PROSPECTUS **DATED 7 June 2013**

Australia and New Zealand Banking Group Limited

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

Index Linked Notes

This Prospectus

This document (the "**Prospectus**") allows for the issue of index linked notes (the "**Notes**" or the "**Index Linked Notes**") by Australia and New Zealand Banking Group Limited (the "**Issuer**" or "**ANZ**"), and constitutes a base prospectus in respect of such Notes. It should be read alongside the base prospectus relating to ANZ's Global Markets Issuance Programme (the "Programme Prospectus"), which was published on the same date as this Prospectus and parts of which are incorporated by reference in this Prospectus.

This Prospectus constitutes, in respect of Notes issued under it, a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC as amended (the "**Prospectus Directive**"), and for the purpose of giving information with regard to ANZ and its subsidiary companies which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits, losses and prospects of ANZ, and of the rights attaching to Notes issued under this Prospectus. This Prospectus is valid for one year from the date printed at the top of this page and may be supplemented from time to time by the publication of a "**Supplement**" to reflect any significant new factor, material mistake or inaccuracy relating to information included in this Prospectus. This Prospectus does not affect any existing notes or other securities issued by the Issuer, or any future notes or other securities issued by the Issuer under a different prospectus.

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

Notes

Notes issued under this Prospectus will pay interest (or 'coupon') at one of eight possible index linked rates, which will be specified in the relevant Final Terms. Each of the eight possible coupons is variable and dependent on the performance of a reference index during the lifetime of the Note. Examples of what the various coupons would be in different index performance scenarios are set out in the section of this Prospectus entitled "*Worked Examples Relating to Index Linked Coupons"*.

Notes issued under this Prospectus will redeem at their nominal amount or a percentage (known as the Principal Protection Percentage) of that nominal amount. The redemption of the Notes is not linked to the performance of the reference index.

Terms and Conditions

The legal terms and conditions relating to the Notes are to be found in the following places:

(i) general terms are to be found in the sections of the Programme Prospectus headed "Base General Conditions" and "Base Note Conditions", and in the section of this Prospectus headed "General Terms and Conditions"; and

(ii) additional terms that apply to index linked notes are to be found in the section of this Prospectus headed "Schedule 1: Index Linked Additional Conditions".

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

Specific details of a series of Securities, such as amounts, dates, and the relevant index linked coupon will be set out in the applicable Final Terms for those Securities.

Risks

Prospective investors should have regard to the factors described under the section headed "*Risk Factors*" in this Prospectus and in the Programme Prospectus. This Prospectus and the Programme Prospectus together describe all of the principal and material risks of an investment in the Notes that the Issuer has identified.

Prospective purchasers of Notes should ensure that they understand the nature of the relevant Notes and the extent of their exposure to risks and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Notes and are not relying on the advice of the Issuer or the Initial Dealer. See "*Risk Factors*".

Credit Ratings

Notes will be rated or unrated. Where an issue of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to Notes already issued.

A credit rating is not a recommendation to buy, sell or hold the Notes and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency.

Credit ratings in respect of the Notes or the Issuer are for distribution only to persons who are not a "retail client" within the meaning of section 761G of the Corporations Act 2001 of Australia and are also sophisticated investors, professional investors or other investors in respect of whom disclosure is not required under Part 6D.2 of the Corporations Act 2001 of Australia and, in all cases, in such circumstances as may be permitted by applicable law in any jurisdiction in which an investor may be located. Anyone who is not such a person is not entitled to receive this Prospectus and anyone who receives this Prospectus must not distribute it to any person who is not entitled to receive it.

The credit ratings of Australia and New Zealand Banking Group Limited referred to in this Prospectus have been issued by Standard & Poor's (Australia) Pty Limited ("**Standard & Poor's**"), Moody's Investors Service Pty Limited ("**Moody's**") and Fitch Australia Pty Limited ("**Fitch**"), none of which is established in the European Union and/or has applied for registration under Regulation (EC) No. 1060/2009 as amended by Regulation (EC) No. 513/2011 (the "**CRA Regulation**").

Taxes

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

Listing and Admission to Trading

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

Definitions

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

Australia and New Zealand Banking Group Limited

Arranger and Initial Dealer

IMPORTANT NOTICES

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

Subject as provided in the relevant Final Terms, the only persons authorised to use this Prospectus in connection with an offer of Notes are the Initial Dealer and the persons named in the relevant Final Terms as the Intermediaries.

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

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"). This Prospectus shall be read and construed on the basis that such documents are so incorporated and form part of this Prospectus.

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

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

Following the publication of this Prospectus, a supplementary prospectus may be prepared by the Issuer and approved by the FCA in accordance with Article 16 of the Prospectus Directive in connection with any subsequent issue of Notes 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 Notes. Neither this Prospectus nor any Final Terms constitutes an offer of, or an invitation to subscribe for or purchase, any Notes by the Issuer and should not be considered as a recommendation by the Issuer that any recipient of this Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

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

*None of the Issuer, the Initial Dealer or the Intermediaries represent that this Prospectus may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any 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 Initial Dealer or any Intermediary which would permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required other than in the jurisdiction, specified in the relevant Final Terms, in which such Notes are to be offered (the "**Offering Jurisdiction**"). Accordingly, the Notes may not 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.*

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

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

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

*The Notes will not be deposit liabilities or protected accounts (as defined in the Banking Act 1959 (Cth) of Australia (the "**Banking Act**")) of the Issuer in Australia. A "protected account" is an account or a specified financial product: (i) where the Australian authorised deposit-taking institution ("**ADI**") is required to pay the account-holder, on demand or at an agreed time, the net credit balance of the account; or (ii) otherwise prescribed by regulation. The Australian Treasurer has published a declaration of products described as protected accounts for the purposes of the Banking Act.*

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

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READER'S GUIDE TO THIS PROSPECTUS

This section provides a guide as to which parts of the Programme Prospectus and this Prospectus are relevant to Notes issued under this Prospectus.

Some of the provisions of the Programme Prospectus are relevant to Notes issued under this Prospectus, and are therefore incorporated by reference in this Prospectus. Much of the Programme Prospectus relates, however, to different types of Securities other than the Notes, and is not relevant for the purposes of this Prospectus or the Notes.

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

Relevant to **all** Notes

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SUMMARY

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

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

Section A – Introduction and warnings	
A.1	This summary must be read as an introduction to this Prospectus. Any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including any documents incorporated by reference. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Member States, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Notes.
A.2	***Issue specific summary:*** The Issuer consents to the use of the Prospectus in connection with a public offer (requiring the publication of a prospectus under the Prospectus Directive) (a “**Public Offer**”) of any relevant Notes during the period from [●] until [●] (the “**Offer Period**”) in the United Kingdom either (1) by any financial intermediary which satisfies the following conditions: (a) is authorised to make offers of the relevant kind in accordance with MIFID; (b) acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the “**Rules**”), including the Rules published by the FCA (including its guidance for distributors in “The Responsibilities of Providers and Distributors for the Fair Treatment of Customers”) from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Instruments by any person and disclosure to any potential investor; (c) complies with the restrictions set out under “Offering and Sale” in the Prospectus; (d) ensures that any fee (and any commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Instruments does not violate the Rules and is fully and clearly disclosed to investors or potential investors; (e) holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules, including authorisation under the FSMA; (f) complies with applicable anti-money laundering, anti-bribery and “know your client” Rules, and does not permit any application for Notes in circumstances where the financial intermediary has any suspicions as to the source of the application monies; (g) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer in order to enable the Issuer to comply with anti-money laundering, anti-bribery and “know your client” Rules applying to the Issuer; (h) does not, directly or indirectly, cause the Issuer to breach any Rule or subject to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction; and (i) accepts such Public Offer by publishing on its website the following statement (with the information in square brackets completed with the relevant information): “**We, [*insert legal name of financial intermediary*], refer to the [*insert title of relevant Notes*] (the “Notes”) described in the Final Terms dated [*insert date*] (the “Final Terms”) published by Australia and New Zealand Banking**

	Group Limited (the "Issuer"). We hereby accept the offer by the Issuer of its consent to our use of the Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in the United Kingdom (the "Public Offer") subject to the conditions to such consent, as specified in the Prospectus, and we are using the Prospectus in connection with the Public Offer accordingly", and any further conditions specified in the relevant Final Terms or (ii) by the financial intermediaries, and subject to the relevant conditions, specified in the relevant Final Terms, for so long as they are authorised to make offers of the relevant kind in accordance with MIFID. A Public Offer may be made during the relevant Offer Period by any of the Issuer, the Initial Dealer or any relevant Authorised Offeror in the United Kingdom subject to any relevant conditions specified above and/or in the relevant Final Terms, as the case may be. **The Terms and Conditions of the Public Offer shall be provided to Investors by that Authorised Offeror at the relevant time.**	
Section B – Issuer		
B.1	**The legal and commercial name of the Issuer**	Australia and New Zealand Banking Group Limited ("**ANZ**")
B.2	**The domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation**	ANZ is a public company limited by shares incorporated in Australia under the *Corporations Act 2001 (Cth)*. ANZ is domiciled in Australia, having its head office registered in the State of Victoria as of 14 July 1977.
B.4b	**A description of any known trends affecting the Issuer and the industries in which it operates**	As a result of the global financial crisis which began in 2008, regulators have proposed various amendments to financial regulation that will affect the Issuer. The Australian Prudential Regulatory Authority (the "**APRA**"), the Basel Committee and regulators in jurisdictions outside Australia where the Group has a presence have released discussion papers and proposals in regard to strengthening the resilience of the banking and insurance sectors, including proposals to strengthen capital and liquidity requirements for the banking sector. In addition, the U.S. has passed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act, which significantly affects financial institutions and financial activities in the U.S.. Uncertainty remains as to the final form that the proposed regulatory changes will take in Australia, the U.S. and other countries in which the Group operates and any such changes could adversely affect the Group's business, operations and financial condition. The changes may lead the Group to, among other things, change its business mix, incur additional costs as a result of increased management attention, raise additional amounts of higher-quality capital (such as ordinary shares) and hold significant levels of additional liquid assets and undertake additional long-term wholesale funding to replace short-term wholesale funding to more closely match the Group's asset maturity profile.
B.5	**Description of the Group and the Issuer's position within**	ANZ and its subsidiaries (together the "**Group**") began its Australian operations in 1835 and its New Zealand operations in 1840, and is presently one of the four major banking groups headquartered in Australia. The Issuer is the ultimate parent company within the Group.

	the Group	
B.9	**Profit forecast or estimate**	Not Applicable; the Issuer has chosen not to include a profit forecast or estimate.
B.10	**Qualifications in the Auditors' report**	Not Applicable; the Auditors' report contains no such qualifications.
B.12	**Selected financial information**	The selected financial information set out below has been extracted without material adjustment from the audited consolidated financial statements of the Issuer for the years ended 30 September 2012, 2011 and 2010.

	FY 2012 (AUDm)	FY 2011 (AUDm)	FY 2010 (AUDm)
Underlying Profit	**6,011**	**5,652**	**5,025**
Operating Income	17,579	16,812	15,782
Operating Expenses	8,022	7,718	6,971
Provisions	1,246	1,211	1,820
Statutory Net Profit After Tax	**5661**	**5,355**	**4,501**
EPS (cents)	213.4	218.4	198.7
Dividend per Share (cents)	**145**	**140**	**126**
Net Interest Margin	2.31%	2.46%	2.47%

	FY 2012 (AUDb)	FY 2011 (AUDb)	FY 2010 (AUDb)
Customer Deposits	327.9	296.8	256.9
Net Loans and Advances[1]	427.8	397.3	369.4

[1] Including acceptances

All figures other than statutory net profit after tax, net interest and dividend are presented on an underlying basis.

There has been no significant change in the financial or trading position of the Issuer since 30 September 2012 and no material adverse change in the prospects of the Issuer since 30 September 2012.

B.13	**Recent material events particular to the Issuer**	Not Applicable; there have been no recent material events particular to the Issuer.
B.14	**Extent to which the Issuer is dependent on other entities within the Group**	Not Applicable; the Issuer's business does not depend on other entities within the Group.
B.15	**Principal activities of the Issuer**	The Group provides a broad range of banking and financial products and services to retail, small business, corporate and institutional clients. It conducts its operations primarily in Australia, New Zealand and the Asia Pacific region. The Group also operates in a number of other countries, including the United Kingdom and the United States.

B.16	**Extent to which the Issuer is directly or indirectly owned or controlled**	ANZ is a publicly traded company with principal listing of its ordinary shares on the Australian Securities Exchange (the "**ASX**"). ANZ is not directly or indirectly owned or controlled by any other corporation, government or individual.
B.17	**Credit ratings assigned to the Issuer or its debt securities**	At the date of this Prospectus, ANZ has the following debt ratings for long-term unsubordinated unsecured obligations: • Standard & Poor's: AA- (Outlook Stable); • Moody's: Aa2 (Outlook Stable); and • Fitch: AA- (Outlook Stable). As defined by Standard & Poor's, an "AA-" rating means that ANZ has very strong capacity to meet its financial commitments. As defined by Moody's, an "Aa2" rating means that ANZ's relevant obligations are judged to be of high quality and are subject to very low credit risk. As defined by Fitch, an "AA-" rating denotes expectations of very low default risk for ANZ's relevant obligations, and indicates very strong capacity for payment of financial commitments, such capacity being not significantly vulnerable to foreseeable events. ***Issue specific summary:*** The Notes are [not rated] / [rated by [insert credit rating(s) and name(s) of the relevant credit rating agency/agencies]].
Section C - Securities		
C.1	**Type and class of Securities**	Notes may be issued in Series having identical terms (or identical other than in respect of certain dates) and are intended to be interchangeable with all other Notes of that same Series. Each Series of Notes may be issued in Tranches bearing identical terms other than the Issue Price and nominal amount of the Tranche, the specific terms of which will be completed in the relevant Final Terms. Notes may be issued in bearer form or in registered form and may be in definitive form, or may initially be represented by one or more global securities deposited with a common depositary or common safekeeper for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and/or any other relevant clearing system, with interests in such global securities being traded in the relevant clearing system(s). Global securities may be exchanged for Notes in definitive form in the limited circumstances described in the relevant global security. Any permanent Global Note may be exchanged for Definitive Notes only in the limited circumstances specified in the permanent Global Note. ***Issue specific summary:*** [The Notes are in [bearer/registered uncertified] form [and will be represented on issue by a [temporary Global Notes exchangeable for a permanent Global Note which is exchangeable for Definitive Notes [on [●] days' notice][at any time][in the limited circumstances specified in the permanent Global Note]] [temporary Global Note exchangeable for Definitive Notes [on [●] days' notice]] [permanent Global Note exchangeable for Definitive Notes [on [●] days' notice][at any time][in the limited circumstances specified in the permanent Global Note]] ISIN Code: [●] Common Code [●]
C.2	**Currencies**	Subject to compliance with all relevant laws, regulations and directives, Notes

		under the Programme may be denominated in any currency or units of exchange and settled in any deliverable currency. ***Issue specific summary:*** The Notes are denominated in [●] and will be settled in [●].
C.5	**A description of any restrictions on the free transferability of the Securities**	Selling restrictions apply. These include without limitation, conditions applicable in respect of the UK, Australia, Canada, Japan, Hong Kong, Singapore, Taiwan, Malaysia and Switzerland. Any offer of Notes to members of the public in any Relevant Member State shall be made in accordance with the Prospectus Directive (in respect of Notes having a specified denomination of less than €100,000 or its equivalent in any other currency as at the date of issue of the relevant Notes). United States Category 2 selling restrictions will apply to the Notes for the purposes of Regulation S under the Securities Act. The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the "**D Rules**").
C.8	**Description of the rights attaching to the Securities**	***Ranking (status):*** Notes constitute unsubordinated and unsecured obligations of the Issuer and rank *pari passu* among themselves and with its other present and future unsubordinated and unsecured obligations (save for certain obligations required to be preferred by applicable law). ***Events of Default:*** The terms and conditions of the Notes contain the following events of default in relation to the Issuer: (i) default is made in the payment of any principal or interest when due, in respect of any Note of such Series, and such default continues for a period of seven days; or (ii) the Issuer fails to perform or observe any of its obligations under any Note of such Series other than those specified in paragraph (i) above and in such case (except where such failure is incapable of remedy) such failure continues for a period of 30 days next following the service by any holder of any Note of such Series on the Issuer and the Fiscal Agent of written notice requiring the same to be remedied; or (iii) otherwise than for the purpose of an amalgamation or reconstruction or merger within the meaning of these words under the laws of the Issuer's country of incorporation or, where the Issuer is acting through its branch, of the jurisdiction, country or territory in which the branch through which the Issuer is acting as specified in the relevant Final Terms is located, a resolution is passed that the Issuer be wound up or dissolved; or (iv) the Issuer stops payment (within the meaning of Australian or any other applicable bankruptcy law) of its obligations; or (v) an encumbrancer takes possession of or a receiver is appointed of the whole or a substantial part of the undertaking and assets of the Issuer and any such event is continuing for 45 days after its occurrence and would materially prejudice the performance by the Issuer of its obligations under the Notes of such Series or a distress or execution is levied or enforced upon or sued out against the whole or a substantial part of the undertaking and assets of the Issuer which would materially prejudice the performance of the Issuer of its obligations under the Notes of such Series and is not discharged within 60 days thereof; or (vi) proceedings are initiated against the Issuer under any applicable bankruptcy, reorganisation or other similar law and such proceedings are not

