



Australia and New Zealand Banking Group Limited

Australian Business Number 11 005 357 522
(Incorporated with limited liability in Australia and registered in the State of Victoria)
as Issuer

ANZ National Bank Limited

(incorporated with limited liability in New Zealand)
as Issuer and Guarantor of Notes issued by ANZ National (Int'l) Limited

ANZ National (Int'l) Limited

(incorporated with limited liability in New Zealand)
as Issuer

US\$60,000,000,000

Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme described in this Base Prospectus (the "**Programme**"), Australia and New Zealand Banking Group Limited ("**ANZBGL**"), ANZ National Bank Limited ("**ANZNBL**") and ANZ National (Int'l) Limited ("**ANZNIL**") (each an "**Issuer**" and together the "**Issuers**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue euro medium term notes (the "**Notes**"). The payment of all amounts due in respect of any Notes issued by ANZNIL will be unconditionally and irrevocably guaranteed by ANZNBL (the "**Guarantor**"). The Notes issued by ANZNBL or ANZNIL are not guaranteed by ANZBGL. Subject to compliance with all relevant laws, regulations and directives, the Notes will have a minimum maturity of one month and no maximum maturity. The aggregate principal amount of Notes outstanding will not at any time exceed US\$60,000,000,000 (or the equivalent in other currencies), provided that ANZBGL may not at any time have Notes outstanding over US\$50,000,000,000 and ANZNBL and ANZNIL may not at any time have Notes outstanding, when aggregated, over US\$10,000,000,000.

This Base Prospectus has been approved by the United Kingdom Financial Services Authority (the "**FSA**"), which is the United Kingdom competent authority for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**") and relevant implementing measures in the United Kingdom, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom for the purpose of giving information with regard to the issue of Notes under the Programme during the period of twelve months after the date hereof. This Base Prospectus constitutes three Base Prospectuses for the purposes of Article 5.4 of the Prospectus Directive. Application has been made to the London Stock Exchange plc (the "**London Stock Exchange**") for such Notes to be admitted to trading on the Regulated Market of the London Stock Exchange. This Base Prospectus supersedes and replaces in its entirety the Base Prospectus dated 25 May 2011 (as supplemented) for each of ANZBGL, ANZNBL and ANZNIL with regard to their euro medium term note programme. Any Notes issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions described herein. The Programme provides that Notes may be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system or may or may not be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed between the relevant Issuer and the relevant Dealer (as defined below). The relevant Final Terms applicable to any issue of Notes will specify whether or not such Notes will be admitted to the Official List of the FSA and admitted to trading on the Regulated Market of the London Stock Exchange (and/or admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system). The London Stock Exchange's Regulated Market is a regulated market for the purpose of Directive 2004/39/EC (the "**Markets in Financial Instruments Directive**").

Any person (an "**Investor**") intending to acquire or acquiring any Notes from any other person (an "**Offeror**") should be aware that, in the context of an offer to the public as defined in section 102B of the FSMA, the relevant Issuer may be responsible to the Investor for this Base Prospectus under section 90 of the Financial Services and Markets Act 2000 (the "**FSMA**"), only if that Issuer has authorised that Offeror to make the offer to the Investor. Each Investor should therefore enquire whether the Offeror is authorised by that Issuer. If the Offeror is not authorised by that Issuer, the Investor should check with the Offeror whether anyone is responsible for this Base Prospectus for the purposes of section 90 of the FSMA in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice.

The Notes are unsecured direct obligations of the relevant Issuer and may be issued as unsubordinated Notes ("**Unsubordinated Notes**") or, where ANZBGL is the Issuer, as subordinated dated Notes ("**Subordinated Dated Notes**") or subordinated undated notes ("**Subordinated Undated Notes**") and together with the Subordinated Dated Notes, "**Subordinated Notes**") as specified in the applicable Final Terms, see "Summary of the Programme — Status of the Notes". Notes may be issued in bearer or registered form as specified in the relevant Final Terms. Each Series (as defined below) of Notes in bearer form will be represented on issue by a temporary global note in bearer form (a "**Temporary Global Note**") or a permanent global note in bearer form (a "**Permanent Global Note**" and each Temporary Global Note and Permanent Global Note, a "**Bearer Global Note**"). Notes in registered form will be represented by a global registered certificate (a "**Registered Global Note**") or by registered certificates in definitive form (each a "**Certificate**"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Bearer Global Notes and Registered Global Notes (each a "**Global Note**") may be deposited on the issue date with a common depository on behalf of Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). The provisions governing the exchange of interests in Bearer Global Notes or Registered Global Notes for other Global Notes and for Notes and Certificates in definitive form, respectively, are described in "Form of the Notes".

