the Trustee's behalf incurs any of these liabilities in the proper administration of the trust, it will be entitled to be indemnified out of the assets of the trust.

Tax Treatment of Interest on Australian Mortgage Loans

Under Australian law, interest on loans used to purchase a person's primary place of residence is not deductible for taxation purposes. Conversely, interest payments on loans and other non-capital expenditures relating to non-owner occupied residential properties that generate assessable income are generally allowable as tax deductions.

The Seller as Mortgagee

The Seller is and, at least until a Title Perfection Event occurs, intends to remain, the registered mortgagee of all the mortgages. The borrowers and guarantors will not be aware of the equitable assignment of the mortgage loans and mortgages to the Trustee.

Prior to any Title Perfection Event, the Servicer will undertake any necessary enforcement action with respect to defaulted mortgage loans and mortgages. Following a Title Perfection Event, the Trustee is entitled, under an irrevocable power of attorney granted to the Trustee by the seller, to be registered as mortgagee of the mortgages.

Each New Receivable Portfolio acquired by the Trustee consists of Receivables sold by the Seller to the Trustee from time to time, in accordance with the terms of the Mortgage Sale Agreement, as more fully described under "*Summary of the Principal Documents – Mortgage Sale Agreement*".

For the purposes hereof:

"**New Receivable Portfolio**" means a portfolio of New Receivables (other than any New Receivables included in such portfolio which have been redeemed in full prior to the relevant Transfer Date in respect of such portfolio), particulars of which are set out in, or attached to, a New Receivable Portfolio Notice and all right, title, interest and benefit of the Seller in and to the rights and assets set out in paragraphs (a) to (f) (inclusive) below:

(a) all sums of principal and interest (including, for the avoidance of doubt, all Arrears of Interest that are currently due and payable as at the Acquisition Cut-Off Date and all interest and expenses that have been capitalised) and any other sum due or to become due under or in respect of such New Receivables after the Acquisition Cut-Off Date (but excluding, for the avoidance of doubt, all Accrued Interest as at the Acquisition Cut-Off Date) in respect of such New Receivables and including, without limitation, the right to demand, sue for, recover and give receipts for all such principal, interest or

other amounts and the right to sue on all covenants and undertakings made or expressed to be made in favour of the Seller under the applicable Receivable Conditions;

(b) the benefit of all other securities for such principal, interest and other sums payable (including without limitation any interest of the Seller in any life policy), any guarantee in respect of such New Receivables and any other collateral security for the repayment of the relevant Receivables secured by the Related Security;

(c) the right to exercise all the powers of the Seller in relation thereto subject to and in accordance with the relevant Receivable Conditions;

(d) all the estate, title and interest in the Properties in relation thereto vested in the Seller;

(e) to the extent they are assignable or capable of being put into trust, each certificate of title and Valuation Report and any right of action of the Seller against any solicitor, valuer or other person in connection with any report, valuation, opinion, certificate or other statement of fact or opinion given in connection with any such New Receivables, or any part thereof affecting the decision of the Seller to make or offer to make such Receivables or part thereof; and

(f) the benefit of certain Insurance Policies, in each case so far as they relate to such New Receivables comprised in that portfolio of New Receivables, including the right to receive the proceeds of all claims made or to be made by or on behalf of the Seller or to which the Seller is or may become entitled.

Any schedule of New Receivables attached to any New Receivable Portfolio Notice may be provided in a document stored upon electronic media (including, but not limited to, electronic mail and CD-ROM).

See also the following risk factors under "*Risk Factors – Risk Factors relating to the Covered Bond Guarantor, including the ability of the Covered Bond Guarantor to fulfil its obligations in relation to the Covered Bond Guarantee – Limited description of the portfolio*".

BOOK ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of the Clearing Systems currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Security Trustee nor any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Covered Bond Guarantor, nor any other party to the Principal Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Covered Bonds held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

N Covered Bonds will not be cleared through any Clearing Systems (including Euroclear, Clearstream, Austraclear and DTC).

Book-entry systems

Clearing and settlement in Australia

Upon the issuance of an Australian Registered Covered Bond, the Issuer will (unless otherwise agreed with the Covered Bondholder including by specification of such in the applicable Final Terms or applicable Pricing Supplement) procure that the Australian Registered Covered Bond is entered into the Austraclear System. Upon entry, Austraclear will become the sole registered holder ("**Registered Holder**") of the Australian Registered Covered Bond.

Members of the Austraclear System ("**Accountholders**") may acquire rights against the Registered Holder in relation to an Australian Registered Covered Bond entered in the Austraclear System. If potential investors are not Accountholders, they may hold their interest in the relevant Covered Bond through a nominee who is an Accountholder. All payments in respect of Covered Bonds entered in Austraclear will be made directly to an account of the Registered Holder or as it directs in accordance with the rules and regulations of Austraclear.

Secondary market transfers

Secondary market transfers of Australian Registered Covered Bonds held in the Austraclear System will be conducted in accordance with the Austraclear Regulations.

Relationship of Accountholders with the Registered Holder

Each of the persons shown in the records of Austraclear as having an interest in an Australian Registered Covered Bond issued by the Issuer must look solely to Austraclear for such person's share of each payment made to the Registered Holder in respect of that Australian Registered Covered Bond and to any other rights arising under that Australian Registered Covered Bond, subject to and in accordance with the Austraclear Regulations. Unless and until such Australian Registered Covered Bond Covered Bonds are uplifted from Austraclear and registered in the name of an Accountholder, such person has no claim directly against the Issuer or the Covered Bond Guarantor in respect of payments by the Issuer or the Covered Bond Guarantor and such obligations of the Issuer or the Covered Bond Guarantor will be discharged by payment to the Registered Holder (or as it directs) in respect of each amount so paid. Where a Registered Holder is registered as the holder of Australian Registered Covered Bonds that are lodged in Austraclear, the Registered Holder may, in its absolute discretion, instruct the Australian Registrar to transfer or "uplift" the Australian Registered Covered Bonds to the person in whose "Security Record" (as defined in the Austraclear Regulations) those Australian Registered

Covered Bonds are recorded without any consent or action of such transferee and, as a consequence, remove those Australian Registered Covered Bonds from Austraclear.

Austraclear and Cross-Trading with Euroclear and Clearstream

Subject to the rules of the relevant clearing and settlement system, Covered Bondholders may elect to hold interests in Australian Registered Covered Bonds (i) directly through the Austraclear System, (ii) indirectly through Euroclear or Clearstream if they are participants in such systems or (iii) indirectly through organisations which are participants in Austraclear, Euroclear or Clearstream Luxembourg. The Issuer has been advised that Euroclear and Clearstream will hold interests on behalf of their participants through customers' securities accounts in their respective names on the books of their respective Australian sub-custodians (being currently HSBC Custody Nominees (Australia) Limited as sub-custodian of Euroclear or JPMorgan Chase Bank, N.A., as sub-custodian of Clearstream), which in turn will hold such interests in customers' securities accounts in the names of the Australian subcustodians on the books of Austraclear. The rights of a holder of interests in Australian Registered Covered Bonds held through Euroclear or Clearstream are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, the terms and conditions of agreements between Euroclear and Clearstream and their respective nominee and the Austraclear Regulations. Participants in any of such systems should contact the relevant clearing system(s) if they have any questions in relation to clearing, settlement and cross-market transfers and/or trading.

Euroclear and Clearstream

Euroclear and Clearstream each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Transfers of Covered Bonds represented by Registered Global Covered Bonds

Transfers of any interests in Covered Bonds represented by a Registered Global Covered Bond within Euroclear and Clearstream will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Covered Bonds represented by a Registered Global Covered Bond to such persons may depend upon the ability to exchange such Covered Bonds for Covered Bonds in definitive form.

Clearstream and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Covered Bonds among participants and accountholders of Clearstream and Euroclear. However, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued or changed at any time. None of the Bond Trustee, the Security Trustee, the Issuer, the Covered Bond Guarantor, the Agents or any Dealer will be responsible for any performance by Clearstream or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and

none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Covered Bonds represented by Registered Global Covered Bonds or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

General

Neither ANZBGL nor any of the Dealers makes any comment about the treatment for taxation purposes of payments or receipts in respect of the Covered Bonds. Each investor contemplating acquiring Covered Bonds under the Programme is advised to consult a professional adviser in connection with the consequences relating to the acquisition, retention and disposition of Covered Bonds.

Unless otherwise specified herein, the following taxation section does not apply to N Covered Bonds.

All prospective investors (including non-US investors) should read "Taxation –Foreign Account Tax Compliance Withholding" for a discussion of potential reporting obligations and the material consequences of failing to comply with such obligations.

Australia

The comments below are of a general nature and are based on the provisions currently in force in Australia. They relate only to the position of persons who are the absolute beneficial owners of their Covered Bonds issued by ANZBGL (other than through an offshore branch, in which case such persons should consider the tax implications of the jurisdiction in which the relevant branch is located). Covered Bondholders who are in doubt as to their personal tax position should consult their professional advisers. Statutory references are references to a section of the *Income Tax Assessment Act 1936* or the *Income Tax Assessment Act 1997* of Australia (the "**Australian Tax Act**").

Interest or an amount that is included in the extended definition of interest in section 128A on the Covered Bonds issued by ANZBGL is exempt from Australian withholding tax under section 128F of the Australian Tax Act if the following conditions are met:

(a) ANZBGL is either:

  (i) a resident of Australia when it issues the Covered Bonds and when interest (as defined in section 128A(1AB)) is paid on the Covered Bonds; or

  (ii) a non-resident of Australia when it issues the Covered Bonds and when interest (as defined in section 128A(1AB)) is paid on the Covered Bonds and the Covered Bonds are issued and the interest is paid on the Covered Bonds by ANZBGL in carrying on business at or through a permanent establishment in Australia; and

(b) the Covered Bonds are issued by ANZBGL in a manner which satisfies the public offer test.

The public offer test is satisfied if the Covered Bonds are issued by ANZBGL as a result of being offered for issue:

(a) to at least ten persons each of whom:

  (i) is carrying on business of providing finance, or investing or dealing in securities, in the course of operating in financial markets; and

  (ii) is not known, or suspected, by ANZBGL to be an associate (as defined in section 128F) of any of the other persons; or

(b) to at least 100 persons whom it is reasonable for ANZBGL to regard as having acquired Covered Bonds in the past or being likely to be interested in acquiring Covered Bonds; or

(c) as a result of being accepted for listing on a stock exchange, where ANZBGL had previously entered into an agreement with a dealer, manager or underwriter in relation to the placement of the Covered Bonds, requiring ANZBGL to seek such a listing; or

(d) as a result of negotiations being initiated publicly in electronic form, or in another form, that is used by financial markets for dealing in instruments similar to the Covered Bonds; or

(e) to a dealer, manager or underwriter in relation to the placement of the Covered Bonds who, under an agreement with ANZBGL, offered the Covered Bonds for sale within 30 days in a way covered by any of paragraphs (a) to (d) above.

In relation to the issue of a Global Covered Bond by ANZBGL, the "**public offer**" test will be satisfied if the Global Covered Bond falls within the definition of "**global bond**" set out in section 128F(10). Broadly speaking, this will be the case if the following requirements are satisfied:

(a) the Global Covered Bond describes itself as a global bond or a global note; and

(b) it is issued to a clearing house (as defined in section 128F(9)) or to a person as trustee or agent for, or otherwise on behalf of, one or more clearing houses; and

(c) in connection with the issue of the Global Covered Bond, the clearing house or houses confer rights in relation to the Global Covered Bond on other persons and will record the existence of the rights; and

(d) before the issue of the Global Covered Bond, ANZBGL or a dealer, manager or underwriter in relation to the placement of debentures, on behalf of ANZBGL, announces that, as a result of the issue, such rights will be able to be created; and

(e) the announcement is made in a way or ways covered by any of paragraphs (a) to (e) of section 128F(3) (reading a reference in those paragraphs to "**debenture**" as if it were a reference to the rights referred to in paragraph (d) above and a reference to the "**company**" as if it included a reference to the dealer, manager or underwriter); and

(f) under the terms of the Global Covered Bond, interests in the Global Covered Bond are able to be surrendered, whether or not in particular circumstances, in exchange for other debentures issued by ANZBGL, that are not themselves global bonds.

The public offer test is not satisfied if at the time of issue, or at the time of payment, ANZBGL knows, or had reasonable grounds to suspect, that the Covered Bonds, or an interest in the Covered Bonds, issued by ANZBGL was being, or would later be, acquired directly or indirectly by an Offshore Associate (as defined in Programme Condition 5(h)) of ANZBGL acting other than in the capacity of a dealer, manager or underwriter in relation to the placement of the Covered Bonds or a clearing house, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Australian Corporations Act.

If ANZBGL is compelled by law at any time to withhold or deduct an amount in respect of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Australia or any authority therein having the power to tax, it will, subject to certain exceptions set out in Programme Condition 7 (*Taxation*) and/or Condition 7 (*Taxation*) of the N Covered Bond Conditions (if applicable), pay such additional amounts as will result in the payment to

the Covered Bondholders concerned of the sum which would otherwise have been payable on the Covered Bonds.

ANZBGL will not be liable to account to an investor for any deduction or withholding on account of any duties or taxes where those duties or taxes are imposed or levied by or on behalf of Australia or any authority therein having the power to tax by virtue of, among other things (refer to Programme Condition 7 (*Taxation*) of "The Conditions of the Covered Bonds" and/or Condition 7 (*Taxation*) of the N Covered Bond Conditions (if applicable) for further details), the investor being an Offshore Associate (as defined Programme Condition 5(h)) of ANZBGL (acting other than in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Australian Corporations Act), or as a result of the investor being a party to or participating in a scheme to avoid such duties or taxes, being a scheme which ANZBGL neither was a party to nor participated in.

ANZBGL proposes to issue Covered Bonds in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

The Australian Government has concluded double tax conventions ("**Specified Treaties**") with particular countries (each a "**Specified Country**") that contain certain exemptions from Australian interest withholding tax. The Specified Treaties apply to interest derived by a resident of a Specified Country.

The Specified Treaties effectively prevent interest withholding tax applying to interest derived by:

- governments of the Specified Countries and certain governmental authorities and agencies in a Specified Country; and
- certain unrelated (1) banks and (2) other financial institutions which substantially derive their profits by carrying on a business of raising and providing finance and which are resident in the Specified Country (interest paid under a back-to-back loan or economically equivalent arrangement will not qualify for this exemption),

by reducing the interest withholding tax rate to zero.

The Specified Treaties are in force in a number of jurisdictions including, for example, the United States ("**U.S.**") and the United Kingdom.

Section 126 of the Australian Tax Act imposes a type of withholding tax at the rate of 45 per cent on the payment of interest on Bearer Covered Bonds issued by ANZBGL if ANZBGL fails to disclose the names and addresses of the holders to the Australian Taxation Office. Section 126 does not apply to a payment on Bearer Covered Bonds which, although not being interest at general law, is included in the extended definition of interest in section 128A. Section 126 does not apply to the payment of interest on Bearer Covered Bonds held by non-residents who do not carry on business at or through a permanent establishment in Australia, where the issue of those Covered Bonds satisfied the requirements of section 128F of the Australian Tax Act or interest withholding tax is payable. The Australian Taxation Office has clarified that it considers "the holder of debenture", for the purposes of section 126, to be the person in possession of the debenture. Consequently, where residents of Australia or non-residents carrying on a business at or through a permanent establishment in Australia hold Bearer Covered Bonds through (for example) the Euroclear or Clearstream systems, the Australian Taxation Office will view the operator of the relevant system as the holder of those Bearer Covered Bonds.

Section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia imposes a type of withholding tax at the rate of (currently) 47 per cent on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number

("**TFN**"), (in certain circumstances) an Australian Business Number ("**ABN**") or proof of some other exception (as appropriate). Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Covered Bonds issued by ANZBGL, then the requirements of section 12-140 do not apply to payments to a holder of those Covered Bonds in registered form who is not a resident of Australia and not holding those Covered Bonds in the course of carrying on business at or through a permanent establishment in Australia. Payments to other classes of holders of Covered Bonds issued by ANZBGL in registered form may be subject to a withholding where the holder of those Covered Bonds does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate).

ANZBGL has been advised by its Australian counsel that, under current Australian law:

(a) subject to compliance with the requirements of the Australian Tax Act referred to above, payments of:

(i) principal;

(ii) interest;

(iii) amounts included in the extended definition of interest in section 128A; or

(iv) amounts that are deemed to be interest under section 128AA of the Australian Tax Act,

to a holder of a Covered Bond or Coupon issued by ANZBGL who is a non-resident of Australia and who, during the taxable year has not engaged in trade or business at or through a permanent establishment within Australia, will not be subject to Australian income tax;

(b) a holder of a Covered Bond or Coupon issued by ANZBGL who is a non-resident of Australia and who during the taxable year has not carried on business at or through a permanent establishment within Australia will not be subject to Australian income or capital gains tax on gains realised during that year on sale or redemption of such Covered Bonds, provided such gains do not have an Australian source. A gain arising on the sale of a Covered Bond or Coupon issued by ANZBGL by a non-Australian resident holder to another non-Australian resident where the Covered Bond or Coupon is sold outside Australia and all negotiations are conducted and all documentation is executed outside Australia would not be regarded as having an Australian source;

(c) Subdivision 12-FB of Schedule 1 to the *Taxation Administration Act 1953* of Australia imposes a withholding obligation in respect of certain payments, to be prescribed by regulation, that are made to non-residents of Australia.

The Act expressly provides that the regulations will not apply to interest and other payments which are already subject to the current interest withholding tax rules or specifically exempt from those rules. Further, regulations may only be made if the responsible Minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. ANZBGL has been advised by its Australian counsel that they do not expect the regulations to apply to repayments of principal under the Covered Bonds, as such amounts are not generally income or gains. The possible application of any regulations to the proceeds of any sale of the Covered Bonds will need to be monitored.

(d) the Covered Bonds issued by ANZBGL will not be subject to death, estate or succession duties imposed by Australia or by any political subdivision or authority therein having power to tax, if held at the time of death; and

(e) no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue of the Covered Bonds by ANZBGL or the transfer of the Covered Bonds issued by ANZBGL.

Taxation of Financial Arrangements

The Australian Government has enacted a regime for the taxation of financial arrangements (referred to as TOFA) which can affect the taxation of financial instruments such as Covered Bonds. ANZBGL has elected for the TOFA regime to apply to certain financial arrangements, such as the Covered Bonds. The TOFA regime does not contain any measures that would override the exemption from Australian interest withholding tax available under section 128F of the Australian Tax Act in respect of interest payable on the Covered Bonds.

Income Tax Consolidation

ANZBGL is the head company of a consolidated tax group for the purposes of Australian income tax. This means that ANZBGL determines its income tax liability on the basis that its subsidiary members are taken to be a part of ANZBGL. Each subsidiary member has entered into a Tax Sharing Deed which has the effect, in the event of a default by ANZBGL in the payment of a relevant tax liability, of allocating to that subsidiary member its reasonable allocation of that liability. The Trust will be a subsidiary member of ANZBGL and the Covered Bond Guarantor has acceded to the Tax Sharing Deed. ANZBGL and the Covered Bond Guarantor have been advised that a nil amount is a reasonable allocation of any income tax liability incurred by ANZBGL. This conclusion does not change due to the introduction of the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016. As the Trust is wholly-owned by ANZBGL it is not considered that the Trust will be an entity to which this legislation would apply.

GST Grouping

ANZBGL is the representative member of a GST group for the purposes of Australian GST (or, if relevant, luxury car tax). This means that ANZBGL is liable for the GST on taxable supplies made by the members of the GST Group and entitled to the input tax credits for any acquisitions made by GST Group members. The difference between those two amounts is known as the GST Group's "net amount". All members of the GST Group are jointly and severally liable for the GST Group's net amount, unless the relevant liability is covered by a valid indirect tax sharing agreement. A valid indirect tax sharing agreement is required, among other things, to contain a way of working out a reasonable allocation of the GST Group's liability between the group members. Where there is such a reasonable allocation under a valid indirect tax sharing agreement, the liability of each GST Group member for the relevant period is limited to the amount of that reasonable allocation. ANZBGL and the Covered Bond Guarantor have entered into an indirect tax sharing agreement. ANZBGL and the Covered Bond Guarantor have been advised that a nil amount is a reasonable allocation to the Covered Bond Guarantor of the GST Group's GST (or, if relevant, luxury car tax liability).

United Kingdom Taxation

The comments below are of a general nature based on current United Kingdom law and practice. They relate only to the position of persons who are the absolute beneficial owners of their Covered Bonds and all payments made thereon. The comments relate only to withholding tax and do not deal with any other aspect of the United Kingdom taxation treatment that may be applicable to holders of Covered Bonds (including, for instance, income tax, capital gains tax and corporation tax). Prospective holders of Covered Bonds should note that the particular terms of issue of any Series of Covered Bonds as specified in the applicable Final Terms or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement, or in the case of N Covered Bonds, the applicable N Covered Bond Conditions may affect the tax treatment of that

and any other Series of Covered Bonds and should be treated with appropriate caution. The comments below do not deal with the tax consequences of any substitution of the relevant Issuer in accordance with Programme Condition 11 (Meetings of Covered Bondholders, Modification, Waiver and Substitution).

Any holders of Covered Bonds who are in doubt as to their tax position should consult their professional advisers. Holders of Covered Bonds who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of Covered Bonds are particularly advised to consult their professional advisers as to whether they are so liable (and, if so, under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Covered Bonds. In particular, holders of Covered Bonds should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Covered Bonds even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

UK withholding tax on UK source interest

Interest on the Covered Bonds may be paid by the Issuer without withholding or deduction for or on account of United Kingdom income tax except in circumstances where such interest has a United Kingdom source ("**UK Interest**"). Interest on the Covered Bonds may have a United Kingdom source where, for example, the Covered Bonds are issued by the Issuer acting through a branch in the United Kingdom or the interest is paid out of funds maintained in the United Kingdom. Covered Bonds which carry a right to UK Interest are referred to in this United Kingdom Taxation Section as "**UK Covered Bonds**".

UK Covered Bonds will constitute "quoted Eurobonds" provided that such securities carry a right to interest, and are and remain either:

(i) listed on a 'recognised stock exchange' (designated as such by Her Majesty's Revenue and Customs ("**HMRC**")), as defined in section 1005 Income Tax Act 2007. Securities will satisfy this requirement if they are admitted to trading on the relevant recognised stock exchange, and are (in the case of the United Kingdom) included in the "official UK list" (as that term is used in section 1005 Income Tax Act 2007) or (in a country outside the United Kingdom where there is a recognised stock exchange) are officially listed in accordance with provisions corresponding to those generally applicable in EEA states. In particular, securities admitted to trading on the London Stock Exchange and included in the "official UK list" should satisfy this requirement; or

(ii) admitted to trading on a multilateral trading facility operated by an appropriately regulated recognised stock exchange (all as prescribed in Section 987 Income Tax Act 2007).

Where the UK Covered Bonds are and continue to be quoted Eurobonds, payments of interest on the UK Covered Bonds may be made without withholding or deduction for or on account of United Kingdom income tax.

In addition to the exemption set out in the preceding paragraph, interest on the UK Covered Bonds may be paid without withholding or deduction for or on account of United Kingdom income tax if the Issuer is a "bank" for the purposes of section 878 Income Tax Act 2007 and so long as such payments are made by the Issuer in the ordinary course of its business. In accordance with the published practice of HMRC, such payments will be accepted as being made by the Issuer in the ordinary course of its business unless the characteristics of the transaction giving rise to the interest are primarily attributable to an intention to avoid United Kingdom tax.

In all cases falling outside the exemptions described above, interest on the UK Covered Bonds may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply. However this withholding will not apply where the relevant interest is paid on Covered Bonds with a maturity of less than one year from the date of issue and which are not issued under arrangements the effect of which is to render such Covered Bonds part of a borrowing with a total term of a year or more.

Payments by the Covered Bond Guarantor

If the Covered Bond Guarantor makes any payments in respect of interest on the UK Covered Bonds (or other amounts due under the UK Covered Bonds other than the repayment of amounts subscribed for such UK Covered Bonds) such payments may be subject to United Kingdom withholding tax at the basic rate (currently 20 per cent) subject to such relief as may be available under the provisions of any applicable double taxation treaty or any other exemption which may apply, but such payment by the Covered Bond Guarantor may not be eligible for all the exemptions described above in "*UK withholding tax on UK source interest*".

Other rules relating to United Kingdom withholding tax

The Covered Bonds may be issued at an issue price of less than 100 per cent of their principal amount. Any discount element on such Covered Bonds will not, under current United Kingdom practice, be treated as interest for United Kingdom withholding tax purposes. On that basis, discounts will not be subject to any United Kingdom withholding tax, pursuant to the provisions mentioned above in "UK withholding tax on UK source interest".

Where the Covered Bonds are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest with a United Kingdom source are subject to United Kingdom withholding tax as outlined above.

Where interest has been paid under deduction of United Kingdom income tax, Covered Bondholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

Foreign Account Tax Compliance Withholding

A 30% withholding tax may be imposed on certain payments to certain non-U.S. financial institutions that fail to comply with information collection and reporting requirements or certification requirements in respect of their direct and/or indirect shareholders and/or accountholders that are tax resident in the U.S. (including certain non-U.S. entities that are controlled by U.S. tax residents). The Covered Bonds should generally not be treated as accounts for these purposes, except as described below. In addition, the Issuer and the Covered Bond Guarantor may be required to withhold on a portion of any payment under any Covered Bond that is made to a non-U.S. financial institution that has not agreed to comply with these information reporting requirements or has been found to be non-compliant in its execution of the obligations by the U.S. Internal Revenue Service (the "**IRS**"). Covered Bondholders other than non-U.S. financial institutions may also be subject to information collection/reporting and withholding in certain circumstances as a result of the Covered Bond Guarantor's obligation to pay Guaranteed Amounts. Such withholding may be imposed at any point in a chain of payments if a payee fails to comply with U.S. information collection, reporting, certification and related requirements. Accordingly, Covered Bonds held through a non-compliant institution may be subject to withholding even if the Covered Bondholder otherwise would not be subject to withholding. However, under proposed U.S. Treasury regulations, such withholding will not apply to payments made before the date that is two years after the date on which final regulations defining the term "foreign passthru payment" are enacted. Moreover,

such withholding would only apply to bonds issued at least six months after the date on which final regulations defining the term "foreign passthru payment" are enacted.

While a Reporting Australian Financial Institution (as defined in the Australia-U.S. intergovernmental agreement) that complies with its obligations under the Australia-U.S. intergovernmental agreement will generally not be subject to FATCA withholding on amounts it receives, and will not generally be required to make FATCA withholding from payments it makes with respect to the Covered Bonds (other than in certain prescribed circumstances), FATCA withholding on counterparty or third party dealings may indirectly affect the Reporting Australian Financial Institution.

Prospective investors should consult their tax advisors and their banks or brokers regarding the possibility of this withholding.

Common Reporting Standard

The OECD Common Reporting Standard (CRS) requires certain financial institutions to report information regarding certain accounts (which may include the Covered Bonds) to their local tax authority and follow related account opening information collection and due diligence procedures. Covered Bondholders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement and relevant information exchange agreement may provide this information to other participating jurisdictions. The Australian Government has enacted legislation to give effect to the CRS.

SUBSCRIPTION AND SALE AND SELLING RESTRICTIONS

The Dealers have pursuant to a programme agreement (as the same may be amended and/or supplemented and/or restated from time to time, the "**Programme Agreement**") dated 14 November 2011 and amended and restated on 22 November 2012, 18 November 2013, 10 November 2014, 9 November 2015, 8 November 2016, 6 November 2017, 9 November 2018 and 13 November 2019 and amended on 14 May 2021, agreed with the Issuer and the Covered Bond Guarantor a basis upon which such Dealers or any of them may from time to time agree to purchase Covered Bonds. Any such agreement for any particular purchase by a Dealer will extend to those matters stated under *Form of the Covered Bonds and Terms and Conditions of the Covered Bonds* above. As at the date of this Prospectus, the Dealers are Australia and New Zealand Banking Group Limited, Barclays Capital Asia Limited, BNP Paribas, Citigroup Global Markets Limited, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, HSBC Continental Europe, J.P. Morgan Securities plc, Société Générale and UBS AG London Branch, but the Issuer may appoint other dealers from time to time in accordance with the Programme Agreement, which appointment may be for a specific issue or on an ongoing basis.

The Issuer may pay the Dealers commissions from time to time in connection with the sale of any Covered Bonds. In the Programme Agreement, the Issuer has agreed to reimburse and indemnify the Dealers for certain of their expenses and liabilities in connection with the establishment and any future updates of the Programme and the issue of Covered Bonds under the Programme. The Dealers are entitled to be released and discharged from their obligations in relation to any agreement to purchase Covered Bonds under the Programme Agreement in certain circumstances prior to payment to the Issuer.

In order to facilitate the offering of any Tranche of the Covered Bonds, certain persons participating in the offering of the Tranche may, in jurisdictions where such action is permitted, engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Covered Bonds during and after the offering of the Tranche. Specifically, such persons may over-allot or create a short position in the Covered Bonds for their own account by selling more Covered Bonds than have been sold to them by the Issuer. Such persons may also elect to cover any such short position by purchasing Covered Bonds in the open market. In addition, such persons may, in jurisdictions where such action is permitted, stabilise or maintain the price of the Covered Bonds by bidding for or purchasing Covered Bonds in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker dealers participating in the offering of the Covered Bonds are reclaimed if Covered Bonds previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Covered Bonds at a level above that which might otherwise prevail in the open market. However, stabilisation may not occur. The imposition of a penalty bid may also affect the price of the Covered Bonds to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilising or other transactions. Such transactions, if commenced, may cease at any time. Under UK laws and regulations stabilising activities may only be carried on by the stabilising manager and only for a period of 30 days following the Issue Date of the relevant Tranche of Covered Bonds. Such stabilisation activities may not be carried out in relation to Australian Registered Covered Bonds.