		discharged or stayed within a period of 60 days; or (vii) the Issuer initiates or consents to proceedings relating to itself under any applicable bankruptcy, insolvency, composition or other similar law (otherwise than for the purpose of amalgamation, reconstruction or merger (within the meaning of those words under the laws of the Issuer's country of incorporation or, where the Issuer is acting through its branch, of the jurisdiction, country or territory in which the branch through which the Issuer is acting as specified in the relevant Final Terms is located)) and such proceedings would materially prejudice the performance by the Issuer of its obligations under the Notes of such Series. ***Noteholder options:*** There are no Noteholder options in respect of the Notes. ***Governing law:*** English law. ***Issue specific summary:*** ***Issue Price:*** The Issue Price of the Notes is [●] per cent. ***Specified Denomination:*** The Notes have a Specified Denomination of [●]. ***Withholding tax:*** [All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of any relevant jurisdiction unless compelled by law. In that event, the Issuer will, subject to customary exceptions (including the standard EU exceptions), pay such additional amounts as will result in the payment to the Noteholders of the amounts which would otherwise have been received in respect of the Notes had no withholding or deduction been made.] [All payments of principal and interest in respect of the Notes will be made subject to withholding taxes imposed by any relevant jurisdiction and the Issuer will not be obliged to gross up any payments in respect of the Notes and shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any Note and all payments made by the Issuer shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. The Issuer may, but is under no obligation to, take steps to mitigate the burden of such tax, duty or withholding applied to the Notes (as deemed appropriate by the Issuer in its sole discretion).]
C.9	**Interest, maturity and redemption provisions, yield and representative of the Security-holders**	*The Notes are index linked.* ***Issue specific summary:*** ***Interest provisions:*** The way in which interest payable in respect of a Series of Notes is calculated (including applicable interest periods and rates) is determined by reference to one of eight possible Index Linked Coupon provisions that is specified as applicable in the relevant Final Terms. Interest will accrue from the Interest Commencement Date and will be payable on each Interest Payment Date. ***Issue specific summary:*** Index Linked Coupon [●] is applicable to the Notes, and is described fully in section C.10 below.

		The Interest Commencement Date is: [●]. The Interest Payment Date[s] [is][are]: [●]. ***Maturities:*** Subject to compliance with all relevant laws, regulations and directives, Notes may have any maturity. ***Issue specific summary:*** The Maturity Date of the Notes is [●]. ***Redemption:*** The Final Redemption Amount for each Note will be calculated using the following formula: $CA \times PPP$ where: CA = the Calculation Amount for such Index Linked Note specified in the relevant Final Terms PPP = the "**Principal Protection Percentage**" for such Index Linked Note specified in the relevant Final Terms ***Issue specific summary:*** The Calculation Amount of each Note is [●]. The Principal Protection Percentage is [●]. ***Optional Redemption/Early Redemption:*** ***Issue specific summary:*** [Prior to redemption upon maturity (as described in "Redemption" above), Notes will be redeemable at the option of the Issuer prior to maturity only for reasons related to taxation, change in law/illegality, or currency disruption. The Early Redemption Amount(s) of each Note is [●] per Calculation Amount.] [Notes will not be redeemable at the option of the Issuer prior to maturity in any circumstances.] ***Representation of Noteholders:*** The Noteholders may represent themselves at any meeting of Noteholders.
C.10	**Derivative component in interest payments**	***Issue specific summary:*** *Applicable to Index Linked Coupon 1:* [Each Note shall bear interest on its Calculation Amount from (and including) the Interest Commencement Date at a rate per annum (expressed as a percentage) for the relevant Interest Year which is one of two possible rates, whichever is the greater for the relevant Interest Year: (i) The Floor Rate and (ii) A rate calculated as (a) the absolute value of the smallest quarter-on-quarter percentage change in the Index Level (whether it increases or decreases) during the relevant Interest Year (with the first such quarter-on-quarter performance in an Interest Year being measured against the Index Level at the end of the previous Interest Year) multiplied by (b) the relevant Participation Rate. The absolute value of a percentage change in the Index Level is always a positive number: it is equal to the percentage change if that percentage change is a positive number, or to the percentage change multiplied by -1 if that percentage change is a negative number. The Floor Rates and Participation Rates for the relevant Interest Years are as follows:

Interest Year	Floor Rate	Participation Rate
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]

]

Applicable to Index Linked Coupon 2:

[Each Note shall bear interest on its Calculation Amount from (and including) the Interest Commencement Date at a rate per annum (expressed as a percentage) for the relevant Interest Year which is one of two possible rates, whichever is the greater for the relevant Interest Year:

(i) The Floor Rate

and

(ii) A rate calculated as (a) (x) the year-on-year percentage increase (with a decrease being expressed as a negative number) in the Index Level minus (y) the relevant Strike Level (expressed as a percentage), multiplied by (b) the relevant Participation Rate.

The Floor Rates, Participation Rates and Strike Levels for the relevant Interest Years are as follows:

Interest Year	Floor Rate	Participation Rate	Strike Level
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]

]

Applicable to Index Linked Coupon 3:

[Each Note shall bear interest on its Calculation Amount from (and including) the Interest Commencement Date at a rate per annum (expressed as a percentage) for the relevant Interest Year which is one of two possible rates, whichever is the greater for the relevant Interest Year:

(i) The Floor Rate

and

(ii) A rate calculated as (a) (x) the cumulative percentage increase (with a decrease being expressed as a negative number) in the Index Level as compared against the Initial Index Level (the Index Level at the start of the overall Tenor of the Note) minus (y) the relevant Strike Level (expressed as a percentage), multiplied by (b) the relevant Participation Rate.

The Floor Rates, Participation Rates and Strike Levels for the relevant Interest Years are as follows:

Interest Year	Floor Rate	Participation Rate	Strike Level
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]

]

Applicable to Index Linked Coupon 4:

[Each Note shall bear interest on its Calculation Amount from (and including) the Interest Commencement Date at a rate per annum for the relevant Interest Year which is equal to (a) the relevant Fixed Coupon plus (b) (x) the Index Digital multiplied by (y) the relevant Uplift Coupon.

The Index Digital will be 1 if the cumulative percentage increase (with a decrease being expressed as a negative number) in the Index Level as compared against the Initial index Level (the Index Level at the start of the overall Tenor of the Note) is greater than or equal to the relevant Barrier (which is expressed as a percentage). Otherwise (including in the case of a cumulative percentage decrease in the Index Level), the Index Digital will be zero.

The Fixed Coupons, Uplift Coupons and Barriers for the relevant Interest Years are as follows:

Interest Year	Fixed Coupon	Uplift Coupon	Barrier
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]

]

Applicable to Index Linked Coupon 5:

[Each Note shall bear interest on its Calculation Amount from (and including) the Interest Commencement Date at a rate (expressed as a percentage) for the entire Tenor of the Note which is one of two possible rates, whichever is the greater:

(i) The Floor Rate

and

(ii) A rate calculated as (a) the arithmetic average of the absolute value of the year-on-year percentage changes in the Index Level over the entire Tenor of the Note, multiplied by (b) the Participation Rate. The absolute value of a percentage change in the Index Level is always a positive number: it is equal to the percentage change if that percentage change is a positive number, or to the percentage change multiplied by -1 if that percentage change is a negative number.

The Floor Rate is: [•]

The Participation Rate is: [•]]

Applicable to Index Linked Coupon 6:

[Each Note shall bear interest on its Calculation Amount from (and including) the Interest Commencement Date at a rate (expressed as a percentage) for the entire Tenor of the Note which is one of two possible rates, whichever is the greater:

(i) The Floor Rate

and

(ii) A rate calculated as (a) (x) the cumulative percentage increase (with a decrease being expressed as a negative number) in the final Index Level as compared against the Initial Index Level (the Index Level at the start of the overall Tenor of the Note) minus (y) the Strike Level (expressed as a percentage) multiplied by (b) the Participation Rate.

The Floor Rate is: [•]

The Participation Rate is: [•]

The Strike Level is: [•]]

Applicable to Index Linked Coupon 7:

[Each Note shall bear interest on its Calculation Amount from (and including) the Interest Commencement Date at a rate for the entire Tenor of the Note which is equal to (a) the relevant Fixed Coupon plus (b) (x) the Index Digital multiplied by (y) the relevant Uplift Coupon.

The Index Digital will be 1 if the cumulative percentage increase in the final Index Level as compared against the Initial Index Level (the Index Level at the start of the overall Tenor of the Note) is greater than or equal to the Barrier (which is expressed as a percentage). Otherwise (including in the case of a cumulative percentage decrease in the Index Level), the Index Digital will be zero.

<table>
<tr>
<td></td>
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<td>
The Fixed Coupon is: [●]
The Uplift Coupon is: [●]
The Barrier is: [●]]
Applicable to Index Linked Coupon 8:
[The Tenor of each Note is divided into a series of Interest Periods, each beginning (and including) and Interest Period Date and ending (and excluding) the next Interest Period Date. Each Interest Period is either a Fixed Coupon Period, or a Variable Coupon Period.
In respect of each Fixed Coupon Period, each Note shall bear interest on its Calculation Amount from (and including) the Interest Commencement Date at a rate for such Interest Period which is equal to the Fixed Coupon (multiplied by the appropriate day count fraction to convert an annual rate of interest into a rate proportionate to the length of the Fixed Coupon Period).
The Fixed Coupon is: [●]
In respect of each Variable Coupon Period, each Note shall bear interest on its outstanding nominal amount from (and including) the Interest Commencement Date at a rate which is calculated as the sum of (a) the number of Observation Dates in the Variable Coupon Period on which the Index Level is greater than or equal to the relevant Strike Level, divided by the total number of Scheduled Trading Days in the Variable Coupon Period, multiplied by the Day In Coupon$_{(i)}$ and (b) the number of Observation Dates in the Variable Coupon Period on which the Index Level is less than the relevant Strike Level, divided by the total number of Observation Dates in the Variable Coupon Period, multiplied by the Day Out Coupon$_{(i)}$ (and all as multiplied by the appropriate day count fraction to convert an annual rate of interest into a rate proportionate to the length of the Variable Coupon Period).
The Day In Coupon$_{(i)}$, Day Out Coupon$_{(i)}$, and Strike Level for the relevant Interest Years are as follows:
<table>
<tr><td>Interest Year</td><td>Day In Coupon</td><td>Day Out Coupon</td><td>Strike Level</td></tr>
<tr><td>[●]</td><td>[●]</td><td>[●]</td><td>[●]</td></tr>
<tr><td>[●]</td><td>[●]</td><td>[●]</td><td>[●]</td></tr>
<tr><td>[●]</td><td>[●]</td><td>[●]</td><td>[●]</td></tr>
</table>
and such interest shall be payable in arrear on [each][the] Interest Payment Date.]
</td>
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<tr>
<td>C.11</td>
<td>Listing and admission to trading</td>
<td>
Notes issued may be admitted to the Official List and admitted to trading on the London Stock Exchange’s regulated market, or may be unlisted.
Issue specific summary:
[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange’s regulated market with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange’s regulated market with effect from [●].] [The Notes are unlisted.]
</td>
</tr>
<tr>
<td>C.15</td>
<td>Affect of value of underlying instrument(s) on value of derivative securities</td>
<td>
Issue specific summary:
The value of a Note consists of its principal value and the value of expected interest payments.
<u>Principal value</u>
The Final Redemption Amount of each Note is described in C.9 above. If the Principal Protection Percentage is less than 100%, investors will not be entitled to receive all of their initially invested principal on the Maturity Date. However, the Final Redemption Amount is not linked to the value of the underlying Index.
<u>Interest value</u>
</td>
</tr>
</table>

		Please refer to the relevant description set out in C.10 above. *Applicable to Index Linked Coupon 1:* [In respect of any Interest Year, the relevant Floor Rate represents a minimum interest rate to which a Noteholder is entitled. However, if (a) the absolute value of the smallest quarter-on-quarter percentage change in the Index Level during the relevant Interest Year multiplied by (b) the Participation Rate represents a greater rate than the relevant Floor Rate, the Noteholder will be entitled to that greater rate of interest. This will occur if the smallest quarter-on-quarter movement in the Index Level (whether positive or negative) in the relevant Interest Year is sufficiently large. The absolute value of a percentage change in the Index Level is always a positive number: it is equal to the percentage change if that percentage change is a positive number, or to the percentage change multiplied by -1 if that percentage change is a negative number.] *Applicable to Index Linked Coupon 2:* [In respect of any Interest Year, the relevant Floor Rate represents a minimum interest rate to which a Noteholder is entitled. However, if (a) (x) the year-on-year percentage increase (with a decrease being expressed as a negative number) in the Index Level minus (y) the relevant Strike Level (expressed as a percentage), multiplied by (b) the relevant Participation Rate represents a greater rate than the relevant Floor Rate, the Noteholder will be entitled to that greater rate of interest. This will occur if there is a sufficiently large year-on-year increase in the Index Level during the relevant Interest Year (but cannot occur if there is a year-on-year decrease in the Index Level during the relevant Interest Year).] *Applicable to Index Linked Coupon 3:* [In respect of any Interest Year, the relevant Floor Rate represents a minimum interest rate to which a Noteholder is entitled. However, if (a) (x) the cumulative percentage increase (with a decrease being expressed as a negative number) in the Index Level as compared against the Initial Index Level (the Index Level at the start of the overall Tenor of the Notes) minus (y) the relevant Strike Level (expressed as a percentage), multiplied by (b) the relevant Participation Rate represents a greater rate than the relevant Floor Rate, the Noteholder will be entitled to that greater rate of interest. This will occur if the cumulative increase in the Index Level as at the end of the relevant Interest Year as compared against the Initial Index Level is sufficiently large (but cannot occur if there is a cumulative decrease in the Index Level as compared against the Initial Index Level).] *Applicable to Index Linked Coupon 4:* [In respect of any Interest Year, the Fixed Coupon represents a minimum interest rate to which a Noteholder is entitled. However, if there is a cumulative percentage increase in the Index Level as compared against the Initial Index Level (the Index Level at the start of the overall Tenor of the Note) and such cumulative increase is greater than or equal to the relevant Barrier (which is expressed as a percentage), by the operation of the Index Digital, the Noteholder will be entitled to a fixed Uplift Coupon in respect of that Interest Year. The Uplift Coupon will not be payable to the Noteholder in respect of an Interest Year if there is a cumulative decrease in the Index Level as compared against the Initial Index Level, or if the cumulative increase is not greater than or equal to the relevant Barrier.] *Applicable to Index Linked Coupon 5:* [The Floor Rate represents a minimum interest rate to which a Noteholder is entitled over the entire Tenor of the Note. However, if (a) the arithmetic average of the absolute value of the year-on-year percentage changes in the Index Level over the entire Tenor of the Note, multiplied by (b) the Participation Rate represents a greater rate than the Floor Rate, the Noteholder will be entitled to that greater rate of interest. The absolute value of a percentage change in the Index Level is

		always a positive number: it is equal to the percentage change if that percentage change is a positive number, or to the percentage change multiplied by -1 if that percentage change is a negative number.] *Applicable to Index Linked Coupon 6:* [The Floor Rate represents a minimum interest rate to which a Noteholder is entitled over the entire Tenor of the Note. However, if (a) (x) the cumulative percentage increase (with a decrease being expressed as a negative number) in the final Index Level as compared against the Initial Index Level (the Index Level at the start of the overall Tenor of the Note) minus (y) the Strike Level (expressed as a percentage) multiplied by (b) the Participation Rate represents a greater rate than the relevant Floor Rate, the Noteholder will be entitled to that greater rate of interest.] *Applicable to Index Linked Coupon 7:* [The Fixed Coupon represents a minimum interest rate to which a Noteholder is entitled over the entire Tenor of the Note. However, if there is a cumulative percentage increase in the final Index Level as compared against the Initial Index Level (the Index Level at the start of the overall Tenor of the Note) and such cumulative increase is greater than or equal to the Barrier (which is expressed as a percentage), by the operation of the Index Digital, the Noteholder will be entitled to the fixed Uplift Coupon in respect of the entire Tenor of the Note.] *Applicable to Index Linked Coupon 8:* [In respect of any Fixed Coupon Period, the only interest rate to which a Noteholder is entitled is the Fixed Coupon. In respect of any Variable Coupon Period, the Day Out Coupon (which may be zero) represents a minimum interest rate to which a Noteholder is entitled. Each Observation Date in a Variable Coupon Period on which the Index Level exceeds the relevant Strike Level will result in an increase in the overall interest rate to which the Noteholder is entitled in respect of that Variable Coupon Period, and if on all Observation Dates in that Variable Coupon Period the Index Level exceeds the relevant Strike Level, the Noteholder will be entitled to the full Day In Coupon for that Variable Coupon Period.]
C.16	**Expiration/ maturity date of derivative securities**	***Issue specific summary:*** The Maturity Date of the Notes is [●].
C.17	**Settlement procedure for derivative securities**	***Issue specific summary:*** The Notes are cash-settled through [Clearstream, Luxembourg][Euroclear]].
C.18	**Description of return on derivative securities**	***Issue specific summary:*** The amount of principal to which the Noteholder will be entitled is described in C.9 above. The amount of interest payable to the Noteholder will be as described in C.10 above.
C.19	**Description of exercise price or final reference price of underlying asset in relation to derivative**	***Issue specific summary:*** The relevant Index Level on any Observation Date shall, subject to the occurrence of certain disruption events, be the level determined in good faith by ANZ in its capacity as Calculation Agent, and shall be, in the absence of manifest error, the level published by the Index Sponsor.

	securities	
C.20	**Description of underlying asset and where information on underlying asset can be found**	***Issue specific summary:*** The Index is [●] and information relating to it can be found at [●]. The Index Sponsor is [●].