Notes that have a denomination of less than EUR 50,000 may be issued under the Programme.

THERE ARE CERTAIN RISKS RELATED TO AN INVESTMENT IN NOTES ISSUED UNDER THE PROGRAMME, WHICH INVESTORS SHOULD ENSURE THEY FULLY UNDERSTAND (SEE "RISK FACTORS" ON PAGES 16 TO 36 OF THIS BASE PROSPECTUS).

Arranger

Deutsche Bank

Dealers

Australia and New Zealand Banking Group Limited
BNP PARIBAS
Citigroup
Daiwa Capital Markets Europe
Goldman Sachs International
J.P. Morgan
RBC Capital Markets

Barclays
BofA Merrill Lynch
Credit Suisse
Deutsche Bank
HSBC
Morgan Stanley
UBS Investment Bank

The date of this Base Prospectus is 18 May 2012.

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this Base Prospectus and to the best of the knowledge of each of the Issuers and the Guarantor (which have taken all reasonable care to ensure that such is the case), the information contained in this Base 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 front page of this Base Prospectus.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Managers and the persons named in or identifiable following the applicable Final Terms as the Financial Intermediaries, as the case may be.

An Investor intending to acquire or acquiring any Notes from an Offeror will do so, and offers and sales of the Notes to an Investor by an Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such Investor including as to price, allocations and settlement arrangements. The relevant Issuer will not be a party to any such arrangements with Investors (other than the Dealers) in connection with the offer or sale of the Notes and, accordingly, this Base Prospectus and any Final Terms will not contain such information. The Investor must look to the Offeror at the time of such offer for the provision of such information.

In respect of ANZBGL, this Base Prospectus, excluding the information set forth under “ANZ National (Int’l) Limited” on page 105, “Summary of Financial Statements of ANZ National (Int’l) Limited” on page 106, information incorporated by reference in respect of ANZNBL and ANZNIL, “Supervision and Regulation of ANZ National Bank Limited and ANZ National (Int’l) Limited” on pages 107 to 116, “ANZ National Bank Limited” on pages 99 to 104, and the statements in respect of ANZNBL and ANZNIL under “Taxation — New Zealand” on pages 121 and 122 and “General Information” on pages G-1 to G-3, comprises a base prospectus issued in compliance with the Prospectus Directive for the purpose of giving information with regard to the issue of Notes by ANZBGL under the Programme during the period of 12 months after the date hereof. In respect of ANZNBL, this Base Prospectus, excluding information incorporated by reference in respect of ANZBGL and ANZNIL (save for information solely in respect of ANZNBL), the information set forth under “Australia and New Zealand Banking Group Limited and its Subsidiaries” on pages 85 to 92, “Supervision and Regulation of Australia and New Zealand Banking Group Limited” on pages 93 to 98, “ANZ National (Int’l) Limited” on page 105, “Summary of Financial Statements of ANZ National (Int’l) Limited” on page 106 and the statements in respect of ANZBGL under “Taxation — Australia” on pages 117 to 121 and in respect of ANZBGL and ANZNIL under “General Information” on pages G-1 to G-3, comprises a base prospectus issued in compliance with the Prospectus Directive for the purpose of giving information with regard to the issue of Notes by ANZNBL under the Programme during the period of 12 months after the date hereof. In respect of ANZNIL, this Base Prospectus, excluding information incorporated by reference in respect of ANZBGL (save for information solely in respect of ANZNIL and ANZNBL), the information set forth under “Australia and New Zealand Banking Group Limited and its Subsidiaries” on pages 85 to 92, “Supervision and Regulation of Australia and New Zealand Banking Group Limited” on pages 93 to 98, and the statements in respect of ANZBGL under “Taxation — Australia” on pages 117 to 121 and in respect of ANZBGL under “General Information” on pages G-1 to G-3, comprises a base prospectus issued in compliance with the Prospectus Directive for the purpose of giving information with regard to the issue of Notes by ANZNIL under the Programme during the period of 12 months after the date hereof.

This Base 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 Tranche (as defined herein) of Notes, should be read and construed together with the relevant Final Terms. This Base Prospectus shall be read and construed on the basis that such information is incorporated in, and forms part of, the Base Prospectus.

In relation to any Tranche, the aggregate nominal amount of the Notes of such Tranche, the interest (if any) payable in respect of the Notes of such Tranche, the issue price and any other terms and conditions not contained herein which are applicable to such Tranche 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 FSA and the London Stock Exchange on or before the date of issue of the Notes of such Tranche.