Transfer Restrictions

As a result of the following restrictions, purchasers of Covered Bonds in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Covered Bonds.

Each purchaser of Registered Covered Bonds (other than a person purchasing an interest in a Registered Global Covered Bond with a view to holding it in the form of an interest in the same Global Covered Bond) or person wishing to transfer an interest from one Registered Global Covered Bond to another or from global to definitive form or vice versa, will be deemed to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Regulation S are used herein as defined therein) that:

(i) is not a U.S. person or purchasing for the account or benefit of a U.S. person and is purchasing outside of the United States in an offshore transaction in compliance with Regulation S;

(ii) the Covered Bonds are being offered and sold in a transaction not requiring registration under the Securities Act or any U.S. State securities law, and that the Covered Bonds and the Covered Bond Guarantee have not been and will not be registered under the Securities Act or any applicable U.S. State securities laws and may not be offered, sold, pledged or otherwise transferred, directly or indirectly, except in compliance with the registration requirements of the Securities Act or any other applicable securities law or pursuant to an exemption therefrom or in any transaction not subject thereto;

(iii) the Covered Bonds will be represented by one or more Regulation S Global Covered Bonds; and

(iv) the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Covered Bonds as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make, and does make, the foregoing acknowledgements, representations and agreements on behalf of each such account.

This Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Covered Bonds outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Covered Bonds, in whole or in part, for any reason. This Prospectus does not constitute an offer to any person in the United States or to any U.S. person (as defined in Regulation S). Distribution of this Prospectus by any person to any U.S. person (as defined in Regulation S), to any other person within the United States or to those persons, if any, retained to advise such U.S. persons with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such persons, is prohibited.

Selling Restrictions

United States

Each Dealer has acknowledged, and each further Dealer appointed under the Programme Agreement will be required to acknowledge, that the Covered Bonds and the Covered Bond Guarantee have not been and will not be registered under the Securities Act and may not be offered or sold directly or indirectly within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or in transactions not subject to, the registration requirements of the Securities Act and in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Covered Bonds in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. Treasury regulations. Each Dealer has agreed that it

will not offer, sell or deliver a Covered Bond in bearer form within the United States or its possessions or to U.S. persons except as permitted by the Distribution Agreement. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and U.S. Treasury regulations thereunder.

In connection with any Covered Bond and the Covered Bond Guarantee, 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 or sell any such Covered Bond and the Covered Bond Guarantee within the United States or to, or for the account or benefit of, U.S. persons (a) as part of its distribution at any time or (b) otherwise until 40 days after the later of (i) the date on which the offering of Covered Bonds comprising any Tranche commenced to persons other than distributors (as defined in Rule 902 of Regulation S) in reliance on Regulation S and (ii) the date of issuance of such Covered Bonds ("**Distribution Compliance Period**"), as determined and certified by the relevant Dealer, in the case of a non-syndicated issue, or the Lead Manager, in the case of a syndicated issue and except in either case in accordance with Regulation S under 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 Covered Bond during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of such Covered Bond 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 later of (i) the date on which the offering of Covered Bonds comprising any Tranche commenced to persons other than distributors in relation on Regulation S and (ii) the date of issuance of such Covered Bonds, an offer or sale of any Covered Bond 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.

In respect of Bearer Covered Bonds where TEFRA D is specified in the applicable Final Terms (or in the case of Exempt Covered Bonds, the applicable Pricing Supplement) or the applicable Drawdown Prospectus:

(i) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code (the "**D Rules**"), each Dealer has (i) represented, warranted and agreed that it has not offered or sold, and agrees that during the restricted period it will not offer or sell, Bearer Covered Bonds to a person who is within the United States or its possessions or to a United States person, and (ii) represented, warranted and agreed that it has not delivered and agrees that it will not deliver within the United States or its possessions Bearer Covered Bonds that are sold during the restricted period;

(ii) each Dealer has represented, warranted and agreed that it has and that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bearer Covered Bonds are aware that such Bearer Covered Bonds may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

(iii) each Dealer which is a United States person has represented, warranted and agreed that it is acquiring Bearer Covered Bonds for purposes of resale in connection with their original issuance and that if it retains Bearer Covered Bonds for its own account, it will only do so in accordance with the requirements of the D Rules;

(iv) each Dealer has acknowledged that an offer or sale will be considered to be made in the United States or its possessions if it has an address within the United States or its possessions for the offeree or purchaser of a Covered Bond with respect to such offer or sale;

(v) with respect to each affiliate that acquires Bearer Covered Bonds from a Dealer for the purpose of offering or selling such Bearer Covered Bonds during the restricted period, such Dealer has repeated and confirmed the representations, warranties and agreements contained in (i), (ii), (iii), (iv) and (vi) on such affiliate's behalf; and

(vi) each Dealer has represented, warranted and agreed that it will obtain from any distributor (within the meaning of the D Rules) that purchases any Bearer Covered Bonds from it pursuant to a written contract with such Dealer (except a distributor that is one of its affiliates or is another Dealer), for the benefit of the Issuer and each other Dealer, the representations and warranties contained in and such distributor's agreement to comply with, the provisions of (i), (ii), (iii), (iv) and (v) of this paragraph insofar as they relate to the D Rules, as if such distributor were a Dealer hereunder.

Terms used in the above paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and the U.S. Treasury regulations thereunder (the "**Regulations**"), including the D Rules.

In respect of Bearer Covered Bonds where TEFRA C is specified in the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement) or the applicable Drawdown Prospectus, each Dealer has represented that it understands that under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(C) or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code (the "**C Rules**") such Bearer Covered Bonds must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer has represented, warranted and agreed that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such Bearer Covered Bonds within the United States or its possessions in connection with their original issuance. Further, each Dealer has represented, warranted and agreed in connection with the original issuance of such Bearer Covered Bonds that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if either the Dealer or such prospective purchaser is within the United States or its possessions or otherwise involve a U.S. office of the Dealer in the offer or sale of such Bearer Covered Bonds. Each Dealer has represented that it has not advertised or promoted and will not advertise or promote, directly or indirectly, any Covered Bond in bearer form from within the United States or its possessions or to prospective purchasers in the United States or its possessions. Terms used in this paragraph have the meanings given to them by the Code and the Regulations, including the C Rules.

The Issuer has represented, warranted and agreed that any resale or other transfer, or attempted resale or other transfer of Covered Bonds sold as part of a private placement in the United States made other than in compliance with the restrictions set out above shall not be recognised by the Issuer, the Covered Bond Guarantor or any Seller or any agent of the Issuer, the Covered Bond Guarantor or any Seller and shall be void.

Prohibition of Sales to EEA Retail Investors

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 Covered Bonds which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms, or in the case of Exempt Covered Bonds, the applicable Pricing Supplement, 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); or

(ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (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 Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds.

Prohibition of Sales to UK Retail Investors

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 Covered Bonds which are the subject of the offering contemplated by this Prospectus as completed by the Final Terms, or in the case of Exempt Covered Bonds, the applicable Pricing Supplement, in relation thereto to any retail investor in the UK. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA and the regulations made under 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 and the regulations made under 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 Covered Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Covered Bonds.

Other Regulatory Restrictions

The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) 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 Covered Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Covered Bond Guarantor, or, in the case of the Issuer, would not, if it were not an authorised person, apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Covered Bonds in, from or otherwise involving the United Kingdom; and

(c) in relation to any Covered Bonds which have a maturity of less than one year (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Covered Bonds other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses where the issue of the Covered Bonds would otherwise constitute a contravention of Section 19 of FSMA by the Issuer.

Australia

No prospectus or other disclosure document (as defined in the Australian Corporations Act) in relation to the Programme or any Covered Bonds (including this Prospectus) has been or will be lodged with or registered by the Australian Securities and Investments Commission or ASX Limited. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not (unless a supplement to this Prospectus otherwise provides):

(a) made or invited and will not make or invite, an offer of any Covered Bonds for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and

(b) distributed or published and will not distribute or publish any draft, preliminary or final form offering memorandum, advertisement or other offering material relating to the Covered Bonds in Australia,

unless:

(i) the minimum aggregate consideration payable by each offeree is at least A$500,000 (or its equivalent in an alternate currency) (disregarding money lent by the offeror or its associates) or the offer otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Australian Corporations Act and does not constitute an offer to a "retail client" as defined for the purposes of section 761G of the Australian Corporations Act; and

(ii) such action complies with all applicable laws, directives and regulations and does not require any document to be lodged with, or registered by, the Australian Securities and Investments Commission.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), by means of any document, any Covered Bonds (except for Covered Bonds which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32) of Hong Kong (the "**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 Covered Bonds, 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 Covered Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

The Covered Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**") and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Covered Bonds, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

France

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold and will not offer or sell directly or indirectly, any Covered Bonds to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus, the applicable Final Terms or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement, the applicable Drawdown Prospectus or any other offering material relating to the Covered Bonds, and that such offers, sales and distributions have been and will be made in France only in circumstances that do constitute an offer to the public exempted from the obligation to publish a prospectus pursuant to Articles L.411-2 and L.411-2-1 of the French Code Monétaire et Financier (CMF) and more particularly to (a) qualified investors (investisseurs qualifiés), as defined in and in accordance with Article L.411-2 1° of the CMF and article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) and/or (b) a restricted group of investors (cercle restreint d'investisseurs), other than qualified investors, provided that such investors are acting for their own account, in accordance with Articles L.411-2 1° and D.411-4 of the CMF and/or (c) investors who acquire Covered Bonds for a total consideration of at least EUR 100,000 (or its equivalent in another currency) per investor, for each separate offer in accordance with Article L. 411-2-1 2° of the CMF and Article 211-2 II of the Règlement general of the AMF (RG AMF) and/or (d) Covered Bonds whose nominal amount or equivalent amounts is at least EUR 100,000 (or its equivalent in another currency) in accordance with Article L. 411-2-1 3° of the CMF and Article 211-2 III of the RG AMF. Accordingly, the offer of Covered Bonds does not require a prospectus to be submitted to the Autorité des Marchés Financiers ("**AMF**") for its prior approval, and this Prospectus has not been approved by the AMF.

The direct or indirect resale of Covered Bonds which have been acquired in with respect to an offer to the public exempted from the obligation to publish a prospectus may be made only as provided by and in accordance with Articles L.411-2 and L. 411-2-1 of the CMF.

New Zealand

No action has been or will be taken by the Issuer, the Covered Bond Guarantor, or the Dealers which would permit a public or regulated offering of any of the Covered Bonds, or possession or distribution of any offering material in relation to the Covered Bonds, in New Zealand.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered and will not directly or indirectly offer, sell or deliver any Covered Bond and it will not distribute any prospectus or advertisement in relation to any offer of Covered Bonds, in New Zealand, other than to any or all of the following persons only:

(a) "wholesale investors" as that term is defined in clauses 3(2)(a), (c) and (d) of Schedule 1 to the Financial Markets Conduct Act 2013 of New Zealand (the "**FMC Act**"), being a person who is:

(i) an "investment business";

(ii) "large"; or

(iii) a "government agency",

in each case as defined in Schedule 1 to the FMC Act; and

(b) in other circumstances where there is no contravention of the FMC Act, provided that (without limiting paragraph (a) above) Covered Bonds may not be offered or transferred to any "eligible investors" (as defined in the FMC Act) or any person that meets the investment activity criteria in clause 38 of Schedule 1 to the FMC Act.

In addition, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, any Covered Bonds to persons whom it believes to be persons to whom any amounts payable on the Covered Bonds are or would be subject to New Zealand resident withholding tax, unless such persons certify that they have RWT exempt status (as defined in the Income Tax Act 2007(NZ)) in respect of, New Zealand resident withholding tax, and provide a New Zealand tax file number to such Dealer (in which event the Dealer shall provide details thereof to the Issuer or to a Paying Agent).

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that the Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Covered Bonds may not be circulated or distributed, nor may the Covered Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Covered Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person who is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

the securities or securities-based derivatives contracts (each as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Covered Bonds pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; or

(ii) where no consideration is or will be given for the transfer; or

(iii) where the transfer is by operation of law; or

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Covered Bonds or possesses or distributes this Prospectus, any Drawdown Prospectus or any Final Terms or any Pricing Supplement and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Covered Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, the Covered Bond Guarantor nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Covered Bond Guarantor or any of the Dealers has represented that Covered Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Each Dealer will, unless prohibited by applicable law, furnish to each person to whom they offer or sell Covered Bonds a copy of this Prospectus as then amended or supplemented or, unless delivery of this Prospectus is required by applicable law, inform each such person that a copy will be made available upon request. The Dealers are not authorised to give any information or to make any representation not contained in this Prospectus in connection with the offer and sale of Covered Bonds to which this Prospectus relates.

This Prospectus may be used by the Dealers for offers and sales related to market-making transactions in the Covered Bonds. Any or each of the Dealers may act as principal or agent in

these transactions. These sales will be made at prices relating to prevailing market prices at the time of sale. None of the Dealers has any obligation to make a market in the Covered Bonds and any market-making may be discontinued at any time without notice. The Dealers are participating in the initial distribution of the Covered Bonds.

GENERAL INFORMATION

Authorisation

The Issuer has obtained all necessary consents, approvals and authorisations in connection with the establishment, implementation and operation of the Programme and the issue and performance of Covered Bonds issued by it. The update of the Programme and the issue of the Covered Bonds by it thereunder were authorised by resolutions of the board of directors of the Issuer on 22-23 October 2002. The giving of the Covered Bond Guarantee has been duly authorised by the Covered Bond Guarantor.

Listing of Covered Bonds

The admission of the Programme to listing on the Official List of the FCA and to trading on the main market of the London Stock Exchange is expected to take effect on or about 18 May 2021. The price of the Covered Bonds on the price list of the London Stock Exchange will be expressed as a percentage of their principal amount (exclusive of accrued interest). Any Tranche of Covered Bonds intended to be admitted to trading on the main market of the London Stock Exchange will be so admitted to trading upon submission to the London Stock Exchange of the relevant Final Terms and any other information required by the London Stock Exchange, subject to the issue of the relevant Covered Bonds. Prior to admission to trading, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day in London after the day of the transaction.

However, Covered Bonds may be issued pursuant to the Programme which will not be admitted to listing, trading and/or quotation by the London Stock Exchange or any other listing authority, stock exchange and/or quotation system or which will be admitted to listing, trading and/or quotation by such listing authority, stock exchange and/or quotation system as the Issuer and the Relevant Dealer(s) may agree.

Documents Available

For the life of this Prospectus or whilst any Covered Bonds are outstanding, the following documents will be available (provided that the same has been made available to the Principal Paying Agent), during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the specified office of the Principal Paying Agent and the Issuer, upon prior written request and proof of holding to the satisfaction of the Principal Paying Agent:

(i) the constitutive documents of the Issuer and the Covered Bond Guarantor (which may also be viewed at the following website: https://www.anz.com/debtinvestors/centre/covered-bonds/programmes/anz-global-emtn/);

(ii) the Bond Trust Deed (which includes the Covered Bond Guarantee and the forms of the Global Covered Bonds, the Definitive Covered Bonds, the Coupons, the Receipts, the Talons and the N Covered Bonds) (which may also be viewed at the following website: https://www.anz.com/debtinvestors/centre/covered-bonds/programmes/anz-global-emtn/);

(iii) the Deed of Charge;

(iv) the Principal Agency Agreement;

(v) the Australian Agency Agreement;

(vi) any Final Terms or Pricing Supplement, as applicable, relating to Covered Bonds of the Issuer which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. (In the case of any Exempt Covered Bonds which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system and any N Covered Bond (including the N Covered Bond Conditions attached as Schedule 1 thereto and the Form of N Covered Bond Assignment Agreement attached as Schedule 2 thereto) copies of the relevant Pricing Supplement or the applicable N Covered Bond Conditions and N Covered Bond Agreement will only be available for inspection by the relevant Covered Bondholders);

(vii) a copy of this Prospectus, together with any supplement to this Prospectus or further Prospectus and any documents incorporated by reference;

(viii) copies of the audited annual consolidated financial statements (including the auditor's report thereon and notes thereto) in respect of the years ended 30 September 2020 and 2019 with respect to Australia and New Zealand Banking Group Limited (see "*Documents Incorporated by Reference*" above for further details); and

(ix) a copy of the audited annual financial statements (including the auditor's report thereon and notes thereto) in respect of the year ended 30 September 2020 and 30 September 2019 with respect to ANZ Residential Covered Bond Trust.

This Prospectus and the Final Terms for Covered Bonds that are listed on the Official List and admitted to trading on the Market will be published on the website of the Regulatory News Service operated by the London Stock Exchange at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html or the National Storage Mechanism at www.hemscott.com/nsm.do. Please note that websites and URLs referred to herein do not form part of this Prospectus.

Publication of information

Within two Business Days of the relevant Determination Date, the Trust Manager will publish each monthly report (which will include, *inter alia*, details on the characteristics of the Receivables in the New Receivable Portfolio) on the following website: http://www.anz.com, or such other website as agreed between the Servicer, the Seller and the Issuer detailing, among other things, compliance with the Asset Coverage Test. For the avoidance of doubt, this website and the contents thereof do not form part of this Prospectus.

Clearing Systems

The Bearer Covered Bonds to be issued under the Programme have been accepted for clearance through Euroclear and Clearstream (which are the entities in charge of keeping the records). The appropriate Common Code and the International Securities Identification Number ("**ISIN**") for each Tranche of Bearer Covered Bonds allocated by Euroclear and Clearstream and (where applicable) the identification number for any other relevant clearing system for each Series of Covered Bonds will be set out in the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement). The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream is 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg. The CUSIP and/or CINS numbers for each Tranche of Registered Covered Bonds, together with the relevant ISIN and Common Code, will be specified in the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement). If the Covered Bonds are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement).

Australian Registered Covered Bonds which are held in Austraclear will be registered in the name of Austraclear Limited. Payments through Austraclear may only be made in Australian Dollars.

Interests in Australian Registered Covered Bonds traded in Austraclear may be held in Euroclear and/or Clearstream. In these circumstances, entitlements in respect of holdings of interests in Australian Registered Covered Bonds in Euroclear would be held in Austraclear by a nominee of Euroclear (currently HSBC Custody Nominees (Australia) Limited), while entitlements in respect of holdings of interests in Australian Registered Covered Bonds in Clearstream would be held in Austraclear by a nominee of JPMorgan Chase Bank, N.A. as custodian for Clearstream.

Australian Registered Covered Bonds which are held in Euroclear and/or Clearstream and not registered in the name of Austraclear Limited will be registered in the name of a nominee for a common depositary for Euroclear and/or Clearstream, as the case may be. Australian Registered Covered Bonds which are held in any other Clearing System will be registered in the name of the nominee or depositary for that Clearing System. While those Australian Registered Covered Bonds remain in Austraclear:

(i) all payments and notices required of the Issuer, the Covered Bond Guarantor and the Trust Manager in relation to those Australian Registered Covered Bonds will be directed to Austraclear; and

(ii) all dealings and payments in relation to those Australian Registered Covered Bonds within Austraclear will be governed by the Austraclear Regulations.

If the Covered Bonds are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement).

N Covered Bonds will not be held through any clearing system.

Significant or Material Change

There has been no significant change in the financial position or in the financial performance of the Issuer or the ANZ Group since 31 March 2021 to the date of this Prospectus. There has been no material adverse change in the prospects of the Issuer since 30 September 2020.

There has been no significant change in the financial position or in the financial performance of the Covered Bond Guarantor or the Trust since 30 September 2020 to the date of this Prospectus. There has been no material adverse change in the prospects of the Covered Bond Guarantor or the Trust since 30 September 2020.

Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months before the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability or the financial position or profitability of ANZBGL and its subsidiaries taken as a whole, except as set out in Note 21 to ANZBGL's unaudited interim consolidated financial statements for the half-year ended 31 March 2021 and under the sections entitled "Other Contingent Liabilities" and "Contingent Assets" in Note 33 to the audited annual consolidated financial statements of the ANZ Group for the year ended 30 September 2020 which are incorporated by reference into this Prospectus.

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Covered Bond Guarantor or the Trust is aware)

during the 12 months before the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Covered Bond Guarantor or the Trust.

Independent Auditors

The financial statements of the ANZ Group and the Trust have been audited for the financial years ended 30 September 2019 and 2020 (in the case of the ANZ Group) and the financial year ended 30 September 2020 (in the case of the Trust) by KPMG of 727 Collins Street, Melbourne, Victoria 3000, Australia, independent auditors of the ANZ Group and the Trust for the respective periods indicated above and unqualified opinions have been reported thereon. KPMG has no material interest in the ANZ Group or the Trust.

The liability of KPMG in relation to the performance of their professional services to the ANZ Group including, without limitation, KPMG's audits of the ANZ Group's financial statements described under "Independent Auditors", is limited under the Institute of Chartered Accountants in Australia (NSW) Scheme approved by the New South Wales Professional Standards Council pursuant to the Professional Standards Act of 1994 (NSW), including the Treasury Legislation Amendment (Professional Standards) Act (the "**Accountants Scheme**"). The Accountants Scheme limits the civil liability of KPMG Australia to a maximum amount of A$75 million. The Accountants Scheme does not limit liability for breach of trust, fraud or dishonesty.

KPMG partners are members or affiliate members of The Institute of Chartered Accountants in Australia.

Post-issuance information

The Issuer does not intend to provide any post-issuance information in relation to any issue of Covered Bonds.

Legends

The following legend must appear on every form of Covered Bond, Receipt, Coupon or Talon.

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code."

Disclosure for U.S. tax purposes

Any Person (and each employee, representative, or other agent of such Person) may disclose to any and all Persons, without limitation of any kind, the United States federal income tax treatment and the United States federal income tax structure of the Covered Bond, Coupon or Talon and all materials of any kind (including opinions or other tax analyses) that are provided to such holder relating to such tax treatment and tax structure.

Legal Entity Identifier

The Legal Entity Identifier of the Issuer is JHE42UYNWWTJB8YTTU19.

GLOSSARY

"**€STR**" has the meaning given to it on page 52 of this Prospectus.

"**30% Interest-Only Benchmark**" has the meaning given to it on page 254 of this Prospectus.

"**10% Investor Loan Growth Benchmark**" has the meaning given to it on page 254 of this Prospectus.

"**ABN**" has the meaning given to it on page 364 of this Prospectus.

"**ACCC**" has the meaning given to it on page 80 of this Prospectus.

"**Account Bank**" means ANZBGL in its capacity as Account Bank pursuant to the Account Bank Agreement or such other account bank appointed pursuant to the Account Bank Agreement from time to time.

"**Account Bank Agreement**" means the account bank agreement entered into on the Programme Date between the Covered Bond Guarantor, ANZBGL, the Trust Manager, the Account Bank, the Calculation Manager and the Security Trustee (as amended from time to time).

"**Accountholders**" has the meaning given to it on page 119 of this Prospectus.

"**Accrued Income Adjustment**" means:

(a) in relation to a Receivable being sold by the Seller an amount equal to the sum of:

  (i) unless otherwise included in the definition of Purchase Price, accrued but uncapitalised interest in respect of the Collection Period ending on the Acquisition Cut-Off Date;

  (ii) accrued interest on the Purchase Price for the period from (and not including) the Acquisition Cut-Off Date to (but including) the Transfer Date; and

  (iii) any related capitalised fees from the Acquisition Cut-Off Date for the period from (and not including) the Acquisition Cut-Off Date to (but including) the Transfer Date; and

  (iv) accrued interest on the amount referred to in subparagraph (iii) for the period (and not including) the Acquisition Cut-Off Date to (but including) the Transfer Date;

(b) in relation to a Receivable being purchased by, extinguished in favour of or reconveyed to, the Seller an amount equal to:

  (i) accrued but uncapitalised interest in respect of the Collection Period ending on the Repurchase Cut-Off Date; less

  (ii) accrued interest as at the Repurchase Cut-Off Date in respect of any Deducted Amounts raised in the Collection Period ending on the Repurchase Cut-Off Date; plus

  (iii) accrued interest on the Repurchase Price for the period from (and including) the Repurchase Cut-Off Date to (but excluding) the Repurchase Date; plus

  (iv) capitalised and unpaid interest and fees that have been capitalised to the Current Principal Balance but not collected as at the Repurchase Cut-Off Date; plus

(v) accrued interest on the amount referred to in subparagraph (iv) for the period from (and including) the Repurchase Cut-Off Date to (but excluding) the Repurchase Date; plus

(vi) any capitalised fees from the Repurchase Cut-Off Date for the period from (and not including) the Repurchase Cut-Off Date to (but including) the Repurchase Date; plus accrued interest on the amount referred to in subparagraph (vi) for the period from (and not including) the Repurchase Cut-Off Date to (but including) the Repurchase Date.

"**Accrued Interest**" means in respect of a Receivable and a Cut-Off Date, the aggregate of all interest accrued but not yet due and payable on the Receivable from (but excluding) the Receivable Scheduled Payment Date immediately preceding the Cut-Off Date to (and including) the Cut-Off Date.

"**Acquisition Cut-Off Date**" means, in respect of a Receivable to be acquired by the Trustee, the date specified in the relevant notice as the date on which the Receivable is selected for acquisition with the actual transfer occurring on the Transfer Date.

"**Act**" has the meaning given to it on page 367 of this Prospectus.

"**Additional Business Centre**" means, in relation to a Series of Covered Bonds, the Additional Business Centre as specified in the applicable Final Terms.

"**ADIs**" has the meaning given to it on page 26 of this Prospectus.

"**Adjusted Aggregate Receivable Amount**" has the meaning given to it on page 312 of this prospectus.

"**Adjusted Required Redemption Amount**" means in relation to a Series of Covered Bonds:

(a) the Australian Dollar Equivalent of the Required Redemption Amount; plus or minus

(b) the Australian Dollar Equivalent of any swap termination amounts payable under the Covered Bond Swaps corresponding to the Series to or by the Covered Bond Guarantor; minus

(c) (where applicable) amounts standing to the credit of:

(i) the Pre-Maturity Ledger;

(ii) the GIC Account; and

(iii) the principal balance of any Substitution Assets and Authorised Investments

(excluding all amounts to be applied on the next following Trust Payment Date to repay higher ranking amounts in the Cashflow Allocation Methodology and those amounts that are required to repay any Series of Covered Bonds which mature prior to or on the same date as the relevant Series of Covered Bonds); plus or minus

(d) the Australian Dollar Equivalent of any swap termination amounts payable to or by the Covered Bond Guarantor under an Interest Rate Swap.

"**Administration Rules**" has the meaning given to it on page 53 of this Prospectus.

"**Adverse Rating Effect**" means an effect which either causes or contributes to a downgrading or withdrawal of the rating given to any Covered Bonds by a Designated Rating Agency.

"**AFCA**" has the meaning given to it on page 109 of this Prospectus.

"**Agency Agreement**" means the Principal Paying Agency Agreement and the Agency Services Agreement.

"**Agents**" means, each Paying Agent, each Registrar, the Exchange Agent and the Transfer Agent. "**Agent**" means each or any of them (as the context requires).

"**All Moneys Mortgage**" means a Mortgage or other Related Security that secures or purports to secure the repayment of Associated Debt as well as a Receivable.

"**Alternative Clearing System**" has the meaning given to it on page 113 of this Prospectus.

"**AML/CTF Act**" has the meaning given to it on page 241 of this Prospectus.

"**Amortisation Test**" has the meaning given to it on page 316 of this Prospectus.

"**Amortisation Test Aggregate Receivable Amount**" has the meaning given to on page 316 of this Prospectus.

"**Amortisation Test Current Principal Balance**" has the meaning given to it on page 317 of this Prospectus.

"**ANZBGL**" has the meaning given to it on page 11 of this Prospectus.

"**ANZSI**" has the meaning given to it on page 272 of this Prospectus.

"**ANZ Group**" means Australia and New Zealand Banking Group Limited (ABN 11 005 357 522) and its Subsidiaries.

"**ANZ Group's 2020 Annual Financial Statements**" means the audited consolidated financial statements of ANZBGL as of and for the financial year ended 30 September 2020.

"**ANZ New Zealand**" means ANZ Bank New Zealand Limited.

"**ANZ New Zealand Group**" has the meaning given to it on page 72 of this Prospectus.

"**ANZ Residential Covered Bond Trust**" means a special purpose trust established by the Notice of Creation of Trust on 31 October 2011 pursuant to the Trust Terms Deed.

"**applicable Drawdown Prospectus**" has the meaning given to it on page 146 of this Prospectus.

"**applicable Final Terms**" has the meaning given to it on page 146 of this Prospectus.

"**applicable Pricing Supplement**" has the meaning given to it on page 146 of this Prospectus.

"**APRA**" means the Australian Prudential Regulation Authority.

"**APRA Prudential Standards**" has the meaning given to it on page 240 of this Prospectus.

"**APS 111**" has the meaning given to it on page 76 of this Prospectus.

"**APS 121**" has the meaning given to it on page 29 of this Prospectus.

"**APS 210**" has the meaning given to it on page 242 of this Prospectus

"**APS 222**" has the meaning given to it on page 77 of this Prospectus.

"**ARRC**" has the meaning given to it on page 55 of this Prospectus

"**Arrears of Interest**" means, in respect of a Receivable and a Cut-Off Date, interest (other than interest that has been capitalised or interest that is Accrued Interest) on that Receivable which is currently due and payable and unpaid on that date.

"**ASIC**" means the Australian Securities and Investments Commission.

"**Asset**" means, in relation to a trust, the right, title and interest of the Trustee in the following (to the extent to which they relate to the Trust):

(a) Receivables and Related Securities;

(b) Authorised Investments;

(c) Substitution Assets;

(d) the rights of the Trustee in the Programme Documents and the Trust Accounts;

(e) the benefit of all representations, warranties, undertakings, covenants, indemnities and promises made by any party in favour of the Trustee under the Programme Documents; and

(f) amounts derived or accrued from any of the assets referred to in the preceding paragraphs of this definition.