Section D – Risks

D.2	**Key information on key risks that are specific to the Issuer:** a) The Issuer's financial performance is primarily influenced by the economic conditions and level of business activity in the major countries and regions in which it operates or trades, i.e. Australia, New Zealand, the Asia Pacific region, Europe and the United States of America. The global financial crisis in 2008 and 2009 ("**GFC**") saw a prolonged dislocation in credit and equity capital markets, a contraction in global economic activity and the creation of many challenges for financial services institutions worldwide that still persist in many regions. The New Zealand economy is also vulnerable to more volatile markets and deteriorating funding conditions. Economic conditions in Australia, New Zealand, and some Asia Pacific countries remain difficult, albeit less so than in many European countries and in the United States of America. b) The recent appreciation in the Australian and New Zealand dollars relative to other currencies has adversely affected, and could continue to have an adverse effect on, certain portions of the Australian and New Zealand economies, including some agricultural exports, international tourism, manufacturers, and import-competing producers, and thereby the Issuer's financial performance. c) The markets in which the Issuer operates are highly competitive and could become even more so, particularly in those segments that are considered to provide higher growth prospects or are in greatest demand (for example, customer deposits). Factors that contribute to competition risk include industry regulation, mergers and acquisitions, changes in customers' needs and preferences, entry of new participants, development of new distribution and service methods, increased diversification of products by competitors and regulatory changes in the rules governing the operations of banks and non-bank competitors, especially in Australia and New Zealand. d) Central monetary authorities (including the Reserve Bank of Australia ("**RBA**"), the Reserve Bank of New Zealand ("**RBNZ**"), the U.S. Federal Reserve and the monetary authorities in Asian jurisdictions in which the Group carries on business) set official interest rates so as to affect the demand for money and credit in their relevant jurisdictions. Their 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. e) In response to the GFC, a number of government-sponsored financial stabilisation packages (including guarantees of certain bank obligations) were introduced around the world, including in Australia and New Zealand. The subsequent withdrawal of the Australian Government Guarantee Scheme for Large Deposits and Wholesale Funding and the New Zealand Government Wholesale Funding Guarantee Scheme may adversely impact the Issuer's access to funding and liquidity. There is no certainty that financial conditions will improve or that government-sponsored stabilisation packages would be re-introduced if conditions deteriorated. The absence of government-sponsored financial stabilisation schemes may result in stress on the global financial system or regional financial systems, which could adversely impact the Group and its customers and counterparties. f) Residential, commercial and rural property lending, together with property finance, including real estate development and investment property finance, constitute important businesses to the

	Issuer. Overall, the property market has shown signs of weakness. A decrease in property valuations in Australia, New Zealand or other markets where it does business could decrease the amount of new lending the Issuer is able to write and/or increase the losses that the Issuer may experience from existing loans, which, in either case, could materially and adversely impact the Issuer's financial condition and results of operations. A significant slowdown in the Australian and New Zealand housing markets or in other markets where the Issuer does business could adversely affect the Issuer's business, operations and financial condition.	
D.3	**Key information on the key risks that are specific to the Notes:** Material risks relating to a particular issuance of Notes may (depending on the terms of the particular issue) include that the market price of the Notes may be volatile, the Notes may not pay interest, or may pay less interest than expected. There is no assurance that a liquid secondary market for certain Notes will develop or continue. ANZ in its capacity as Calculation Agent has broad discretion to make certain determinations and adjustments[,][and/or] to replace the original reference Index with another [and/or to cause the early redemption or cancellation of the Notes]. The Calculation Agent may also in certain circumstances amend the relevant Index Level due to corrections in the level of the Index reported by the Index Sponsor.	
D.6	**Key risks specific to Index Linked Notes:** Fluctuations in the value and/or volatility of the relevant Index may affect the value of Index Linked Notes. Indices comprise a synthetic portfolio of shares or other assets and, as such, the performance of an Index is dependent upon the macroeconomic factors relating to the shares or other components that comprise such Index, which may include interest rates and price levels on the capital markets, currency developments, political factors and (in the case of shares) company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy. Returns payable on Index Linked Notes may not reflect the return an investor would realise if he or she actually owned the relevant items comprising the components of the Index. The rules governing the composition and calculation of an Index may stipulate that dividends distributed on its components do not lead to a rise in the Index Level, for example, if it is a "price" index, which may lead to a decrease in the index level if all other circumstances remain the same. An Index Sponsor may add, delete or substitute the components of an Index published by it or make other methodological changes to it, or cease to publish it. A change in the composition or the discontinuance of an Index could adversely affect the market value of the Index Linked Notes.	
Section E – Offer		
E.2b	**Reason for the offer and use of proceeds**	***Issue specific summary:*** The net proceeds of the issue of the Notes will be used by the relevant Issuer for its [general business purposes, including the making of profits and the hedging of certain risks][specify any other particular identified use of proceeds].
E.3	**Terms and Conditions of the Offer**	***Issue specific summary:*** The Notes will be offered to investors by [the Issuer in its capacity as the Initial Dealer][an Authorised Offeror] at a price of [●] per Note during the period from (and including) [●] to (and including) [●]. [The minimum number of Notes that an investor may purchase is [●]][The minimum value of Notes that an investor may purchase is [●]].
E.4	**Interests of natural and legal persons involved in the**	***Issue specific summary:*** [So far as the Issuer is aware, no person involved in the offer of the Notes

	issue of the Securities	has an interest material to the offer.]
E.7	**Estimated expenses charged to the investor by the Issuer or the Authorised Offeror**	The Notes are offered to the investors by [the Issuer in its capacity as the Initial Dealer][an Authorised Offeror]. The estimated expenses to be charged to the investor by the [Issuer in its capacity as Initial Dealer][an Authorised Offeror] is an amount of [●] per Notes, provided that the minimum amount of expenses per purchase of Notes shall be [●]. Any investor intending to acquire any Notes from a bank, financial intermediary or other entity (including an Authorised Offeror) other than the Initial Dealer in its capacity as such will do so in accordance with any terms and other arrangements in place between the seller or distributor and such investor, including as to price and any expenses that may be payable, allocations and settlement arrangements. The Issuer is not a party to such terms or other arrangements.

RISK FACTORS

This section sets out the principal risks inherent in investing in Index Linked Notes issued under this Prospectus.

Introduction

The following risk factors shall be read in conjunction with the risk factors as set out on pages 25 to 50 inclusive (Risk Factors) of the Programme Prospectus.

The Risk Factors entitled "Cancellation or Redemption due to illegality or change in law", "Cancellation or Redemption due to taxation" and "Early Redemption Amount or Early Cancellation Amount of Securities" set out on pages 32 and 33 of the Programme Prospectus shall only apply to Notes issued under this Prospectus in respect of which "Early Redemption" is stated as "Applicable" in the relevant Final Terms.

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

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

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

Words and expressions defined in the "Terms and Conditions of the Notes" below, elsewhere in this Prospectus or in the Programme Prospectus, as the case may be, have the same meanings in this section.

RISK FACTORS RELATING TO THE NOTES

The Notes are Index Linked Notes. An investment in Index Linked Notes entails significant risks in addition to those associated with investments in a conventional debt security.

Factors affecting the performance of Indices may adversely affect the value of the Notes

Indices comprise a synthetic portfolio of shares or other assets and, as such, the performance of an Index is dependent upon the macroeconomic factors relating to the shares or other components that comprise such Index, which may include interest rates and price levels on the capital markets, currency developments, political factors and (in the case of shares) company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy.

Exposure to the risk that returns on the Notes do not reflect direct investment in underlying equities or other items comprising the Index

The return payable on Index Linked Notes may not reflect the return an investor would realise if he or she actually owned the relevant items comprising the components of the Index. For example, if the components of the Indices are shares, Noteholders will not receive any dividends paid on those shares and will not participate in the return on those dividends unless the relevant Index takes such dividends into account for purposes of calculating the relevant level. Similarly, Noteholders will not have any voting rights in the underlying equities or any other assets which may comprise the components of the relevant Index.

Accordingly, investors in Index Linked Notes may receive a lower payment upon settlement or redemption of such Securities than such investor would have received if he or she had invested in the components of the Index directly.

Loss of return of dividends in respect of most Index Linked Notes

The rules governing the composition and calculation of the relevant underlying Index might stipulate that dividends distributed on its components do not lead to a rise in the index level, for example, if it is a "price" index, which may lead to a decrease in the index level if all other circumstances remain the same. As a result, in such cases, the holders of Index Linked Notes may not participate in dividends or other distributions paid on the components comprising the Index. Even if the rules of the relevant underlying Index provide that distributed dividends or other distributions of the components are reinvested in the Index and therefore result in raising its level, in some circumstances, the dividends or other distributions may not be fully reinvested in such Index.

A change in the composition or discontinuance of an Index could adversely affect the market value of the Index Linked Notes

The sponsor of any Index can add, delete or substitute the components of such Index or make other methodological changes that could change the level of one or more components. The modification of components of any Index may affect the level of such Index, as a newly added component may perform significantly worse or better than the component it replaces, which in turn may affect the payments made by the Issuer to the investors in the Index Linked Notes. The sponsor of any such Index may also alter, discontinue or suspend calculation or dissemination of such Index. The sponsor of an Index will have no involvement in the offer and sale of the Index Linked Notes and will have no obligation to any investor in such Index Linked Notes. The sponsor of an Index may take any actions in respect of such Index without regard to the interests of the investor in the Index Linked Notes, and any of these actions could adversely affect the market value of the Index Linked Notes.

Exposure to Index Modification, Index Cancellation, Index Disruption and Correction of Index levels

The Calculation Agent has broad discretion to make certain determinations and adjustments, to replace the original reference Index with another and/or to cause early redemption of the Index Linked Notes, any of which may be adverse to Noteholders in connection with Index Modification, Index Cancellation and Index Disruption. The Calculation Agent may determine that the consequence of any such event is to make adjustments to the Index Linked Notes, or to replace such Index with another or to cause early redemption or cancellation of the Index Linked Notes. The Calculation Agent may (subject to the terms and conditions of the relevant Index Linked Notes) also amend the relevant Index level due to corrections in the level reported by the sponsor of the Index.

RISK FACTORS RELATING TO THE ISSUER

Noteholders are exposed to the credit risk of the Issuer. If the Issuer fails or becomes insolvent, Noteholders may lose some or all of their investment.

Prospective investors should note that the Issuer is subject to certain general risks including, without limitation, instability in the global financial markets, lack of liquidity, depressed asset valuations and geopolitical conditions.

DOCUMENTS INCORPORATED BY REFERENCE

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

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

(i) the prospectus dated 7 June 2013 relating to the Issuer's Global Markets Issuance Programme, which was published via the Regulatory News Service of the London Stock Exchange plc on or about 11 June 2013 (the "**Programme Prospectus**"), excluding Equity Linked Additional Conditions 1, 2 and 3 (as defined therein) (page 114) and the sections thereof entitled "Summary" (pages 13 to 27), "Form of Final Terms which are Eligible for Retail Investors" (pages 136 to 145 "Form of Final Terms of Notes which are Not Eligible for Retail Investors" (pages 146 to 155) and "Form of Final Terms for C&W Securities" (pages 156 to 164);

(ii) the audited annual consolidated financial statements (including the auditor's report thereon and notes thereto) in respect of the years ended 30 September 2011 and 2012 (set out on pages 86 to 210 and pages 72 to 194, respectively of the 2011 and 2012 Annual Reports of ANZ); and

(iii) the sections entitled "Capital Management" and "Profit Reconciliation" set out on pages 30 to 31 and 75 to 84 respectively of ANZ's 2012 Consolidated Financial Report, Dividend Announcement and Appendix 4E.

Where only certain sections of a document referred to above are incorporated by reference into this Prospectus, the parts of the document which are not incorporated by reference are either not relevant for prospective investors or are covered elsewhere in this Prospectus.

PRESENTATION OF FINANCIAL INFORMATION

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

In this Prospectus, references to the "**consolidated financial statements**" or "**financial statements**" are to ANZ's 2012 Consolidated Financial Report, unless indicated otherwise.

The consolidated financial statements of the Issuer incorporated by reference within this Prospectus have been prepared in accordance with Australian Accounting Standards and New Zealand equivalents to International Financial Reporting Standards.

GENERAL TERMS AND CONDITIONS

This section describes the components of the terms and conditions of the Index Linked Notes.

Capitalised terms used herein shall be deemed to be defined as such for the purposes of the Programme Prospectus and the Note Conditions (as defined therein). References in the Note Conditions to “Final Terms” shall be deemed to be references to this Prospectus.

The Index Linked Additional Conditions (as defined in Schedule 1 hereto) shall be Additional Conditions for the purposes of the Programme Prospectus.

If the Redemption/Payment Basis is specified hereon as “Index Linked”, Index Linked Additional Condition 1 shall apply to the relevant Index Linked Note.

If the Interest Basis is specified as Index Linked Coupon *x*, where *x* is a number from 1 to 8, the relevant part of Index Linked Additional Condition 3 shall apply to the relevant Index Linked Note.

SCHEDULE 1: INDEX LINKED ADDITIONAL CONDITIONS

This section sets out the terms and conditions that apply to the Index Linked Notes.

The following are the Additional Conditions (the "**Index Linked Additional Conditions**") that will apply to Notes issued under this Prospectus ("**Index Linked Notes**"). Index Linked Notes are Cash Settled Securities. In the case of any inconsistency between these Index Linked Additional Conditions, the Base Note Conditions and/or the Base General Conditions, these Index Linked Additional Conditions will prevail.

Words and expressions defined or used in the relevant Final Terms shall have the same meanings where used in these Index Linked Additional Conditions unless the context otherwise requires or unless otherwise stated. All capitalised terms that are not defined in these Index Linked Additional Conditions or elsewhere in the Conditions applicable to the Index Linked Notes will have the meanings given to them in the relevant Final Terms. References in these Index Linked Additional Conditions to Index Linked Notes are to the Index Linked Notes of one Series only, not to all Index Linked Notes that may be issued under this Prospectus. Unless otherwise specified, references in these Index Linked Additional Conditions to a "Additional Condition" are to a section or clause of these Index Linked Additional Conditions.

1 Redemption of Index Linked Notes

1.1 For the purposes of the Base General Conditions, this Index Linked Additional Condition 1 is the "Reference Item Settlement Provision" applicable to Index Linked Notes.

1.2 Unless previously redeemed or purchased and/or cancelled, as the case may be, the Final Redemption Amount for each Index Linked Note will be calculated using the following formula:

$$CA \times PPP$$

where:

CA	the "Calculation Amount" for such Index Linked Note specified in the relevant Final Terms
PPP	the "**Principal Protection Percentage**" for such Index Linked Note specified in the relevant Final Terms

1.3 If the final Observation Date for Interest $Year_{(n)}$ is postponed as a result of the occurrence of a Disrupted Day, the Maturity Date of each relevant Index Linked Note shall be the later of (i) the Maturity Date specified in the relevant Final Terms and (ii) the day falling the number of Extension Business Days after such postponed Observation Date.