Subject to the paragraphs above, each of the Issuers and the Guarantor has confirmed to the Dealers set out in the Summary of the Programme below that this Base Prospectus (including, for this purpose, each relevant Final Terms) contains all information relating to itself and its subsidiaries which is (in the context of the Programme and the issue, offering, sale and, where applicable, the guarantee of the Notes by it) material; that such information in respect of it and its subsidiaries is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein by it are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to ensure that such information, opinions, predictions or intentions are (in the context of the Programme and the issue, offering, sale and, where applicable, the guarantee of the Notes by it) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing. Each of the Issuers and the Guarantor have further confirmed to the Dealers that this Base Prospectus, together with, in relation to any Tranche of Notes, the applicable Final Terms, contains all information necessary to enable investors to make an informed assessment of its and its subsidiaries' assets and liabilities, final position, profit and losses and prospects and the rights attaching to the relevant Notes.

Following the publication of this Base Prospectus, a supplementary prospectus may be prepared by the Issuers and the Guarantor and approved by the FSA 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 Base Prospectus which is capable of affecting the assessment of any Notes.

Neither this Base Prospectus nor any Final Terms constitutes an offer of, or an invitation to subscribe for or purchase, any Notes by any of the Issuers, the Guarantor, the Dealers or the Arranger and should not be considered as a recommendation by the Issuers, the Guarantor, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the relevant Issuer and, where applicable, the Guarantor.

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

The distribution of this Base 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 Base Prospectus or any Final Terms comes are required by the Issuers, the Guarantor, the Dealers and the Arranger to inform themselves about and to observe any such restrictions.

Neither the Notes nor the Guarantee (as defined below) have been and neither will 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 US 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, US 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 Base Prospectus or any Final Terms, see "Subscription and Sale."

The Dealers and the Arranger have not separately verified the information contained in this Base Prospectus. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base 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 Issuers, the Guarantor, the Dealers or the Arranger that any recipient of this Base 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 Base Prospectus or any other financial statements and its purchase of Notes should be based upon any such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of any of the Issuers or the Guarantor during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms or a drawdown prospectus (a "**Drawdown Prospectus**") in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by a Final Terms or is a Drawdown Prospectus which specifies that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or Final Terms or Drawdown Prospectus, as applicable. Except to the extent sub-paragraph (ii) above may apply, neither the relevant Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for that Issuer or any Dealer to publish or supplement a prospectus for such offer. For the purposes of this paragraph, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

The Notes issued by an Issuer will not be deposit liabilities or protected accounts (as defined in the Banking Act 1959 (Cth) of Australia (the "**Banking Act**")) of that Issuer, in the case of ANZBGL in Australia, in the case of ANZNBL in New Zealand and in the case of ANZNIL in New Zealand or

the United Kingdom. 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.

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

Credit ratings in respect of the Notes or the Issuers are for distribution only to 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 the Base Prospectus and anyone who receives the Base Prospectus must not distribute it to any person who is not entitled to receive it.

The credit ratings of ANZBGL referred to in this Base Prospectus have been issued by Standard & Poor’s (Australia) Pty Ltd, Moody’s Investors Service Pty Ltd and Fitch Australia Pty Limited, 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”).

The credit ratings of ANZNBL referred to in this Base Prospectus have been issued by Standard & Poor’s (Australia) Pty Ltd, Moody’s Investors Service Pty Ltd and Fitch Australia Pty Limited, none of which is established in the European Union and/or has applied for registration under the CRA Regulation.

Tranches of Notes (as defined in “Conditions of the Notes”) to be issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to the relevant series of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation or issued by a credit rating agency established in a third country but whose credit ratings are endorsed by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused or is provided by a third country rating entity whose ratings are disclosed in that registration application as being ratings that will be endorsed by the relevant entity in the European Union.

In connection with the issue of any Tranche (as defined in Conditions of the Notes) of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake

stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

In this Base Prospectus, unless otherwise specified, references to a "Member State" are references to a Member State of the European Economic Area, references to "A\$", "\$", "dollars", "Australian dollars" or "¢" are to the lawful currency of Australia, references to "euro" or "€" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, as amended from time to time, references to "NZ\$" are to the lawful currency of New Zealand, references to "Sterling" are to the lawful currency of the United Kingdom, references to "US\$" or "US dollars" are to the lawful currency of the United States of America, and references to "Yen" are to the lawful currency of Japan.

The "Guarantee" means the ANZNBL guarantee in favour of ANZNIL (described on page 42 of this Base Prospectus).

The Notes may not be a suitable investment for all investors.