"**Asset Coverage Reports**" means the monthly reports in a form agreed from time to time between the Trust Manager, the Covered Bond Guarantor and ANZBGL and each an Asset Coverage Report.

"**Asset Coverage Test**" has the meaning given to it on page 312 of this Prospectus.

"**Asset Coverage Test Breach Notice**" means the notice required to be served by the Bond Trustee on the Covered Bond Guarantor (copied to the Trust Manager) if the Asset Coverage Test is not satisfied on two consecutive Determination Dates.

"**Asset Monitor**" means KPMG or such replacement asset monitor appointed pursuant to the Asset Monitor Agreement from time to time.

"**Asset Monitor Agreement**" means the asset monitor agreement entered into on the Programme Date, between the Asset Monitor, the Covered Bond Guarantor, the Trust Manager, the Calculation Manager, the Issuer, the Bond Trustee and the Security Trustee (as amended from time to time).

"**Asset Monitor Report**" means the results of the tests conducted by the Asset Monitor in the form of Schedule 2 of the Asset Monitor Agreement to be delivered to the Calculation Manager, the Covered Bond Guarantor, the Trust Manager, the Issuer, the Bond Trustee and the Security Trustee in accordance with the Asset Monitor Agreement.

"**Asset Percentage**" has the meaning given to it on page 315 of this Prospectus.

"**Asset Percentage Adjusted Receivable Balance Amount**" has the meaning given to it on page 314 of this Prospectus.

"**Asset Selection Notice**" has the meaning given to it on page 288 of this Prospectus.

"**Associated Debt**" means, in respect of a Related Security, the indebtedness which a Debtor owes or may owe to the Seller from time to time and which:

(a) is not:

(i) a Purchased Receivable; or

(ii) transferable to the Covered Bond Guarantor pursuant to the terms of the Mortgage Sale Agreement; and

(b) the payment or repayment of which is secured by the Related Security.

"**ASX**" means the Australian Securities Exchange.

"**AT1"** has the meaning given to it on page 77 of this Prospectus.

"**Auditor**" means, as the context permits, each of:

(a) the person appointed as the auditor of the Trust under the Trust Terms Deed or the Supplemental Deed; and

(b) the auditor for the time being of the Issuer,

or, in the event of them being unable or unwilling promptly to carry out any action requested of them pursuant to the Programme Documents, such other firm of accountants as may be approved by the Bond Trustee and the Security Trustee for the purposes of the Programme Documents and each an "**Auditor**".

"**Audit Date**" has the meaning given to it on page 310 of this Prospectus.

"**AUSTRAC**" has the meaning given to it on page 81 of this Prospectus.

"**Austraclear**" means Austraclear Limited (ABN 94 002 060 773) or Austraclear Services Limited (ABN 28 003 284 419) (including, where applicable, the computer based system for holding Covered Bonds and recording and settling transactions in those Covered Bonds between members of that system maintained by Austraclear).

"**Austraclear Regulations**" has the meaning given to it on page 119 of this Prospectus.

"**Austraclear System**" means the settlement system operated by Austraclear Limited (ABN 94 002 060 773).

"**Australian Agency Agreement**" means the agreement entitled the ASX Austraclear Registry and IPA Services Agreement entered into on or about the Programme Date, between Austraclear Services Limited (ABN 28 003 284 419), the Issuer and others.

"**Australian Banking Act**" has the meaning given to it on page 17 of this Prospectus.

"**Australian Corporations Act**" has the meaning given to it in Programme Condition 2(c).

"**Australian dollars**", "**A$**", "**Australian $",** "**AUD**", "**AUD dollars**" and "**cents**" has the meaning given to it on page 8 of this Prospectus.

"**Australian Dollar Equivalent**" means in relation to an amount which is denominated in:

(a) a currency other than Australian Dollars, the Australian Dollar equivalent of such amount ascertained using the relevant Swap Rate; and

(b) Australian Dollars, the applicable amount in Australian Dollars.

"**Australian Paying Agent**" has the meaning given to it in the Programme Conditions.

"**Australian Register**" has the meaning given to it in the Programme Conditions.

"**Australian Registered Covered Bonds**" means those Registered Covered Bonds constituted pursuant to the Deed Poll and reflected by an entry in the Australian Register.

"**Australian Registrar**" has the meaning given to it in the Programme Conditions.

"**Australian Reserve Bank Act**" has the meaning given to it on page 17 of this Prospectus.

"**Australian Tax Act**" has the meaning given on page 361 of this Prospectus.

"**Authorised Investments**" means any of the following:

(a) an at call deposit held with an ADI and convertible into cash within two Local Business Days:

(b) a bank accepted bill or certificate of deposit that:

(i) matures within 100 days; and

(ii) is eligible for repurchase transactions with the Reserve Bank of Australia; and

(iii) was not issued by the Issuer;

(c) a bond, note, debenture or other instrument issued or guaranteed by the Commonwealth of Australia, a State or a Territory of Australia;

(d) a loan secured by a mortgage, charge or other security interest over residential property in Australia;

(e) a loan secured by a mortgage, charge or other security interest over commercial property in Australia;

(f) a mortgage insurance policy or other asset related to a loan covered by paragraph (d) or (e);

(g) a contractual right relating to the holding or management of another Authorised Investment; or

(h) a derivative held for one or more of the following purposes:

(i) to protect the value of another Authorised Investment;

(ii) to hedge risks in relation to another Authorised Investment;

(iii) to hedge risks in relation to liabilities secured by one or more Authorised Investments; or

(iv) an asset of a kind prescribed by the Covered Bond Legislation for the purposes of section 31 of the Australian Banking Act,

other than an asset of a kind prescribed by the Covered Bond Legislation as not being an asset for the purposes of section 31 of the Australian Banking Act.

"**Authorised Officer**" means, in respect of a Transaction Party, each director and secretary of that Transaction Party and any other person appointed by the Transaction Party to act as an authorised officer for the purposes of the Programme Documents and notified to the other parties and in the case of the Trustee or the Security Trustee (as the case may be), also includes any officer of the Trustee or the Security Trustee (as the case may be) who has the word "manager" or "counsel" in his or her title and in the case of the Trust Manager also includes a person whose title includes "Head", "Director", "Associate Director" or "Manager" and any

person who is a duly appointed and appropriately empowered attorney of the Trust Manager and notified to the other Transaction Parties.

"**Available Principal Receipts**" means on a Determination Date, an amount equal to the aggregate of (without double counting):

(a) the amount of Receivable Principal Receipts collected by the Servicer during the immediately preceding Collection Period and credited, or to be credited on the immediately following Trust Payment Date, to the Principal Ledger of the GIC Account;

(b) the proceeds from any sale of Receivable pursuant to the terms of the Supplemental Deed or the Mortgage Sale Agreement that are to be credited on the immediately following Trust Payment Date to the Principal Ledger on the GIC Account but excluding any amount of principal received or to be received on that date under the Swap Agreements;

(c) any other amount standing to the credit of the Principal Ledger as at the Determination Date (and, in the case of paragraph (ii), as at the Trust Payment Date immediately following the Determination Date) including:

(i) the proceeds of any Demand Loan Advance (where such proceeds have not been applied to acquire New Receivable Portfolios or to invest in Substitution Assets or Authorised Investments);

(ii) the proceeds of any Intercompany Loan Advance (where such proceeds have not been applied to acquire New Receivable Portfolios or to invest in Substitution Assets or Authorised Investments);

(iii) the proceeds from any sale of Receivable pursuant to the terms of the Supplemental Deed or the Mortgage Sale Agreement but excluding any amount of principal received under the Swap Agreements;

(iv) any Excess Proceeds; and

(v) any amount credited to the GIC Account under paragraph (j) of the Pre-acceleration Principal Allocation;

(d) the amount of any termination payment received from a Swap Provider which is not applied to acquire a replacement Swap for the relevant terminated Swap and the amount of any premium received from a replacement Swap Provider which is not applied to make a termination payment, in each case, received during the immediately preceding Collection Period; and

(e) following repayment of any Hard Bullet Covered Bonds, any amounts standing to the credit of the Pre-Maturity Ledger as at the Determination Date (unless such amounts are required to be retained in accordance with clause 10.9 of the Supplemental Deed),

but excluding

(f) Swap Collateral Excluded Amounts which shall be applied in accordance with the terms of the relevant Swap Agreements.

"**Available Revenue Receipts**" means on a Determination Date, an amount equal to the aggregate of:

(a) the amount of Receivable Revenue Receipts (net of fees already debited) collected by the Servicer during the immediately preceding Collection Period and credited, or to be

credited on the immediately following Trust Payment Date, to the Revenue Ledger of the GIC Account;

(b) other net income of the Covered Bond Guarantor received during the immediately preceding Collection Period, including all amounts of interest received on the Trust Accounts, the Substitution Assets and Authorised Investments and the amount paid to the Covered Bond Guarantor under the Servicing Deed;

(c) prior to the service on the Covered Bond Guarantor of a Notice to Pay (copied to the Trust Manager) or an Asset Coverage Test Breach Notice:

(i) amounts standing to the credit of the Reserve Fund as at the Determination Date in excess of the Reserve Fund Required Amount; and

(ii) where there is a Contingent Covered Bond Swap and paragraph (d) does not apply, amounts received by the Covered Bond Guarantor under an Interest Rate Swap, to the extent they are in the nature of interest and without double counting, amounts received by the Covered Bond Guarantor under any Interest Rate Swap Agreement or Current Covered Bond Swap;

(d) following the service on the Covered Bond Guarantor of a Notice to Pay (copied to the Trust Manager) or an Asset Coverage Test Breach Notice:

(i) amounts standing to the credit of the Reserve Fund as at the Determination Date; and

(ii) amounts received by the Covered Bond Guarantor, after application in accordance with the Supplemental Deed, under an Interest Rate Swap (other than in the nature of principal);

(e) any other revenue receipts not referred to in paragraphs (a) to (e) (inclusive) above received during previous Collection Periods and standing to the credit of the Revenue Ledger on the GIC Account,

but excluding

(f) Third Party Amounts, which shall be paid on receipt in cleared funds to the Seller; and

(g) Swap Collateral Excluded Amounts which shall be applied in accordance with the terms of the relevant Swap Agreements.

"**Bank Bill Rate**" means, in respect of any Interest Period, Demand Loan Interest Period or any other interest period for which this rate is required under a Programme Document:

(a) the rate (expressed as a percentage per annum and rounded up, if necessary, to the nearest four decimal places) for prime bank eligible securities having a tenor of 30 days which is designated as the "AVG MID" on the Reuters screen "BBSW" page (or its successor or replacement page ("**BBSW Reuters Page**")) at or about 10.15 am Melbourne time (or such other time at which such rate customarily appears on that page (the "**BBSW Publication Time**")) on the first day of that interest period; or

(b) if, by 10.30 a.m. Melbourne time (or such other time that is 15 minutes after the then prevailing BBSW Publication Time) on the first day of that interest period, such rate does not appear on the BBSW Reuters Page, the rate (expressed as a percentage per annum) determined in good faith by the Trust Manager at or around that time on that day, having regard, to the extent possible, to:

(i) the rates otherwise bid and offered at around 10.30 a.m. Melbourne time (or such other time that is 15 minutes after the then prevailing BBSW Publication Time) on that day for prime bank eligible securities having a tenor approximately equal to the relevant interest period; and

(ii) if bid and offer rates at or around 10.30 a.m. Melbourne time (or such other time that is 15 minutes after the then prevailing BBSW Publication Time) on that day for prime bank eligible securities having a tenor approximately equal to the relevant interest period are not otherwise available, the rates otherwise bid and offered at or around 10.30 a.m. Melbourne time (or such other time that is 15 minutes after the then prevailing BBSW Publication Time) on that day for funds having a tenor approximately equal to the relevant interest period,

provided that, if the first Interest Period, Demand Loan Interest Period, or other interest period is a period of more than 30 days, the Bank Bill Rate for that Interest Period will be calculated by the Trust Manager to be a linear interpolated rate for the relevant period.

"**Bank Rate**" has the meaning given to it on page 58 of this Prospectus

"**BBSW**" has the meaning given to it on page 51 of this Prospectus.

"**BBSW Covered Bond**" has the meaning given to it in the Programme Conditions.

"**BBSW Reuters Page**" has the meaning given to it in the Programme Conditions.

"**BCBS**" has the meaning given to it on page 73 of this Prospectus.

"**BDH**" has the meaning given to it on page 260 of this Prospectus.

"**BEAR**" has the meaning given to it on page 81 of this Prospectus.

"**Bearer Covered Bonds**" means Covered Bonds in bearer form and includes Bearer Global Covered Bonds and Bearer Definitive Covered Bonds.

"**Bearer Definitive Covered Bonds**" has the meaning given to it in the Programme Conditions.

"**Bearer Global Covered Bonds**" means together, the Temporary Bearer Global Covered Bond and the Permanent Bearer Global Covered Bond and "**Bearer Global Covered Bond**" means either one of them.

"**Benchmark**" has the meaning given to it on page 173 of this Prospectus.

"**Benchmarks Regulation**" has the meaning given to it on page 7 of this Prospectus.

"**Benchmark Replacement**" has the meaning given to it on page 173 of this Prospectus.

"**Benchmark Replacement Adjustment**" has the meaning given to it on page 175 of this Prospectus.

"**Benchmark Replacement Conforming Changes**" has the meaning given to it on page 175 of this Prospectus.

"**Benchmark Replacement Date**" has the meaning given to it on page 176 of this Prospectus.

"**Benchmark Transition Event**" has the meaning given to it on page 176 of this Prospectus.

"**BFGS**" has the meaning given to it on page 259 of this Prospectus.

"**BHC Act**" has the meaning given to it on page 270 of this Prospectus.

"**Bond Trust Deed**" means the trust deed entered into on the Programme Date and amended and supplemented on 22 November 2012 and as further amended and restated on 15 November 2013 and as further amended and supplemented on 10 November 2014 and as further amended and supplemented on 8 November 2016 and as further amended and supplemented on 9 November 2018 and as further amended and supplemented on 13 November 2019 and as further amended and supplemented on 14 May 2021, between, amongst others the Issuer, the Covered Bond Guarantor and the Bond Trustee.

"**Bond Trustee**" means DB Trustees (Hong Kong) Limited, in its capacity as bond trustee under the Bond Trust Deed together with any additional or replacement bond trustee appointed from time to time in accordance with the terms of the Bond Trust Deed.

"**BS11**" has the meaning given to it on page 82 of this Prospectus.

"**BS13**" has the meaning given to it on page 257 of this Prospectus.

"**BS2B**" means in relation has the meaning given to it on page 262262 of this Prospectus.

"**BS13 Thematic Review**" has the meaning given to it on page 257 of this Prospectus.

"**Business Day**" has the meaning given to it in Programme Condition 4(k) or in the case of an N Covered Bond, the meaning given to it in Condition 4.4 of the relevant N Covered Bond Conditions.

"**Business Day Convention**" has the meaning given to it in the Conditions.

"**Calculation Agent**" means in relation to all or any Series of the Covered Bonds, the person initially appointed as calculation agent in relation to such Covered Bonds by the Issuer and the Covered Bond Guarantor pursuant to the Principal Agency Agreement or such other person specified in the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement) or, if applicable, any successor or separately appointed calculation agent in relation to all or any Series of the Covered Bonds.

"**Calculation Amount**" has the meaning given to it in the Programme Conditions.

"**Calculation Manager**" means ANZBGL, in its capacity as calculation manager under the Supplemental Deed together with any replacement calculation manager appointed in accordance with clause 7.9 of the Supplemental Deed.

"**Calculation Manager Default**" means when the Calculation Manager defaults in the performance or observance of any of its covenants and obligations under the Supplemental Deed, which the Security Trustee considers (acting on the directions of the Voting Secured Creditors) the default to be materially prejudicial to the interests of the Covered Bondholders and such default continues unremedied for a period of 20 Business Days after the earlier of the Calculation Manager becoming aware of such default and receipt by the Calculation Manager of written notice from the Security Trustee requiring the same to be remedied; or an Insolvency Event occurs in respect of the Calculation Manager.

"**Calculation Period**" has the meaning given to it in the Programme Conditions.

"**Capital Notes**" has the meaning given to it on page 79 of this Prospectus.

"**Capital Requirements**"

"**Cashflow Allocation Methodology**" means the orders of priority for the allocation and distribution of amounts standing to the credit of the Trust Accounts in different circumstances and each a "**Cashflow Allocation Methodology**".

"**CCB**" has the meaning given to it on page 78 of this Prospectus.

"**CCCFA**" has the meaning given to it on page 258 of this Prospectus.

"**CCLA Act**" has the meaning given to it on page 82 of this Prospectus.

"**CCyB**" has the meaning given to it on page 78 of this Prospectus.

"**CET1**" has the meaning given to it on page 76 of this Prospectus.

"**CFTC**" has the meaning given to it on page 271 of this Prospectus.

"**CGCB**" has the meaning given to it on page 153 of this Prospectus.

"**Charge**" means the charge (if any) over the Assets granted to the Security Trustee by the Covered Bond Guarantor under the Deed of Charge for the benefit of the Secured Creditors in order to secure its obligations to the Secured Creditors.

"**Clearing System**" means either Clearstream, Austraclear, Euroclear or DTC, as the case may be.

"**Clearstream**" means Clearstream Banking S.A. a limited liability company organised under the laws of Luxembourg.

"**CLF**" has the meaning given to it on page 242 of this Prospectus.

"**C(WUMP)O**" has the meaning given to it on page 374 of this Prospectus.

"**Code**" means the United States Internal Revenue Code of 1986.

"**Collection Business Day**" means a day (excluding a Saturday, Sunday and any public holiday) on which banks are open for business in Melbourne, Australia.

"**Collection Period**" means, in relation to a Trust Payment Date, the period from (and including) the first day of the calendar month immediately preceding the related Determination Date up to (and including) the last day of the calendar month immediately preceding the related Determination Date. However, the first Collection Period commences on (but excludes) the first Acquisition Cut-Off Date and ends on the last day of the calendar month in which the related Transfer Date occurs. However, if the last day of the calendar month is not a Collection Business Day then the Collection Period will end on (and include) the next Collection Business Day. Any subsequent Collection Period will commence on (and include) the day after the end of the previous Collection Period.

"**Commerce Commission**" has the meaning given to it on page 263 of this Prospectus.

"**Common Depositary**" has the meaning given to it on page 116 of this Prospectus.

"**Common Safekeeper**" has the meaning given to it on page 116 of this Prospectus.

"**Compelled Rules**" has the meaning given to it on page 53 of this Prospectus.

"**Compounded Daily SOFR**" has the meaning given to it on page 161 of this Prospectus.

"**Compounded SOFR**" has the meaning given to it on page 177 of this Prospectus.

"**Conditions**" means the Programme Conditions (a form of which is set out in Schedule 1 of the Bond Trust Deed) as set out from page 144 of this Prospectus and the N Covered Bond Conditions, as applicable save that, in respect of the sections of this Prospectus entitled "*Terms*

and Conditions of the Covered Bonds", "*Form of Final Terms*" and *"Form of Pricing Supplement"*, "**Conditions**" means the Programme Conditions.

"**Consumer Credit Law**" means:

(a) the National Credit Code;

(b) the NCCP Act;

(c) the National Consumer Credit Protection (Transitional and Consequential Provisions) Act 2009 of Australia;

(d) the National Consumer Credit Protection (Fees) Act 2009 of Australia;

(e) any acts or other legislation enacted in connection with the National Credit Code or any of the acts set out in paragraphs (a) to (d) above and any regulations made under the National Credit Code or any of the acts set out in paragraphs (a) to (d) above;

(f) Division 2 of Part 2 of the Australian Securities and Investments Commission Act 2001 and regulations made for the purpose of that Division; and

(g) any other Commonwealth, State or Territory legislation that covers conduct relating to credit activities (as defined in the NCCP Act) (whether or not it also covers other conduct), but only in so far as it covers conduct relating to credit activities).

"**Contingent Covered Bond Swap**" means a forward-starting currency swap or interest rate transaction (or both) entered into between the Covered Bond Guarantor, the Trust Manager and a Covered Bond Swap Provider with respect to a Series of Covered Bonds.

"**Couponholders**" has the meaning given to it in the Programme Conditions.

"**Coupons**" has the meaning given to it in the Programme Conditions.

"**Covered Bond Guarantee**" has the meaning given to it on page 154 of this Prospectus.

"**Covered Bond Guarantee Acceleration Notice**" means, following the occurrence of a Covered Bond Guarantor Event of Default, a notice in writing given by the Bond Trustee to the Issuer and the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee), that each Covered Bond of each Series is and each Covered Bond of each Series shall as against the Issuer (if not already due and repayable against it following an Issuer Event of Default) and as against the Covered Bond Guarantor, thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in and in accordance with the Bond Trust Deed and thereafter the Charge shall become enforceable.

"**Covered Bond Guarantor**" means Perpetual Corporate Trust Limited, solely in its capacity as trustee of the Trust.

"**Covered Bond Guarantor Event of Default**" has the meaning given to it in Programme Condition 9(b) (*Covered Bond Guarantor Events of Default)*.

"**Covered Bond Legislation**" means Division 3A of the Australian Banking Act, any related provision of the Australian Banking Act and any regulation prescribed under them.

"**Covered Bond Paying Agent**" has the meaning given to it on page 145 of this Prospectus.

"**Covered Bond Swap**" means a Contingent Covered Bond Swap or Current Covered Bond Swap or both, as the context requires.

"**Covered Bond Swap Agreement**" means a Swap Agreement entered into governing one or more Covered Bond Swaps.

"**Covered Bond Swap Provider**" means the covered bond swap provider appointed from time to time under the Covered Bond Swaps together with any transferee or successor thereto.

"**Covered Bondholders**" means the holders for the time being of the Covered Bonds and for the avoidance of doubt, includes the N Covered Bondholders.

"**Covered Bonds**" means the covered bonds issued or to be issued pursuant to the Programme Agreement and any N Covered Bonds issued under the Programme and which are or are to be constituted under:

(a) the Bond Trust Deed, which covered bonds may be represented by a Global Covered Bond or any Definitive Covered Bond (including each N Covered Bond provided that the relevant N Covered Bondholder has entered into and delivered to the Issuer the related N Covered Bond Agreement or agreed to be bound by the terms of the related N Covered Bond Agreement by way of an N Covered Bond Assignment Agreement); or

(b) the Deed Poll which covered bonds will be represented in registered form,

and includes any replacements or a Covered Bond issued pursuant to Programme Condition 12 (*Replacement of Covered Bonds, Receipts, Coupons and Talons*) or Condition 10 (*replacement of the* Certificate) of the N Covered Bond Conditions (as applicable) and each a "**Covered Bond**".

"**Corresponding Tenor**" has the meaning given to it on page 177 of this Prospectus.

"**C Rules**" has the meaning given to it on page 372 of this Prospectus.

"**Crisis Management Act**" has the meaning given to it on page 28 of this Prospectus.

"**CRRF**" has the meaning given to it on page 261 of this Prospectus.

"**CRS**" has the meaning given to it on page 86 of this Prospectus.

"**Current Covered Bond Swap**" means a currency swap or interest rate transaction (or both) that is not a Contingent Covered Bond Swap that is entered into between the Covered Bond Guarantor, the Trust Manager and a Covered Bond Swap Provider with respect to a Series of Covered Bonds.

"**Current Principal Balance**" means in relation to any Purchased Receivable as at any given date, the principal balance of that Purchased Receivable to which the Seller applies the relevant interest rate and at which interest on that Purchased Receivable accrues interest and is the aggregate (but avoiding double counting) of:

(a) the original principal amount advanced to the relevant Debtor and any further amount advanced on or before any given date to the relevant Debtor under that Receivable secured or intended to be secured by the Related Security; and

(b) the amount (without double counting any amount under paragraph (a)) of any Redraws and Further Advances secured or purported to be secured by the Related Security; and

(c) any interest or expenses that have been capitalised,

less any repayment or payment of any of the foregoing made on or before the end of the Local Business Day immediately preceding that given date.

"**Cut-Off Date**" has the meaning given to it on page 432 of this Prospectus.

"**Day Count Fraction**" has the meaning given to it in the Programme Conditions and/or Condition 4.4 of the N Covered Bond Conditions (if applicable).

"**Dealer**" and "**Dealers**" have the meanings given to them on page 1 of this Prospectus.

"**Debtor**" means, in relation to a Purchased Receivable, the person who is obliged to make payments with respect to that Purchased Receivable, whether as a principal or secondary obligation (and in respect of a Receivable means the person who is the account debtor under that Receivable) and includes, where the context requires, any other person obligated to make payments with respect to that Purchased Receivable (including any mortgagor or guarantor).

"**Deducted Amounts**" means:

(a) any Further Advance or Redraw amounts not funded by the Trust, or

(b) any other amount as determined by the Trust Manager to be in the nature of being a Deducted Amount.

"**Deed of Adherence**" has the meaning given to it on page 329 of this Prospectus.

"**Deed of Charge**" means the deed with the words "Deed of Charge" and the name of the Trust in its title dated 31 October 2011 between the Trustee, the Trust Manager, the Security Trustee and the Bond Trustee (if any) and under which the Trustee creates an Encumbrance over the Assets of the Trust for the benefit of the Secured Creditors.

"**Deed Poll**" has the meaning given to it on page 144 of this Prospectus.

"**Defaulted Receivable**" means any Purchased Receivable which is more than three months in arrears.

"**Definitions Schedule**" means the ANZ residential covered bond trust definitions schedule entered into on 31 October 2011 between the Transaction Parties and as amended and restated by the Transaction Parties on 14 November 2011 as further amended on 27 June 2012 and as further amended and restated by the Transaction Parties on 15 November 2013, 8 November 2016 and 9 November 2018 (as further amended from time to time).

"**Definitive Covered Bond**" means a Bearer Definitive Covered Bond and/or, as the context may require, a Registered Definitive Covered Bond (or both).

"**Demand Loan**" means the aggregate principal amount of each Demand Loan Advance, as reduced by repayment under the Demand Loan Agreement.

"**Demand Loan Advances**" means advances made or to be made by the Demand Loan Provider to the Covered Bond Guarantor under the Demand Loan Facility and each a "Demand Loan Advance".

"**Demand Loan Agreement**" means the demand loan agreement entered into on the Programme Date between the Covered Bond Guarantor, the Trust Manager, the Demand Loan Provider, the Seller, the Calculation Manager and the Security Trustee.

"**Demand Loan Facility**" means the facility made available by ANZBGL as Demand Loan Provider to the Covered Bond Guarantor pursuant to the Demand Loan Agreement.

"**Demand Loan Provider**" means ANZBGL.

"**Demand Loan Repayment Assets**" has the meaning given to it on page 288 of this Prospectus.

"**Designated Account**" has the meaning given to it in Programme Condition 6(e) (*Payments in respect of Covered Bonds (other than Australian Registered Covered Bonds*)) and Condition 6 (*Payments*) of the N Covered Bond Conditions.

"**Designated Bank**" has the meaning given to it in the Programme Conditions.

"**Designated Maturity**" has the meaning given to it in the Programme Conditions.

"**Designated Rating Agencies**" has the meaning given to it on page 2 of this Prospectus.

"**Determination Date**" means each day which is two Business Days prior to a Trust Payment Date.

"**Disputes**" has the meaning given to it in the Programme Conditions.

"**Distribution Agreement**" means the agreement to be entered into by the Issuer, the Covered Bond Guarantor, the Trust Manager and certain dealer(s) to agree a basis upon which such dealer(s) or any of them may from time to time agree to purchase Covered Bonds in the manner described in the U.S. offering memorandum.

"**Distribution Compliance Period**" has the meaning given to it in Programme Condition 2(j) (*Definitions*).

"**D Rules**" has the meaning given to it on page 371 of this Prospectus.

"**Dodd-Frank** " has the meaning given to it on page 271 of this Prospectus.

"**Dollar LIBOR**" has the meaning given to it in the Programme Conditions.

"**Drawdown Prospectus**" has the meaning given to it on page 5 of this Prospectus.

"**D-SIBs**" has the meaning given to it on page 77 of this Prospectus.

"**DTC**" means The Depository Trust Company.

"**Due for Payment**": an amount is Due for Payment, following the delivery of a Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager):

(a) prior to the occurrence of a Covered Bond Guarantor Event of Default and the service of a Covered Bond Guarantee Acceleration Notice on the Issuer and the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee), on the later of:

  (i) the Original Due for Payment Date; and

  (ii) in relation to any Guaranteed Amounts in respect of the Final Redemption Amount payable on the Final Maturity Date for a Series of Covered Bonds only, the Extended Due for Payment Date, but only:

    (A) if in respect of the relevant Series of Covered Bonds the Covered Bond Guarantee is subject to an Extended Due for Payment Date pursuant to the terms of the applicable Final Terms or, in the case of Exempt Covered Bonds, the Pricing Supplement or, in the Case of N Covered Bonds, the applicable N Covered Bond Conditions; and

    (B) to the extent that the Covered Bond Guarantor having received a Notice to Pay (copied to the Trust Manager) no later than the date falling one

Business Day prior to the Extension Determination Date does not pay Guaranteed Amounts equal to the Final Redemption Amount in respect of such Series of Covered Bonds by the Extension Determination Date, as the Covered Bond Guarantor has insufficient moneys available under the Guarantee Allocations to pay such Guaranteed Amounts in full on the earlier of (a) the date which falls two Business Days after service of such Notice to Pay on the Covered Bond Guarantor (copied to the Trust Manager) or, if later, the Final Maturity Date (or, in each case, after the expiry of the grace period set out in Programme Condition 9(b)(i) (*Covered Bond Guarantor Events of Default*)) under the terms of the Covered Bond Guarantee or (b) the Extension Determination Date,

or if, in either case, such day is not a Business Day, on the next following Business Day. For the avoidance of doubt, Due for Payment does not refer to any earlier date upon which payment of any Guaranteed Amounts may become due under the guaranteed obligations, by reason of prepayment, acceleration of maturity, mandatory or optional redemption or otherwise; or

(b) following the occurrence of a Covered Bond Guarantor Event of Default, on the date on which a Covered Bond Guarantee Acceleration Notice is served on the Issuer and the Covered Bond Guarantor (copied to the Trust Manager and the Security Trustee).