2 Early Redemption

For the purposes of the Base General Conditions, this Index Linked Additional Condition 2 is the "Reference Item Early Redemption/Cancellation Provision" applicable to Index Linked Notes.

2.1 If Early Redemption is specified in the relevant Final Terms as being Applicable, the Index Linked Notes may be redeemed early in the manner and circumstances provided for in the Programme Prospectus.

2.2 If Early Redemption is specified in the relevant Final Terms as being Not Applicable, the Index Linked Notes may not be redeemed before their scheduled Maturity Date for any reason other than an Event of Default and the relevant provisions of the Programme Prospectus (including, but not limited to, Base Note Conditions 5(b), (c) and (d), Additional Condition 4.2(iv) and Additional Condition 5.1(d), but excluding Base General Condition 11) and this Prospectus (Index Linked Additional Condition 4.3(b)(iii)) shall be deemed not to apply to such Index Linked Notes.

3 Interest Payable on Index Linked Notes

3.1 Unless previously redeemed or purchased and/or cancelled, as the case may be, each Index Linked Interest Note shall accrue interest in the manner specified in this Index Linked Additional Condition 3. For the purposes of the Base Note Conditions, the Interest Determination Date for an Interest Year shall be deemed to be the Observation Date for that Interest Year, provided that, if "Index Linked Coupon 1" is specified in the relevant Final Terms, the Interest Determination Date for an Interest Year shall be deemed to be the final Observation Date of that Interest Year.

3.2 If an Interest Amount is due to be determined in respect of an Observation Date, and such Observation Date is postponed as a result of the occurrence of a Disrupted Day, the Interest Payment Date relating to such postponed Observation Date shall be the later of (i) the relevant Interest Payment Date specified in the relevant Final Terms and (ii) the day falling the number of Extension Business Days after such postponed Observation Date.

3.3 Index Linked Coupon 1

If "Index Linked Coupon 1" is specified in the relevant Final Terms, each Index Linked Note shall bear interest on its Calculation Amount from (and including) the Interest Commencement Date at a rate per annum (expressed as a percentage) (in respect of an Interest Year, the "**Annual Rate**") calculated using the following formula:

$$Annual\ Rate_{(i)} = max\left(floor_{(i)}; \left[PR_{(i)} x Performance_{(i)}\right]\right)$$

where:

Annual Rate$_{(i)}$	=	the Annual Rate in respect of Interest Year$_{(i)}$
floor$_{(i)}$	=	a rate (expressed as a percentage) in respect of Interest Year$_{(i)}$ equal to the "**Floor Rate$_{(i)}$**" specified in the relevant Final Terms
PR$_{(i)}$	=	a rate (expressed as a percentage) in respect of Interest Year$_{(i)}$ equal to the "**Participation Rate$_{(i)}$**" specified in the relevant Final Terms
Performance$_{(i)}$	=	a rate (expressed as a percentage) in respect of Interest Year$_{(i)}$ calculated using the following formula:

$$\arg\min_{j} \left| \frac{index_{(i,j)}}{index_{(i,j-1)}} - 1 \right|$$

where:

index$_{(i,j)}$	=	the Index Level as observed on the jth Observation Date for Interest Year$_{(i)}$
index$_{(i,j-1)}$	=	the Index Level as observed on the j – 1th Observation Date in Interest Year$_{(i)}$, provided that where j=0, that Observation Date shall be the final Observation Date of Interest Year$_{(i-1)}$ (the Interest Year preceding Interest Year$_{(i)}$).
i	=	1,2,3…n
j	=	1,2,3,4

and such interest shall be payable in arrear on each Interest Payment Date.

Please see part 2A of the section entitled "*Worked Examples Relating to Index Linked Coupons*" on page 53 below for worked examples and a further explanation of the formulae used in this Index Linked Additional Condition.

3.4 Index Linked Coupon 2

If "Index Linked Coupon 2" is specified in the relevant Final Terms, each Index Linked Note shall bear interest on its Calculation Amount from (and including) the Interest Commencement Date at a rate per annum (expressed as a percentage) (in respect of an Interest Year, the "**Annual Rate**") calculated using the following formula:

$$Annual\ Rate_{(i)} = max\left(floor_{(i)}; PR_{(i)}\ X\ \left[Index\ Yearly\ Performance_{(i)} - strike_{(i)}\right]\right)$$

where:

Annual $Rate_{(i)}$	=	the Annual Rate in respect of Interest $Year_{(i)}$
$floor_{(i)}$	=	an interest rate (expressed as a percentage) in respect of Interest $Year_{(i)}$ equal to the "**Floor $Rate_{(i)}$**" specified in the relevant Final Terms
$PR_{(i)}$	=	a rate (expressed as a percentage) in respect of Interest $Year_{(i)}$ equal to the "**Participation $Rate_{(i)}$**" specified in the relevant Final Terms
Index Yearly $Performance_{(i)}$	=	a rate (expressed as a percentage) in respect of Interest $Year_{(i)}$ calculated using the following formula:

$$\frac{index_{(i)}}{index_{(i-1)}} - 1$$

where:

$index_{(i)}$	=	the Index Level as observed on the Observation Date for Interest $Year_{(i)}$
$index_{(i-1)}$	=	the Index Level as observed on the Observation Date for Interest $Year_{(i-1)}$
$strike_{(i)}$	=	a rate (expressed as a percentage) in respect of Interest $Year_{(i)}$ equal to the "**Strike $Level_{(i)}$**" specified in the relevant Final Terms
i	=	1,2,3…n

and such interest shall be payable in arrear on each Interest Payment Date.

Please see part 2B of the section entitled "*Worked Examples Relating to Index Linked Coupons*" on page 56 below for worked examples and a further explanation of the formulae used in this Index Linked Additional Condition.

3.5 Index Linked Coupon 3

If "Index Linked Coupon 3" is specified in the relevant Final Terms, each Index Linked Note shall bear interest on its Calculation Amount from (and including) the Interest Commencement Date at a rate per annum (expressed as a percentage) (in respect of an Interest Year, the "**Annual Rate**") calculated using the following formula:

$$Annual\ Rate_{(i)} = max\left(floor_{(i)}; PR_{(i)}\ X\ \left[Index\ Performance_{(i)} - strike_{(i)}\right]\right)$$

where:

Annual $Rate_{(i)}$	=	the Annual Rate in respect of Interest $Year_{(i)}$
$floor_{(i)}$	=	an interest rate (expressed as a percentage) in respect of Interest $Year_{(i)}$ equal to the "**Floor $Rate_{(i)}$**" specified in the relevant Final Terms
$PR_{(i)}$	=	a rate (expressed as a percentage) in respect of Interest $Year_{(i)}$ equal to the "**Participation $Rate_{(i)}$**" specified in the relevant Final Terms
Index $Performance_{(i)}$	=	a rate (expressed as a percentage) in respect of Interest $Year_{(i)}$ calculated using the following formula:

$$\frac{index_{(i)}}{index_{(0)}} - 1$$

where:

$index_{(i)}$	=	the Index Level as observed on the Observation Date for Interest $Year_{(i)}$
$index_{(0)}$	=	the Initial Index Level
$strike_{(i)}$	=	a rate (expressed as a percentage) in respect of Interest $Year_{(i)}$ equal to the "**Strike $Level_{(i)}$**" specified in the relevant Final Terms
i	=	1,2,3…n

and such interest shall be payable in arrear on each Interest Payment Date.

Please see part 2C of the section entitled "*Worked Examples Relating to Index Linked Coupons*" on page 57 below for worked examples and a further explanation of the formulae used in this Index Linked Additional Condition.

3.6 Index Linked Coupon 4

If "Index Linked Coupon 4" is specified in the relevant Final Terms, each Index Linked Note shall bear interest on its Calculation Amount from (and including) the Interest Commencement Date at a rate per annum (expressed as a percentage) (in respect of an Interest Year, the "**Annual Rate**") calculated using the following formula:

$$Annual\ Rate_{(i)} = Fixed\ Coupon_{(i)} + \left(Index\ Digital_{(i)}\ X\ \ Uplift\ Coupon_{(i)}\right)$$

where:

Annual $Rate_{(i)}$	=	the Annual Rate in respect of Interest $Year_{(i)}$
Fixed $Coupon_{(i)}$	=	a rate per annum (expressed as a percentage) in respect of Interest $Year_{(i)}$ equal to the "**Fixed $Coupon_{(i)}$**" specified in the relevant Final Terms
Index $Digital_{(i)}$	=	if $index_{(i)}$ / $index_{(0)} \geq Barrier_{(i)}$, 1 otherwise, zero.

where:

$index_{(i)}$	=	the Index Level as observed on the Observation Date for Interest $Year_{(i)}$
$index_{(0)}$	=	the Initial Index Level
i	=	1,2,3…n

$Barrier_{(i)}$	=	a rate (expressed as a percentage) in respect of Interest $Year_{(i)}$ equal to the "**Barrier$_{(i)}$**" specified in the relevant Final Terms

Uplift $Coupon_{(i)}$	=	a rate per annum (expressed as a percentage) in respect of Interest $Year_{(i)}$ equal to the "**Uplift Coupon$_{(i)}$**" specified in the the relevant Final Terms.

and such interest shall be payable in arrear on each Interest Payment Date.

Please see part 2D of the section entitled "*Worked Examples Relating to Index Linked Coupons*" on page 59 below for worked examples and a further explanation of the formulae used in this Index Linked Additional Condition.

3.7 Index Linked Coupon 5

If "Index Linked Coupon 5" is specified in the relevant Final Terms, each Index Linked Note shall bear interest on its Calculation Amount from (and including) the Interest Commencement Date at a rate (expressed as percentage) for the entire Tenor of such Index Linked Note calculated using the following formula:

$$\max\left(floor;\left[PR \times Final\,Performance\right]\right)$$

where:

floor	=	an interest rate (expressed as a percentage) equal to the "**Floor Rate**" specified in the relevant Final Terms
PR	=	a rate (expressed as a percentage) equal to the "**Participation Rate**" specified in the relevant Final Terms
Final Performance	=	a rate (expressed as a percentage) representing the average annual performance of the Index over the term of such Index Linked Note calculated using the following formula:

$$\frac{1}{n} \times \sum_{i=1}^{n} \left| \frac{index_{(i)}}{index_{(i-1)}} - 1 \right|$$

where:

$index_{(i)}$	=	the Index Level as observed on the Observation Date for Interest $Year_{(i)}$
$index_{(i-1)}$	=	the Index Level as observed on the Observation Date for Interest $Year_{(i-1)}$, provided that for Interest $Year_{(0)}$ the relevant Index Level will be the Initial Index Level
i	=	1,2,3…n

and such interest shall be payable in arrear on the Interest Payment Date.

Please see part 2E of the section entitled "*Worked Examples Relating to Index Linked Coupons*" on page 60 below for worked examples and a further explanation of the formulae used in this Index Linked Additional Condition.

3.8 Index Linked Coupon 6

If "Index Linked Coupon 6" is specified in the relevant Final Terms, each Index Linked Note shall bear interest on its Calculation Amount from (and including) the Interest Commencement Date at a rate (expressed as a percentage) for the entire Tenor of such Index Linked Note calculated using the following formula:

$$\max\left(floor;\ PR \times \left[Final\,Performance - strike\right]\right)$$

where:

floor	=	an interest rate (expressed as a percentage) equal to the "**Floor Rate**" specified in the relevant Final Terms
PR	=	a rate (expressed as a percentage) equal to the "**Participation Rate**" specified in the relevant Final Terms
Final Performance	=	a rate (expressed as a percentage) representing the performance of the Index over the term of such Index Linked Note calculated using the following formula:

$$\frac{index_{(n)}}{index_{(0)}} - 1$$

where:

$index_{(n)}$ = the Index Level as observed on the Observation Date for Interest $Year_{(n)}$

$index_{(0)}$ = the Initial Index Level

strike	=	a rate (expressed as a percentage) equal to the "**Strike Level**" specified in the relevant Final Terms

and such interest shall be payable in arrear on the Interest Payment Date.

Please see part 2F of the section entitled "*Worked Examples Relating to Index Linked Coupons*" on page 62 below for worked examples and a further explanation of the formulae used in this Index Linked Additional Condition.

3.9 Index Linked Coupon 7

If "Index Linked Coupon 7" is specified in the relevant Final Terms, each Index Linked Note shall bear interest on its Calculation Amount from (and including) the Interest Commencement Date at a rate (expressed as a percentage) for the entire Tenor of such Index Linked Note calculated using the following formula:

$$Fixed\,Coupon + \left(Index\,Digital \times Uplift\,Coupon\right)$$

where:

Fixed Coupon	=	a rate (expressed as a percentage) equal to the "**Fixed Coupon**" specified in the relevant Final Terms
Index Digital	=	if $index_{(n)} / index_{(0)} \geq$ Barrier, 1 otherwise, zero. where:

$index_{(n)}$	=	the Index Level as observed on the Observation Date for Interest $Year_{(n)}$
$index_{(0)}$	=	the Initial Index Level
Barrier	=	a rate (expressed as a percentage) equal to the "**Barrier**" specified in the relevant Final Terms

Uplift Coupon = a rate (expressed as a percentage) equal to the "**Uplift Coupon**" specified in the relevant Final Terms

and such interest shall be payable in arrear on the Interest Payment Date.

Please see part 2G of the section entitled "*Worked Examples Relating to Index Linked Coupons*" on page 63 below for worked examples and a further explanation of the formulae used in this Index Linked Additional Condition.

3.10 Index Linked Coupon 8

If "Index Linked Coupon 8" is specified in the relevant Final Terms, each Index Linked Note shall bear interest on its Calculation Amount from (and including) the Interest Commencement Date at a rate (expressed as a percentage) (in respect of an Interest Period, the "**Periodic Rate**") calculated using one of the following formulae, as applicable:

(i) if such Interest Period is a Fixed Coupon Period:

$$Periodic\ Rate_{(i)} = Fixed\ Coupon \times DCF$$

where:

Periodic $Rate_{(i)}$	=	the Periodic Rate in respect of Interest $Period_{(i)}$
Fixed Coupon	=	a rate per annum (expressed as a percentage) equal to the "**Fixed Coupon**" specified in the relevant Final Terms
DCF	=	the day count fraction calculated as the quotient of (a) 1 (as numerator) and (b) the number of Interest Periods per nominal calendar year (as denominator)

or

(ii) if such Interest Period is a Variable Coupon Period:

$$\text{Periodic Rate}_{(i)} = \left[\left(\frac{\text{Days In}_{(i)}}{\text{Total Days}_{(i)}}\right) \times \text{Day In Coupon}_{(i)} \times \text{DCF}\right] + \left[\left(\frac{\text{Days Out}_{(i)}}{\text{Total Days}_{(i)}}\right) \times \text{Day Out Coupon}_{(i)} \times \text{DCF}\right]$$

where:

Periodic $Rate_{(i)}$	=	the Periodic Rate in respect of Interest $Period_{(i)}$
Days $In_{(i)}$	=	the number of Observation Dates in Interest $Period_{(i)}$ on which the Index Level is greater than or equal to the "**Strike $Level_{(i)}$**" specified in the relevant Final Terms
Days $Out_{(i)}$	=	the number of Observation Dates in Interest $Period_{(i)}$ on which the Index Level is less than the "**Strike $Level_{(i)}$**" specified in the relevant Final Terms

Total $Days_{(i)}$	=	the number of Observation Dates in Interest $Period_{(i)}$
Day In $Coupon_{(i)}$	=	a rate per annum (expressed as a percentage) in respect of Interest Year(i) equal to the "**Day In $Coupon_{(i)}$**") specified in the relevant Final Terms
Day Out $Coupon_{(i)}$	=	a rate per annum (expressed as a percentage) in respect of Interest $Year_{(i)}$ equal to the "**Day Out $Coupon_{(i)}$**") specified in the relevant Final Terms
DCF	=	the day count fraction calculated as the quotient of (a) 1 (as numerator) and (b) the number of Interest Periods per nominal calendar year (as denominator)

and such interest shall be payable in arrear on each Interest Payment Date.

For the avoidance of doubt, if any Observation Date is a Disrupted Day, then such Observation Date will be deemed not to be an Observation Date and shall be accordingly disregarded for the determination of the Total Days, the Days In and the Days Out.

Defined terms specific to Index Linked Coupon 8:

"**Fixed Coupon Period**" means each Interest Period specified as such in the relevant Final Terms.