"**Earliest Maturing Covered Bonds**" means at any time, the Series of the Covered Bonds (other than any Series which is fully collateralised by amounts standing to the credit of the GIC Account) that has or have the earliest Final Maturity Date as specified in the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement or in the case of N Covered Bonds, the applicable N Covered Bond Conditions) (ignoring any acceleration of amounts due under the Covered Bonds prior to the occurrence of a Covered Bond Guarantor Event of Default).

"**Early Redemption Amount**" in relation to a Series of Covered Bonds, means the early redemption amount determined in accordance with Programme Condition 5(f) (*Early Redemption Amounts*) and/or, in the case of an N Covered Bond, the meaning given in the relevant N Covered Bond Conditions (if applicable).

"**Early Repayment Charges**" means any charge or fee which a Debtor is required to pay in accordance with the Receivable Conditions applicable to a Receivable in the event that the Debtor repays all or part of the relevant Receivable before a specified date.

"**Effective Date**" has the meaning given to it in the Programme Conditions.

"**Eligible Bank**" means a Bank whose:

(a) short term, unsecured, unsubordinated and unguaranteed debt obligations have a rating equivalent to or higher than:

(i) in the case of Moody's, "P-1" or such other lower rating as Moody's may require in order to maintain the then current ratings of the Covered Bonds;

(ii) in the case of Fitch, F1 or such other lower rating as Fitch may require taking into account any backup, standby or guarantee arrangements with sufficiently highly rated banks in order to maintain the then current ratings of the Covered Bonds; and

(iii) an equivalent rating from another Designated Rating Agency and

(b) long term, unsecured, unsubordinated and unguaranteed debt obligations have a rating equivalent to or higher than A by Fitch or such other lower rating as Fitch may require taking into account any backup, standby or guarantee arrangements with sufficiently highly rated banks in order to maintain the then current ratings of the Covered Bonds.

"**Encumbrance**" means any:

(a) security for the payment of money or performance of obligations, including a mortgage, charge, lien, pledge, trust, power or title retention or flawed deposit arrangement; or

(b) security interest under the PPSA; or

(c) right, interest or arrangement which has the effect of giving another person a preference, priority or advantage over creditors including any right of set-off; or

(d) right that a person (other than the owner) has to remove something from land (known as a *profit à prendre*), easement, public right of way, restrictive or positive covenant, lease, or licence to use or occupy; or

(e) third party right or interest or any right arising as a consequence of the enforcement of a judgment,

or any agreement to create any of them or allow them to exist.

"**Established Rate**" has the meaning given to it in the Programme Conditions.

"**EU Benchmarks Regulation**" has the meaning given to it on page 7 of this Prospectus.

"**EU CRA Regulation**" has the meaning given to it on page 2 of this Prospectus.

"**EU Prospectus Regulation**" has the meaning given to it on page 6 of this Prospectus.

"**EURIBOR**" has the meaning given to it in the Programme Conditions.

"**euro**" and "**€**" has the meaning given to it on page 8 of this Prospectus.

"**Euroclear**" means Euroclear SA/NV.

"**Euro-Zone**" has the meaning given to it in the Programme Conditions.

"**Excess Proceeds**" has the meaning given to it on page 24 of this Prospectus.

"**Exchange Agent**" has the meaning given to it in the Programme Conditions.

"**Exchange Date**" has the meaning given to it on page 116 of this Prospectus.

"**Exchange Event**" has the meaning given to it on page 118 of this Prospectus.

"**Exchange Notice**" has the meaning given to it in the Programme Conditions.

"**Excluded Swap Termination Amount**" means in relation to a Swap Agreement, an amount equal to the amount of any termination payment due and payable (a) to the relevant Swap Provider as a result of a Swap Provider Default with respect to such Swap Provider or (b) to the relevant Swap Provider as a result of a Swap Provider Downgrade Event with respect to such Swap Provider.

"**Extendable Maturity Covered Bonds**" has the meaning given to it on page 56 of this Prospectus.

"**Extended Due for Payment Date**" has the meaning given to it in Programme Condition 5(a) (*Final redemption*) and/or in the applicable N Covered Bond Conditions (if applicable).

"**Extension Determination Date**" has the meaning given to it in Programme Condition 5(a) (*Final redemption*) and/or in Condition 6.2 (*Extension of Maturity*) in the N Covered Bond Conditions (if applicable).

"**Extraordinary Resolution**" means:

(a) where no Covered Bonds are outstanding, in relation to Voting Secured Creditors or a class of Voting Secured Creditors, a resolution passed by the Voting Secured Creditors in accordance with the provisions of the Security Trust Deed by:

  (i) a majority of not less than 75 per cent of the votes of such Voting Secured Creditors or class of Voting Secured Creditors capable of being cast on it; or

  (ii) a written resolution signed by all of such Voting Secured Creditors or class of Voting Secured Creditors; and

(b) where Covered Bonds are outstanding, in relation to the Covered Bondholders, a resolution of the Covered Bondholders passed as an extraordinary resolution under the terms of the Bond Trust Deed.

"**Face Value**" means, at any time:

(a) in respect of a Covered Bond in bearer form, the amount expressed to be its face value on the face of the Covered Bond; and

(b) in respect of a Covered Bond not in bearer form, the amount entered in the Register as its face value.

"**FAR"** has the meaning given to it on page 81 of this Prospectus.

"**FATCA**" means sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to section 1471(b) of the U.S. Internal Revenue Code of 1986, or any intergovernmental agreement between the United States and another jurisdiction facilitating the implementation of such sections of the U.S. Internal Revenue Code of 1986, including any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement.

"**FCA**" has the meaning given to it on page 1 of this Prospectus.

"**FDIC**" has the meaning given to it on page 270 of this Prospectus.

"**FHC**" has the meaning given to it on page 270 of this Prospectus.

"**FIEA**" has the meaning given to it on page 375 of this Prospectus.

"**FINRA**" has the meaning given to it on page 272 of this Prospectus.

"**Federal Reserve Bank of New York's Website**" has the meaning given to it on page 177 of this Prospectus.

"**FIs**" has the meaning given to it on page 86 of this Prospectus.

"**Final Maturity Date**" means, in relation to a Series of Covered Bonds, the Interest Payment Date specified as such in the applicable Final Terms or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement or, in the case of N Covered Bonds, the applicable N

Covered Bond Conditions on which such Series of Covered Bonds is required to be redeemed in accordance with Programme Condition 4 (*Interest and other Calculations*) and/or as defined in Condition 6.1 of the N Covered Bond Conditions.

"**Final Maturity Demand Loan Advance**" means a Demand Loan Advance under the Demand Loan Facility in an amount (determined by the Trust Manager) sufficient to enable the Covered Bond Guarantor to apply such Demand Loan Advance (after being swapped if necessary under the related Covered Bond Swap) to repay the applicable Term Advance in full in accordance with the Intercompany Loan Agreement requested by the Covered Bond Guarantor (acting on the directions of the Trust Manager) if on the Final Maturity Date of a Series of Covered Bonds, the aggregate of:

(a) the proceeds of the sale of Receivables by the Covered Bond Guarantor to the Seller on that date (after being swapped if necessary under the related Covered Bond Swap); and

(b) (subject to paragraph (g)(2) of the Pre-acceleration Principal Allocations) the Available Principal Receipts (if any); and

(c) the proceeds of any Term Advance available to be used in accordance with the Intercompany Loan Agreements,

are not sufficient to repay the Term Advance corresponding to such Series of Covered Bonds.

"**Final Redemption Amount**" means, in relation to a Series of Covered Bonds, the meaning given in the applicable Final Terms or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement or, in the case of N Covered Bonds, in the applicable N Covered Bond Conditions.

"**Final Report**" has the meaning given to it on page 252 of this Prospectus.

"**Financial Conduct Authority**" has the same meaning given to FCA on page 1 of this Prospectus.

"**Final Termination Date**" means the date declared by the Trustee on the direction of the Trust Manager, being a date by which the Trust Manager reasonably believes that the disposal of and distribution of the Assets of the Trust will be completed in accordance with the Supplemental Deed.

"**Final Terms**" means the final terms prepared in relation to each Series or Tranche of Covered Bonds issued under the Programme that are not Exempt Covered Bonds or N Covered Bonds (substantially in the form set out in this Prospectus) and giving details of that Series or Tranche and in relation to any particular Series or Tranche of Covered Bonds and which will constitute final terms for the purposes of the UK Prospectus Regulation.

"**Financial Year**" means, in respect of a Trust, a year ending on the 30th day of September in any year, or that part of such a year occurring at the commencement or termination of the Trust.

"**Fitch**" has the meaning given to it on page 2 of this Prospectus.

"**Fixed Income Register**" means the register kept by the Trust Manager pursuant to clause 5.1(v) of the Supplemental Deed which records (separately) each instrument of the type described in paragraphs (b) and (c) of section 31(1) of the Australian Banking Act and its relevant Face Value.

"**Fixed Rate Covered Bond**" has the meaning given to it in the Programme Conditions.

"**Floating Rate**" has the meaning given to it in the Programme Conditions.

"**Floating Rate Covered Bond**" has the meaning given to it in the Programme Conditions.

"**Floating Rate Option**" has the meaning given to it in the Programme Conditions.

"**Floating Rate Payer Spread**" has the meaning given to it in the applicable Covered Bond Swap Agreement.

"**FLP**" has the meaning given to it on page 260 of this Prospectus.

"**FMA**" has the meaning given to it on page 267 of this Prospectus.

"**FMCA**" has the meaning given to it on page 265 of this Prospectus.

"**FMRA Act**" has the meaning given to it on page 264 of this Prospectus.

"**Forward Starting Covered Bond Swap**" has the meaning given to it on page 324 of this Prospectus.

"**FRB**" has the meaning given to it on page 270 of this Prospectus.

"**FSI**" has the meaning given to it on page 73 of this Prospectus.

"**FSMA**" means the United Kingdom Financial Services and Markets Act 2000 as may be amended from time to time.

"**Further Advances**" means in relation to a Purchased Receivable, each advance of further money to the relevant Debtor following the making of the initial advance of monies in respect of such Purchased Receivable (Initial Advance) which is secured by the same Mortgage as the Initial Advance but does not include any Redraw.

"**General Insurance Policy**" means any insurance policy in force issued in respect of the property the subject of any Mortgage or Related Security in respect of a Receivable.

"**GIC Account**" means the account in the name of the Covered Bond Guarantor held with the Account Bank and maintained subject to the terms of the Account Bank Agreement and the Security Trust Deed or such additional or replacement account as may from time to time be in place pursuant to the terms of the Account Bank Agreement and the Security Trust Deed (or both).

"**Global Covered Bond**" has the meaning given to it in the Programme Conditions.

"**Governmental Agency**" means any government, whether federal, state, territorial or local and any minister, department, office, commission, delegate, instrumentality, agency, board, authority or organ thereof whether statutory or otherwise.

"**Group's Position**" has the meaning given to it on page 61 of this Prospectus.

"**GST**" has the meaning it has in the GST Act.

"**GST Act**" means the A New Tax System (Goods and Services Tax) Act 1999 of Australia.

"**Guarantee Allocations**" has the meaning given to it on page 186 of this Prospectus.

"**Guaranteed Amounts**" means (a) prior to the service of a Covered Bond Guarantee Acceleration Notice, with respect to any Original Due for Payment Date or, if applicable, any Extended Due for Payment Date, the sum of Scheduled Interest and Scheduled Principal, in each case, payable on that Original Due for Payment Date or, if applicable, any Extended Due for Payment Date, or (b) after service of a Covered Bond Guarantee Acceleration Notice, an amount equal to the relevant Early Redemption Amount as specified in the Programme

Conditions, the Final Terms or, in the case of an N Covered Bond, the relevant N Covered Bond Conditions (if applicable) plus all accrued and unpaid interest and all other amounts due and payable in respect of the Covered Bonds, including all Excluded Scheduled Interest Amounts (as that term is defined in the definition of Scheduled Interest; and all Excluded Scheduled Principal Amounts (as that term is defined in the definition of Scheduled Principal) (whenever the same arose).

"**Guarantor Information**" has the meaning given to it on page 3 of this Prospectus.

"**Hard Bullet Covered Bonds**" means a Series of Covered Bonds specified as such in the Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement) which is scheduled to be redeemed in full on the Final Maturity Date for such Covered Bonds and without any provision for scheduled redemption other than on the Final Maturity Date and each Series of N Covered Bonds.

"**HIBOR**" has the meaning given to it in the Programme Conditions.

"**HMRC**" has the meaning given to it on page 366 of this Prospectus.

"**Hong Kong**" has the meaning given to it on page 374 of this Prospectus.

"**Housing Loans**" means a loan under a loan agreement secured by a first Mortgage over residential Land.

"**HYEFU**" has the meaning given to it on page 261 of this Prospectus.

"**IBA**" has the meaning given to it on page 270 of this Prospectus.

"**Insurance Distribution Directive**" has the meaning given to it on page 5 of this Prospectus.

"**Indexed Valuation**" has the meaning given to it on page 316 of this Prospectus.

"**Indirect Tax Sharing Agreement**" has the meaning given to it on page 329 of this Prospectus.

"**Initial Advance**" has the meaning given to it in the definition of Further Advance.

"**Insolvency Event**" means, in relation to any body corporate, the happening of any of these events:

(a) an application (other than a frivolous or vexatious application or an application which is stayed within 15 Local Business Days) is made to a court or any order is made that the relevant body corporate be wound up other than for the purposes of a solvent reconstruction or amalgamation;

(b) an application is made to a court or an order appointing a liquidator or provisional liquidator in respect of the relevant body corporate, or one of them is appointed, whether or not under an order;

(c) a receiver, receiver and manager, liquidator, trustee or similar officer is appointed in respect of any part of the property of the relevant body corporate and such appointment is not revoked within 15 Local Business Days;

(d) an administrator is appointed to the relevant body corporate or any steps are taken for the appointment of an administrator to the relevant body corporate;

(e) the relevant body corporate commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or a composition with its creditors;

(f) the relevant body corporate is or states that it is unable to pay its debts as and when they fall due or is deemed unable to pay its debts under any applicable legislation (other than as a result of the failure to pay a debt or claim which is the subject of a good faith dispute); or

(g) anything analogous or having a substantially similar effect to any of the events specified above happens under the laws of any applicable jurisdiction.

"**Instalment Covered Bond**" means a Covered Bond whose redemption is specified as "instalment" in the applicable Final Terms (or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement).

"**Insurance Policies**" means, in respect of a Receivable, any policy of insurance in force in respect of a Receivable or its Related Security, including:

(a) any General Insurance Policy; and

(b) any Mortgage Insurance Policy,

and each an "**Insurance Policy**".

"**Intercompany Loan Agreement**" means the intercompany loan agreement dated the Programme Date, between the Intercompany Loan Provider, the Covered Bond Guarantor, the Trust Manager, the Seller, the Calculation Manager and the Security Trustee.

"**Intercompany Loan Drawdown Date**" means, in relation to a Term Advance, the date specified in the Intercompany Loan Drawdown Request for the making of the Term Advance, which must be a Business Day.

"**Intercompany Loan Drawdown Request**" means a request substantially in the form set out in the Intercompany Loan Agreement.

"**Intercompany Loan Provider**" means ANZBGL.

"**Interest Accrual Period**" has the meaning given to it in the Programme Conditions.

"**Interest Amount**" has the meaning given to it in the Programme Conditions and/or in the N Covered Bonds (if applicable).

"**Interest Commencement Date**" in relation to a Series of Covered Bonds has the meaning given to it in the applicable Final Terms or, in the case of Exempt Covered Bonds, the applicable Pricing Supplement or, in the case of N Covered Bonds, the applicable N Covered Bond Conditions.

"**Interest Determination Date**" has the meaning given to it in the Programme Conditions and/or Condition 4.5(b) (*Rate of Interest*) in the N Covered Bond Conditions.

"**Interest Payment Date**" has the meaning given to it in the Programme Conditions and/or Condition 4.2 or 4.5(a) (*Interest Payment Dates*) (as applicable) in the N Covered Bond Conditions.

"**Interest Period**" has the meaning given to it in Programme Condition 4(k) and/or Condition 4.4 or, to the extent applicable, Condition 4.5(g) of the applicable N Covered Bond Conditions.

"**Interest Rate Shortfall**" has the meaning given to it on page 301 of this Prospectus.

"**Interest Rate Shortfall Test**" has the meaning given to it on page 301 of this Prospectus.

"**Interest Rate Swap**" means an interest rate swap transaction entered into between the Covered Bond Guarantor, the Interest Rate Swap Provider and the Trust Manager.

"**Interest Rate Swap Agreement**" means any Swap Agreement dated on or about the date of the Programme Agreement governing an Interest Rate Swap and amended on 14 May 2021.

"**Interest Rate Swap Provider**" means ANZBGL in its capacity as interest rate swap provider under the Interest Rate Swap together with any successor thereto or replacement thereof.

"**Interpolated Benchmark**" has the meaning given to it on page 177 of this Prospectus.

"**Intra-period Determination Date**" has the meaning given to it on page 312 of this Prospectus.

"**Investor's Currency**" has the meaning given to it on page 114 of this Prospectus.

"**IRB ADIs**" has the meaning given to it on page 78 of this Prospectus.

"**IRB**" has the meaning given to it on page 244 of this Prospectus.

"**IRRBB**" has the meaning given to it on page 240 of this Prospectus.

"**IRS**" has the meaning given to it on page 367of this Prospectus.

"**ISIN**" has the meaning given to it on page 380 of this Prospectus.

"**ISDA**" means the International Swaps and Derivatives Association, Inc.

"**ISDA Definitions**" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Covered Bonds of the relevant Series or the date of issue of each Series of N Covered Bonds (as specified in the applicable Final Terms, the applicable Pricing Supplement or the applicable N Covered Bond Certificate) in each case as published by the International Swaps and Derivatives Association, Inc.).

"**ISDA Fallback Adjustment**" has the meaning given to it on page 177 of this Prospectus.

"**ISDA Fallback Rate**" has the meaning given to it on page 177 of this Prospectus.

"**ISDA Master Agreement**" means the 2002 ISDA master agreement, as published by ISDA.

"**ISDA Rate**" has the meaning given to it in Programme Condition 4(b)(ii).

"**Issue Date**" means, in relation to any Series or Tranche, the date on which such Series or Tranche has been issued or, if not yet issued, the date agreed between the Issuer and the Relevant Dealer or the Lead Manager, as the case may be, for the issue of such Series or Tranche.

"**Issue Price**" means, in relation to a Series or Tranche (as applicable) of Covered Bonds, the price, generally expressed as a percentage of the nominal amount of the Covered Bonds, at which the Covered Bonds will be issued and which is specified in the applicable Final Terms or the applicable Pricing Supplement or, in the case of N Covered Bonds, in a purchase agreement entered into by the initial N Covered Bondholder.

"**Issuer**" means ANZBGL.

"**Issuer Acceleration Notice**" has the meaning given to it in Programme Condition 9(a) (*Issuer Events of Default*).

"**Issuer Event of Default**" has the meaning given to it in Programme Condition 9(a) (*Issuer Events of Default*).

"**Land**" means:

(a) land (including tenements and hereditaments corporeal and incorporeal and every estate and interest in it whether vested or contingent, freehold or Crown leasehold, the terms of which lease is expressed to expire not earlier than five years after the maturity of the relevant Mortgage and whether at law or in equity) wherever situated and including any fixtures to land; and

(b) any parcel and any lot, common property and land comprising a parcel within the meaning of the Strata Schemes (Freehold Development) Act 1973 (New South Wales) or the Community Land Development Act 1989 (New South Wales) or any equivalent legislation in any other Australian jurisdiction.

"**Land Titles Office**" means, in relation to an Australian State or Territory, the office of the relevant government department responsible for maintaining the register of interests in Land.

"**Latest Valuation**" means, in relation to a Property, the value given to the Property by either:

(a) the most recent Valuation Report held by the Seller in respect of that Property; or

(b) if there is no Valuation Report, such valuation of that Property as determined by the Seller or the Servicer in accordance with the Servicing Procedures and using a methodology which would be acceptable to a Prudent Mortgage Lender.

"**LCR**" has the meaning given to it on page 242 of this Prospectus.

"**Lead Manager**" has the meaning given to it in the Programme Agreement.

"**Ledgers**" means each of the ledgers, including the Term Advances Ledger, Demand Loan Ledger, Principal Ledger, Revenue Ledger, Pre-Maturity Ledger, Reserve Ledger, Losses Ledger, Swap Collateral Ledger, Covered Bonds Ledger, Collection Period Interest Ledger and Residual Income Unitholder Ledger, each as described in and to be maintained in accordance with, the Supplemental Deed.

"**Leverage Ratio**" has the meaning given to it on page "**Leverage Ratio**" of this Prospectus.

"**Level 3**" has the meaning given to it on page 247 of this Prospectus.

"**Liabilities**" means:

(a) in relation to the Trust all liabilities of or referable to a Trust (including liabilities accrued but not yet paid and fees and expenses payable in accordance with clause 25 of the Trust Terms Deed) and any provision which the Trust Manager decides in consultation with the Auditor should be taken into account in determining the liabilities of the Trust; and

(b) in respect of any person generally, any losses, damages, costs, charges, awards, claims, demands, expenses, judgments, actions, proceedings or other liabilities whatsoever including properly incurred legal fees and penalties incurred by that person and "Liability" shall be construed accordingly.

"**LIBOR**" has the meaning given to it in the Programme Conditions.

"**LMI**" means Lenders Mortgage Insurance.

"**Local Business Day**" means any day (other than a Saturday, Sunday or public holiday) on which banks are open for business in Melbourne and Sydney.

"**London Stock Exchange**" has the meaning given to it on page 1 of this Prospectus.

"**Long Maturity Covered Bond**" has the definition given to it in Programme Condition 6(c).

"**Losses**" means the realised losses on the Purchased Receivables.

"**Losses Ledger**" means the ledger of that name to be maintained in accordance with the Supplemental Deed.

"**LSAP**" has the meaning given to it on page 259 of this Prospectus.

"**Luxembourg Registrar**" has the meaning given to it in the Programme Conditions.

"**LVR**" has the meaning given to it on page 254 of this Prospectus.

"**LVR Adjusted Receivable Amount**" has the meaning given to it on page 314 of this Prospectus.

"**main market of the London Stock Exchange**" has the meaning given to it on page 1 of this Prospectus.

"**Majority Secured Creditors**" means Secured Creditors whose Secured Money amount in aggregate to more than 66 per cent of the total Secured Money.

"**Margin**" has the meaning given to it in the applicable Final Terms or the applicable Pricing Supplement or, in the case of N Covered Bonds, the applicable N Covered Bond Conditions.

"**MAS**" has the meaning given to it on page 8 of this Prospectus.

"**Material Adverse Effect**" means an event which (as determined by the Trust Manager or the Trustee, as the context requires, or by the Trust Manager in any other case) will materially and adversely affect the amount of any payment to a Secured Creditor or the timing of any such payment.

"**Maximum Redemption Amount**" means in respect of a Series or Tranche of Covered Bonds, the amount (if any) specified in the applicable Final Terms or the applicable Pricing Supplement.

"**MiFID II**" has the meaning given to it on page 5 of this Prospectus.

"**Minimum Redemption Amount**" means in respect of a Series or Tranche of Covered Bonds, the amount (if any) specified in the applicable Final Terms or the applicable Pricing Supplement.

"**Moody's**" has the meaning given to it on page 2 of this Prospectus.

"**Mortgage**" means, in relation to a Receivable, each registered mortgage over Land and the improvements on it situated in any State or Territory of Australia and over any other asset, securing, amongst other things, payment of interest and the repayment of principal and all other moneys in respect of the Receivable notwithstanding that by its terms the mortgage may secure other liabilities to the Seller (in the case of a Receivable originated by a Seller) or to any other person (in the case of a Receivable originated by another person), as the case may be.

"**Mortgage Insurance Policies**" means primary mortgage insurance policies taken out with respect to any Receivables.

"**Mortgage Insurer**" means any mortgage insurer approved by the Trust Manager and acceptable to each Designated Rating Agency and notified to the Covered Bond Guarantor.

"**Mortgage Sale Agreement**" means the mortgage sale agreement dated on or about 14 November 2011, between, amongst others, the Seller, the Covered Bond Guarantor, the Trust Manager and the Security Trustee as amended on 9 November 2018 and on 14 May 2021.

"**NBDTs**" has the meaning given to it on page 266 of this Prospectus.

"**N Covered Bond**" means a Registered Covered Bond in definitive form made out in the name of a specified N Covered Bondholder (which will not be deposited in the Clearing Systems or listed on the London Stock Exchange) issued or to be issued by the Issuer in accordance with the Principal Agency Agreement and in accordance with and constituted by, the Bond Trust Deed in the form of a German "*Namensschuldverschreibung*" substantially in the form set out in schedule 5 to the Bond Trust Deed with such modifications (if any) as may be agreed between the Issuer, the Covered Bond Guarantor, the Bond Trustee, the N Covered Bond Paying Agent, the N Covered Bond Registrar and the relevant N Covered Bondholder and having the N Covered Bond Conditions applicable to it annexed thereto and subject to the provisions of the N Covered Bond Agreement relating thereto.

"**N Covered Bond Agreement**" means an agreement relating to an N Covered Bond incorporating, *inter alia*, certain provisions of the Bond Trust Deed and made between the initial N Covered Bondholder, the Issuer, the Covered Bond Guarantor and the Bond Trustee substantially in the form set out in schedule 5 of the Bond Trust Deed.

"**N Covered Bond Assignment Agreement**" means the assignment agreement attached to each N Covered Bond, substantially in the form set out in schedule 5 to the Bond Trust Deed.

"**N Covered Bond Certificate**" means the N covered bond certificate representing the N Covered Bond substantially in the form set out in schedule 5 to the Bond Trust Deed.

"**N Covered Bond Conditions**" means the terms and conditions of each N Covered Bond annexed thereto as set out in schedule 5 to the Bond Trust Deed, as modified and/or supplemented by the provisions of the relevant N Covered Bond Agreement.

"**N Covered Bond Paying Agent**" means Deutsche Bank AG or any other person from time to time appointed to perform the role of the paying agent in relation to any Series of N Covered Bonds under the Principal Agency Agreement, including any successor or additional paying agent, or, if so specified in the applicable N Covered Bond Conditions of a Series of N Covered Bonds, any other person appointed by the Issuer under a supplemental agency agreement to perform the duties of the paying agent in relation to such Series of N Covered Bonds.

"**N Covered Bond Register**" means the register of holders of the N Covered Bonds maintained by the N Covered Bond Registrar.

"**N Covered Bond Registrar**" means Deutsche Bank AG or any other person from time to time appointed to perform the role of the registrar in relation to any Series of N Covered Bonds under the Principal Agency Agreement, including any successor registrar, or, if so specified in the applicable N Covered Bond Conditions of a Series of N Covered Bonds, any other person appointed by the Issuer under a supplemental agency agreement to perform the duties of the registrar in relation to such Series of N Covered Bonds.

"**N Covered Bondholder**" means the registered holder of an N Covered Bond.

"**native title**" has the meaning given to it on page 350 of this Prospectus.

"**National Credit Code**" has the meaning given to it on page 354 of this Prospectus.

"**National Unfair Terms Regime**" has the meaning given to it on page 110 of this Prospectus.

"**Native Title Act**" has the meaning given to it on page 350 of this Prospectus.

"**NCCP Act**" has the meaning given to it on page 109 of this Prospectus.

"**Negative Carry Factor**" has the meaning given in the formula component "Z" in the definition of Adjusted Aggregate Receivable Amount.

"**Net Required Redemption Amount**" means the Australian Dollar Equivalent of the amount calculated as follows:

(a) the sum of the following for each Series of Covered Bonds then outstanding

$$A\,x\left(1+\left(B\,x\,\frac{C}{365}\right)\right)$$

then less

(b) Z,

where:

A = the Principal Amount Outstanding of the relevant Series of Covered Bonds;

B = the Negative Carry Factor;

C = days to maturity of the relevant Series of Covered Bonds; and

Z = the total amount standing to the credit of the GIC Account (including, for avoidance of doubt, any amounts standing to the credit of the Pre-Maturity Ledger).

"**New Receivable Portfolio**" means a portfolio of New Receivables (other than any New Receivables included in such portfolio which have been redeemed in full prior to the relevant Transfer Date in respect of such portfolio), particulars of which are set out in, or attached to, a New Receivable Portfolio Notice and all right, title, interest and benefit of the Seller in and to the rights and assets set out in paragraphs (a) to (f) (inclusive) below:

(a) all sums of principal and interest (including, for the avoidance of doubt, all Arrears of Interest that are currently due and payable as at the Acquisition Cut-Off Date and all interest and expenses that have been capitalised) and any other sum due or to become due under or in respect of such New Receivables after the Acquisition Cut-Off Date (but excluding, for the avoidance of doubt, all Accrued Interest as at the Acquisition Cut-Off Date) in respect of such New Receivables and including, without limitation, the right to demand, sue for, recover and give receipts for all such principal, interest or other amounts, the right to sue on all covenants and undertakings made or expressed to be made in favour of the Seller under the applicable Receivable Conditions;

(b) the benefit of all other securities for such principal, interest and other sums payable (including without limitation any interest of the Seller in any life policy), any guarantee in respect of such New Receivables and any other collateral security for the repayment of the relevant Receivables secured by the Related Security;

(c) the right to exercise all the powers of the Seller in relation thereto subject to and in accordance with the relevant Receivable Conditions;

(d) all the estate, title and interest in the Properties in relation thereto vested in the Seller;

(e) to the extent they are assignable or capable of being put into trust, each certificate of title and Valuation Report and any right of action of the Seller against any solicitor, valuer or other person in connection with any report, valuation, opinion, certificate or other statement of fact or opinion given in connection with any such New Receivables, or any part thereof affecting the decision of the Seller to make or offer to make such Receivables or part thereof; and

(f) the benefit of certain Insurance Policies, in each case so far as they relate to such New Receivables comprised in that portfolio of New Receivables, including the right to receive the proceeds of all claims made or to be made by or on behalf of the Seller or to which the Seller is or may become entitled.

"**New Receivable Portfolio Sale Notice**" means a notice in the form set out in the Mortgage Sale Agreement served in accordance with the terms of the Mortgage Sale Agreement.

"**New Receivables**" means Receivables which the Seller may transfer to the Covered Bond Guarantor pursuant to the Mortgage Sale Agreement.

"**New York Branch**" has the meaning given to it on page 270 of this Prospectus.

"**NGCB**" has the meaning given to it on page 116 of this Prospectus

"**Non-Forward Starting Covered Bond Swap**" has the meaning given to it on page 324 of this Prospectus.

"**Notice of Creation of Trust**" means the notice dated 31 October 2011 executed by the Trustee and the Trust Manager and the Security Trustee in accordance with the Trust Terms Deed creating the Trust.

"**Notice to Pay**" has the meaning given to it on page 203 of this Prospectus.

"**NSFR**" has the meaning given to it on page 242 of this Prospectus.

"**NZX**" has the meaning given to it on page 223 of this Prospectus.

"**OAIC**" has the meaning given to it on page 241 of this Prospectus.

"**Observation Period**" has the meaning given to it on page 158 of this Prospectus.

"**OCC**" has the meaning given to it on page 270 of this Prospectus.

"**Official List**" has the meaning given to it on page 1 of this Prospectus.

"**Offshore Associate**" has the meaning given to it in the Programme Conditions.

"**Optional Redemption Amount**" has the meaning given to it in the Programme Conditions.

"**Optional Redemption Date**" has the meaning given to it in the Programme Conditions.

"**Original Due for Payment Date**" means the date on which the Scheduled Payment Date in respect of such Guaranteed Amount occurs or, if later, the day which is two Business Days following the date of service of a Notice to Pay on the Covered Bond Guarantor in respect of such Guaranteed Amounts or if the applicable Final Terms, Pricing Supplement or N Covered Bond Conditions specified that an Extended Due for Payment Date is applicable to the relevant Series of Covered Bonds, the Interest Payment Date falling on the Final Maturity Date as if such date had been the Extended Due for Payment Date.

"**OTC**" means "over-the-counter".

"**Outstanding**" or "**outstanding**" means, in relation to the Covered Bonds of all or any Series, all the Covered Bonds of such Series issued other than:

(a) those Covered Bonds which have been redeemed in full and cancelled pursuant to the Trust Presents or the Programme Conditions (or both) and/or, in the case of an N Covered Bond, the N Covered Bond Conditions;

(b) those Covered Bonds in respect of which the date (including, where applicable, any deferred date) for redemption in accordance with the Programme Conditions has occurred and the redemption monies (including all interest payable thereon) have been duly paid to the Bond Trustee or to the Principal Paying Agent or, as the case may be, the N Covered Bond Paying Agent in the manner provided in the Principal Agency Agreement (and where appropriate notice to that effect has been given to the relative Covered Bondholders in accordance with Programme Condition 14 (*Notices*) of the Conditions and/or Condition 13 (*Notices*) of the N Covered Bond Conditions and remain available for payment against presentation of the relevant Covered Bonds and/or Receipts and/or Coupons;

(c) those Covered Bonds which have been purchased and cancelled in accordance with Programme Conditions 5(h) (*Redemption and Purchase – Purchases*) and 5(i) (*Redemption and Purchase – Cancellation*) of the Conditions and any equivalent provision in the N Covered Bond Conditions;

(d) those Covered Bonds which have become void or in respect of which claims have become prescribed, in each case under Programme Condition 8 (*Prescription*) of the Conditions or Condition 8 (*Prescription*) of the N Covered Bond Conditions;

(e) those mutilated or defaced Covered Bonds which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Programme Condition 12 (*Replacement of Covered Bonds, Receipts, Coupons and Talons*) of the Programme Conditions or Condition 10 (*Replacement of the* Certificate) of the N Covered Bond Conditions;

(f) (for the purpose only of ascertaining the Principal Amount Outstanding of the Covered Bonds outstanding and without prejudice to the status for any other purpose of the relevant Covered Bonds) those Covered Bonds which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Programme Condition 12 (*Replacement of Covered Bonds, Receipts, Coupons and Talons*) and/or Condition 10 (*Replacement of the Certificate*) of the N Covered Bond Conditions; and

(g) any Global Covered Bond to the extent that it shall have been exchanged for Definitive Covered Bonds or another Global Covered Bond pursuant to its provisions, the provisions of the Trust Presents and the Principal Agency Agreement,

provided that for each of the following purposes, namely:

(h) the right to attend and vote at any meeting of the holders of the Covered Bonds of any Series, to give instruction or direction to the Bond Trustee and for the purposes of a resolution in writing as envisaged by paragraph 20 of Schedule 4 (Provisions of Meetings for Covered Bondholders) to the Bond Trust Deed;

(i) the determination of how many and which Covered Bonds of any Series are for the time being outstanding for the purposes of Clause 10 (*Proceedings, Action And Indemnification*) of the Bond Trust Deed, Programme Conditions 9 *(Events of Default and Enforcement*) and 11 (*Meetings of Covered Bondholders, Modification, Waiver*

and Substitution) of the Programme Conditions and paragraphs 2, 5, 6 and 9 of schedule 4 (*Provisions of Meetings for Covered Bondholders*) to the Bond Trust Deed;

(j) any discretion, power or authority (whether contained in the Trust Presents or vested by operation of law) which the Bond Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the holders of the Covered Bonds of any Series; and

(k) the determination by the Bond Trustee whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the holders of the Covered Bonds of any Series,

(A) those Covered Bonds of the relevant Series (if any) which are for the time being held by or on behalf of or for the benefit of the Issuer (for the avoidance of doubt, in its capacity as trustee of the Trust) or the Covered Bond Guarantor, any Subsidiary or holding company of any of them or any other Subsidiary of any such holding company, in each case as beneficial owner and (B) those N Covered Bonds held by an N Covered Bondholder who has not entered into and delivered to the Issuer the related N Covered Bond Agreement or agreed to be bound by the related N Covered Bond Agreement by way of an N Covered Bond Assignment Agreement, shall (unless and until ceasing to be so held) be deemed not to remain outstanding except in the case of the Issuer or the Covered Bond Guarantor, any Subsidiary or holding company of any of them or any other Subsidiary of any such holding company (each a "**Relevant Person**") holding, by itself or together with any other Relevant Person, all of the Covered Bonds then outstanding or, in respect of a Series of Covered Bonds holds all Covered Bond of such Series.

"**Overpayment**" means in respect of a Purchased Receivable, any additional amounts of Receivable Principal Receipts received above the regular Receivable Scheduled Payments due in respect of such Purchased Receivable, paid by the relevant Debtor which (a) is permitted by the terms of such Receivable or by agreement with the Debtor and (b) reduces the Current Principal Balance of such Purchased Receivable.

"**owners corporation**" has the meaning given to it on page 349 of this Prospectus.

"**Partial Portfolio**" has the meaning given to it on page 320 of this Prospectus.

"**Patriot Act**" has the meaning given to it on page 273 of this Prospectus.

"**Paying Agents**" means the Principal Paying Agents, the N Covered Bond Paying Agent and any other paying agent appointed pursuant to the Principal Agency Agreement.

"**Payment Business Day**" has the meaning given to it in the Programme Conditions and/or, in the case of an N Covered Bond, the meaning given to it in the relevant N Covered Bond Conditions (if applicable).

"**Permanent Bearer Global Covered Bond**" means a global bearer covered bond in the form or substantially in the form set out in Part 2 (Form of Permanent Bearer Global Covered Bond) of schedule 2 (Forms of Global and Definitive Covered Bonds, Receipts, Coupons and Talons) to the Bond Trust Deed together with the copy of the applicable Final Terms or applicable Pricing Supplement annexed thereto and with such modifications (if any) as may be agreed between the Issuer, the Principal Paying Agent, the Bond Trustee and the Relevant Dealer(s), comprising some or all of the Covered Bonds of the same Series, issued by the Issuer and the Relevant Dealer(s) relating to the Programme, the Principal Agency Agreement and the Trust Presents in exchange for the whole or part of any Temporary Bearer Global Covered Bond issued in respect of such Covered Bonds.

"**Permanent Global Covered Bond**" has the meaning given to it on page 116 of this Prospectus.

"**Post-enforcement Allocations**" has the meaning given to it on page 334 of this Prospectus.

"**Potential Covered Bond Guarantor Event of Default**" has the meaning given to it in the Programme Conditions.

"**Potential Issuer Event of Default**" has the meaning given to it in the Programme Conditions.

"**PPSA**" has the meaning given to it on page 107 of this Prospectus.

"**PPSA Start Date**" has the meaning given to it on page 111 of this Prospectus.

"**Pre-acceleration Allocations**" means the order of priority set out set out on page 334 of this Prospectus.

"**Pre-acceleration Principal Allocations**" means the order of priority set out in the Supplemental Deed, as summarised in "Cashflows—Pre-acceleration Allocations" in this Prospectus.

"**Pre-acceleration Revenue Allocations**" means the order of priority set out in the Supplemental Deed, as summarised in "Cashflows—Pre-acceleration Allocations" of this Prospectus.

"**Pre-Maturity Demand Loan Advance**" means, if on a Pre-Maturity Test Date there is a breach of the Pre-Maturity Test, the Demand Loan Advance the Trust Manager must direct the Covered Bond Guarantor in accordance with the Supplemental Deed to request under the Demand Loan Facility in an amount (determined by the Calculation Manager) necessary to rectify such breach of the Pre-Maturity Test.

"**Pre-Maturity Ledger**" means the ledger of that name to be maintained in accordance with the Supplemental Deed.

"**Pre-Maturity Test**" has the meaning given to it on page 331 of this Prospectus.

"**Pre-Maturity Test Date**" means each Local Business Day during the Pre-Maturity Test Period, on which the Trust Manager makes a determination of whether each Series of Hard Bullet Covered Bonds is in compliance with, the Pre-Maturity Test.

"**Pre-Maturity Test Period**" has the meaning given to it on page 331 of this Prospectus.

"**Pricing Supplement**" means the pricing supplement prepared in relation to each Series or Tranche of Exempt Covered Bonds issued under the Programme (substantially in the form set out in this Prospectus) and giving details of that Series or Tranche.

"**Principal Agency Agreement**" means the agency agreement dated the Programme Date (such agency agreement as amended and/or supplemented and/or restated from time to time) and made between, amongst others, the Issuer, the Covered Bond Guarantor, the Bond Trustee, the Principal Paying Agent, the N Covered Bond Paying Agent, the Registrar and the N Covered Bond Registrar.

"**Principal Amount Outstanding**" has the meaning given to it in Programme Condition 4(k).

"**Principal Financial Centre**" has the meaning given to it in the Programme Conditions.

"**Principal Ledger**" means the ledger of that name to be maintained in accordance with the Supplemental Deed.

"**Principal Paying Agent**" has the meaning given to it in the Programme Conditions.

"**Privacy Act**" has the meaning given to it on page 270 of this Prospectus.

"**Proceedings**" has the meaning given to it in the Programme Conditions.

"**Product Switch**" means a variation, from time to time, in the Receivable Conditions applicable to a Debtor's Receivable which means that the Receivable would no longer be a Qualifying Receivable and/or moving a Debtor to an alternative mortgage product, including a change in Product Type.

"**Product Type**" means a type of housing loan originated by the Seller.

"**Programme**" means the global covered bond programme established by ANZBGL under the Programme Documents.

"**Programme Agreement**" means the agreement entered into by the Issuer, the Covered Bond Guarantor, the Seller, the Arrangers and the Dealers to agree a basis upon which the Dealer(s) or any of them may from time to time agree to purchase Covered Bonds dated 14 November 2011 as amended and restated on 22 November 2012 and as further amended and restated on 18 November 2013 and as further amended and restated on 10 November 2014 and as further amended and restated on 9 November 2015 and as further amended and restated on 8 November 2016 and as further amended and restated on 6 November 2017 and as further amended and restated on 9 November 2018 and as further amended and restated on 13 November 2019 and as further amended on or around 14 May 2021.

"**Programme Conditions**" means the terms and conditions of the Covered Bonds (other than N Covered Bonds, except to the extent that the applicable N Covered Bond Conditions or N Covered Bond Agreement incorporates provisions of the Programme Conditions by reference) (as set out in schedule 1 of the Bond Trust Deed) as completed by the Final Terms or Pricing Supplement in relation to a particular Series or Tranche of Covered Bonds, as the same may be modified from time to time in accordance with the Bond Trust Deed.

"**Programme Date**" means 14 November 2011 or such other date as notified by the Issuer to the Transaction Parties.

"**Programme Documents**" means:

(a) Trust Terms Deed;

(b) Notice of Creation of Trust;

(c) Mortgage Sale Agreement (and any documents entered into (including but not limited to any document setting out particulars of each New Receivable Portfolio) pursuant to the Mortgage Sale Agreement);

(d) Servicing Deed;

(e) Asset Monitor Agreement;

(f) Intercompany Loan Agreement;

(g) Demand Loan Agreement;

(h) Supplemental Deed;

(i) any Interest Rate Swap Agreement;

(j) each Covered Bond Swap Agreement;

(k) Account Bank Agreement;

(l) Security Trust Deed (and any documents entered into pursuant to the Security Trust Deed);

(m) Deed of Charge;

(n) Bond Trust Deed;

(o) Deed Poll;

(p) Programme Agreement;

(q) Distribution Agreement;

(r) Principal Agency Agreement;

(s) each Subscription Agreement;

(t) each Seller's Power of Attorney;

(u) each Support Facility (if any);

(v) the Definitions Schedule; and

(w) each Final Terms, Pricing Supplement, Drawdown Prospectus, N Covered Bond Agreement and N Covered Bond Conditions (as applicable),

and each document, agreement or deed ancillary or supplemental to any of such documents or any document, agreement or deed specified by the Issuer, the Covered Bond Guarantor, the Bond Trustee and the Security Trustee as a Programme Document and each a Programme Document.

"**Programme Resolution**" has the meaning given to it in Programme Condition 11(a) (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*) and/or Condition 9(c) of the N Covered Bond Conditions (if applicable).

"**Property**" means Land which is subject to a Mortgage.

"**Property Index**" has the meaning given to it on page 316 of this Prospectus.

"**Property Price Indexed Valuation**" has the meaning given to it on page 316 of this Prospectus.

"**Prudent Mortgage Lender**" means a reasonably prudent residential mortgage lender lending to borrowers in Australia who generally satisfy the lending criteria of traditional sources of residential mortgage capital.

"**Purchase Price**" in relation to an Asset that is a Receivable means:

(a) in relation to a Receivable being sold by the Seller, the sum of:

(i) an amount equal to the sum of the Current Principal Balance on the Acquisition Cut-Off Date of the Receivable; and

(ii) unless otherwise to be included in the Accrued Income Adjustment, the accrued but uncapitalised interest in respect of the Collection Period ending on the Acquisition Cut-Off Date,

and in relation to an Asset that is not a Receivable, means:

(b) an amount equal to the Current Principal Balance on the Acquisition Cut-Off Date of the Asset minus capitalised and unpaid interest and fees.

"**Purchased Receivables**" means on any particular date, each Receivable comprised in a New Receivable Portfolio that has been sold to the Covered Bond Guarantor pursuant to the terms of the Mortgage Sale Agreement up to (and including) such date, after taking account of, among other things, amortisation of the Receivables and the addition and/or removal of Receivables to or from the portfolio of Purchased Receivables since the Programme Date.

"**Purchaser**" means the Seller or any third party to whom the Covered Bond Guarantor offers to sell Selected Receivables.

"**Put Notice**" has the meaning given to it in the Programme Conditions.

"**QIB**" has the meaning given to it in the Programme Conditions.

"**Qualifying Receivable**" has the meaning given to it on page 291 of this Prospectus.

"**Rate of Interest**" has the meaning given to it in the Programme Conditions and/or, in the case of an N Covered Bond, the meaning given to it in Condition 4 (*Interest*) of the relevant N Covered Bond Conditions (if applicable).

"**Rating Agency Notification**" means in respect of a planned or proposed event or action, the provision of written notice to each Designated Rating Agency at least 10 Business Days prior to the implementation of such planned or proposed event or action, or such shorter period ending upon each Designated Rating Agency confirming in writing receipt of such notice.

"**RBA**" has the meaning given to it on page 43 of this Prospectus.

"**RBNZ**" has the meaning given to it on page 67 of this Prospectus.

"**Receiptholders**" has the meaning given to it in the Programme Conditions.

"**Receipts**" has the meaning given to it in the Programme Conditions.

"**Receivable**" means the right, title and interest in, to and under any financial asset, including, without limitation, under:

(a) a Housing Loan or Commercial Property Loan; and

(b) Related Securities and other rights in respect of such an asset.

"**Receivable Conditions**" means all the terms and conditions applicable to a Receivable at any time.

"**Receivable Principal Receipts**" means any payment in respect of principal received from time to time in respect of any Purchased Receivable (including, without limitation whether as all or part of a Receivable Scheduled Payment by a Debtor on the relevant Purchased Receivable, on redemption (in whole or in part), on enforcement or on disposal of such Purchased Receivable or otherwise (including pursuant to any Insurance Policy)).

"**Receivables Register**" means a register of the Purchased Receivables of the Trust.

"**Receivable Repurchase Notice**" means the notice served upon the Seller (copied to the Trust Manager and the Security Trustee) by the Covered Bond Guarantor offering to accept the Repurchase Price from the Seller in respect of specified Receivables, as set out in the Mortgage Sale Agreement.

"**Receivable Revenue Receipts**" means, in respect of any Receivable, the aggregate of interest collections, fee collections, interest that has been set off that would have otherwise been part of aggregate interest collections, Accrued Income Adjustment on a repurchased Receivable less Accrued Income Adjustment on Purchased Receivables.

"**Receivable Scheduled Payment**" means in respect of a Receivable, the amount which the applicable Receivable Conditions require a Debtor to pay on a Receivable Scheduled Payment Date in respect of such Receivable.

"**Receivable Scheduled Payment Date**" means, in relation to any Receivable, the day on which interest is scheduled to be capitalised to the balance of the Receivable in accordance with the Receivable Conditions applicable to such Receivable.

"**Receiver**" means any person or persons appointed (and any additional person or persons appointed or substituted pursuant thereto) by the Security Trustee as a receiver, manager, or receiver and manager of the property charged or secured under the Security Trust Deed and the Deed of Charge.

"**Record Date**" has the meaning given to it in the Programme Conditions and/or, in the case of an N Covered Bond, the meaning given to it in Condition 5.1 (*Payments*) of the relevant N Covered Bond Conditions (if applicable).

"**Redeemed Covered Bonds**" has the meaning given to it in the Programme Conditions.

"**Redemption Amount**" has the meaning given to it in the Programme Conditions.

"**Redenomination Date**" has the meaning given to it in the Programme Conditions.

"**Redraw**" means, in respect of a Purchased Receivable, a re-advance by the Seller of some or all of the Overpayments that the relevant Debtor has paid on the Purchased Receivable.

"**Reference Banks**" means either:

(a) ANZBGL, the Commonwealth Bank of Australia, National Australia Bank Limited and Westpac Banking Corporation;

(b) other than in relation to N Covered Bonds, the institutions specified as such in the applicable Final Terms or Pricing Supplement or if none, four major banks selected by the Reference Banks Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Reference Rate specified in the applicable Final Terms or Pricing Supplement which, if the relevant Reference Rate is EURIBOR, shall be the Euro-Zone; or

(c) in relation to N Covered Bonds, has the meaning given to it in the applicable N Covered Bond Conditions,

as the context requires.

"**Reference Banks Agent**" has the meaning given to it on page 184 of this Prospectus.

"**Reference Rate**" means, in relation to a Series of Covered Bonds, the Reference Rate specified in the applicable Final Terms.

"**Reference Time**" has the meaning given to it on page 177 of this Prospectus.

"**Register**" means the register of holders of the Registered Covered Bonds maintained by the Registrar.

"**Registered Covered Bonds**" means Covered Bonds (excluding the N Covered Bonds) issued in registered form (being Registered Global Covered Bonds and/or Registered Definitive Covered Bonds, as the case may be).

"**Registered Definitive Covered Bond**" has the meaning given to it in the Programme Conditions and includes, for the avoidance of doubt, the N Covered Bonds.

"**Registered Global Covered Bond**" has the meaning given to it in the Programme Conditions.

"**Registered Holder**" has the meaning given to it on page 358 of this Prospectus.

"**Registrars**" has the meaning given to it in the Programme Conditions.

"**Regulation S**" means Regulation S under the Securities Act.

"**Regulation S Global Covered Bond**" has the meaning given to it on page 118 of this Prospectus.

"**Regulations**" has the meaning given to it on 339 of this Prospectus.

"**Reimbursement Demand Loan Advance**" means a Demand Loan Advance under the Demand Loan Facility in an amount (determined by the Trust Manager) necessary to pay the Purchase Price of the Further Advance or to reimburse the funding of the Redraw, if on any Trust Payment Date the Available Principal Receipts (if any) are not sufficient to pay to the Seller the Purchase Price of a Further Advance or to reimburse the Seller for funding a Redraw that the Covered Bond Guarantor has agreed may remain in the Purchased Receivables in accordance with the Mortgage Sale Agreement.

"**Related Entity**" of an entity means another entity which is related to the first within the meaning of section 50 of the Australian Corporations Act or is in any economic entity (as defined in any approved accounting standard) which contains the first.

"**Related Security**" means, in respect of a Receivable:

(a) any Mortgage;

(b) any:

  (i) Encumbrance (other than a Mortgage);

  (ii) guarantee, indemnity or other assurance; or

  (iii) asset,

  which, in either case, secures or otherwise provides for the repayment or payment of the amount owing under the Receivable; or

(c) any Mortgage Insurance Policy or other Insurance Policy (where it is not a Support Facility) (both present and future) in respect of the Receivable,

and with respect to any Related Security that constitutes an All Moneys Mortgage, the beneficial interest of the Covered Bond Guarantor in the Seller Trust declared in respect of that Mortgage.

"**Relevant Assets**" has the meaning given to it on page 288 of this Prospectus.

"**Relevant Covered Bonds**" has the meaning given to it on page 285 of this Prospectus.

"**Relevant Cut-Off Date**" has the meaning given to it on page 288 of this Prospectus.

"**Relevant Date**" has the meaning given to it in the Programme Conditions and/or, in the case of an N Covered Bond, the meaning given to it in Condition 7.1 (*Taxation*) of the relevant N Covered Bond Conditions (if applicable).

"**Relevant Dealers**" has the meaning given to it on page 129 of this Prospectus.

"**Relevant Financial Centre**" has the meaning given to it in the Programme Conditions.

"**Relevant Governmental Body**" has the meaning given to it on page 178 of this Prospectus.

"**Relevant Jurisdiction**" has the meaning given to it on page 63 of this Prospectus.

"**Relevant Receivables**" has the meaning given to it on page 288 of this Prospectus.

"**Relevant Screen Page**" has the meaning given to it in Programme Condition 4(m) and/or Condition 4.5(b) (*Rate of Interest*) of the N Covered Bond Conditions (if applicable).

"**Relevant Spread**" has the meaning given to it in the formula component "Z" in the definition of Adjusted Aggregate Receivable Amount, which forms part of the Asset Coverage Test summarised in "Summary of the Principal Documents—Supplemental Deed—Asset Coverage Test" of this Prospectus.

"**Relevant Time**" has the meaning given to it in the Programme Conditions.

"**relevant Trust Payment Period**" has the meaning given to it on page 301 of this Prospectus.

"**Representations and Warranties**" means the representations and warranties set out on page 294 of this Prospectus.

"**Representative Member**" has the meaning given to it on page 329 of this Prospectus.

"**Repurchase Cut-Off Date**" means, in respect of a Receivable to be repurchased by the Seller, the date specified in the relevant notice as the date on which the Receivable is selected for acquisition with the actual transfer occurring on the Repurchase Date.

"**Repurchase Date**" means the date of completion of a repurchase of a Receivable by the Seller from the Covered Bond Guarantor in accordance with the Mortgage Sale Agreement.

"**Repurchase Price**" means, in relation to an Asset being repurchased:

(a) in relation to an Asset that is a Receivable being repurchased by, extinguished in favour of or reconveyed to the Seller, an amount equal to:

  (i) the Current Principal Balance on the Repurchase Cut-Off Date of the Receivable; less

  (ii) capitalised and unpaid interest and fees that have been capitalised to the Current Principal Balance (but not collected) in respect of the Collection Period ending on the Repurchase Cut-Off Date; less

  (iii) an amount equal to the principal amount of any Deducted Amounts made in the Collection Period ending on the Repurchase Cut-Off Date; and

(b) in relation to an Asset that is not a Receivable, an amount equal to the Current Principal Balance on the Repurchase Cut-Off Date of the Asset minus capitalised and unpaid interest and fees.

"**Required Current Principal Balance Amount**" has the meaning given to it on page 319 of this Prospectus.

"**Required Redemption Amount**" means, in respect of a Series of Covered Bonds, the amount calculated in accordance with the following formula:

$$A x\left(1+\left(B x \frac{C}{365}\right)\right)$$

where,

A = the Principal Amount Outstanding of the relevant Series of Covered Bonds;

B = the Negative Carry Factor; and

C = days to maturity of the relevant Series of Covered Bonds.

"**Reserve Bank Act**" has the meaning given to it on page 255 of this Prospectus.

"**Reserve Fund**" means the reserve fund established by the Covered Bond Guarantor (or the Trust Manager on its behalf) in accordance with the Supplemental Deed.

"**Reserve Fund Required Amount**" has the meaning given to it on page 333 of this Prospectus.

"**Reserve Ledger**" means the ledger of that name to be maintained in accordance with the Supplemental Deed.

"**Reset Date**" has the meaning given to it in the Programme Conditions.

"**Residual Capital Unit**" means the unit or units identified as such in the Supplemental Deed.

"**Residual Capital Unitholder**" means ANZBGL.

"**Residual Income Unit**" means the unit or units identified as such in the Supplemental Deed.

"**Residual Income Unitholder**" means ANZBGL.

"**Revenue Ledger**" means the ledger of that name to be maintained in accordance with the Supplemental Deed.

"**RMO**" has the meaning given to it on page 267 of this Prospectus.

"**Royal Commission**" has the meaning given to it on page 251 of this Prospectus.

"**Rule 144A**" has the meaning given to it in the Programme Conditions.

"**Rule 144A Global Covered Bond**" has the meaning given to it in the Programme Conditions.

"**RWA**" has the meaning given to it on page 78 of this Prospectus.

"**S&P**" has the meaning given to it on page 2 of this Prospectus.

"**Scheduled Interest**" means an amount equal to the amount in respect of interest which would have been due and payable under the Covered Bonds on each Interest Payment Date as specified in Programme Condition 4 (*Interest and other Calculations*) or, in respect of N Covered Bonds, Condition 4.2 of the N Covered Bond Conditions (but excluding any additional amounts relating to prepayments, early redemption, broken funding indemnities, penalties, premiums, default interest or interest upon interest ("**Excluded Scheduled Interest Amounts**") payable by the Issuer following an Issuer Event of Default but including such amounts (whenever the same arose) following service of a Covered Bond Guarantee Acceleration Notice) as if the Covered Bonds had not become due and repayable prior to their Final Maturity Date or, if the Final Terms, Pricing Supplement or N Bond Conditions specified that an Extended Due for

Payment Date is applicable to the relevant Covered Bonds, as if the maturity date of the Covered Bonds had been the Extended Due for Payment Date (but taking into account any principal repaid in respect of such Covered Bonds or any Guaranteed Amounts paid in respect of such principal prior to the Extended Due for Payment Date), less any additional amounts the Issuer would be obliged to pay as a result of any gross-up in respect of any withholding or deduction made under the circumstances set out in Programme Condition 7 (*Taxation*) or Condition 7 (*Taxation*) of the N Covered Bond Conditions.

"**Scheduled Payment Date**" means in relation to payments under the Covered Bond Guarantee, each Interest Payment Date and if different the Final Maturity Date as if the Covered Bonds had not become due and repayable prior to their Final Maturity Date.

"**Scheduled Principal**" means an amount equal to the amount in respect of principal which would have been due and repayable under the Covered Bonds on each Interest Payment Date or the Final Maturity Date (as the case may be) as specified in Programme Condition 4 and Programme Condition 5 and Condition 4.2 and Condition 6.1 of the N Covered Bond Conditions (but excluding any additional amounts relating to prepayments, early redemption, broken funding indemnities, penalties, premiums or default interest ("**Excluded Scheduled Principal Amounts**") payable by the Issuer following an Issuer Event of Default but including such amounts (whenever the same arose) following service of a Covered Bond Guarantee Acceleration Notice) as if the Covered Bonds had not become due and repayable prior to their Final Maturity Date or, if the Final Terms, Pricing Supplement or N Covered Bond Conditions specify that an Extended Due for Payment Date is applicable to the relevant Covered Bonds, as if the maturity date of the Covered Bonds had been the Extended Due for Payment Date.

"**Secured Creditors**" means the Security Trustee (in its own capacity and on behalf of the other Secured Creditors), the Bond Trustee (in its own capacity and on behalf of the Covered Bondholders), the Covered Bondholders, the Receiptholders, the Couponholders, the Issuer, the Seller, the Servicer, the Intercompany Loan Provider, the Demand Loan Provider, the Account Bank, the Calculation Manager, the Swap Providers, the Trust Manager, the Agents, the Asset Monitor, any Support Facility Provider, the Trustee (for its own account) and any other person who becomes a Secured Creditor pursuant to the Security Trust Deed and each a Secured Creditor.