Please see part 2H of the section entitled "*Worked Examples Relating to Index Linked Coupons*" on page 64 below for worked examples and a further explanation of the formulae used in this Index Linked Additional Condition.

4 "**Variable Coupon Period**" means each Interest Period that is not specified in the relevant Final Terms as a Fixed Coupon Period.**General Terms applicable to Single Exchange and Multi Exchange Index Linked Notes (single index)**

4.1 General Definitions

(a) Common definitions for Single Exchange Index Linked Notes and Multi Exchange Index Linked Notes

The following defined terms are relevant to all Index Linked Notes:

"**arg $_j$ min**" followed by a formulaic expression containing a variable j means the minimum possible value outcome of that formulaic expression for all possible values of j.

"**Extension Business Days**" means the number of Business Days specified in the relevant Final Terms, or, if none (i) in respect of a Maturity Date, the number of Business Days that the scheduled Maturity Date falls after the scheduled final Observation Date, and (ii) in respect of an Index Payment Date, the number of Business Days that the scheduled Interest Payment Date falls after the scheduled Observation Date relating to it.

"**(i)**" or "**i**" refers to a unique integer that identifies each Interest Year in the books and records of the Calculation Agent, from i = 1 (the first Interest Year) to i = n (the final Interest Year) and, when printed subscript after the term of a formula, refers to that term as it pertains to such Interest Year.

"**(i, j)**" is used where there is more than one Observation Date in an Interest $Year_{(i)}$, and refers to a unique integer that identifies each such Observation Date falling in that Interest $Year_{(i)}$ in the books and records of the Calculation Agent.

"**Index Level**" means, in relation to an Observation Date, the level of the Index as determined by the Calculation Agent as of the Observation Time on such Observation Date, which level of the Index shall be, subject to Index Linked Additional Condition 4.3 (*Particular Provisions*) below, and in the absence of manifest error, the level published by the Index Sponsor.

"**Initial Index Level**" means the level of the Index specified as such in the relevant Final Terms or, if no such level is specified, the Index Level as determined by the Calculation Agent as of the Observation Time on the Issue Date, subject to Index Linked Additional Condition 4.3 (*Particular Provisions*) below.

"**Interest Year**" means the calendar year commencing on (and including) the Issue Date and each subsequent calendar year commencing on (and including) each anniversary of the Issue Date.

"**Interest Period**" means the period commencing on (and including) an Interest Period Date and ending on (and excluding) the next Interest Period Date, provided that in respect of an Index Linked Note the first Interest Period shall commence on (and include) the Issue Date, and the final Interest Period shall end on (and include) the Maturity Date.

"**Interest Period Date**" means the dates specified as such in the relevant Final Terms.

"**max**" followed by a series of numbers/terms inside brackets means whichever is the greater of the numbers/terms separated by a ";" inside those brackets.

"**min**" followed by a series of numbers/terms inside brackets means whichever is the lesser of the numbers/terms separated by a ";" inside those brackets.

"**(n)**", when printed subscript after the term of a formula, refers to that term as it pertains to the final Interest Year in respect of the relevant Index Linked Note.

"**n**" means the Tenor of the relevant Index Linked Note.

"**Observation Date**" means each date specified as such in the relevant Final Terms or, if such date is not a Scheduled Trading Day, the next following Scheduled Trading Day, subject to "Consequences of Disrupted Days" set forth in Index Linked Additional Condition 4.2 (*Consequences of Disrupted Day(s)*) below.

"$\sum_{i=1}^{n}$" followed by a formulaic expression means the sum of the outcomes of that formulaic expression for all values of i, commencing with (and including) where i = 1 and ending with (and including) where i = n.

"**Scheduled Observation Date**" means the original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Observation Date.

"**Tenor**" means the term of an Index Linked Note, expressed as a number of calendar years, as specified in the relevant Final Terms.

"**≥**" means that the term or number preceding this sign will be equal to or greater than the term or number following this sign.

"**| |**" means the absolute value of the term, formulaic expression or number inside the brackets.

(b) Definitions specific to Single Exchange Index Linked Notes

The following defined terms shall apply to an Index Linked Note if "Single Exchange Index Linked Notes" is specified in the relevant Final Terms as the Type of Index Linked Note:

"**Exchange**" means the exchange or quotation system as determined by the Calculation Agent which is on the Issue Date specified as such in the relevant Final Terms, or any successor to such exchange or any substitute exchange or quotation system to which trading in the shares underlying the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the shares underlying the Index on such temporary substitute exchange or quotation system as on the original Exchange).

"**Exchange Business Day**" means any Scheduled Trading Day on which the Exchange and, if any, the Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or, if any, the Related Exchange closing prior to its Scheduled Closing Time.

"**Index**" means the index specified as such in the relevant Final Terms as calculated and announced by the relevant Index Sponsor, subject to Index Linked Additional Condition 4.3 (*Particular Provisions*) below. An Index is a type of Reference Item for the purposes of the Base General Conditions.

"**Index Sponsor**" means the corporation or other entity that (i) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (ii) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day, which is on the Issue Date specified as such in the relevant Final Terms, subject to Index Linked Additional Condition 4.3 (*Particular Provisions*) below.

"**Observation Time**" means the time specified as such in the relevant Final Terms or, if no such time is specified, the Scheduled Closing Time on the Exchange on the relevant Observation Date. If such Exchange closes prior to its Scheduled Closing Time and the specified Observation Time is after the actual closing time for its regular trading session, then the Observation Time shall be such actual closing time.

"**Related Exchange**" means the exchange or quotation system where futures or options contracts relating to the Index are mainly traded, as specified in the relevant Final Terms or, if not so specified, as determined by the Calculation Agent, in its sole and absolute discretion, or any successor to such exchange or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Index on such temporary substitute exchange or quotation system as on the original Related Exchange).

"**Scheduled Closing Time**" means, in respect of the Exchange or, if any, the Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or, if any, the Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the hours of the regular trading session hours.

"**Scheduled Trading Day**" means any day on which the Exchange and the Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

(c) Definitions specific to Multi Exchange Index Linked Notes

The following defined terms shall apply to an Index Linked Note if "Multi Exchange Index Linked Notes" is specified in the relevant Final Terms as the Type of Index Linked Note:

"**Exchange**" means, in respect of each component security of the Index (each a "**Component Security**"), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent or as specified in the relevant Final Terms, subject to Index Linked Additional Condition 4.3 (*Particular Provisions*) below.

"**Exchange Business Day**" means any Scheduled Trading Day on which: (i) the Index Sponsor publishes the level of the Index and, if any, (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding any Exchange or, if any, the Related Exchange closing prior to its Scheduled Closing Time.

"**Index**" means the index specified as such in the relevant Final Terms as calculated and announced by the relevant Index Sponsor, subject to Index Linked Additional Condition 4.3

(*Particular Provisions*) below. An Index is a type of Reference Item for the purposes of the Base General Conditions.

"**Index Sponsor**" means the corporation or other entity that (i) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (ii) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day, which is on the Issue Date specified as such in the relevant Final Terms, subject to Index Linked Additional Condition 4.3 (*Particular provisions*) below.

"**Observation Time**" means (i) for the purposes of determining whether a Market Disruption Event has occurred: (A) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security and (B) in respect of any options contracts or future contracts on the Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

"**Related Exchange**" means the exchange or quotation system where futures or options contracts relating to the Index are mainly traded, as determined by the Calculation Agent, in its sole and absolute discretion or otherwise specified in the relevant Final Terms, or any successor to such exchange or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Index on such temporary substitute exchange or quotation system as on the original Related Exchange).

"**Scheduled Closing Time**" means, in respect of each Component Security, the scheduled weekday closing time of the Exchange, without regard to after hours or any other trading outside of the hours of the regular trading session hours.

"**Scheduled Trading Day**" means any day on which: (i) the Index Sponsor is scheduled to publish the level of the Index; and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session.

4.2 Consequences of Disrupted Days

(a) Definitions

(i) **Definitions specific to Single Exchange Index Linked Notes**

The following defined terms shall apply to an Index Linked Note if "Single Exchange Index Linked Note" is specified in the relevant Final Terms as the Type of Index Linked Note:

"**Disrupted Day**" means any Scheduled Trading Day on which the Exchange or, if any, the Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

"**Early Closure**" means the closure on any Exchange Business Day of any relevant Exchange relating to securities that comprise 20 per cent. or more of the level of the Index or, if any, the Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or, if any, the Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or any Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or, if any, the Related Exchange system for execution at the Observation Time on such Exchange Business Day.

"**Exchange Disruption**" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general

(i) to effect transactions in, or obtain market values for, securities that comprise 20 per cent. or more of the level of the Index on any relevant Exchange relating to securities that comprise 20 per cent. or more of the level of the Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Index on the relevant Related Exchange.

"**Market Disruption Event**" means the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Observation Time, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event exists at any time, if a Market Disruption Event occurs in respect of a security included in the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (a) the portion of the level of the Index attributable to that security and (b) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

"**Trading Disruption**" means any suspension of or limitation imposed on trading by the relevant Exchange or, if any, the Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or, if any, the Related Exchange or otherwise (i) on any relevant Exchange relating to securities that comprise 20 per cent. or more of the level of the Index, or (ii) in futures or options contracts relating to the Index on the relevant Related Exchange.

(ii) **Definitions specific to Multi Exchange Index Linked Notes**

The following defined terms shall apply to an Index Linked Note if "Multi Exchange Index Linked Notes" is specified in the relevant Final Terms as the Type of Index Linked Note:

"**Disrupted Day**" means any Scheduled Trading Day on which: (i) the Index Sponsor fails to publish the level of the Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event has occurred.

"**Early Closure**" means the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or, if any, the Related Exchange (as the case may be) at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or, if any, the Related Exchange (as the case may be) on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the Exchange or, if any, the Related Exchange system for execution at the relevant Observation Time on such Exchange Business Day.

"**Exchange Disruption**" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the Exchange in respect of such Component Security; or (ii) futures or options contracts relating to the Index on the Related Exchange.

"**Market Disruption Event**" means either:

(i)

(A) the occurrence or existence, in respect of any Component Security, of:

(1) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Observation Time in respect of the Exchange on which such Component Security is principally traded; and/or

(2) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Observation Time in respect of the Exchange on which such Component Security is principally traded; and/or

(3) an Early Closure in respect of such Component Security; and

(B) the aggregate of all Component Securities in respect of which a Trading Disruption and/or, an Exchange Disruption and/or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; or

(ii) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (A) a Trading Disruption; (B) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Observation Time in respect of the Related Exchange; or (C) an Early Closure, in each case in respect of such futures or options contracts.

For the purposes of determining whether a Market Disruption Event exists in respect of a Component Security at any time, if a Market Disruption Event occurs in respect of such Component Security at that time, then the relevant percentage contribution of that

Component Security to the level of the Index shall be based on a comparison of (1) the portion of the level of the Index attributable to that Component Security to (2) the overall level of the Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data".

"**Trading Disruption**" means any suspension of or limitation imposed on trading by the relevant Exchange or, if any, the Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or, if any, the Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on the Related Exchange.

(b) Disruption of Observation Dates

If any Observation Date is a Disrupted Day, then that Observation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Specific Number of Scheduled Trading Days immediately following the relevant Scheduled Observation Date is a Disrupted Day.

In that case, (i) the relevant Ultimate Observation Date shall be deemed to be that Observation Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the Index Level as of the Observation Time on that Ultimate Observation Date in accordance with (subject to Index Linked Additional Condition 4.3 (*Particular Provisions*) below) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Observation Time on such Ultimate Observation Date of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on such Ultimate Observation Date, its good faith estimate of the value for the relevant security as of the Observation Time on such Ultimate Observation Date).

"**Ultimate Observation Date**" means, in respect of any Scheduled Observation Date, the Scheduled Trading Day which is the last of the Specific Number of Scheduled Trading Days immediately following such Scheduled Observation Date.

"**Specific Number**" means the number specified as such in the relevant Final Terms or if no number is specified, the Specific Number shall be deemed equal to eight.

4.3 Particular Provisions

(a) If the Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then in each case that index (the "**Successor Index**") will be deemed to be the Index and the Index Linked Additional Conditions shall be construed accordingly.

(b) If, on or prior to the last Observation Date, the Index Sponsor (i) announces that it will make a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent stock and capitalisation and other routine events) (an "**Index Modification**") or permanently cancels the Index and no Successor Index exists (an "**Index Cancellation**") or (ii) fails to calculate and announce the Index (an "**Index Disruption**" (provided, for the avoidance of doubt, that a successor sponsor calculating and announcing the Index determined as unacceptable by the Calculation Agent shall be an Index Disruption) and together with an Index Modification and an Index Cancellation, each an "**Index Adjustment**

Event"), then the Calculation Agent will be entitled, for the purpose of performing its obligations in respect of the outstanding Index Linked Notes, to:

(i) calculate the level of the Index in accordance with the formula for and method of calculating the Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised the Index immediately prior to the Index Adjustment Event; or (but not and)

(ii) replace the Index by the Index as so modified or by the new index (as the case may be), provided that in such case, (A) the Calculation Agent will make such adjustments to the new index as may be required in order to preserve the economic equivalent of the obligation of the Issuer to make payment of any amount due and payable under the Index Linked Notes linked to the Index as if such new or modified index had not replaced the Index and, if need be, will multiply the modified or new index by a linking coefficient to do so as determined by the Calculation Agent and (B) the Noteholders will be notified of the modified Index or the new index (as the case may be) and, if need be, of the linking coefficient; or (but not and)

(iii) if Early Redemption is specified in the relevant Final Terms as being Applicable, require the Issuer to redeem each Index Linked Note at an amount per Index Linked Note equal to the Early Redemption Amount determined pursuant to Base Note Condition 5(b). Such Early Redemption Amount shall be payable by the Issuer on the fifth Business Day following notification by the Calculation Agent to the Issuer that the Calculation Agent has determined that the event referred to in this Index Linked Additional Condition 4.3(b) has occurred.

(c) If any level announced by the Index Sponsor which is utilised by the Calculation Agent for any determination (the "**Original Determination**") is subsequently corrected and the correction (the "**Corrected Value**") is announced by the Index Sponsor within two Scheduled Trading Days after the original publication and in any case not later than the second Scheduled Trading Day immediately preceding the payment date of the amount due and payable under the Notes which is linked to that Original Determination, then the Calculation Agent will notify the Issuer of the Corrected Value as soon as reasonably practicable and shall determine the relevant value (the "**Replacement Determination**") using the Corrected Value.

If the result of the Replacement Determination is different from the result of the Original Determination, to the extent that it considers it to be necessary, the Calculation Agent may, in its sole and absolute discretion, adjust any relevant terms hereof accordingly.

For the avoidance of doubt, Noteholders shall not be entitled to make any claim against the Issuer or the Calculation Agent in the case where any Original Determination is not subsequently corrected and/or the correction of the Original Determination is announced by the Index Sponsor after the second Scheduled Trading Day immediately preceding the payment date of the amount due and payable under the Notes which is linked to that Original Determination.

(d) The Calculation Agent shall as soon as practicable provide detailed notice of any determinations and/or adjustments, as the case may be, made and notified to the Issuer by the Calculation Agent pursuant to this Index Linked Additional Condition 4.3, whereupon the Issuer shall promptly provide detailed notice to the Fiscal Agent and to the Noteholders in accordance with the Conditions of such determinations and/or adjustments made and notified by the Calculation Agent.

5 Additional Disruption Events

Equity Linked Additional Condition 4 (*Additional Disruption Events*) (as defined in the Programme Prospectus) shall apply to all Index Linked Notes as if they were Equity Linked Notes.

FORM OF FINAL TERMS FOR NOTES

This section sets out the form of Final Terms that are applicable to Index Linked Notes.

(FOR NOTES WITH A DENOMINATION OF LESS THAN €100,000 (OR EQUIVALENT) TO BE ADMITTED TO TRADING ON AN EEA REGULATED MARKET AND/OR OFFERED TO THE PUBLIC ON A NON-EXEMPT BASIS IN THE EUROPEAN ECONOMIC AREA)

Final Terms dated [●]

Australia and New Zealand Banking Group Limited

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] Index Linked Notes

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Base Note Conditions and the Base General Conditions set forth in the Prospectus dated 7 June 2013 [and the supplemental Prospectus dated [**date**]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) as amended (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus [and the supplemental Prospectus] [is] [are] available for viewing at the offices of the Paying Agents and copies may be obtained from Deutsche Bank AG, Hong Kong Branch, Level 52, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

1	**Issuer**		Australia and New Zealand Banking Group Limited (acting through its [●] branch)
2	(i)	[Series Number:]	[●]
	(ii)	[Tranche Number:	[●] [The Notes are to be consolidated and form a single Series with the [[●]] issued on [●]]
3	**Specified Currency or Currencies**		[●]
4	**Aggregate Nominal Amount**		[●]
	(i)	[Series:]	[●]
	(ii)	[Tranche:]	[●]
5	**Issue Price**		[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
6	(i)	Specified Denominations:	[●]
	(ii)	Calculation Amount:	[●]
7	(i)	Issue Date:	[●]
	(i)	[Trade Date:]	[●]
	(ii)	[Interest Commencement Date:]	[●]
8	**Maturity Date**		[●]
9	**Extension Business Days**		[●] Business Days

10	**Additional Conditions**	
	Equity Linked Additional Conditions	Not Applicable
	Index Linked Additional Conditions	Applicable
11	**Interest Basis**	[Index Linked Coupon 1] [Index Linked Coupon 2] [Index Linked Coupon 3] [Index Linked Coupon 4] [Index Linked Coupon 5] [Index Linked Coupon 6] [Index Linked Coupon 7] [Index Linked Coupon 8] (Further particulars specified below)
12	**Redemption/Payment Basis**	Index Linked
13	**Change of Interest or Redemption/Payment Basis**	Not Applicable
14	**Alternative Currency Equivalent**	[Not Applicable/Applicable]
	(i) [Alternative Currency:	[●]
	(ii) Alternative Currency Adjudication Agent:	[●]
	(iii) Alternative Currency Calculation Agent:	[●]
	(iv) Rate Calculation Jurisdiction:	[●]
	(v) Rate Calculation Business Days:	[●]
	(vi) Specified Time:	[●]
	(vii) Scheduled Payment Currency Disruption Events:	As specified in the Conditions [and] [●]
	(viii) Settlement Rate Option:	[●]
	(ix) USD Settlement Rate Option:	[●]
	(x) Maximum Days of Postponement:	[●]]
15	**Put/Call Options**	Not Applicable
16	**Status of the Notes**	Senior
17	**Method of Distribution**	[Syndicated][Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

18	**Fixed Rate Note Provisions**	Not Applicable
19	**Floating Rate Note Provisions**	Not Applicable
20	**Zero Coupon Note Provisions**	Not Applicable
21	**Equity Linked Interest Provisions**	Not Applicable
22	**Index Linked Interest Provisions**	Applicable
23	**General Index Linked Note Provisions**	
	(i) Type:	[Single][Multi] Exchange Index Linked Notes

(ii)	Index:	[•]
(iii)	Index Sponsor:	[•]
(iv)	Exchange(s):	[•]
(v)	Related Exchange(s):	[•]
(vi)	Initial Index Level:	[•]
(vii)	Tenor:	[•]
(viii)	Interest Payment Date(s):	[•]
(ix)	Observation Date(s):	[•]
(x)	[Observation Time:]	[•]

24 Index Linked Coupon 1

(i) Floor Rate$_{(i)}$:

Interest Year	Floor Rate
[•]	[•]
[•]	[•]
[•]	[•]

(ii) Participation Rate$_{(i)}$:

Interest Year	Participation Rate
[•]	[•]
[•]	[•]
[•]	[•]

25 Index Linked Coupon 2

(i) Floor Rate$_{(i)}$:

Interest Year	Floor Rate
[•]	[•]
[•]	[•]
[•]	[•]

(ii) Participation Rate$_{(i)}$:

Interest Year	Participation Rate
[•]	[•]
[•]	[•]
[•]	[•]

(iii) Strike Level$_{(i)}$:

Interest Year	Strike Level
[•]	[•]
[•]	[•]
[•]	[•]

26 Index Linked Coupon 3

(i) Floor Rate$_{(i)}$:

Interest Year	Floor Rate
[•]	[•]
[•]	[•]
[•]	[•]

(ii) Participation Rate$_{(i)}$:

Interest Year	Participation Rate
[●]	[●]
[●]	[●]
[●]	[●]

(iii) Strike Level$_{(i)}$:

Interest Year	Strike Level
[●]	[●]
[●]	[●]
[●]	[●]

27 Index Linked Coupon 4

(i) Fixed Coupon$_{(i)}$:

Interest Year	Fixed Coupon
[●]	[●]
[●]	[●]
[●]	[●]

(ii) Barrier$_{(i)}$:

Interest Year	Barrier
[●]	[●]
[●]	[●]
[●]	[●]

(iii) Uplift Coupon$_{(i)}$:

Interest Year	Uplift Coupon
[●]	[●]
[●]	[●]
[●]	[●]

28 Index Linked Coupon 5

(i) Floor Rate: [●]

(ii) Participation Rate: [●]

29 Index Linked Coupon 6

(i) Floor Rate: [●]

(ii) Participation Rate: [●]

(iii) Strike Level: [●]

30 Index Linked Coupon 7

(i) Fixed Coupon: [●]

(ii) Barrier: [●]

(iii) Uplift Coupon: [●]

31 Index Linked Coupon 8

(i) Interest Period Dates: [●]

(ii) Fixed Coupon Period(s): [●]

(iii) Fixed Coupon: [●]

(iv) Day In Coupon$_{(i)}$:

Interest Year	Day In Coupon
[●]	[●]
[●]	[●]
[●]	[●]

(v) Day Out Coupon$_{(i)}$:

Interest Year	Day Out Coupon
[●]	[●]
[●]	[●]
[●]	[●]

(vi) Strike Level$_{(i)}$:

Interest Year	Strike Level
[●]	[●]
[●]	[●]
[●]	[●]

32 Observation Date Disruption

Specific Number [●]

PROVISIONS RELATING TO REDEMPTION

33 Call Option Not Applicable

34 Put Option Not Applicable

35 Final Redemption Amount Not Applicable, see item 41

36 Settlement Settlement will be by way of cash payment

37 Expenses [●]

38 Unwind Costs for Disruption Cash Settlement Price [Applicable/Not Applicable]

39 Issuer's option to vary settlement The Issuer does not have the option to vary settlement in respect of the Notes pursuant to Base Note Condition 7(c).

40 Equity Linked Redemption Provisions Not Applicable, except as specified in the Index Linked Additional Conditions

41 Index Linked Redemption Provisions Applicable

Principal Protection Precentage: [●]

42 Relevant Assets Not Applicable

43 Additional Disruption Events [Applicable/Not Applicable]

[Change in Law]
[Hedging Disruption]
[Increased Cost of Hedging]
[Increased Cost of Stock Borrow]
[Insolvency Filing]
[Loss of Stock Borrow]

44 Early Redemption Amount

Early Redemption Amount(s) payable As specified in the Note Conditions, as amended

	on redemption for: (a) an illegality or change in law; (b) taxation reasons or on event of default or other early redemption; (c) if so specified herein, following an Additional Disruption Event (if applicable) in accordance with Additional Condition 4.2(iv) (*Occurrence of Additional Disruption Events*); or (d) if so specified herein, following a Scheduled Payment Currency Disruption Event (if applicable) in accordance with Additional Condition 5.1 (*Payment of Alternative Currency Equivalent*):	by the Index Linked Additional Conditions
45	**Early Redemption**	[Applicable/Not Applicable]
46	Unwind Costs	[Applicable/Not Applicable]
47	Disruption Cash Settlement Price Unwind Costs	[Applicable/Not Applicable]
48	Failure to Deliver Settlement Price Unwind Costs	Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

49	**Form of Notes**	**Bearer Notes:** [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] [Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] [Registered Notes – Global Note Certificate[s]] – [Euroclear/Clearstream Luxembourg]
50	**New Global Note**	[Yes] [No]
51	**Additional Financial Centre(s) or other special provisions relating to payment dates**	[Not Applicable] [●]
52	**Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature)**	[No] [Yes, ●]
53	**Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which**	[Not Applicable] [●]

	each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]	
54	**Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made**	[Not Applicable] [●]
55	**Redenomination, renominalisation and reconventioning provisions**	[Not Applicable/The provisions annexed to these Final Terms apply]
56	**Consolidation provisions**	[Not Applicable/The provisions in Base General Condition 2 (*Further Issues*) apply]
DISTRIBUTION		
57	**Names and addresses of Managers/ Intermediary**	[Not Applicable] [●]
58	**Date(s) of underwriting commitments**	[●]
59	**Date of Subscription Agreement**	[●]
60	**U.S. Selling Restrictions**	[Reg S Category 2; TEFRA C/TEFRA D/TEFRA Not Applicable]
61	**Non-exempt Offer**	An offer of the Notes may be made by the Managers [and [●]] other than pursuant to Article 3(2) of the Prospectus Directive in [●] during the period from [●] until [●]
62	**Additional selling restrictions**	[Not Applicable] [●]

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required for issue [and] [public offer in the countries specified in paragraph 43] [and] admission to trading of the Notes described herein pursuant to the Note, Certificate and Warrant Programme of Australia and New Zealand Banking Group Limited].

[THIRD PARTY INFORMATION

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

Signed on behalf of the Issuer:

By:

………………………………………………….

Duly authorised

PART B — OTHER INFORMATION

1 Listing

(i)	Listing:	[London][Unlisted]
(ii)	Admission to trading:	[Application has been made for the Notes to be admitted to trading on [●] with effect from [●].] [The previously issued [●] Notes, with which the Notes are fungible, were admitted to trading on [●] with effect from [●].] [Not Applicable]
(iii)	Estimate of total expenses related to admission to trading:	[●]

2 Ratings

Ratings: [The Notes to be issued have not been rated]

[The Notes to be issued have been rated:

[S & P: [●]]

[Moody's: [●]]

[[Fitch]: [●]]

[and endorsed by [●]]

3 Interests of Natural and Legal Persons involved in the [Issue/Offer]

Save as discussed in "*Offering and Sale*", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

4 Reasons for the Offer, Estimated Net Proceeds and Total Expenses

(i)	Reasons for the offer and use of proceeds:	[●]
(ii)	Estimated net proceeds:	[●]
(iii)	Estimated total expenses:	[●]

5 HISTORIC INDEX LEVELS

Details of historic levels of the Index and its volatility can be found at [●].

6 Operational Information

ISIN Code:	[●]/[Not Applicable]
Common Code:	[●]
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):	[Not Applicable] [●]
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[●]/[Not Applicable]

Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes] [No]. [Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee for the common safekeeper,] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]

7 Terms and Conditions of the Offer

Offer Period:	[[●] to [●]]
Offer Price:	[●]
Base Note Conditions to which the offer is subject:	[Not Applicable][●]
Description of the application process:	[Not Applicable][●]
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable][●]
Details of the minimum and/or maximum amount of application:	[Not Applicable][●]
Details of the method and time limits for paying up and delivering the Notes:	[Not Applicable][●]
Manner and date in which results of the offer are to be made public:	[Not Applicable][●]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable][●]
Whether tranche(s) have been reserved for certain countries:	[Not Applicable][●]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable][●]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable][●]
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	[None] [●]

WORKED EXAMPLES RELATING TO INDEX LINKED NOTES

This section sets out worked examples of returns on the different types of Index Linked Notes.

These examples are provided so that investors may better understand the formulae set out in Index Linked Index Linked Additional Conditions 1 and 3. They do not form part of the Conditions.

1. Redemption

Index Linked Additional Condition 1 is relevant to all Index Linked Notes. The Index to which the performance of an Index Linked Note is linked has no bearing on the calculation of the Final Redemption Amount of such Index Linked Note (i.e. the amount at which such Index Linked Note is redeemed at maturity). This is purely a function of the Calculation Amount (an amount per Index Linked Note specified in the relevant Final Terms which will usually be equal to the denomination of the Note) and the Principal Protection Percentage (a percentage which dictates how much of the principal amount will be returned to an investor) which are multiplied together to calculated the Final Redemption Amount in accordance with Index Linked Additional Condition 1.

Example 1: An investor invests in USD denominated Index Linked Notes with a term (referred to as the Tenor) of two years. The Calculation Amount is USD 1,000 per Index Linked Note. The Principal Protection Percentage is 95%. Upon the maturity of the Index Linked Notes, the investor will receive a Final Redemption Amount of USD 950 per Index Linked Note.

Example 2: An investor invests in USD denominated Index Linked Notes with a term (referred to as the Tenor) of two years. The Calculation Amount is USD 1,000 per Index Linked Note. The Principal Protection Percentage is 105%. Upon the maturity of the Index Linked Notes, the investor will receive a Final Redemption Amount of USD 1,050 per Index Linked Note.

2. Interest

Index Linked Additional Condition 3 contains provisions relating to eight different possible methods of calculating interest on the Index Linked Notes (referred to as the Index Linked Coupons). One such Index Linked Coupon will be relevant to each series of Index Linked Notes. All of the Index Linked Coupons depend for their results on the performance of an Index. In all of the examples below, the example Index is the S&P 500, which is a stock market index based on the market capitalizations of 500 leading companies publicly traded in the United States stock market, as determined by the rating agency Standard & Poor's. In practice, Index Linked Notes could be linked to any publicly available index, and the relevant Final Terms will specify which index is relevant. The level of the Index at any given time is referred to as the Index Level. The precise mathematical formulae for each of the Index Linked Coupons are set out in Index Linked Additional Condition 3.

A. Index Linked Coupon 1

In any given Interest Year, there is a minimum rate of interest payable on the Index Linked Notes, which is referred to as the Floor Rate. This is specified in the relevant Final Terms for each year (referred to as an Interest Year) in the term (referred to as a Tenor) of the Index Linked Notes. However, the interest rate for the Interest Year will be higher than the Floor Rate if the absolute value of the Index's smallest quarter-on-quarter percentage change (whether it moves up or down) during the Interest Year (measured on quarterly dates referred to as Observation Dates that are specified in the Final Terms) (referred to as the Performance), when multiplied by a set percentage rate for the year (referred to as the Participation Rate and specified in the relevant Final Terms), is higher than the Floor Rate.

In terms of the formulae in Index Linked Additional Condition 3.3, the way in which the Floor Rate is imposed is by the mathematical notation "max" (short for 'maximum') which, when followed by expressions in brackets separated by a semi-colon, means that the value will be the largest result achieved by those expressions:

$$Annual\ Rate_{(i)} = max\left(floor_{(i)}; \left[PR_{(i)} x Performance_{(i)}\right]\right)$$

The annual rate of interest (referred to in the formula as the Annual Rate(i) for a particular Interest Year, which is marked by the tag (i), a number corresponding to that Interest Year) is therefore in this context the larger out of (a) the Floor Rate for that Interest Year(i) (referred to as "floor(i)" in the formula) and (b) the result of multiplying the Participation Rate for that Interest Year(i) (referred to as "PR(i)" in the formula) by the Performance for that Interest Year(i) (referred to as "Performance(i)" in the formula).

The Performance(i) itself (the absolute value of the Index's smallest quarter-on-quarter percentage change (whether it moves up or down) during an Interest Year(i) (measured on quarterly Observation Dates) is expressed by the following formula:

$Performance_{(i)}$ = a rate (expressed as a percentage) in respect of $Interest\ Year_{(i)}$ calculated using the following formula:

$$\arg\min_{j}\left|\frac{index_{(i,j)}}{index_{(i,j-1)}} - 1\right|$$

The tag (i) refers to a particular numbered Interest Year; the tag (j) refers to a particular numbered Observation Date (one of four) within an Interest Year(i) (and if j – 1 = 0, the reference is to the last Observation Date of the previous Interest Year, and $index_{(1,0)}$ is a reference to the level of the Index at the start of Interest Year 1 (referred to as the Initial Index Level)). The straight-line brackets on the right of the formula mean that the absolute value of the expression within the brackets should be used. An absolute value is a value which ignores negative numbers (i.e. numbers with minus signs in front of them). In other words, if the expression within the brackets (dividing the Index level for an Observation Date by the Index level for the previous Observation Date and subtracting 1 to produce a masure of change (which is then expressed as a percentage)) results in a negative number for particular quarterly observed Index values (which it would do if the Index level had decreased between Observation Dates), the minus sign will be ignored. This is how the quarter-on-quarter percentage *change* (whose direction is not taken into account), as opposed to growth (or decline), is captured.

The mathematical notation "$\arg_j \min$" means that the expression (or 'argument' which is what 'arg' is short for) following it should be calculated for all values of "j", and the value will be the smallest (the minimum, shortened to 'min') of the results achieved. In this context there are four values of "j" (1, 2, 3 and 4), which is how the Index level on each of the quarterly Observation Dates within a year is compared against the level on the previous Observation Date, and then the smallest quarter-on-quarter percentage change (i.e. the absolute value, discussed above) is adopted as the value of Performance(i) for an Interest Year(i).

Example: An investor invests in USD denominated Index Linked Notes with a Tenor of two years (the first is referred to as Interest Year 1 and the second, Interest Year 2).