"**SEC**" has the meaning given to it on page 272 of this Prospectus.

"**Secured Money**" means all amounts (whether actual or contingent, present or future) which at any time for any reason or circumstance in connection with any Programme Document that relates to, or applies to, the Trust or the Deed of Charge or any transactions contemplated by any of them (insofar as such transactions relate to, or apply to, the Trust), whatsoever whether at law, in equity, under statute or otherwise:

(a) are payable, are owing but not currently payable, are contingently owing, or remain unpaid by the Covered Bond Guarantor to the Security Trustee on its own account or for the account of the Secured Creditors or to any Secured Creditor or to any Receiver;

(b) have been advanced or paid by the Security Trustee on its own account or for the account of the Secured Creditors or by any Secured Creditor:

  (i) at the express request of the Covered Bond Guarantor; and

  (ii) on behalf of the Covered Bond Guarantor;

(c) which the Security Trustee on its own account or for the account of the Secured Creditors or any Secured Creditor is liable to pay by reason of any act or omission of the Covered Bond Guarantor or has paid or advanced in the protection or maintenance

of the Secured Property or the Security and the charge created by the Deed of Charge following an act or omission by the Covered Bond Guarantor; or

(d) are reasonably foreseeable as likely, after that time, to fall within any of paragraphs (a), (b) or (c) above.

This definition applies:

(i) irrespective of the capacity in which the Covered Bond Guarantor, the Security Trustee or any Secured Creditor became entitled or is liable in respect of the amount concerned;

(ii) whether the Covered Bond Guarantor, the Security Trustee or any Secured Creditor is liable as principal debtor or surety or otherwise;

(iii) whether the Covered Bond Guarantor is liable alone or jointly, or jointly and severally with another person;

(iv) whether the Security Trustee or any Secured Creditor is the original obligee or an assignee or a transferee of the Secured Money and whether or not:

(A) the assignment or transfer took place before or after the delivery of the Deed of Charge; or

(B) the Covered Bond Guarantor consented to or was aware of the assignment or transfer; or

(C) the assigned or transferred obligation was secured; or

(v) whether the Security Trustee or any Secured Creditor is the original Security Trustee or an original Secured Creditor or an assignee or a transferee of the original Security Trustee or an original Secured Creditor and whether or not the Covered Bond Guarantor consented to or was aware of the assignment or transfer;

(vi) irrespective of the liquidation, insolvency or bankruptcy of any persons; or

(vii) irrespective of any limitation of liability applying to any person.

"**Secured Property**" means all future Assets of the Trust acquired after the date of the Deed of Charge by the Trustee on the terms of the Trust in accordance with the Trust Terms Deed and the Supplemental Deed.

"**Securities Act**" has the meaning given to it on page 153 of this Prospectus.

"**Security Trust**" means the trust known as ANZ Residential Covered Bonds Security Trust created by the Notice of Creation of Trust and which is regulated by the Security Trust Deed and the Deed of Charge and only if the context requires, each other Security Trust constituted under the Security Trust Deed.

"**Security Trustee**" means the person appointed from time to time to act as security trustee under the Security Trust Deed and the Deed of Charge.

"**Security Trust Deed**" means the Security Trust Deed dated 31 October 2011 between the Trustee, the Trust Manager, the Security Trustee and the Bond Trustee which relates or is purported to relate to one or more Trusts.

"**Selected Receivable Offer Notice**" means a notice substantially in the form provided for in the Mortgage Sale Agreement from the Covered Bond Guarantor served on the Seller offering to sell Selected Receivables to the Seller.

"**Selected Receivables**" means Receivables to be sold by the Covered Bond Guarantor pursuant to the terms of the Supplemental Deed having in aggregate the Required Current Principal Balance Amount.

"**Selection Date**" has the meaning given to it in the Programme Conditions.

"**Seller**" means ANZBGL in its capacity as seller pursuant to the Mortgage Sale Agreement.

"**Seller Receivable Repurchase Notice**" means the notice served on the Covered Bond Guarantor by the Seller offering to purchase certain Receivables specified in the notice, as set out in Schedule 5 to the Mortgage Sale Agreement.

"**Seller's Power of Attorney**" means the seller power of attorney granted by the Seller in favour of the Covered Bond Guarantor in substantially the form set out at Schedule 4 to the Mortgage Sale Agreement.

"**Seller Trust**" has the meaning given to it on page 295 of this Prospectus.

"**Seller Trust Account**" has the meaning given to it on page 328 of this Prospectus.

"**Seller Trust Property**" has the meaning given to it on page 295 of this Prospectus.

"**Senior Demand Loan Repayment Date**" has the meaning given to it on page 288 of this Prospectus.

"**Senior Portion Outstanding**" means, in respect of the Demand Loan Advances outstanding an amount equal to the lesser of:

(a) the amount determined by the Demand Loan Provider by notice in writing to the Trust Manager;

(b) the amount calculated at any time by the Calculation Manager (notice of which must be given to the Trustee and the Trust Manager) as SPO where:

SPO = X - Y where:

X = an amount equal to the aggregate principal amount outstanding under the Intercompany Loan Agreement and the Demand Loan Agreement;

Y = the greater of B and C where:

B = 103 per cent of Z where:

Z = the Australian Dollar Equivalent of Covered Bonds Outstanding; and

C = Z x (X - D)/A where:

D = the sum of B + C + D + E under and as defined in the Asset Coverage Test; and

A = A under and as defined in the Asset Coverage Test.

"**Series**" means (i) with respect to N Covered Bonds, each N Covered Bond made out in the name of a specific N Covered Bondholder and (ii) in any other case, a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are: expressed

to be consolidated and form a single series; and identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates or Issue Prices.

"**Series Reserved Matter**" has the meaning given to it in Programme Condition 11 (*Meetings of Covered Bondholders, Modification, Waiver and Substitution*).

"**Servicer**" means ANZBGL in its capacity as Servicer under the Servicing Deed or such other servicer appointed pursuant to the Servicing Deed from time to time.

"**Servicer Termination Event**" has the meaning given to on page 303 of this Prospectus.

"**Services**" means the services provided by the Servicer under the Servicing Deed.

"**Servicing Deed**" means the servicing deed dated 14 November 2011 between, amongst others, the Covered Bond Guarantor, the Trust Manager, the Servicer and the Security Trustee, as amended on 9 November 2018 and on 14 May 2021.

"**Servicing Procedures**" means the originating, lending and underwriting, administration, arrears and enforcement policies and procedures which are applied from time to time by the Seller to housing loans and the related security for their repayment which are beneficially owned solely by the Seller and which may be amended by the Seller from time to time.

"**SFA**" has the meaning given to it on page 7 of this Prospectus.

"**SIBOR**" has the meaning given to it in the Programme Conditions.

"**SOFR**" has the meaning given to it on page 163 of this Prospectus.

"**SOFR Determination Date**" has the meaning given to it on page 163 of this Prospectus.

"**SOFRi**" has the meaning given to it on page 162 of this Prospectus.

"**SOFR Reset Date**" has the meaning given to it on page 163 of this Prospectus.

"**SONIA**" has the meaning given to it on page 53 of this Prospectus.

"**Specified Country**" has the meaning given to it on page 363 of this Prospectus.

"**Specified Currency**" means subject to any applicable legal or regulatory restrictions, Australian Dollars, euro, Sterling, U.S. Dollars and such other currency or currencies as may be agreed from time to time by the Issuer, the Relevant Dealer(s), the Principal Paying Agent and the Bond Trustee and specified in the applicable Final Terms or Pricing Supplement or, in the case of N Covered Bonds the applicable N Covered Bond Conditions.

"**Specified Period**" has the meaning given to it in Programme Condition 4(m).

"**Specified Treaties**" has the meaning given to it on page 363 of this Prospectus.

"**Standardised Approach**" has the meaning given to it on page 244 of this Prospectus.

"**Statutory Conversion and Write-Off Provisions**" has the meaning given to it on page 243 of this Prospectus.

"**Sterling**" and "**£**" has the meaning given to it on page 8 of this Prospectus.

"**STIBOR**" has the meaning given to it in the Programme Conditions.

"**Subscription Agreement**" means each "Terms Agreement" entered into under (and defined in) the Distribution Agreement and each "Subscription Agreement" entered into under (and as defined in) the Programme Agreement.

"**Subsidiary**" has the meaning given in section 9 of the Australian Corporations Act.

"**Substitute Servicer**" has the meaning given to it on page 100 of this Prospectus.

"**Substitution Assets**" means:

(a) a bank accepted bill or certificate of deposit that:

(i) matures within 100 days of its issue; and

(ii) is eligible for repurchase transactions with the Reserve Bank of Australia; and

(iii) was issued by an Eligible Bank; and

(iv) was not issued by the Issuer; and

(b) a bond, note, debenture or other instrument issued or guaranteed by the Commonwealth of Australia; or

(c) a bond, note, debenture or other instrument issued or guaranteed by a State or Territory of Australia.

"**Supplemental Deed**" means the deed with those words in its title and referable to the Trust, which sets out the terms of the Trust and the relative rights and priorities of persons in respect of that Trust between (amongst other parties) the Trustee, the Trust Manager and the Security Trustee as such may be amended from time to time.

"**Supplementary Prospectus**" has the meaning given to it on page 15 of this Prospectus.

"**Support Facility Provider**" means a person who provides a Support Facility.

"**Support Facilities**" means the agreements or arrangements (including, without limitation, any Insurance Policy) entered into by the Trustee at the direction of the Trust Manager for the financial management, credit enhancement or liquidity support of the assets and liabilities of a Trust which are allocated to, entered into for the benefit of, or calculated by reference to a Trust and as identified in the Supplemental Deed, but not including the Hedging Arrangements.

"**Suspension Determination Period**" has the meaning given to it on page 163 of this Prospectus.

"**Swap Agreements**" means each agreement between the Covered Bond Guarantor, the Trust Manager and a Swap Provider governing Swaps entered into with such Swap Provider in the form of an ISDA Master Agreement, the schedule and any relevant Swap Agreement Credit Support Document and related confirmations and each a Swap Agreement.

"**Swap Agreement Credit Support Document**" has the meaning given to it on page 327 of this Prospectus.

"**Swap Collateral**" has the meaning given to it on page 327 of this Prospectus.

"**Swap Collateral Available Amounts**" means, at any time, the amount of Swap Collateral which under the terms of the relevant Swap Agreement may be applied at that time in satisfaction of the relevant Swap Provider's obligations to the Covered Bond Guarantor following termination of the Swap to the extent that such obligations relate to payments to be made in connection with the Pre-acceleration Allocations or the Guarantee Allocations.

"**Swap Collateral Cash Account**" has the meaning given to it on page 327 of this Prospectus.

"**Swap Collateral Excluded Amounts**" means at any time, the amount of Swap Collateral which may not be applied under the terms of the relevant Swap Agreement at that time in satisfaction of the relevant Swap Provider's obligations to the Covered Bond Guarantor, including Swap Collateral which is to be returned or paid to the relevant Swap Provider from time to time in accordance with the terms of the Swap Agreements and ultimately upon termination of the relevant Swap Agreement.

"**Swap Provider Default**" means, in relation to a Swap Agreement, the occurrence of an Event of Default (as defined in such Swap Agreement) where the relevant Swap Provider is the Defaulting Party (as defined in such Swap Agreement).

"**Swap Provider Downgrade Event**" means, in relation to a Swap Agreement, the occurrence of an Additional Termination Event (as defined in such Swap Agreement) following a failure by the Swap Provider to comply with the requirements of the ratings downgrade provisions set out in such Swap Agreement.

"**Swap Providers**" means the Interest Rate Swap Providers and the Covered Bond Swap Providers and each a Swap Provider.

"**Swap Rate**" means in relation to a Covered Bond or Series of Covered Bonds, the exchange rate specified in the Covered Bond Swap Agreement relating to such Covered Bond or Series of Covered Bonds or, if the Covered Bond Swap Agreement has terminated, the applicable spot rate.

"**Swaps**" means the Interest Rate Swaps and the Covered Bond Swaps.

"**Swap Transaction**" has the meaning given to it in the Programme Conditions.

"**Talons**" means, talons for further Coupons on interest-bearing Bearer Definitive Covered Bonds.

"**TARGET2 Business Day**" has the meaning given to it in the Programme Conditions.

"**TARGET2 System**" has the meaning given to it in the Programme Conditions and/or, in the case of an N Covered Bond, the meaning given to it in Condition 4.4 of the relevant N Covered Bond Conditions (if applicable).

"**Taxes**" has the meaning given to it in the Programme Conditions and/or, in the case of an N Covered Bond, the meaning given to it in Condition 7.1 (*Taxation*) of the relevant N Covered Bond Conditions (if applicable).

"**Tax Jurisdiction**" has the meaning given to it in the Programme Conditions and/or, in the case of an N Covered Bond, the meaning given to it in Condition 7.1 (*Taxation*) of the relevant N Covered Bond Conditions (if applicable).

"**Temporary Bearer Global Covered Bond**" has the meaning given to it on page 12 of this Prospectus.

"**Temporary Global Covered Bond**" has the meaning given to it on page 116 of this Prospectus.

"**Term Advance Notice**" means a term advance notice substantially in the form provided for in Schedule 2 to the Intercompany Loan Agreement.

"**Term Advances**" means advances made or to be made by the Intercompany Loan Provider to the Covered Bond Guarantor under the Intercompany Loan Agreement and each a Term Advance.

"**Term SOFR**" has the meaning given to it on page 109 of this Prospectus.

"**TFF**" has the meaning given to it on page 250 of this Prospectus.

"**TFN**" has the meaning given to it on page 364 of this Prospectus.

"**Third Party Amounts**" means each of:

(a) payments by a Debtor of any fees (including Early Repayment Charges) and other charges which are due to the Seller (but not, except to the extent included in paragraph (c) below, including interest payable on the Receivables);

(b) any amount received from a Debtor for the express purpose of payment being made to a third party for the provision of a service (including giving insurance cover) to any of that Debtor or the Seller or the Covered Bond Guarantor and

(c) in relation to the acquisition of a Receivable, the Accrued Interest for the Receivable as at the related Acquisition Cut-Off Date,

which amounts, if received by the Covered Bond Guarantor, may be paid daily from monies on deposit in the GIC Account.

"**TIBOR**" has the meaning given to it in the Programme Conditions.

"**Tier 1 Capital**" means tier 1 capital as defined by APRA from time to time.

"**Tier 2 Capital**" means tier 2 capital as defined by APRA from time to time.

"**Title Documents**" in respect of a Receivable means:

(a) the certificate or other indicia of title (if any) in respect of the Land the subject of the Mortgage;

(b) the original or duplicate of any Related Security documents;

(c) any valuation report obtained in connection with the Mortgage or any Related Security;

(d) any deed of priority or its equivalent in writing entered into in connection with the Mortgage or any Related Security;

(e) the Loan Agreement (if other than a Mortgage); and

(f) all other documents required to evidence the Seller's or the Trustee's interest in the Land the subject of the Mortgage and the Related Security,

and any amendment or replacement of the documents described in a sub-clause above and any such document which is entered into and under which rights arise, after any assignment of the relevant Receivable by the Seller to the Trustee.

"**Title Perfection Events**" has the meaning given to it on page 292 of this Prospectus.

"**Tranche**" means Covered Bonds (other than N Covered Bonds) which are identical in all respects (including as to listing).

"**Transaction Accounts**" means the GIC Account and such other accounts as may for the time being be in place with the prior consent of the Security Trustee and designated as such and Transaction Account shall denote any one of the Transaction Accounts.

"**Transaction Party**" means any person who is a party to a Programme Document and Transaction Parties means some or all of them.

"**Transfer Agent**" has the meaning given to it in the Programme Conditions.

"**Transfer Certificate**" has the meaning given to it in the Programme Conditions.

"**Transfer Date**" means the date on which the Seller, subject to the fulfilment of certain conditions, sells a New Receivable Portfolio to the Covered Bond Guarantor in accordance with the Mortgage Sale Agreement.

"**Treaty**" has the meaning given to it in the Programme Conditions.

"**Trust**" means the trust known as the "**ANZ Residential Covered Bond Trust**" and only if the context requires, each other Trust constituted under the Trust Terms Deed (other than a Seller Trust).

"**Trust Accounts**" means the GIC Account any other Transaction Account, the Seller Trust Account, the Swap Collateral Cash Account or any other currency transaction account maintained under the Account Bank Agreement.

"**Trust Manager**" means ANZ Capel Court Limited or any other person acting as the manager of the Trust and includes the Trustee when acting as the manager of the Trust.

"**Trust Manager Default**" occurs if:

(a) the Trust Manager fails to allocate amounts received in respect of the Receivables to the appropriate GIC Account or fails to instruct the Trustee to pay the amounts distributable to the Secured Creditors of a Trust within the time periods specified in a Programme Document and such failure is not remedied within 10 Business Days of notice delivered to the Trust Manager by the Trustee;

(b) an Insolvency Event occurs in respect of the Trust Manager;

(c) the Trust Manager fails to remedy a breach of its obligations under the Programme Documents (not being a breach referred to in the preceding paragraphs of this clause) within 10 Business Days of written notice from the Trustee where such breach would have a Material Adverse Effect (in the reasonable opinion of the Trustee);

(d) the Trust Manager loses, or fails to maintain any licence, permit or authorisation required by law to enter into and perform its material obligations under this deed or any Programme Document to which it is a party and the relevant licence, permit or authorisation is not reinstated within 30 days of notice delivered to the Trust Manager by the Trustee; or

(e) a representation or warranty made or repeated by the Trust Manager in a Programme Document proves to have been incorrect in any material respect when made or repeated and as a result, gives rise to an Adverse Rating Effect provided that no Trust Manager Default shall arise under this paragraph (e) unless:

(i) the Trustee first delivers a written notice to the Trust Manager in which:

(A) the Trustee establishes that there has been a breach which has caused actual loss;

(B) the Trustee specifies the reasons why it believes that an Adverse Rating Effect has occurred;

(C) the Trustee specifies the quantum of the claim; and

(D) the damages claimed represent no more than the loss incurred as a result of the breach; and

(ii) the Trust Manager does not either:

(A) pay the damages specified in the notice to the Trustee within 10 Business Days (or such longer period as the Trustee may agree) of receipt by the Trust Manager of the notice; or

(B) appoint an independent expert as agreed between the Trust Manager and the Trustee, or failing such agreement, as approved by the President of the Victorian Law Society, to determine the merits of the notice and abide by that decision, which shall be final and binding, within 10 Business Days (or such longer period as the Trustee may agree) of such decision being handed down.

"**Trust Manager Information**" has the meaning given to it on page 3 of this Prospectus.

"**Trust Payment Date**" means the 22nd day of each calendar month or, if such day is not a Local Business Day, the following Local Business Day.

"**Trust Payment Period**" means:

(a) the period from (and including) the first Transfer Date to (but excluding) the next Trust Payment Date;

(b) thereafter, the period from (and including) a Trust Payment Date to (but excluding) the next Trust Payment Date; and

(c) the period up to (and including) the Final Termination Date commencing (and including) on the Trust Payment Date immediately prior to the Final Termination Date.

"**Trust Presents**" means the Bond Trust Deed and the schedules thereto and any supplemental bond trust deed and schedules (if any), thereto, all as from time to time modified in accordance with the provisions therein contained.

"**Trust Terms Deed**" means the deed entitled "ANZ Covered Bond Trust Terms Deed" dated 31 October 2011 between the Trust Manager and the Trustee and as amended in so far as it applies to the Trust as set out in the Supplemental Deed.

"**Trustee**" means Perpetual Corporate Trust Limited solely in its capacity as trustee of the Trust or any other person acting as the trustee of the Trusts and includes the Trust Manager when acting as the trustee. Each reference to the Trustee (except where the reference is part of another defined term), is to be read as a reference to the Covered Bond Guarantor.

"**Trustee Default**" occurs if:

(a) an Insolvency Event occurs in respect of the Trustee in its personal capacity;

(b) the Trustee merges or consolidates with another entity without the consent of the Trust Manager, such consent not to be unreasonably withheld;

(c) there is a change in the effective control of the Trustee (other than a change which does not alter the status of the Trustee as a wholly owned subsidiary of Perpetual Limited ABN 86 000 431 827) which has not been approved by the Trust Manager, such approval not to be unreasonably withheld; or

(d) the Trustee breaches any material obligation or duty imposed on the Trustee under the Programme Documents and is not remedied within 10 Business Days of notice in writing from the Trust Manager requiring remedy.

"**UK Benchmarks Regulation**" has the meaning given to it on page 7 of this Prospectus.

"**UK CRA Regulation**" has the meaning given to it on page 2 of this Prospectus.

"**UK Covered Bonds**" has the meaning given to it on page 366 of this Prospectus.

"**UK Interest**" has the meaning given to it on page 366 of this Prospectus.

"**UK Financial Conduct Authority**" has the meaning given to it on page 1 of this Prospectus.

"**UK Prospectus Regulation**" has the meaning given to it on page 1 of this Prospectus.

"**Unadjusted Benchmark Replacement**" has the meaning given to it on page 178 of this Prospectus.

"**Unit**" means, in respect of a Trust, either a Residual Capital Unit or a Residual Income Unit issued in respect of that Trust.

"**United States**", "**US**", "**U.S.**" or "**USA**" means the United States of America.

"**Unitholder**" means, in respect of a Trust, either a Residual Capital Unitholder or a Residual Income Unitholder.

"**US Covered Bonds**" has the meaning given to it on page 13 of this Prospectus.

"**U.S. Dollar LIBOR**" has the meaning given to it on page 185 of this Prospectus.

"**U.S. Government Securities Business Day**" has the meaning given to it on page 164 of this Prospectus

"**U.S. Paying Agent**" means Deutsche Bank Trust Company Americas Limited or such other person identified in the Programme Conditions as the U.S. paying agent.

"**U.S. Registrar**" means Deutsche Bank Trust Company Americas Limited or such other person identified in the Programme Conditions as the U.S. registrar.

"**Valuation Report**" means the valuation report or reports for mortgage purposes from an independent firm of professional valuers appointed by the Seller or from such other source allowed by the Servicing Procedures.

"**Vesting Date**" means, in respect of the Security Trust, the eightieth anniversary of the date of the Security Trust Deed.

"**Victorian Unfair Terms Regime**" has the meaning given to it on page 110 of this Prospectus.

"**Volcker Rule**" has the meaning given to it on page 2 of this Prospectus.

"**Voting Secured Creditor**" means:

(a) while any Covered Bond remains outstanding, the Bond Trustee (on behalf of the Covered Bondholders subject to and in accordance with the terms of the Bond Trust Deed); or

(b) if there are no Covered Bonds outstanding all other Secured Creditors.

"**Yield Shortfall**" means any yield shortfall as determined by the Yield Shortfall Test.

"**Yield Shortfall Test**" has the meaning given to it on page 302 of this Prospectus.

"**Zero Coupon Covered Bonds**" means Covered Bonds which will be offered and sold at a discount to their nominal amount and which will not bear interest.

ANNEX A

POOL SUMMARY REPORT

Certain information regarding the Receivables

The statistical and other information contained in this Prospectus has been compiled by reference to the Purchased Receivables as at 31 March 2021 (the "**Cut-off Date**"). Except as otherwise indicated, these tables have been prepared using the principal balance as at the Cut-off Date, which includes all principal and accrued interest for the Purchased Receivables as at the Cut-off Date and as at the date of this Prospectus may no longer be a true reflection of the Purchased Receivables. The following information includes the sale of Receivables into and out of the portfolio on 22 October 2019.

If the characteristics of the Purchased Receivables as at the relevant Issue Date differ materially from the characteristics of the Purchased Receivables as at the Cut-off Date, the Issuer expects to provide a supplement to this Prospectus. However, it should be noted that Receivables may be removed from the Purchased Receivables in the event that any such Receivables are repaid in full or do not comply with the terms of the Mortgage Sale Agreement on the relevant Transfer Date. The Seller may also choose, in certain circumstances, to repurchase any of the Receivables in accordance with the terms of the Mortgage Sale Agreement. Additionally, New Receivables may be sold into the portfolio from time to time. Any such sales will be made in accordance with the Mortgage Sale Agreement and subject to compliance with the Representations and Warranties. This information is provided for information purposes only.

The tables below show details of the Receivables included in the portfolio and stratify the portfolio by reference to a Receivable. Columns stating percentage amounts may not add up to 100 per cent due to rounding.

POOL SUMMARY REPORT 2020

Pool Summary

Portfolio Cut-off Date		31 Mar 2021
Current Aggregate Principal Balance (AUD)	$	14,785,657,862
Number of Loans (Unconsolidated)		58,344
Number of Loans (Consolidated)		49,730
Average Loan Size (Consolidated)	$	297,319
Maximum Loan Balance (Consolidated)	$	1,960,000
Weighted Average Consolidated Current Loan to Value Ratio (LVR)		59.29%
Weighted Average Consolidated Current Indexed Loan to Value Ratio (LVR)		55.67%
Weighted Average Interest Rate		3.07%
Weighted Average Seasoning (Months)		56.39
Weighted Average Remaining Term (Months)		293.26

Note: Values reflected in the individual line items on some of the stratification tables may not always sum to the totals noted in those stratification tables due to rounding of values at the individual line item levels.

Mortgage Pool by Unconsolidated Original Loan to Value Ratio (LVR)

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 40.00%	16,512	28.30%	$ 2,340,054,393	15.83%
> 40.00% up to and including 45.00%	2,961	5.08%	$ 677,849,058	4.58%
> 45.00% up to and including 50.00%	3,228	5.53%	$ 800,295,718	5.41%
> 50.00% up to and including 55.00%	3,148	5.40%	$ 846,101,877	5.72%
> 55.00% up to and including 60.00%	3,402	5.83%	$ 967,230,292	6.54%
> 60.00% up to and including 65.00%	3,507	6.01%	$ 1,012,142,285	6.85%
> 65.00% up to and including 70.00%	4,163	7.14%	$ 1,240,369,647	8.39%
> 70.00% up to and including 75.00%	4,100	7.03%	$ 1,282,353,758	8.67%
> 75.00% up to and including 80.00%	13,395	22.96%	$ 4,416,677,486	29.87%
> 80.00% up to and including 85.00%	1,400	2.40%	$ 437,339,464	2.96%
> 85.00% up to and including 90.00%	2,349	4.03%	$ 712,058,046	4.82%
> 90.00% up to and including 95.00%	114	0.20%	$ 33,665,336	0.23%
> 95.00% up to and including 100.00%	65	0.11%	$ 19,520,503	0.13%
> 100.00%				
Total	**58,344**	**100.00%**	**$ 14,785,657,862**	**100.00%**

Mortgage Pool by Consolidated Current Loan to Value Ratio (LVR)

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 40.00%	16,434	33.05%	$ 2,261,479,825	15.30%
> 40.00% up to and including 45.00%	2,860	5.75%	$ 810,872,749	5.48%
> 45.00% up to and including 50.00%	3,026	6.08%	$ 946,073,632	6.40%
> 50.00% up to and including 55.00%	3,251	6.54%	$ 1,085,591,523	7.34%
> 55.00% up to and including 60.00%	3,720	7.48%	$ 1,307,622,101	8.84%
> 60.00% up to and including 65.00%	4,100	8.24%	$ 1,515,020,441	10.25%
> 65.00% up to and including 70.00%	4,599	9.25%	$ 1,786,996,673	12.09%
> 70.00% up to and including 75.00%	5,185	10.43%	$ 2,169,374,944	14.67%
> 75.00% up to and including 80.00%	5,015	10.08%	$ 2,276,876,610	15.40%
> 80.00% up to and including 85.00%	1,451	2.92%	$ 590,532,369	3.99%
> 85.00% up to and including 90.00%	84	0.17%	$ 33,485,987	0.23%
> 90.00% up to and including 95.00%	5	0.01%	$ 1,731,009	0.01%
> 95.00% up to and including 100.00%				
> 100.00%				
Total	**49,730**	**100.00%**	**$ 14,785,657,862**	**100.00%**

Mortgage Pool by Consolidated Current Indexed Loan to Value Ratio (LVR)*

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 40.00%	19,272	38.75%	$ 3,062,902,465	20.72%
> 40.00% up to and including 45.00%	3,095	6.22%	$ 942,405,717	6.37%
> 45.00% up to and including 50.00%	3,430	6.90%	$ 1,144,763,306	7.74%
> 50.00% up to and including 55.00%	3,585	7.21%	$ 1,250,703,033	8.46%
> 55.00% up to and including 60.00%	3,884	7.81%	$ 1,434,099,189	9.70%
> 60.00% up to and including 65.00%	3,976	8.00%	$ 1,532,730,787	10.37%
> 65.00% up to and including 70.00%	4,110	8.26%	$ 1,661,316,640	11.24%
> 70.00% up to and including 75.00%	4,020	8.08%	$ 1,726,028,966	11.67%
> 75.00% up to and including 80.00%	2,836	5.70%	$ 1,296,893,316	8.77%
> 80.00% up to and including 85.00%	1,193	2.40%	$ 585,618,613	3.96%
> 85.00% up to and including 90.00%	290	0.58%	$ 130,235,394	0.88%
> 90.00% up to and including 95.00%	39	0.08%	$ 17,960,437	0.12%
> 95.00% up to and including 100.00%				
> 100.00%				
Total	**49,730**	**100.00%**	**$ 14,785,657,862**	**100.00%**

** Unless otherwise stated, LVRs reported in the table above have been based on quarterly data provided by RP Data using the hedonic index values as at the latest Property Index available to the Trust Manager on each Determination Date falling in March, June, September and December. For further information please refer to Schedule 2 of the Supplemental Deed, as described in the applicable disclosure document.*