The Floor Rate in Interest Year 1 is 2% and the Floor Rate in Interest Year 2 is 2.5%. The Participation Rate in both Interest Years is 50%. The Initial Index Level (i.e. the level of the Index at the start of Interest Year 1) is 1472.34.

Scenario 1:

The Index Level on each Observation Date is as set out in the following table:

	Observation Date 1	Observation Date 2	Observation Date 3	Observation Date 4
Interest Year 1	1384.00	1296.12	1427.69	1520.12
Interest Year 2	1640.45	1755.28	1945.52	1706.45

The absolute value of the quarter-on-quarter percentage changes is as set out in the following table; the smallest quarter-on-quarter percentage change in each year (referred to as the Performance for the relevant Interest Year in the third table in this scenario) is highlighted in bold:

	Observation Date 1	Observation Date 2	Observation Date 3	Observation Date 4
Interest Year 1	**6.00%**	6.35%	10.15%	6.47%
Interest Year 2	7.92%	**7.00%**	10.84%	12.29%

The Annual Rate in respect of each Interest Year is as set out in the following table:

	Floor Rate	Participation Rate x Performance	Annual Rate
Interest Year 1	2.0%	50% x 6.00% = 3.00%	3.00%
Interest Year 2	2.5%	50% x 7.00%= 3.50%	3.50%

In this scenario, the Annual Rate for both Interest Years is equal to the relevant Participation Rate x Performance because the result of that calculation is greater than the relevant Floor Rate.

Scenario 2:

The Index Level on each Observation Date is as set out in the following table:

	Observation Date 1	Observation Date 2	Observation Date 3	Observation Date 4
Interest Year 1	1423.54	1467.80	1503.09	1460.2
Interest Year 2	1470.45	1425.94	1398.73	1354.66

The absolute value of the quarter-on-quarter percentage changes is as set out in the following table; the smallest quarter-on-quarter percentage change in each year (referred to as the Performance for the relevant Interest Year in the third table in this scenario) is highlighted in bold:

	Observation Date 1	Observation Date 2	Observation Date 3	Observation Date 4
Interest Year 1	3.31%	3.11%	**2.40%**	2.85%
Interest Year 2	**0.70%**	3.03%	1.91%	3.15%

The Annual Rate in respect of each Interest Year is as set out in the following table:

	Floor Rate	Participation Rate x Performance	Annual Rate
Interest Year 1	2.0%	50% x 2.40% = 1.20%	2.00%
Interest Year 2	2.5%	50% x 0.70%= 0.35%	2.50%

In this scenario, the Annual Rate for both Interest Years is equal to the relevant Floor Rate because in each case the Floor Rate is greater than the result of the relevant calculation PR x Performance.

B. Index Linked Coupon 2

In any given year (referred to as an Interest Year) of the term (referred to as the Tenor) of the Index Linked Notes, there is a minimum rate of interest payable on the Index Linked Notes, which is referred to as the Floor Rate. This is specified in the relevant Final Terms for each Interest Year. However, the interest rate for an Interest Year will be higher than the Floor Rate if the Index's year-on-year percentage growth during that Interest Year (as compared between annual dates referred to as Observation Dates that are specified in the Final Terms, and referred to as the Index Yearly Performance) minus a set percentage (referred to as the Strike Level and specified in the Final Terms), and then multiplied by a set percentage rate for the year (referred to as the Participation Rate and specified in the relevant Final Terms), is higher than the Floor Rate.

In terms of the formulae in Index Linked Additional Condition 3.4, the way in which the Floor Rate is imposed is by the mathematical notation "max" which, when followed by expressions in brackets separated by a semi-colon, means that the value will be the largest result achieved by those expressions:

$$Annual\ Rate_{(i)} = max\left(floor_{(i)}; PR_{(i)}\ X\ \left[Index\ Yearly\ Performance_{(i)} - strike_{(i)}\right]\right)$$

The annual rate of interest (referred to in the formula as the Annual Rate(i) for a particular Interest Year, which is marked by the tag (i), a number corresponding to that Interest Year) is therefore in this context the larger out of (a) the Floor Rate for that Interest Year(i) (referred to as "floor(i)" in the formula) and (b) the result of multiplying (i) the Participation Rate for that Interest Year(i) (referred to as "PR(i)" in the formula) by (ii) the Index Yearly Performance for that Interest Year(i) (referred to as "Index Yearly Performance(i)" in the formula) minus the Strike Level for that Interest Year(i) (referred to as "strike(i)" in the formula).

The Index Yearly Performance(i) itself is expressed by the following formula:

Index Yearly Performance$_{(i)}$	=	a rate (expressed as a percentage) in respect of Interest Year$_{(i)}$ calculated using the following formula:

$$\frac{index_{(i)}}{index_{(i-1)}} - 1$$

It operates by dividing the Index level for the Observation Date in Interest Year(i) by the Index level for the Observation Date for the previous Interest Year and subtracting 1 to produce a measure of change (which is then expressed as a percentage).

Example: An investor invests in USD denominated Index Linked Notes with a Tenor of two years (the first is referred to as Interest Year 1 and the second, Interest Year 2).

The Floor Rate in Interest Year 1 is 2% and the Floor Rate in Interest Year 2 is 2.5%. The Participation Rate in both Interest Years is 100%. The Strike Level in both Interest Years is 10%. The Initial Index Level (i.e. the level of the Index at the start of Interest Year 1) is 1472.34.

Scenario 1:

The Index Level is 1693.19 as observed on the Observation Date for Interest Year 1 and 1964.10 as observed on the Observation Date for Interest Year 2.

The Index Yearly Performance in respect of Interest Year 1 is (1693.19/1472.34) – 1 = 15%

The Index Yearly Performance in respect of Interest Year 2 is (1964.10/1693.19) – 1 = 16%

	Floor Rate	Participation Rate x (Index Yearly Performance minus Strike Level)	Annual Rate

Interest Year 1	2.0%	100% x (15% – 10%) = 5.00%	5.00%
Interest Year 2	2.5%	100% x (16% – 10%) = 6.00%	6.00%

In this scenario, the Annual Rate for both Interest Years is equal to the relevant Participation Rate x (Index Yearly Performance minus Strike Level) because the result of that calculation is greater than the relevant Floor Rate.

Scenario 2:

The Index Level is 1325.10 as observed on the Observation Date for Interest Year 1 and 1258.85 as observed on the Observation Date for Interest Year 2.

The Index Yearly Performance in respect of Interest Year 1 is (1325.10/1472.34) – 1 = -10%

The Index Yearly Performance in respect of Interest Year 2 is (1258.85/1325.10) – 1 = -5%

	Floor Rate	PR x (Index Yearly Performance minus Strike Level)	Annual Rate
Interest Year 1	2.0%	100% x (-10% – 10%) = -20.00%	2.00%
Interest Year 2	2.5%	100% x (-5% – 10%)= -15.00%	2.50%

In this scenario the Annual Rate for both Interest Years is equal to the relevant Floor Rate because it is greater than the result of the calculation: relevant Participation Rate x (Index Yearly Performance minus Strike Level).

C. Index Linked Coupon 3

In any given year (referred to as an Interest Year) of the term (referred to as a Tenor) of the Index Linked Notes, there is a minimum rate of interest payable on the Index Linked Notes, which is referred to as the Floor Rate. This is specified in the relevant Final Terms for each Interest Year. However, the interest rate for an Interest Year will be higher than the Floor Rate if the Index's overall cumulative percentage growth measured on an annual date (referred to as the Observation Date and specified in the Final Terms) at the end of that Interest Year as compared with the level of the Index at the start of the Tenor of the Index Linked Notes (referred to as the Initial Index Level) (such cumulative percentage growth referred to as the Index Performance) minus a set percentage (referred to as the Strike Level and specified in the Final Terms), and then multiplied by a set percentage rate for the year (referred to as the Participation Rate and specified in the relevant Final Terms), is higher than the Floor Rate.

In terms of the formulae in Index Linked Additional Condition 3.5, the way in which the Floor Rate is imposed is by the mathematical notation "max" which, when followed by expressions in brackets separated by a semi-colon, means that the value will be the largest result achieved by those expressions:

$$Annual\ Rate_{(i)} = max\left(floor_{(i)}; PR_{(i)}\ X\ \left[Index\ Performance_{(i)} - strike_{(i)}\right]\right)$$

The annual rate of interest (referred to in the formula as the Annual Rate(i) for a particular Interest Year, which is marked by the tag (i), a number corresponding to that Interest Year) is therefore in this context the larger out of (a) the Floor Rate for that Interest Year(i) (referred to as "floor(i)" in the formula) and (b) the result of multiplying (i) the Participation Rate for that Interest Year(i) (referred to as "PR(i)" in the formula) by (ii) the Index Performance measured for that Interest Year(i) (referred to as "Index

Performance(i)" in the formula) minus the Strike Level for that Interest Year(i) (referred to as "strike(i)" in the formula).

The Index Performance(i) itself is expressed by the following formula:

Index Performance$_{(i)}$	=	a rate (expressed as a percentage) in respect of Interest Year$_{(i)}$ calculated using the following formula:

$$\frac{index_{(i)}}{index_{(0)}} - 1$$

It operates by dividing the Index level for the Observation Date in Interest Year(i) by the Initial Index level and subtracting 1 to produce a cumulative measure of change (which is then expressed as a percentage).

Example: An investor invests in USD denominated Index Linked Notes with a Tenor of two years (the first is referred to as Interest Year 1 and the second, Interest Year 2).

The Floor Rate in Interest Year 1 is 2% and the Floor Rate in Interest Year 2 is 2.5%. The Participation Rate in both Interest Years is 100%. The Strike Level in both Interest Years is 10%. The Initial Index Level is 1472.34.

Scenario 1:

The Index Level is 1693.19 as observed on the Observation Date for Interest Year 1 and 1766.81 as observed on the Observation Date for Interest Year 2.

The Index Performance in respect of Interest Year 1 is (1693.19/1472.34) – 1 = 15%

The Index Performance in respect of Interest Year 2 is (1766.81/1472.34) – 1 = 20%

	The Floor Rate	Participation Rate x (Index Performance minus Strike Level)	Annual Rate
Interest Year 1	2.0%	100% x (15%-10%) = 5.00%	5.00%
Interest Year 2	2.5%	100% x (20%-10%) = 10.00%	10.00%

In this scenario, the Annual Rate for both Interest Years is equal to the relevant Participation Rate x (Index Performance minus Strike Level) because the result of that calculation is greater than the relevant Floor Rate.

Scenario 2:

The Index Level is 1325.10 as observed on the Observation Date for Interest Year 1 and 1398.72 as observed on the Observation Date for Interest Year 2.

The Index Performance in respect of Interest Year 1 is (1325.10/1472.34) – 1 = -10%

The Index Performance in respect of Interest Year 2 is (1398.72/1472.34) – 1 = -5%

	The Floor Rate	Participation Rate x (Index Performance minus Strike Level)	Annual Rate
Interest Year 1	2.0%	100% x (-10% – 10%) = -20.00%	2.00%
Interest Year 2	2.5%	100% x (-5% – 10%) = -15.00%	2.50%

In this scenario, the Annual Rate for both Interest Years is equal to the relevant Floor Rate because it is greater than the result of the calculation: relevant Participation Rate x (Index Performance minus Strike Level).

D. Index Linked Coupon 4

In any given year (referred to as an Interest Year) in the term (referred to as the Tenor) of the Index Linked Notes, there is a minimum rate of interest payable on the Index Linked Notes, which is referred to as the Fixed Coupon. This is specified in the relevant Final Terms for each Interest Year. However, the Fixed Coupon will be increased by the addition of a bonus interest rate (referred to as the Uplift Coupon) for an Interest Year if the Index's overall cumulative performance, measured on an annual date (referred to as the Observation Date and specified in the Final Terms) at the end of that Interest Year and expressed as a percentage of the level of the Index at the start of the Tenor of the Index Linked Notes (referred to as the Initial Index Level) is greater than a fixed percentage level for each Interest Year (referred to as the Barrier and specified in the Final Terms).

If the cumulative performance for the Interest Year is equal to or greater than the Barrier, a term of the interest calculation formula called the Index Digital will be 1. If the cumulative percentage growth is lower than the Barrier, the Index Digital will be zero. The Uplift Coupon is multiplied by the Index Digital and the result added to the Fixed Coupon to produce the applicable interest rate for the Interest Year (referred to as the Annual Rate), with the result that the bonus rate will only be included as part of the Annual Rate if the Index Digital is 1.

In terms of the formulae in Index Linked Additional Condition 3.6, the Uplift Coupon for a particular Interest Year (referred to in the following formula as the Uplift Coupon(i) for a particular Interest Year, which is marked by the tag (i), a number corresponding to that Interest Year) is added (or not, as the case may be) by virtue of the value given to the Index Digital for that Interest Year(i) (referred to in the following formula as Index Digital(i)):

$$Annual\ Rate_{(i)} = Fixed\ Coupon_{(i)} + \left(Index\ Digital_{(i)}\ X\ \ Uplift\ Coupon_{(i)}\right)$$

The Index Digital(i) can either be 1 or zero. If it is 1, then the Uplift Coupon(i) will be multiplied by 1 (the expression in the brackets in the above formula will be equal to the Uplift Coupon(i) and therefore added to the Fixed Coupon for Interest Year(i) (referred to in the formula as Fixed Coupon(i)). If it is zero, however, the expression in the brackets in the above formula will be equal to zero, with the effect that the Uplift Coupon(i) will not be added to the Fixed Coupon(i).

The Index Digital(i) is determined using the following expression:

Index $\text{Digital}_{(i)}$ = if $\text{index}_{(i)}$ / $\text{index}_{(0)} \geq \text{Barrier}_{(i)}$, 1

otherwise, zero.

For an Interest Year(i), it is determined by dividing the Index level for the Observation Date in Interest Year(i) by the Initial Index level to produce a measure of cumulative change, and then comparing that measure of cumulative change, expressed as a percentage, to the Barrier level for that Interest Year(i) (referred to as Barrier(i) in the formula above). If the cumulative percentage change is greater than or equal to Barrier(i), the Index Digital(i) will be 1. If the cumulative percentage change is less than Barrier(i), the Index Digital(i) will be zero.

Example: An investor invests in USD denominated Index Linked Notes with a Tenor of two years (the first is referred to as Interest Year 1 and the second, Interest Year 2).

The Fixed Coupon in Interest Year 1 is 3% and the Fixed Coupon in Interest Year 2 is 2%. The Uplift Coupon in both Interest Years is 0.5%. The Barrier in both Interest Year 1 and Interest Year 2 is 100%. The Initial Index Level is 1472.34.

Scenario 1:

The Index Level is 1693.19 as observed on the Observation Date for Interest Year 1 and 1766.81 as observed on the Observation Date for Interest Year 2.

For Interest Year 1, (1693.19/1472.34) = 115%, which is equal to or above the Barrier of 100%, and therefore the Index Digital in respect of Interest Year 1 is 1. The Annual Rate in respect of Interest Year 1 is the Fixed Coupon of 3% + (1 x the Uplift Coupon of 0.5%) = 3.5%.

For Interest Year 2, (1766.81/1472.34) = 120%, which is equal to or above the Barrier of 100%, and therefore the Index Digital in respect of Interest Year 2 is 1. The Annual Rate in respect of Interest Year 2 is the Fixed Coupon of 2% + (1 x the Uplift Coupon of 0.5%) = 2.5%.

Scenario 2:

The Index Level is 1325.10 as observed on the Observation Date for Interest Year 1 and 1398.72 as observed on the Observation Date for Interest Year 2.

For Interest Year 1, (1325.10/1472.34) = 90%, which is below the Barrier of 100%, and therefore the Index Digital in respect of Interest Year 1 is 0. The Annual Rate in respect of Interest Year 1 is the Fixed Coupon of 3% + (0 x the Uplift Coupon of 0.5%) = 3.0%.

For Interest Year 2, (1398.72/1472.34) = 95%, which is below the Barrier of 100%, and therefore the Index Digital in respect of Interest Year 2 is 0. The Annual Rate in respect of Interest Year 2 is the Fixed Coupon of 2% + (0 x the Uplift Coupon of 0.5%) = 2.0%.

E. Index Linked Coupon 5

The Index Linked Notes only pay interest at the end of their term (referred to as a Tenor). In respect of the entire Tenor, there is a minimum rate of interest payable on the Index Linked Notes, which is referred to as the Floor Rate. This is specified in the relevant Final Terms for the entire Tenor of the Index Linked Notes. However, the interest rate for the entire Tenor will be higher than the Floor Rate if the absolute value of the Index's average annual change (whether it moves up or down) during the whole Tenor, measured in respect of each year (referred to as an Interest Year) on an annual date (referred to as the Observation Date and specified in the Final Terms) at the end of each Interest Year as compared with the level of the Index on the previous Observation Date (such average annual change is referred to as the Final Performance), multiplied by a set percentage rate for the entire Tenor (referred to as the Participation Rate and specified in the relevant Final Terms), is higher than the Floor Rate.

In terms of the formulae in Index Linked Additional Condition 3.7, the way in which the Floor Rate is imposed is by the mathematical notation "max" (short for 'maximum') which, when followed by expressions in brackets separated by a semi-colon, means that the value will be the largest result achieved by those expressions:

$$\max\left(floor;\left[PR \times Final\,Performance\right]\right)$$

The rate of interest for the entire Tenor for a particular Interest Year is therefore in this context the larger out of (a) the Floor Rate (referred to as "floor" in the formula) and (b) the result of multiplying the Participation Rate (referred to as "PR" in the formula) by the Final Performance.

The Final Performance itself is expressed by the following formula:

Final Performance	=	a rate (expressed as a percentage) representing the average annual performance of the Index over the term of such Index Linked Note calculated using the following formula:

$$\frac{1}{n} \times \sum_{i=1}^{n} \left| \frac{index_{(i)}}{index_{(i-1)}} - 1 \right|$$

The tag (i) refers to a particular numbered Interest Year. The straight-line brackets on the right of the formula mean that the absolute value of the expression within the brackets should be used. An absolute value is a value which ignores negative numbers (i.e. numbers with minus signs in front of them). In other words, if the expression within the brackets (dividing the Index level for the Observation Date in an Interest Year(i) by the Index level for the Observation Date in the previous Interest Year(i-1) and subtracting 1 to produce a measure of change (which is then expressed as a percentage)) results in a negative number for particular quarterly observed Index values (which it would do if the Index level had decreased from one Interest Year to the next), the minus sign will be ignored. This is how the annual percentage *change* (whose direction is not taken into account), as opposed to growth (or decline), is captured.

The mathematical notation $\sum_{i}^{n}$ (known as 'sigma' or 'summation' notation) means that one must calculate the sum of all of the values achieved the the expression following it, for all values of "i" up to "n". "n" is the number of years in the Tenor of the Index Linked Notes. In this context, it is the sum of all the absolute values (as described above) for the annual percentage change in the level of the Index for each year of the Tenor.

Mutliplying the whole expression by $\frac{1}{n}$ has the result of producing an arithmetic average of the annual percentage changes in the level of the Index across the entire Tenor (e.g. if the Tenor is three years, the summation notation means that the total of the absolute values of the year-on-year change in the Index level for all three years is taken together, and then it is multiplied by 1/3 to produce the arithmetic average).

Example: An investor invests in USD denominated Index Linked Notes with a Tenor of three years (the first is referred to as Interest Year 1, the second, Interest Year 2 and the third, Interest Year 3).

The Floor Rate is 8% and the Participation Rate is 50%. The Initial Index Level (i.e. the level of the Index at the start of Interest Year 1) is 1472.34.

Scenario 1:

The Index Level is 1220.15 as observed on the Observation Date for Interest Year 1, 1705.54 as observed on the Observation Date for Interest Year 2 and 1448.00 as observed on the Observation Date for Interest Year 3.

The absolute value of each year-on-year percentage change is as follows:

Interest Year 1: 17.13%

Interest Year 2: 39.78%

Interest Year 3: 15.10%

Final Performance: 1/3 x (17.13% + 39.78% + 15.10%) = 24.00%

Participation Rate x Final Performance: 50% x 24.00% = 12%

In this scenario, the rate for the entire Tenor is that calculated by reference to the Index (i.e. 12%) because it is greater than the Floor Rate (8%).

Scenario 2:

The Index Level is 1320.15 as observed on the Observation Date for Interest Year 1, 1405.2 as observed on the Observation Date for Interest Year 2 and 1460.5 as observed on the Observation Date for Interest Year 3.

The absolute value of year-on-year percentage change:

Interest Year 1: 10.34%

Interest Year 2: 6.44%

Interest Year 3: 3.94%

Final Performance: 1/3 x (10.34% + 6.44% + 3.94%) = 6.90%

Participation Rate x Final Performance: 50% x 6.90% = 3.45%

In this scenario, the rate for the entire Tenor is the Floor Rate (8%) because it is greater than the rate calculated by reference to the Index (i.e. 3.45%).

F. Index Linked Coupon 6

The Index Linked Notes only pay interest at the end of the term (referred to as a Tenor). In respect of the entire Tenor, there is a minimum rate of interest payable on the Index Linked Notes, which is referred to as the Floor Rate. This is specified in the relevant Final Terms for the entire Tenor of the Index Linked Notes. However, the interest rate for the entire Tenor will be higher than the Floor Rate if the Index's overall cumulative percentage growth measured on a date (referred to as the Final Observation Date and specified in the Final Terms) at the end of the Tenor as compared with the level of the Index at the start of the Tenor of the Index Linked Notes (referred to as the Initial Index Level) (such cumulative percentage growth is referred to as the Final Performance) minus a set percentage (referred to as the Strike Level and specified in the Final Terms), and then multiplied by a set percentage rate for the entire Tenor (referred to as the Participation Rate and specified in the relevant Final Terms), is higher than the Floor Rate.

In terms of the formulae in Index Linked Additional Condition 3.8, the way in which the Floor Rate is imposed is by the mathematical notation "max" (short for 'maximum') which, when followed by expressions in brackets separated by a semi-colon, means that the value will be the largest result achieved by those expressions:

$$\max\left(floor;\ PR \times \left[Final\,Performance - strike\right]\right)$$

The rate of interest for the entire Tenor for a particular Interest Year is therefore in this context the larger out of (a) the Floor Rate (referred to as "floor" in the formula) and (b) the result of multiplying the Participation Rate (referred to as "PR" in the formula) by the result of (i) the Final Performance minus (ii) the Strike Level (referred to in the formula as "strike").

The Final Performance itself is expressed by the following formula:

Final Performance	=	a rate (expressed as a percentage) representing the performance of the Index over the term of such Index Linked Note calculated using the following formula:

$$\frac{index_{(n)}}{index_{(0)}} - 1$$

It operates by dividing the Index level for the Observation Date in Interest Year(n) (i.e. the last Interest Year in the Tenor) by the Initial Index level and subtracting 1 to produce a cumulative measure of change (which is then expressed as a percentage).

Example: An investor invests in USD denominated Index Linked Notes with a Tenor of one year.

The Floor Rate is 2.5%, the Participation Rate is 50% and the Strike Level is 5%. The Initial Index Level (i.e. the level of the Index at the start of the Tenor) is 1472.34.

Scenario 1:

The Index Level is 1649.02 as observed on the Final Observation Date.

Final Performance: (1649.02/1472.34) – 1 = 12%

Participation Rate x Final Performance: 50% x (12% -- 5%) = 3.5%

In this scenario, the rate for the entire Tenor is that calculated by reference to the Index (3.5%) because it is greater than the Floor Rate (2.5%).

Scenario 2:

The Index Level is 1325.11 as observed on the Final Observation Date.

Final Performance = (1325.11/1472.34) – 1 = -10%

Participation Rate x Final Performance: 50% x (-10% – 5%) = -7.5%

In this scenario, the rate for the entire Tenor is the Floor Rate (2.5%) because it is greater than the rate calculated by reference to the Index (-7.5%).

G. Index Linked Coupon 7

The Index Linked Notes only pay interest at the end of the term (referred to as a Tenor). In respect of the entire Tenor, there is a minimum rate of interest payable on the Index Linked Notes, which is referred to as the Fixed Coupon (and specified in the relevant Final Terms). However, the Fixed Coupon will be increased by the addition of a bonus interest rate (referred to as the Uplift Coupon) for the entire Tenor if the Index's overall cumulative performance, measured on a date (referred to as the Final Observation Date and specified in the Final Terms) at the end of the Tenor and expressed as a percentage of the level of the Index at the start of the Tenor of the Index Linked Notes (referred to as the Initial Index Level) is equal to or greater than a fixed percentage level (referred to as the Barrier and specified in the Final Terms).

If the cumulative performance for the entire Tenor is equal to or greater than the Barrier, a term of the interest calculation formula called the Index Digital will be 1. If the cumulative percentage growth is lower than the Barrier, the Index Digital will be zero. The Uplift Coupon is multiplied by the Index Digital and the result added to the Fixed Coupon to produce the applicable interest rate for the entire Tenor, with the result that the bonus rate will only be included as part of the interest rate for the entire Tenor if the Index Digital is 1.

In terms of the formulae in Index Linked Additional Condition 3.9, the Uplift Coupon for the entire Tenor is added (or not, as the case may be) by virtue of the value given to the Index Digital:

$$Fixed\,Coupon + \left(Index\,Digital \times Uplift\,Coupon\right)$$

The Index Digital can either be 1 or zero. If it is 1, then the Uplift Coupon will be multiplied by 1 (the expression in the brackets in the above formula will be equal to the Uplift Coupon and therefore added to the Fixed Coupon for the entire Tenor. If it is zero, however, the expression in the brackets in the above formula will be equal to zero, with the effect that the Uplift Coupon will not be added to the Fixed Coupon.

The Index Digital is determined using the following expression:

Index Digital = if $index_{(n)} / index_{(0)} \geq$ Barrier, 1

otherwise, zero.

It is determined for the entire Tenor by dividing the Index level for the Observation Date in Interest Year(n) (the final year of the Tenor) by the Initial Index level to produce an overall measure of cumulative change, and then comparing that cumulative change, expressed as a percentage, to the Barrier level. If the cumulative percentage change is greater than or equal to the Barrier, the Index Digital will be 1. If the cumulative percentage change is less than Barrier, the Index Digital will be zero.

Example: An investor invests in USD denominated Index Linked Notes with a Tenor of one year.

The Fixed Coupon is 3% and the Uplift Coupon is 0.5%. The Barrier is 100%. The Initial Index Level is 1472.34.

Scenario 1:

The Index Level is 1649.02 as observed on the Final Observation Date.

1649.02/1472.34 = 112%, which is equal to or above the Barrier 100%, and therefore the Index Digital is 1. The rate for entire Tenor is the Fixed Coupon of 3% + (1 x the Uplift Coupon of 0.5%) = 3.5%.

Scenario 2:

The Index Level is 1325.11 as observed on the Final Observation Date.

1325.11/1472.34 = 90%, which is below the Barrier 100%, and therefore the Index Digital is 0. The rate for the entire Tenor is the Fixed Coupon of 3% + (0 x the Uplift Coupon of 0.5%) = 3.0%.

H. Index Linked Coupon 8

The Index Linked Notes have certain periods (referred to as Interest Periods, and specified in the relevant Final Terms) in respect of which interest payable on the Index Linked Notes is calculated. If an Interest Period is specified in the Final Terms as a Fixed Coupon Period, a fixed rate of interest will apply to it, regardless of the performance of the Index.

In terms of the formulae in Index Linked Additional Condition 10, interest payable in respect of a Fixed Coupon Period is calculated as follows:

$$Periodic\ Rate_{(i)} = Fixed\ Coupon \times DCF$$

The tag “i" in the formula refers to a particular numbered Interest Period, and the rate for an Interest Period(i) is referred to as the “Periodic Rate(i)” in the formula. It is simply calculated by applying a day count fraction (referred to in the formula as “DCF”) to turn an annual rate of interest into one appropriate for a shorter period. For example, if the relevant Interest Periods are three months each, the day count fraction would be 3/12 = ¼.

If an Interest Period is specified in the Final Terms as a Variable Coupon Period, the performance of the Index will dictate the rate of interest payable in respect of that Interest Period (referred to as a Periodic Rate): observations of the Index Level are made on a set of days in the Interest Period referred to as Observation Dates, and if the Index Level is at or above a certain fixed level (referred to as the Strike Level and specified in the relevant Final Terms) on a given Observation Date, that day is referred to as a Day In. If the Index Level is below the Strike Level on a given Observation Date, that day is referred to as a Day Out. Different annual interest rates (referred to as the Day In Coupon and the Day Out Coupon, respectively) apply to Days In and Days Out, and an overall rate for the Interest Period is calculated by determining the ratio of Days In to the total number of Observation Dates in a Period (referred to as the Total Days), the ratio of Days Out to the Total Days, applying the appropriate fraction (referred to as a Day Count Fraction) to apply annual rates to shorter Interest Periods, and combining the two elements.

In terms of the formulae in Index Linked Additional Condition 10, interest payable in respect of a Variable Coupon Period is calculated as follows:

$$\text{Periodic Rate}_{(i)} = \left[\left(\frac{\text{Days In}_{(i)}}{\text{Total Days}_{(i)}}\right) \times \text{Day In Coupon}_{(i)} \times \text{DCF}\right] + \left[\left(\frac{\text{Days Out}_{(i)}}{\text{Total Days}_{(i)}}\right) \times \text{Day Out Coupon}_{(i)} \times \text{DCF}\right]$$

The left hand set of square brackets relates to Days In; the term "Days In(i)" in the formula refers to the number of Days In in a particular Interest Period(i); the term "Total Days(i)" refers to the total number of Observation Dates in the Interest Period(i). The proportion calculated by dividing Days In(i) by Total Days(i) is then multiplied by the set Day In Coupon for Interest Period(i) (referred to as "Day In Coupon(i)" in the formula) and then multiplied by the day count fraction applicable to the length of the Interest Period(i). The right hand set of square brackets relates to Days Out, and operates in exactly the same way as the left hand set of square brackets. The results of the two sets of square brackets are then added together to produce a blended interest rate for the Interest Period(i).

Example: An investor invests in USD denominated Index Linked Notes with a term (referred to as a Tenor) of one year.

Each Interest Period is three calendar months (i.e. one quarter) in length, and all Interest Periods are Variable Coupon Periods. The Day In Coupon for each Interest Period is 3%; the Day Out Coupon for each Interest Period is 1%. The Day Count Fraction is 90/360. The Strike Level is 1400. The Observation Dates in respect of each Interest Period are the days in that period when the stock exchange on which the shares that make up the Index are listed is scheduled to be open.

Scenario 1:

On every Observation Date in each of the four Interest Periods, the Index Level is observed to be greater than or equal to 1400. All the Observation Dates are therefore Days In.

	Days In	Days Out	Total Days	Periodic Rate
Variable Coupon Period 1	70	0	70	[(70/70) x 3% x (90/360)] + [(0/70) x 1% x (90/360)] = 0.75%
Variable Coupon Period 2	70	0	70	[(70/70) x 3% x (90/360)] + [(0/70) x 1% x (90/360)] = 0.75%
Variable Coupon Period 3	70	0	70	[(70/70) x 3% x (90/360)] + [(0/70) x 1% x (90/360)] = 0.75%
Variable Coupon Period 4	70	0	70	[(70/70) x 3% x (90/360)] + [(0/70) x 1% x (90/360)] = 0.75%

Scenario 2:

In the first Interest Period, the Index Level is observed to be greater than or equal to 1400. All the Observation Dates in that Interest Period are therefore Days In. In the second, third and fourth Interest Periods, there is a mixture of Days In (where the Index Level is observed to be greater than or equal to 1400) and Days Out (where the Index Level is observed to be less than 1400).

	Days In	Days Out	Total Days	Periodic Rate
Variable Coupon Period 1	70	0	70	[(70/70) x 3% x (90/360)] + [(0/70) x 1% x (90/360)] = 0.75%
Variable Coupon Period 2	60	10	70	[(60/70) x 3% x (90/360)] + [(10/70) x 1% x (90/360)] = 0.68%
Variable Coupon Period 3	50	20	70	[(50/70) x 3% x (20/360)] + [(0/70) x 1% x (90/360)] = 0.61%
Variable Coupon Period 4	35	35	70	[(70/70) x 3% x (90/360)] + [(0/70) x 1% x (90/360)] = 0.50%

Scenario 3:

On every Observation Date in each of the four Interest Periods, the Index Level is observed to be less than 1400. All the Observation Dates are therefore Days Out.

	Days In	Days Out	Total Days	Period Rate
Variable Coupon Period 1	0	70	70	[(0/70) x 3% x (90/360)] + [(70/70) x1% x (90/360)] = 0.25%
Variable Coupon Period 2	0	70	70	[(0/70) x 3% x (90/360)] + [(70/70) x1% x (90/360)] = 0.25%
Variable Coupon Period 3	0	70	70	[(0/70) x 3% x (90/360)] + [(70/70) x1% x (90/360)] = 0.25%
Variable Coupon Period 4	0	70	70	[(0/70) x 3% x (90/360)] + [(70/70) x1% x (90/360)] = 0.25%