Mortgage Pool by Mortgage Loan Interest Rate

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 3.00%	26,993	46.27%	$ 7,944,937,526	53.73%
> 3.00% up to and including 3.25%	10,403	17.83%	$ 2,604,101,119	17.61%
> 3.25% up to and including 3.50%	5,703	9.77%	$ 1,540,811,417	10.42%
> 3.50% up to and including 3.75%	9,887	16.95%	$ 1,631,394,647	11.03%
> 3.75% up to and including 4.00%	2,297	3.94%	$ 489,965,695	3.31%
> 4.00% up to and including 4.25%	1,395	2.39%	$ 343,334,072	2.32%
> 4.25% up to and including 4.50%	1,328	2.28%	$ 154,558,986	1.05%
> 4.50% up to and including 4.75%	108	0.19%	$ 29,391,180	0.20%
> 4.75% up to and including 5.00%	211	0.36%	$ 41,412,082	0.28%
> 5.00% up to and including 5.25%	18	0.03%	$ 5,614,651	0.04%
> 5.25% up to and including 5.50%				
> 5.50% up to and including 5.75%				
> 5.75% up to and including 6.00%				
> 6.00% up to and including 6.25%				
> 6.25% up to and including 6.50%				
> 6.50% up to and including 6.75%				
> 6.75% up to and including 7.00%				
> 7.00% up to and including 7.25%				
> 7.25% up to and including 7.50%				
> 7.50% up to and including 7.75%	1	0.00%	$ 136,487	0.00%
> 7.75% up to and including 8.00%				
> 8.00% up to and including 8.25%				
> 8.25% up to and including 8.50%				
> 8.50%				
Total	**58,344**	**100.00%**	**$ 14,785,657,862**	**100.00%**

Mortgage Pool by Interest Option

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
<= 1 Year Fixed	2,876	4.93%	$ 1,017,064,400	6.88%
<= 2 Year Fixed	2,754	4.72%	$ 948,420,319	6.41%
<= 3 Year Fixed	1,269	2.18%	$ 430,174,995	2.91%
<= 4 Year Fixed	39	0.07%	$ 9,482,718	0.06%
<= 5 Year Fixed	111	0.19%	$ 30,502,748	0.21%
> 5 Year Fixed				
Total Fixed Rate	7,049	12.08%	$ 2,435,645,180	16.47%
Total Variable Rate	51,295	87.92%	$ 12,350,012,682	83.53%
Total	**58,344**	**100.00%**	**$ 14,785,657,862**	**100.00%**

Mortgage Pool by Consolidated Loan Balance

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including $100,000	8,934	17.97%	$ 424,871,262	2.87%
> $100,000 up to and including $200,000	10,156	20.42%	$ 1,540,056,731	10.42%
> $200,000 up to and including $300,000	10,917	21.95%	$ 2,725,322,555	18.43%
> $300,000 up to and including $400,000	8,130	16.35%	$ 2,812,164,598	19.02%
> $400,000 up to and including $500,000	4,711	9.47%	$ 2,098,866,157	14.20%
> $500,000 up to and including $600,000	2,565	5.16%	$ 1,399,278,686	9.46%
> $600,000 up to and including $700,000	1,388	2.79%	$ 898,481,572	6.08%
> $700,000 up to and including $800,000	858	1.73%	$ 640,708,359	4.33%
> $800,000 up to and including $900,000	518	1.04%	$ 439,657,804	2.97%
> $900,000 up to and including $1.00m	466	0.94%	$ 441,869,780	2.99%
> $1.00m up to and including $1.25m	679	1.37%	$ 754,069,641	5.10%
> $1.25m up to and including $1.50m	242	0.49%	$ 330,013,586	2.23%
> $1.50m up to and including $1.75m	112	0.23%	$ 180,352,411	1.22%
> $1.75m up to and including $2.00m	54	0.11%	$ 99,944,721	0.68%
> $2.00m				
Total	**49,730**	**100.00%**	**$ 14,785,657,862**	**100.00%**

Mortgage Pool by Geographic Distribution

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
NSW / ACT	16,053	27.51%	$ 4,909,682,526	33.21%
VIC	17,095	29.30%	$ 4,546,811,021	30.75%
TAS	1,845	3.16%	$ 292,412,375	1.98%
QLD	11,402	19.54%	$ 2,486,753,391	16.82%
SA	5,035	8.63%	$ 935,036,343	6.32%
WA	6,493	11.13%	$ 1,515,368,922	10.25%
NT	421	0.72%	$ 99,593,285	0.67%
Total	**58,344**	**100.00%**	**$ 14,785,657,862**	**100.00%**

Mortgage Pool by Region

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Metro	38,867	66.62%	$ 11,106,028,055	75.11%
Non Metro	19,477	33.38%	$ 3,679,629,807	24.89%
Total	**58,344**	**100.00%**	**$ 14,785,657,862**	**100.00%**

Mortgage Pool by State and Region

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
NSW / ACT - Metro	10,454	17.92%	$ 3,740,911,497	25.30%
NSW / ACT - Non Metro	5,599	9.60%	$ 1,168,771,029	7.90%
VIC - Metro	13,017	22.31%	$ 3,830,289,187	25.91%
VIC - Non Metro	4,078	6.99%	$ 716,521,833	4.85%
TAS - Metro	857	1.47%	$ 149,216,024	1.01%
TAS - Non Metro	988	1.69%	$ 143,196,351	0.97%
QLD - Metro	5,295	9.08%	$ 1,281,233,686	8.67%
QLD - Non Metro	6,107	10.47%	$ 1,205,519,705	8.15%
SA - Metro	3,410	5.84%	$ 700,580,555	4.74%
SA - Non Metro	1,625	2.79%	$ 234,455,787	1.59%
WA - Metro	5,580	9.56%	$ 1,341,612,127	9.07%
WA - Non Metro	913	1.56%	$ 173,756,795	1.18%
NT - Metro	254	0.44%	$ 62,184,979	0.42%
NT - Non Metro	167	0.29%	$ 37,408,306	0.25%
Total	**58,344**	**100.00%**	**$ 14,785,657,862**	**100.00%**

Mortgage Pool by Top 20 Postcodes*

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
3977 (Botanic Ridge, VIC)	387	0.66%	$ 99,529,546	0.67%
3029 (Hoppers Crossing, VIC)	365	0.63%	$ 93,918,663	0.64%
3064 (Craigieburn, VIC)	335	0.57%	$ 86,979,654	0.59%
3030 (Cocoroc, VIC)	316	0.54%	$ 84,181,551	0.57%
2155 (Beaumont Hills, NSW)	178	0.31%	$ 67,412,621	0.46%
2170 (Casula, NSW)	230	0.39%	$ 63,794,912	0.43%
6210 (Coodanup, WA)	254	0.44%	$ 52,528,427	0.36%
4740 (Alexandra, QLD)	247	0.42%	$ 52,345,589	0.35%
3810 (Pakenham, VIC)	199	0.34%	$ 51,060,626	0.35%
3150 (Brandon Park, VIC)	125	0.21%	$ 51,001,344	0.34%
2153 (Baulkham Hills, NSW)	123	0.21%	$ 50,263,277	0.34%
2570 (Belimbla Park, NSW)	149	0.26%	$ 49,198,550	0.33%
6164 (Atwell, WA)	211	0.36%	$ 48,880,161	0.33%
3805 (Fountain Gate, VIC)	177	0.30%	$ 45,087,209	0.30%
2145 (Constitution Hill, NSW)	160	0.27%	$ 45,047,864	0.30%
6065 (Ashby, WA)	185	0.32%	$ 43,074,425	0.29%
3023 (Burnside, VIC)	181	0.31%	$ 42,613,411	0.29%
2560 (Airds, NSW)	170	0.29%	$ 42,531,611	0.29%
3199 (Frankston, VIC)	167	0.29%	$ 41,841,028	0.28%
2250 (Bucketty, NSW)	176	0.30%	$ 41,073,618	0.28%
Total	**4,335**	**7.43%**	**$ 1,152,364,088**	**7.79%**

**The suburb name assigned to a certain postcode is the first locality name (sorted in alphabetical ascending order) included in the Australia Post postcode list.*

Mortgage Pool by Top 20 Statistical Areas (Level 3)

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
21305 (Wyndham, VIC)	817	1.40%	$ 212,537,061	1.44%
11703 (Sydney Inner City, NSW)	448	0.77%	$ 183,723,698	1.24%
20904 (Whittlesea - Wallan, VIC)	725	1.24%	$ 179,364,458	1.21%
21203 (Casey - South, VIC)	673	1.15%	$ 176,208,744	1.19%
20701 (Boroondara, VIC)	347	0.59%	$ 169,873,400	1.15%
21005 (Tullamarine - Broadmeadows, VIC)	592	1.01%	$ 151,052,037	1.02%
21205 (Monash, VIC)	399	0.68%	$ 149,482,773	1.01%
21304 (Melton - Bacchus Marsh, VIC)	647	1.11%	$ 147,966,944	1.00%
20604 (Melbourne City, VIC)	470	0.81%	$ 144,426,951	0.98%
50502 (Stirling, WA)	543	0.93%	$ 143,422,773	0.97%
20802 (Glen Eira, VIC)	363	0.62%	$ 142,751,696	0.97%
12103 (Ku-ring-gai, NSW)	227	0.39%	$ 131,378,995	0.89%
21402 (Mornington Peninsula, VIC)	437	0.75%	$ 128,085,076	0.87%
11501 (Baulkham Hills, NSW)	291	0.50%	$ 127,826,496	0.86%
21202 (Casey - North, VIC)	480	0.82%	$ 126,128,674	0.85%
21101 (Knox, VIC)	448	0.77%	$ 123,357,820	0.83%
20302 (Geelong, VIC)	532	0.91%	$ 118,632,921	0.80%
12003 (Strathfield - Burwood - Ashfield, NSW)	272	0.47%	$ 116,339,023	0.79%
21105 (Yarra Ranges, VIC)	459	0.79%	$ 116,247,780	0.79%
50503 (Wanneroo, WA)	536	0.92%	$ 115,791,344	0.78%
Total	**9,706**	**16.64%**	**$ 2,904,598,665**	**19.64%**

Mortgage Pool by Payment Type

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
P&I	56,270	96.45%	$ 13,989,362,460	94.61%
Interest Only	2,074	3.55%	$ 796,295,402	5.39%
Total	**58,344**	**100.00%**	**$ 14,785,657,862**	**100.00%**

Mortgage Pool by Documentation Type

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Full Doc Loans	58,344	100.00%	$ 14,785,657,862	100.00%
Low Doc Loans				
No Doc Loans				
Total	**58,344**	**100.00%**	**$ 14,785,657,862**	**100.00%**

Mortgage Pool by Remaining Interest Only Period

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Amortising Loans	56,270	96.45%	$ 13,989,362,460	94.61%
Interest Only Loans : > 0 up to and including 1 years	858	1.47%	$ 338,288,261	2.29%
Interest Only Loans : > 1 up to and including 2 years	478	0.82%	$ 189,675,838	1.28%
Interest Only Loans : > 2 up to and including 3 years	301	0.52%	$ 117,481,493	0.79%
Interest Only Loans : > 3 up to and including 4 years	173	0.30%	$ 58,825,811	0.40%
Interest Only Loans : > 4 up to and including 5 years	211	0.36%	$ 73,899,981	0.50%
Interest Only Loans : > 5 up to and including 6 years	35	0.06%	$ 10,626,407	0.07%
Interest Only Loans : > 6 up to and including 7 years	7	0.01%	$ 2,738,896	0.02%
Interest Only Loans : > 7 up to and including 8 years				
Interest Only Loans : > 8 up to and including 9 years	4	0.01%	$ 1,776,011	0.01%
Interest Only Loans : > 9 up to and including 10 years	7	0.01%	$ 2,982,703	0.02%
Interest Only Loans : > 10 years				
Total	**58,344**	**100.00%**	**$ 14,785,657,862**	**100.00%**

Mortgage Pool by Occupancy Status

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Owner Occupied (Full Recourse)	45,243	77.55%	$ 11,066,627,286	74.85%
Residential Investment (Full Recourse)	13,101	22.45%	$ 3,719,030,576	25.15%
Residential Investment (Limited Recourse)				
Total	**58,344**	**100.00%**	**$ 14,785,657,862**	**100.00%**

Mortgage Pool by Loan Purpose

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Alterations to existing dwelling	1,440	2.47%	$ 219,912,987	1.49%
Business / Commercial / Investment				
Construction of a dwelling (construction completed)	2,441	4.18%	$ 648,451,258	4.39%
Purchase of established dwelling	17,272	29.60%	$ 4,574,964,295	30.94%
Purchase of new erected dwelling	2,017	3.46%	$ 543,300,460	3.67%
Refinancing existing debt from another lender	12,191	20.90%	$ 3,324,274,737	22.48%
Refinancing existing debt with ANZ	12,552	21.51%	$ 3,008,986,881	20.35%
Other	10,431	17.88%	$ 2,465,767,244	16.68%
Total	**58,344**	**100.00%**	**$ 14,785,657,862**	**100.00%**

Mortgage Pool by Loan Seasoning

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 3 months	7	0.01%	$ 3,162,319	0.02%
> 3 up to and including 6 months	715	1.23%	$ 232,552,385	1.57%
> 6 up to and including 9 months	1,843	3.16%	$ 547,976,220	3.71%
> 9 up to and including 12 months	2,451	4.20%	$ 806,282,188	5.45%
> 12 up to and including 15 months	651	1.12%	$ 213,097,131	1.44%
> 15 up to and including 18 months	1,067	1.83%	$ 345,095,106	2.33%
> 18 up to and including 21 months	1,371	2.35%	$ 408,284,746	2.76%
> 21 up to and including 24 months	920	1.58%	$ 259,797,566	1.76%
> 24 up to and including 27 months	938	1.61%	$ 296,412,417	2.00%
> 27 up to and including 30 months	1,420	2.43%	$ 463,426,515	3.13%
> 30 up to and including 33 months	1,082	1.85%	$ 328,775,313	2.22%
> 33 up to and including 36 months	887	1.52%	$ 248,428,848	1.68%
> 36 up to and including 48 months	5,655	9.69%	$ 1,660,337,276	11.23%
> 48 up to and including 60 months	9,125	15.64%	$ 2,498,537,814	16.90%
> 60 up to and including 72 months	9,645	16.53%	$ 2,489,549,738	16.84%
> 72 up to and including 84 months	5,546	9.51%	$ 1,269,778,999	8.59%
> 84 up to and including 96 months	5,059	8.67%	$ 1,045,046,813	7.07%
> 96 up to and including 108 months	4,122	7.06%	$ 739,945,607	5.00%
> 108 up to and including 120 months	3,102	5.32%	$ 510,155,375	3.45%
> 120 months	2,738	4.69%	$ 419,015,485	2.83%
Total	**58,344**	**100.00%**	**$ 14,785,657,862**	**100.00%**

Mortgage Pool by Remaining Tenor

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
up to and including 1 year	36	0.06%	$ 171,886	0.00%
> 1 up to and including 2 years	92	0.16%	$ 1,043,685	0.01%
> 2 up to and including 3 years	132	0.23%	$ 1,882,347	0.01%
> 3 up to and including 4 years	173	0.30%	$ 4,699,232	0.03%
> 4 up to and including 5 years	183	0.31%	$ 6,685,223	0.05%
> 5 up to and including 6 years	220	0.38%	$ 8,464,073	0.06%
> 6 up to and including 7 years	216	0.37%	$ 10,608,140	0.07%
> 7 up to and including 8 years	208	0.36%	$ 10,853,366	0.07%
> 8 up to and including 9 years	226	0.39%	$ 15,649,715	0.11%
> 9 up to and including 10 years	188	0.32%	$ 14,925,709	0.10%
> 10 up to and including 15 years	2,113	3.62%	$ 251,408,978	1.70%
> 15 up to and including 20 years	6,825	11.70%	$ 1,178,859,622	7.97%
> 20 up to and including 25 years	25,081	42.99%	$ 6,092,327,523	41.20%
> 25 up to and including 30 years	22,651	38.82%	$ 7,188,078,364	48.62%
> 30 years				
Total	**58,344**	**100.00%**	**$ 14,785,657,862**	**100.00%**

Mortgage Pool by Delinquencies

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Current (0 days)	57,956	99.33%	$ 14,655,286,867	99.12%
> 0 days up to and including 30 days	338	0.58%	$ 112,467,945	0.76%
> 30 days up to and including 60 days	34	0.06%	$ 12,502,006	0.08%
> 60 days up to and including 90 days	16	0.03%	$ 5,401,045	0.04%
> 90 days up to and including 120 days				
> 120 days up to and including 150 days				
> 150 days up to and including 180 days				
> 180 days				
Total	**58,344**	**100.00%**	**$ 14,785,657,862**	**100.00%**

Mortgage Pool by Remaining Term on Fixed Rate Period

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Variable Rate Loans	51,295	87.92%	$ 12,350,012,682	83.53%
Fixed Rate Loans : > 0 up to and including 3 months	645	1.11%	$ 212,058,119	1.43%
Fixed Rate Loans : > 3 up to and including 6 months	639	1.10%	$ 209,518,975	1.42%
Fixed Rate Loans : > 6 up to and including 9 months	633	1.08%	$ 254,984,223	1.72%
Fixed Rate Loans : > 9 up to and including 12 months	959	1.64%	$ 340,503,082	2.30%
Fixed Rate Loans : > 12 up to and including 15 months	1,388	2.38%	$ 498,276,852	3.37%
Fixed Rate Loans : > 15 up to and including 18 months	702	1.20%	$ 240,327,443	1.63%
Fixed Rate Loans : > 18 up to and including 21 months	376	0.64%	$ 117,475,667	0.79%
Fixed Rate Loans : > 21 up to and including 24 months	288	0.49%	$ 92,340,357	0.62%
Fixed Rate Loans : > 24 up to and including 27 months	359	0.62%	$ 125,101,635	0.85%
Fixed Rate Loans : > 27 up to and including 30 months	374	0.64%	$ 126,984,257	0.86%
Fixed Rate Loans : > 30 up to and including 33 months	295	0.51%	$ 99,201,226	0.67%
Fixed Rate Loans : > 33 up to and including 36 months	241	0.41%	$ 78,887,878	0.53%
Fixed Rate Loans : > 36 up to and including 48 months	39	0.07%	$ 9,482,718	0.06%
Fixed Rate Loans : > 48 up to and including 60 months	111	0.19%	$ 30,502,748	0.21%
Fixed Rate Loans : > 60 months				
Total	**58,344**	**100.00%**	**$ 14,785,657,862**	**100.00%**

Mortgage Pool by Payment Frequency

	Number of Loans	(%) Number of Loans	Balance Outstanding	(%) Balance Outstanding
Weekly	13,721	23.52%	$ 2,852,244,281	19.29%
Fortnightly	19,066	32.68%	$ 3,935,157,397	26.61%
Monthly	25,557	43.80%	$ 7,998,256,185	54.09%
Other				
Total	**58,344**	**100.00%**	**$ 14,785,657,862**	**100.00%**

ANNEX B

ANZ RESIDENTIAL COVERED BOND TRUST 2020 SPECIAL PURPOSE FINANCIAL REPORT

ANZ RESIDENTIAL COVERED BOND TRUST
FINANCIAL REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2020

ABN 73 378 956 428

TRUST MANAGER'S REPORT

ANZ Capel Court Limited (ABN 30 004 768 807), the "Trust Manager" of the ANZ Residential Covered Bond Trust ("the Trust") presents its report together with the financial statements of the Trust for the financial year ended 30 September 2020 and the independent auditor's report thereon.

Principal activities

The principal activity of the Trust for the year was the acquisition of interests in residential mortgages to provide security for covered bonds issued by Australia and New Zealand Banking Group Limited ("ANZ").

There were no significant changes in the nature of the activities of the Trust during the period.

Review of operations

The Trust was established under the ANZ Covered Bonds Master Trust Deed dated 31 October 2011 ("the Master Trust Deed"), the ANZ Residential Covered Bond Trust Supplemental Deed dated 14 November 2011 ("the Supplemental Trust Deed") and the Notice of Creation of Trust dated 31 October 2011 for the purpose of acquiring interests in residential mortgages to provide security for Covered Bonds issued by ANZ. The acquisition of residential mortgages by the Trust was funded by drawing down on demand and intercompany loan facilities provided by ANZ, and the funds provided by the residual income and residual capital unitholders.

Result

The net profit attributable to the unitholders of the Trust for the year ended 30 September 2020 was $58,580,945 (2019:$59,326,814).

Distribution

Distributions made to and provided for the residual income unitholders during the year were $58,580,945 (2019:$59,326,814).

Significant change in the state of affairs

There were no significant changes in the state of affairs of the Trust during the financial year other than those disclosed in this report.

Significant events after balance date

The Trust Manager is not aware of any matter or circumstances not otherwise dealt with in this report or financial statements that has significantly affected or may significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in subsequent financial years.

Signed on behalf of ANZ Capel Court Limited as Trust Manager of the ANZ Residential Covered Bond Trust.

Veronica Katz
Trust Manager
ANZ Capel Court Limited

Date: 10 NOVEMBER 2020

TRUSTEE'S STATEMENT

Perpetual Trustee Company Limited, as Trustee of the Trust (the "Trustee"), presents its report together with the special purpose financial statements of the Trust for the year ended 30 September 2020 and the auditor's report thereon.

The financial statements for the Trust for the year ended 30 September 2020 have been prepared by the Trust Manager as required by the Master Trust Deed.

The auditor of the Trust, KPMG, who has been appointed by the Trustee in accordance with the Master Trust Deed, has conducted an audit of the financial statements.

A review of the operations of the Trust and the results of those operations for the year ended 30 September 2020 is contained within the Trust Manager's report.

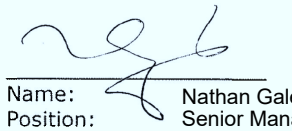
Based on our ongoing program of monitoring of the Trust, the Trust Manager and our review of the financial statements, we believe that:

(a) the Trust has been conducted in accordance with the Master Trust Deed and the Supplemental Trust Deed; and

(b) the financial statements have been appropriately prepared in accordance with the provisions of the Master Trust Deed, the Supplemental Trust Deed and applicable Australian Accounting Standards and Interpretations as described in Note 1.

The Trustee is not aware of any material matters or significant change in the state of affairs of the Trust occurring up to the date of this report that requires disclosure in the financial statements and the notes thereto that has not already been disclosed.

Signed on behalf of Perpetual Trustee Company Limited, as Trustee of the ANZ Residential Covered Bond Trust.



Name: Nathan Gale
Position: Senior Manager

Date: 10 November 2020

TRUST MANAGER'S STATEMENT

In the opinion of the Trust Manager for the Trust:

a) the Trust is not a reporting entity because there are unlikely to exist users of the financial statements who are unable to command the preparation of reports tailored to specifically satisfy all of their information needs;

b) the financial statements and notes are drawn up in accordance with the basis of accounting described in Note 1 so as to present fairly the financial position of the Trust as at 30 September 2020, as represented by its Balance Sheet, and for the year then ended as represented by its Income Statement and Statement of Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows;

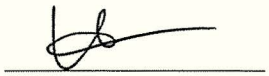
c) to the best of our knowledge, in all material respects the Trust has operated throughout the year ended 30 September 2020 in accordance with the provisions of the Master Trust Deed and the Supplemental Trust Deed;

d) at the date of this statement, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due; and

e) the financial statements have been prepared in accordance with the provisions of the Master Trust Deed, the Supplemental Trust Deed and applicable Australian Accounting Standards and Interpretations as described in Note 1.

This statement is made for and on behalf of ANZ Capel Court Limited, as Trust Manager of the ANZ Residential Covered Bond Trust.

Signed for and on behalf of ANZ Capel Court Limited, as Trust Manager of the ANZ Residential Covered Bond Trust:



Veronica Katz
Trust Manager
ANZ Capel Court Limited

Date: 10 NOVEMBER 2020

INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME

	Year to 30/09/2020 $	Year to 30/09/2019 $
Interest income	647,043,525	843,508,014
Total revenue	647,043,525	843,508,014
Interest expense	352,806,954	570,103,038
Net swap interest expense	197,159,218	172,587,187
Finance expense	549,966,172	742,690,225
Servicer fee	37,111,021	39,460,408
Trustee fee	359,431	341,368
Trust manager fee	340,347	333,649
Other expenses	685,609	1,355,550
Total expenses	588,462,580	784,181,200
Profit for the year	58,580,945	59,326,814
Other comprehensive income	-	-
Profit attributable to unitholders	58,580,945	59,326,814
Financing costs attributable to unitholders		
Distribution to unitholders	58,580,945	59,326,814
Total financing costs attributable to unitholders	58,580,945	59,326,814

BALANCE SHEET

	Note	30/09/2020 $	30/09/2019 $
Assets			
Cash and cash equivalents		1,067,499,377	510,400,269
Trade and other receivables	3	73,468,832	99,266,748
Loans and receivables	4	16,796,350,472	19,442,322,471
Total assets		17,937,318,681	20,051,989,488
Liabilities (excluding net assets attributable to unitholders)			
Trade and other payables	5	73,600,583	99,306,441
Interest bearing liabilities	6	17,863,718,088	19,952,683,037
Total liabilities (excluding net liabilities attributable to unitholders)		17,937,318,671	20,051,989,478
Net assets attributable to unitholders		10	10

The notes to the financial statements form part of and should be read in conjunction with these financial statements.

STATEMENT OF CHANGES IN EQUITY

	Trust Units Issued	Reserves	Total
	$	$	$
Balance at 1 October 2018	10	-	10
Profit attributable to unitholders	-	59,326,814	59,326,814
Total distribution for the year	-	(59,326,814)	(59,326,814)
Balance at 30 September 2019	10	-	10
Balance at 1 October 2019	10	-	10
Profit attributable to unitholders	-	58,580,945	58,580,945
Total distribution for the year	-	(58,580,945)	(58,580,945)
Balance at 30 September 2020	10	-	10

STATEMENT OF CASH FLOWS

	Year to 30/09/2020	Year to 30/09/2019
	$	$
Cash flows from operating activities		
Interest income received	672,722,345	854,958,331
Payment to suppliers	(38,305,524)	(41,544,450)
Net swap payments	(219,312,056)	(182,203,938)
Borrowing costs paid	(356,219,168)	(572,245,486)
Net cash provided by operating activities	58,885,597	58,964,457
Cash flows from investing activities		
Payment for receivables	(5,209,513,417)	(9,591,317,792)
Proceeds from collection of receivables (net of redraws)	7,855,485,416	9,650,459,479
Net cash provided by investing activities	2,645,971,999	59,141,687
Cash flows from financing activities		
(Repayment) / Proceeds of borrowings	(2,088,964,949)	451,218,879
Distributions paid	(58,793,539)	(59,133,887)
Net cash (used in) / provided by financing activities	(2,147,758,488)	392,084,992
Net increase in cash and cash equivalents	557,099,108	510,191,136
Cash and cash equivalents at beginning of the year	510,400,269	209,133
Cash and cash equivalents at end of year	1,067,499,377	510,400,269

Cash and cash equivalents

	30/09/2020	30/09/2019
	$	$
Cash at bank	1,067,499,377	510,400,269

The notes to the financial statements form part of and should be read in conjunction with these financial statements.

Reconciliation of cash flow from operating activities

	Year to 30/09/2020 $	Year to 30/09/2019 $
Finance cost attributable to unitholders	58,580,945	59,326,814
Profit for the year	58,580,945	59,326,814
Decrease in trade and other receivables	25,797,916	11,430,148
Increase / (decrease) in payables and other liabilities	71,788	(33,305)
Decrease in interest and swap interest payable	(25,565,052)	(11,759,200)
Net cash provided by operating activities	58,885,597	58,964,457

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Financial reporting Framework

In the opinion of the Trust Manager, the Trust is not a reporting entity because there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored to specifically satisfy all of their information needs. The financial statements of the Trust have been drawn up as special purpose financial statements for use by the Trust Manager, Trustee, and the unitholders and for the purpose of fulfilling the requirements of the Master Trust Deed and the Supplemental Trust Deed. Additional information, such as the monthly investor report, is publicly available and can be obtained from the ANZ website, www.anz.com.au, in the 'Debt investor centre' section.

The Trust is a for-profit entity.

The Trust is a unit trust established and domiciled in Australia. The principal place of business of the Trust is Level 5, 242 Pitt Street, Sydney, New South Wales 2000, and its principal activity is the acquisition of interests in residential mortgages to provide security for covered bonds issued by ANZ.

Basis of preparation & statement of compliance

The special purpose financial statements have been prepared on the basis of historical cost unless otherwise stated. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, the Trust's functional currency.

The special purpose financial statements have been prepared in accordance with the provisions of the Master Trust Deed, the Supplemental Trust Deed, the recognition and measurement principles of accounting specified by relevant Australian Accounting Standards (AASBs), including Australian Accounting Interpretations, and the disclosure requirements of the following standards:

- AASB 101 Presentation of Financial Statements
- AASB 107 Cash Flow Statement
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 110 Events after the Balance Sheet Date
- AASB 1054 Additional Australian Disclosures

The Trust is not required to and has therefore not adopted AASB 7 'Financial Instruments: Disclosures'. Apart from as outlined above, the financial report has been prepared under AASBs and related interpretations. International Financial Reporting Standards (IFRS) form the basis of AASBs and Interpretations issued by the Australian Accounting Standards Board (AASB).

Use of estimates and judgements

The application of Australian Accounting Standards requires judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

The accounting policies set out below have been consistently applied in preparing the financial statements for the year ended 30 September 2020.

(i) Finance income and expenses

Interest income is recognised as it accrues using the effective interest method.

The effective interest method calculates the amortised cost of a financial asset or financial liability and allocates the interest income or interest expense over the expected life of the financial asset or financial liability so as to achieve a constant yield on the financial asset or liability.

Interest expense on financial liabilities measured at amortised cost is recognised in the Income Statement as it accrues using the effective interest method.

(ii) Taxation

Under current legislation the Trust is not subject to income tax as its taxable income (including assessable realised capital gains) is distributed in full to the residual income unitholders. Realised capital losses are not distributed to unitholders but are retained in the Trust to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to residual income unitholders.

(iii) Goods and services tax

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, GST is recognised as part of the cost of acquisition of the asset or as part of the related expense. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(iv) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, cash at bank and investments in money market instruments which are highly liquid investments with maturities of less than three months that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

(v) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently at amortised cost, less any allowance for impairment.

NOTES TO THE FINANCIAL STATEMENTS

(vi) Loans and receivables

Loans and receivables represent interests in mortgage loans secured by residential real estate that have been sold to the Trust by ANZ. The related mortgage assets are not derecognised from ANZ's balance sheet as they do not meet the de-recognition criteria set out under AASB 9. These assets are measured at amortised cost.

(vii) Impairment

Financial assets are assessed for impairment using the expected credit loss (ECL) methodology as per AASB 9.

The measurement of ECLs reflects an unbiased, probability weighted prediction which evaluates a range of scenarios and takes into account the time value of money, past events, current conditions and forecasts of future economic conditions.

ECL is calculated as the product of the following credit risk factors, discounted to incorporate the time value of money:

- *Probability of default (PD):* the estimate of the likelihood that a borrower with default over a given period;
- *Exposure at default (EAD):* the expected balance sheet exposure at default taking into account repayments of principal and interest, expected additional drawdowns and accrued interest; and
- *Loss given default (LGD):* the expected loss in the event of the borrower defaulting, expressed as a percentage of the facility's EAD, taking into account direct and indirect recovery costs.

These credit risk factors are adjusted for current and forward looking information through the use of macro-economic variables.

Financial assets are reported net of any provision for credit impairment.

(viii) Trade and other payables

Trade and other payables are recognised when the Trust becomes obliged to make future payments resulting from the purchase of goods and services.

(ix) Interest bearing liabilities

Interest bearing liabilities are initially recorded at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost, with differences in initial recognised amounts and redemption values being recognised in the Income Statement over the period of borrowing using effective interest method.

(x) Distributions

In accordance with the Master Trust Deed, the Trust fully distributes its distributable income to residual income unitholders by way of cash. Distributions to residual income unitholders comprise the income of the Trust to which the residual income unitholders are presently entitled. The distributions are payable at the end of each financial year.

(xi) Derivative financial instruments

The Trust enters into derivative financial instruments, namely total return swaps, to manage its exposure to interest rate risk. Costs or gains arising at the time of entering into a hedge transaction are deferred and brought to account over the life of the hedge. As the financial assets do not qualify for de-recognition from the originator (ANZ), in line with AASB 9, the interest rate swap is recognised on an accruals basis. The Trust has also entered into a contingent covered bond swap with ANZ. This swap is only invoked upon an issuer (ANZ) event of default and provides the Trust with a hedge against currency and interest rate risks associated with any obligations payable by the Trust under the covered bond guarantee.

This contract does not meet the definition of a derivative, under AASB 9, as the value of this instrument changes based on a non-financial variable specific to a party to the transaction (default of ANZ). This instrument is initially recognised at fair value at inception (Nil) and subsequent measurement under AASB 137.

(xii) Financial guarantee

The issuer's obligations under the programme are supported by an unconditional, irrevocable guarantee provided by the Trust under the Master Trust Deed. To the extent payments are made under the guarantee, an offset to the intercompany loan obligation is realised. No fee is charged for the provision of this guarantee. The covered bond guarantee is made by the Trust in consideration of, amongst other things, the offset provisions in the intercompany loan and the contingent covered bond swap. This meets the definition of a financial guarantee contract as defined in AASB 9.

At inception, the financial guarantee is initially recognised at fair value (Nil). Subsequent measurement of the financial guarantee is at the higher of the amount calculated under AASB 137 and the amount initially recognised less cumulative amortisation. An amount would only be recognised under AASB 137 if it became probable that there would be an issuer event of default.

(xiii) Going concern

The Trust accounts are prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

2. AUDITORS' COMPENSATION

	Year to 30/09/2020 $	Year to 30/09/2019 $
Audit services		
KPMG Australia:		
Audit or review of financial statements	14,546	14,275
Total compensation of auditors	14,546	14,275

The policy of the ultimate parent entity, ANZ, allows KPMG Australia or any of its related practices to provide assurance and other audit-related services that, while outside the scope of the statutory audit, are consistent with the role of auditor. KPMG Australia or any of its related practices may not provide services that are perceived to be materially in conflict with the role of auditor. These include consulting advice and subcontracting of operational activities normally undertaken by management, and engagements where the auditor may ultimately be required to express an opinion on its own work. However, non-audit services that are not perceived to be materially in conflict with the role of auditor may be provided by KPMG Australia or any of its related practices subject to the approval of the Audit Committee.

3. TRADE AND OTHER RECEIVABLES

	30/09/2020 $	30/09/2019 $
GST receivable	-	4,836
Prepayments	5,465	119,725
Interest receivable	73,463,367	99,142,187
Total trade and other receivables	73,468,832	99,266,748

4. LOANS AND RECEIVABLES

	30/09/2020 $	30/09/2019 $
Secured loan - at amortised cost	16,796,350,472	19,442,322,471
Total loans and receivables	16,796,350,472	19,442,322,471

The secured loan represents interests in mortgage loans secured by residential real estate (cover pool of assets) that have been purchased by the Trust from ANZ by equitable assignment, but under accounting standards fail de-recognition criteria. As a result, ANZ continues to recognise the mortgage assets on the Balance Sheet of ANZ and the Trust has recorded a financial asset, being a secured loan due from ANZ which is secured by an equitable interest in the cover pool assets held by ANZ.

	Cover pool assets $	Collateral held $
2020 Carrying amount	16,796,350,472	40,238,780,050
Total carrying amount	16,796,350,472	40,238,780,050

The collateral against the cover pool held by ANZ is in the form of mortgage interests over Australian residential property, and estimates of fair value are based on the value of collateral assessed at the time of origination. This is generally not updated, except when a loan is individually assessed as impaired.

The cover pool has a weighted average current loan to value ratio (LVR) of 60.55% (2019: 62.60%), no loans over 90 days in arrears and no losses to date. Given the credit quality of the cover pool and the current level of collateral held, no assets are deemed impaired as at balance date. No allowance for expected credit losses is deemed necessary. Interest on all loans continues to be taken to income, including those which are past due but not impaired.

NOTES TO THE FINANCIAL STATEMENTS

5. TRADE AND OTHER PAYABLES

	Note	30/09/2020 $	30/09/2019 $
Swap interest payable		65,032,261	87,185,099
Interest payable		6,352,464	9,764,678
Trust distributions payable	7	883,531	1,096,125
Sundry creditors and accruals		1,332,325	1,260,539
GST payable		2	-
Total trade and other payables		73,600,583	99,306,441

6. INTEREST BEARING LIABILITIES

	30/09/2020 $	30/09/2019 $
Intercompany Loan	10,095,085,908	14,393,543,749
Demand Loan	7,768,632,180	5,559,139,288
Total interest bearing liabilities	17,863,718,088	19,952,683,037

7. DISTRIBUTIONS PAYABLE

	30/09/2020 $	30/09/2019 $
Distributions payable at the beginning of the year	1,096,125	903,198
Profit attributable to unitholders	58,580,945	59,326,814
Net assets attributable to unitholders	59,677,070	60,230,012
Distributions paid during the year	(58,793,539)	(59,133,887)
Distributions payable at the end of the year	883,531	1,096,125

8. COMMITMENTS AND CONTINGENT LIABILITIES

There were no contingencies and commitments as at 30 September 2020 (2019: Nil).

9. EVENTS SINCE THE END OF THE FINANCIAL YEAR

There have been no significant events subsequent to balance date which would have a material effect on the Trust's financial report up to the date of this report.

Independent Auditor's Report

To the Unitholders of ANZ Residential Covered Bond Trust

Opinion

We have audited the Financial Report of ANZ Residential Covered Bond Trust (the Trust).

In our opinion, the accompanying Financial Report presents fairly, in all material respects, the financial position of the Trust as at 30 September 2020, and of its financial performance and its cash flows for the year then ended, in accordance with the basis of preparation described in Note 1 to the financial statements.

The Financial Report comprises:

- Balance Sheet as at 30 September 2020;
- Income Statement and Statement of Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the year then ended;
- Notes including a summary of significant accounting policies;
- Trustee's Statement; and
- Trust Manager's Statement.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Trust in accordance with the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the *Financial Report* in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter – basis of preparation and restriction on use and distribution

We draw attention to Note 1 to the Financial Report, which describes the basis of preparation.

The Financial Report has been prepared to assist the Trust in meeting the financial reporting obligations under the ANZ Covered Bond Deed.

As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Trust and Trust Manager and should not be used by or distributed to parties other than the Trust and Trust Manager. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the Trust Manager or for any other purpose than that for which it was prepared.

Other Information

Other Information is financial and non-financial information in the Trust's financial reporting which is provided in addition to the Financial Report and the Auditor's Report. The Trust Manager is responsible

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for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Trust Manager for the Financial Report

The Trust Manager is responsible for:

- The preparation and fair presentation of the Financial Report and have determined that the basis of preparation described in Note 1 to the Financial Report is appropriate;
- Implementing necessary internal control to enable the preparation of the Financial Report that is free from material misstatement, whether due to fraud or error; and
- Assessing the Trust's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- To obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- To issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

KPMG

Melbourne

10 November 2020

ANZ RESIDENTIAL COVERED BOND TRUST 2019 SPECIAL PURPOSE FINANCIAL REPORT

ANZ RESIDENTIAL COVERED BOND TRUST
FINANCIAL REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

ABN 73 378 956 428

TRUST MANAGER'S REPORT

ANZ Capel Court Limited (ABN 30 004 768 807), the "Trust Manager" of the ANZ Residential Covered Bond Trust ("the Trust") presents its report together with the financial statements of the Trust for the financial year ended 30 September 2019 and the independent auditor's report thereon.

Principal activities

The principal activity of the Trust for the year was the acquisition of interests in residential mortgages to provide security for covered bonds issued by Australia and New Zealand Banking Group Limited ("ANZ").

There were no significant changes in the nature of the activities of the Trust during the period.

Review of operations

The Trust was established under the ANZ Covered Bonds Master Trust Deed dated 31 October 2011 ("the Master Trust Deed"), the ANZ Residential Covered Bond Trust Supplemental Deed dated 14 November 2011 ("the Supplemental Trust Deed") and the Notice of Creation of Trust dated 31 October 2011 for the purpose of acquiring interests in residential mortgages to provide security for Covered Bonds issued by ANZ. The acquisition of residential mortgages by the Trust was funded by drawing down on demand and intercompany loan facilities provided by ANZ, and the funds provided by the residual income and residual capital unitholders.

Result

The net profit attributable to the unitholders of the Trust for the year ended 30 September 2019 was $59,326,814 (2018:$58,601,932).

Distribution

Distributions made to and provided for the residual income unitholders during the year were $59,326,814 (2018:$58,601,932).

Significant change in the state of affairs

There were no significant changes in the state of affairs of the Trust during the financial year other than those disclosed in this report.

Significant events after balance date

The Trust Manager is not aware of any matter or circumstances not otherwise dealt with in this report or financial statements that has significantly affected or may significantly affect the operations of the Trust, the results of those operations or the state of affairs of the Trust in subsequent financial years.

Signed on behalf of ANZ Capel Court Limited as Trust Manager of the ANZ Residential Covered Bond Trust.

Veronica Katz
Trust Manager
ANZ Capel Court Limited

Date: 06 November 2019

TRUSTEE'S STATEMENT

Perpetual Trustee Company Limited, as Trustee of the Trust (the "Trustee"), presents its report together with the special purpose financial statements of the Trust for the year ended 30 September 2019 and the auditor's report thereon.

The financial statements for the Trust for the year ended 30 September 2019 have been prepared by the Trust Manager as required by the Master Trust Deed.

The auditor of the Trust, KPMG, who has been appointed by the Trustee in accordance with the Master Trust Deed, has conducted an audit of the financial statements.

A review of the operations of the Trust and the results of those operations for the year ended 30 September 2019 is contained within the Trust Manager's report.

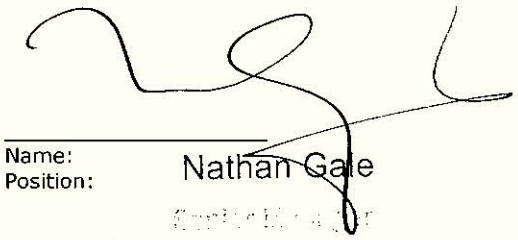
Based on our ongoing program of monitoring of the Trust, the Trust Manager and our review of the financial statements, we believe that:

(a) the Trust has been conducted in accordance with the Master Trust Deed and the Supplemental Trust Deed; and

(b) the financial statements have been appropriately prepared in accordance with the provisions of the Master Trust Deed, the Supplemental Trust Deed and applicable Australian Accounting Standards and Interpretations as described in Note 1.

The Trustee is not aware of any material matters or significant change in the state of affairs of the Trust occurring up to the date of this report that requires disclosure in the financial statements and the notes thereto that has not already been disclosed.

Signed on behalf of Perpetual Trustee Company Limited, as Trustee of the ANZ Residential Covered Bond Trust.



Name: Nathan Gale
Position:

Date: 6.11.19

TRUST MANAGER'S STATEMENT

In the opinion of the Trust Manager for the Trust:

a) the Trust is not a reporting entity because there are unlikely to exist users of the financial statements who are unable to command the preparation of reports tailored to specifically satisfy all of their information needs;

b) the financial statements and notes are drawn up in accordance with the basis of accounting described in Note 1 so as to present fairly the financial position of the Trust as at 30 September 2019, as represented by its Balance Sheet, and for the year then ended as represented by its Income Statement and Statement of Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows;

c) to the best of our knowledge, in all material respects the Trust has operated throughout the year ended 30 September 2019 in accordance with the provisions of the Master Trust Deed and the Supplemental Trust Deed;

d) at the date of this statement, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they fall due; and

e) the financial statements have been prepared in accordance with the provisions of the Master Trust Deed, the Supplemental Trust Deed and applicable Australian Accounting Standards and Interpretations as described in Note 1.

This statement is made for and on behalf of ANZ Capel Court Limited, as Trust Manager of the ANZ Residential Covered Bond Trust.

Signed for and on behalf of ANZ Capel Court Limited, as Trust Manager of the ANZ Residential Covered Bond Trust:

Veronica Katz
Trust Manager
ANZ Capel Court Limited

Date: 06 November 2019

INCOME STATEMENT AND STATEMENT OF OTHER COMPREHENSIVE INCOME

	Year to 30/09/2019 $	Year to 30/09/2018 $
Interest income	843,508,014	852,370,826
Total revenue	843,508,014	852,370,826
Interest expense	570,103,038	599,740,574
Net swap interest expense	172,587,187	153,780,509
Finance expense	742,690,225	753,521,083
Servicer fee	39,460,408	39,001,466
Trustee fee	341,368	375,451
Trust manager fee	333,649	329,129
Other expenses	1,355,550	541,765
Total expenses	784,181,200	793,768,894
Profit for the year	59,326,814	58,601,932
Other comprehensive income	-	-
Profit attributable to unitholders	59,326,814	58,601,932
Financing costs attributable to unitholders		
Distribution to unitholders	59,326,814	58,601,932
Total financing costs attributable to unitholders	59,326,814	58,601,932

BALANCE SHEET

	Note	30/09/2019 $	30/09/2018 $
Assets			
Cash and cash equivalents		510,400,269	209,133
Trade and other receivables	3	99,266,748	110,696,896
Loans and receivables	4	19,442,322,471	19,501,464,158
Total assets		20,051,989,488	19,612,370,187
Liabilities (excluding net assets attributable to unitholders)			
Trade and other payables	5	99,306,441	110,906,019
Interest bearing liabilities	6	19,952,683,037	19,501,464,158
Total liabilities (excluding net liabilities attributable to unitholders)		20,051,989,478	19,612,370,177
Net assets attributable to unitholders		10	10

The notes to the financial statements form part of and should be read in conjunction with these financial statements.

STATEMENT OF CHANGES IN EQUITY

	Trust Units Issued	Reserves	Total
	$	$	$
Balance at 1 October 2017	10	-	10
Profit attributable to unitholders	-	58,601,932	58,601,932
Total distribution for the year	-	(58,601,932)	(58,601,932)
Balance at 30 September 2018	10	-	10
Balance at 1 October 2018	10	-	10
Profit attributable to unitholders	-	59,326,814	59,326,814
Total distribution for the year	-	(59,326,814)	(59,326,814)
Balance at 30 September 2019	10	-	10

STATEMENT OF CASH FLOWS

	Year to 30/09/2019	Year to 30/09/2018
	$	$
Cash flows from operating activities		
Interest income received	854,958,331	845,445,497
Payment to suppliers	(41,544,450)	(40,354,016)
Net swap payments	(182,203,938)	(144,288,335)
Borrowing costs paid	(572,245,486)	(601,778,873)
Net cash provided by operating activities	58,964,457	59,024,273
Cash flows from investing activities		
Payment for receivables	(9,591,317,792)	(6,153,716,230)
Proceeds from collection of receivables (net of redraws)	9,650,459,479	6,152,251,490
Net cash provided by / (used in) investing activities	59,141,687	(1,464,740)
Cash flows from financing activities		
Proceeds of borrowings	451,218,879	1,464,740
Distributions paid	(59,133,887)	(58,822,667)
Net cash provided by / (used in) financing activities	392,084,992	(57,357,927)
Net increase in cash and cash equivalents	510,191,136	201,606
Cash and cash equivalents at beginning of the year	209,133	7,527
Cash and cash equivalents at end of year	510,400,269	209,133

Cash and cash equivalents

	30/09/2019	30/09/2018
	$	$
Cash at bank	510,400,269	209,133

The notes to the financial statements form part of and should be read in conjunction with these financial statements.

Reconciliation of cash flow from operating activities

	Year to 30/09/2019 $	Year to 30/09/2018 $
Finance cost attributable to unitholders	59,326,814	58,601,932
Profit for the year	59,326,814	58,601,932
Decrease / (increase) in trade and other receivables	11,430,148	(7,029,722)
Decrease in payables and other liabilities	(33,305)	(1,812)
(Decrease) / increase in interest and swap interest payable	(11,759,200)	7,453,875
Net cash provided by operating activities	58,964,457	59,024,273

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Financial reporting Framework

In the opinion of the Trust Manager, the Trust is not a reporting entity because there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored to specifically satisfy all of their information needs. The financial statements of the Trust have been drawn up as special purpose financial statements for use by the Trust Manager, Trustee, and the unitholders and for the purpose of fulfilling the requirements of the Master Trust Deed and the Supplemental Trust Deed. Additional information, such as the monthly investor report, is publicly available and can be obtained from the ANZ website, www.anz.com.au, in the 'Debt investor centre' section.

The Trust is a for-profit entity.

The Trust is a unit trust established and domiciled in Australia. The principal place of business of the Trust is Level 5, 242 Pitt Street, Sydney, New South Wales 2000, and its principal activity is the acquisition of interests in residential mortgages to provide security for covered bonds issued by ANZ.

Basis of preparation & statement of compliance

The special purpose financial statements have been prepared on the basis of historical cost unless otherwise stated. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, the Trust's functional currency.

The special purpose financial statements have been prepared in accordance with the provisions of the Master Trust Deed, the Supplemental Trust Deed, the recognition and measurement principles of accounting specified by relevant Australian Accounting Standards (AASBs), including Australian Accounting Interpretations, and the disclosure requirements of the following standards:

- AASB 101 Presentation of Financial Statements
- AASB 107 Cash Flow Statement
- AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
- AASB 110 Events after the Balance Sheet Date
- AASB 1031 Materiality
- AASB 1054 Additional Australian Disclosures

The Trust is not required to and has therefore not adopted AASB 7 'Financial Instruments: Disclosures'. Apart from as outlined above, the financial report has been prepared under AASBs and related interpretations. International Financial Reporting Standards (IFRS) form the basis of AASBs and Interpretations issued by the Australian Accounting Standards Board (AASB).

Use of estimates and judgements

The application of Australian Accounting Standards requires judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

The accounting policies set out below have been consistently applied in preparing the financial statements for the year ended 30 September 2019.

(i) Finance income and expenses

Interest income is recognised as it accrues using the effective interest method.

The effective interest method calculates the amortised cost of a financial asset or financial liability and allocates the interest income or interest expense over the expected life of the financial asset or financial liability so as to achieve a constant yield on the financial asset or liability.

Interest expense on financial liabilities measured at amortised cost is recognised in the Income Statement as it accrues using the effective interest method.

(ii) Taxation

Under current legislation the Trust is not subject to income tax as its taxable income (including assessable realised capital gains) is distributed in full to the residual income unitholders. Realised capital losses are not distributed to unitholders but are retained in the Trust to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to residual income unitholders.

(iii) Goods and services tax

Revenues, expenses and assets are recognised net of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, GST is recognised as part of the cost of acquisition of the asset or as part of the related expense. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(iv) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, cash at bank and investments in money market instruments which are highly liquid investments with maturities of less than three months that are readily convertible to cash and which are subject to an insignificant risk of changes in value.

(v) Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently at amortised cost, less any allowance for impairment.

NOTES TO THE FINANCIAL STATEMENTS

(vi) Loans and receivables

Loans and receivables represent interests in mortgage loans secured by residential real estate that have been sold to the Trust by ANZ. The related mortgage assets are not derecognised from ANZ's balance sheet as they do not meet the de-recognition criteria set out under AASB 9. These assets are measured at amortised cost.

(vii) Impairment

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

(viii) Trade and other payables

Trade and other payables are recognised when the Trust becomes obliged to make future payments resulting from the purchase of goods and services.

(ix) Interest bearing liabilities

Interest bearing liabilities are initially recorded at fair value, net of transaction costs. Subsequent to initial recognition, borrowings are measured at amortised cost, with differences in initial recognised amounts and redemption values being recognised in the Income Statement over the period of borrowing using effective interest method.

(x) Distributions

In accordance with the Master Trust Deed, the Trust fully distributes its distributable income to residual income unitholders by way of cash. Distributions to residual income unitholders comprise the income of the Trust to which the residual income unitholders are presently entitled. The distributions are payable at the end of each financial year.

(xi) Derivative financial instruments

The Trust enters into derivative financial instruments, namely total return swaps, to manage its exposure to interest rate risk. Costs or gains arising at the time of entering into a hedge transaction are deferred and brought to account over the life of the hedge. As the financial assets do not qualify for de-recognition from the originator (ANZ), in line with AASB 9, the interest rate swap is recognised on an accruals basis. The Trust has also entered into a contingent covered bond swap with ANZ. This swap is only invoked upon an issuer (ANZ) event of default and provides the Trust with a hedge against currency and interest rate risks associated with any obligations payable by the Trust under the covered bond guarantee.

This contract does not meet the definition of a derivative, under AASB 9, as the value of this instrument changes based on a non-financial variable specific to a party to the transaction (default of ANZ). This instrument is initially recognised at fair value at inception (Nil) and subsequent measurement under AASB 137.

(xii) Financial guarantee

The issuer's obligations under the programme are supported by an unconditional, irrevocable guarantee provided by the Trust under the Master Trust Deed. To the extent payments are made under the guarantee, an offset to the intercompany loan obligation is realised. No fee is charged for the provision of this guarantee. The covered bond guarantee is made by the Trust in consideration of, amongst other things, the offset provisions in the intercompany loan and the contingent covered bond swap. This meets the definition of a financial guarantee contract as defined in AASB 9.

At inception, the financial guarantee is initially recognised at fair value (Nil). Subsequent measurement of the financial guarantee is at the higher of the amount calculated under AASB 137 and the amount initially recognised less cumulative amortisation. An amount would only be recognised under AASB 137 if it became probable that there would be an issuer event of default.

(xiii) Going concern

The Trust accounts are prepared on a going concern basis.

(xiv) Accounting Standards adopted in the period

- AASB 9 *Financial Instruments*

The Trust has applied AASB 9 effective from 1 October 2018. AASB 9 stipulates new requirements for the impairment of financial assets, classification and measurement of financial assets and financial liabilities and general hedge accounting.

Due to the high level of credit quality of the Trust assets, there has been no material impact from the adoption of AASB 9.

- AASB 15 *Revenue from Contracts with Customers*

The Trust has applied AASB 15 effective from 1 October 2018. The standard requires identification of distinct performance obligations within a contract, and allocation of the transactions price of the contract to those performance obligations. Revenue is then recognised as each performance obligation is satisfied.

The majority of the Trust's revenue falls outside of the scope of AASB 15 and the impact of adoption is not material.

NOTES TO THE FINANCIAL STATEMENTS

2. AUDITORS' COMPENSATION

	Year to 30/09/2019 $	Year to 30/09/2018 $
Audit services		
KPMG Australia:		
Audit or review of financial statements	14,275	14,009
Total compensation of auditors	14,275	14,009

The policy of the ultimate parent entity, ANZ, allows KPMG Australia or any of its related practices to provide assurance and other audit-related services that, while outside the scope of the statutory audit, are consistent with the role of auditor. KPMG Australia or any of its related practices may not provide services that are perceived to be materially in conflict with the role of auditor. These include consulting advice and subcontracting of operational activities normally undertaken by management, and engagements where the auditor may ultimately be required to express an opinion on its own work. However, non-audit services that are not perceived to be materially in conflict with the role of auditor may be provided by KPMG Australia or any of its related practices subject to the approval of the Audit Committee.

3. TRADE AND OTHER RECEIVABLES

	30/09/2019 $	30/09/2018 $
GST receivable	4,836	-
Prepayments	119,725	104,392
Interest receivable	99,142,187	110,592,504
Total trade and other receivables	99,266,748	110,696,896

4. LOANS AND RECEIVABLES

	30/09/2019 $	30/09/2018 $
Secured loan - at amortised cost	19,442,322,471	19,501,464,158
Total loans and receivables	19,442,322,471	19,501,464,158

The secured loan represents interests in mortgage loans secured by residential real estate (cover pool of assets) that have been purchased by the Trust from ANZ by equitable assignment, but under accounting standards fail de-recognition criteria. As a result, ANZ continues to recognise the mortgage assets on the Balance Sheet of ANZ and the Trust has recorded a financial asset, being a secured loan due from ANZ which is secured by an equitable interest in the cover pool assets held by ANZ.

	Cover pool assets $	Collateral held $
2019 Carrying amount	19,442,322,471	44,190,089,301
Total carrying amount	19,442,322,471	44,190,089,301

The collateral against the cover pool held by ANZ is in the form of mortgage interests over Australian residential property, and estimates of fair value are based on the value of collateral assessed at the time of origination. This is generally not updated, except when a loan is individually assessed as impaired.

The cover pool has a weighted average current loan to value ratio (LVR) of 62.60% (2018: 64.31%), no loans over 90 days in arrears and no losses to date. Given the credit quality of the cover pool and the current level of collateral held, no assets are deemed impaired as at balance date. No allowance for expected credit losses is deemed necessary. Interest on all loans continues to be taken to income, including those which are past due but not impaired.

NOTES TO THE FINANCIAL STATEMENTS

5. TRADE AND OTHER PAYABLES

	Note	30/09/2019 $	30/09/2018 $
Swap interest payable		87,185,099	96,801,849
Interest payable		9,764,678	11,907,128
Trust distributions payable	7	1,096,125	903,198
Sundry creditors and accruals		1,260,539	1,293,844
Total trade and other payables		99,306,441	110,906,019

6. INTEREST BEARING LIABILITIES

	30/09/2019 $	30/09/2018 $
Intercompany Loan	14,393,543,749	12,442,085,714
Demand Loan	5,559,139,288	7,059,378,444
Total interest bearing liabilities	19,952,683,037	19,501,464,158

7. DISTRIBUTIONS PAYABLE

	30/09/2019 $	30/09/2018 $
Distributions payable at the beginning of the year	903,198	1,123,933
Profit attributable to unitholders	59,326,814	58,601,932
Net assets attributable to unitholders	60,230,012	59,725,865
Distributions paid during the year	(59,133,887)	(58,822,667)
Distributions payable at the end of the year	1,096,125	903,198

8. COMMITMENTS AND CONTINGENT LIABILITIES

There were no contingencies and commitments as at 30 September 2019 (2018: Nil).

9. EVENTS SINCE THE END OF THE FINANCIAL YEAR

There have been no significant events subsequent to balance date which would have a material effect on the Trust's financial report up to the date of this report.

Independent Auditor's Report

To the Unitholders of ANZ Residential Covered Bond Trust

Opinion

We have audited the Financial Report of ANZ Residential Covered Bond Trust (the Trust).

In our opinion, the accompanying Financial Report presents fairly, in all material respects, the financial position of the Trust as at 30 September 2019, and of its financial performance and its cash flows for the year then ended, in accordance with the basis of preparation described in Note 1 to the financial statements.

The Financial Report comprises:

- Balance Sheet as at 30 September 2019;
- Income Statement and Statement of Other Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flows for the year then ended;
- Notes including a summary of significant accounting policies;
- Trustee's Statement; and
- Trust Manager's Statement.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Trust in accordance with the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the *Financial Report* in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter – basis of preparation and restriction on use and distribution

We draw attention to Note 1 to the Financial Report, which describes the basis of preparation.

The Financial Report has been prepared to assist the Trust in meeting the financial reporting obligations under the ANZ Covered Bond Deed.

As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Trust and Trust Manager and should not be used by or distributed to parties other than the Trust and Trust Manager. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the Trust Manager or for any other purpose than that for which it was prepared.

Other Information

Other Information is financial and non-financial information in the Trust's financial reporting which is provided in addition to the Financial Report and the Auditor's Report. The Trust Manager is responsible for the Other Information.

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Trust Manager for the Financial Report

The Trust Manager is responsible for:

- The preparation and fair presentation of the Financial Report and have determined that the basis of preparation described in Note 1 to the Financial Report is appropriate;
- Implementing necessary internal control to enable the preparation of the Financial Report that is free from material misstatement, whether due to fraud or error; and
- Assessing the Trust's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- To obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- To issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

KPMG

Melbourne

6 November 2019

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