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

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such an investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

TABLE OF CONTENTS

	Page
INFORMATION INCORPORATED BY REFERENCE	8
SUMMARY OF THE PROGRAMME	10
RISK FACTORS	16
CONDITIONS OF THE NOTES	37
1. FORM, DENOMINATION AND TITLE	38
2. EXCHANGE AND TRANSFERS OF NOTES	38
3. STATUS AND GUARANTEE	40
4. INTEREST AND OTHER CALCULATIONS	42
5. REDEMPTION, PURCHASE AND OPTIONS	58
6. PAYMENTS AND TALONS	62
7. TAXATION	66
8. PRESCRIPTION	69
9. EVENTS OF DEFAULT	69
10. SUBORDINATION	72
11. MEETING OF NOTEHOLDERS, MODIFICATIONS AND WAIVER	72
12. REPLACEMENT OF NOTES, CERTIFICATES, RECEIPTS, COUPONS AND TALONS	73
13. FURTHER ISSUES	74
14. NOTICES	74
15. CURRENCY INDEMNITY	75
16. GOVERNING LAW, JURISDICTION AND SERVICE OF PROCESS	75
17. THIRD PARTIES	76
USE OF PROCEEDS	77
FORM OF NOTES	78
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED AND ITS SUBSIDIARIES	85
SUPERVISION AND REGULATION OF AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED	93
ANZ NATIONAL BANK LIMITED	99
ANZ NATIONAL (INT'L) LIMITED	105
SUMMARY OF FINANCIAL STATEMENTS OF ANZ NATIONAL (INT'L) LIMITED	106
SUPERVISION AND REGULATION OF ANZ NATIONAL BANK LIMITED AND ANZ NATIONAL (INT'L) LIMITED	107
TAXATION	117
SUBSCRIPTION AND SALE	127
FORM OF FINAL TERMS	S-1
PART A — CONTRACTUAL TERMS	S-2
PART B — OTHER INFORMATION	S-15
GENERAL INFORMATION	G-1

INFORMATION INCORPORATED BY REFERENCE

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

In respect of ANZBGL, ANZNBL and ANZNIL, for the purpose of any issues of Notes under this Base Prospectus which are to be consolidated and form a single Series with an existing Tranche or Series of Notes, the terms and conditions of the Notes as set out in the section entitled "Conditions of the Notes" on the following specified pages of the base prospectuses, supplementary prospectus and offering circulars of ANZBGL, ANZNBL and ANZNIL:

- (1) Pages 36 to 75 of the Base Prospectus dated 25 May 2011;
- (2) Pages 34 to 73 of the Base Prospectus dated 2 June 2010;
- (3) Pages 38 to 78 of the Base Prospectus dated 21 July 2009;
- (4) Pages 25 to 57 of the Base Prospectus dated 18 July 2008;
- (5) Pages 24 to 56 of the Base Prospectus dated 25 September 2007;
- (6) Pages 10 to 56 of the Supplementary Prospectus dated 23 March 2007 (supplementing and amending the Base Prospectus dated 25 September 2006);
- (7) Pages 19 to 46 of the Base Prospectus dated 25 September 2006;
- (8) Pages 16 to 42 of the Base Prospectus dated 3 October 2005;
- (9) Pages 13 to 38 of the Offering Circular dated 20 May 2005;
- (10) Pages 13 to 38 of the Offering Circular dated 28 September 2004; and
- (11) Pages 13 to 38 of the Offering Circular dated 10 August 2004.

In respect of ANZBGL:

- (i) the audited annual consolidated financial statements (including the auditor's report thereon and notes thereto) in respect of the years ended 30 September 2010 and 2011 (set out on pages 84 to 206 and pages 86 to 210, respectively of the 2010 and 2011 Annual Reports of ANZBGL);
- (ii) the unaudited interim consolidated financial statements (including the auditor's report thereon and notes thereto) in respect of the half-year ended 31 March 2012 (set out on pages 98 to 126 of ANZBGL's 2012 Consolidated Financial Report, Dividend Announcement and Appendix 4D); and
- (iii) the section entitled "Capital Management" set out on pages 36 to 42 of ANZBGL's 2012 Consolidated Financial Report, Dividend Announcement and Appendix 4D.

In respect of ANZNBL:

- (i) the audited annual consolidated financial statements (including the auditor's report thereon and notes thereto) in respect of the years ended 30 September 2010 and 2011 (set out on pages 5 to 103 and 110 to 111 and on pages 5 to 87 and 95 to 96, respectively of the ANZ National Bank Limited Disclosure Statements for the years ended 30 September 2010 and 30 September 2011); and
- (ii) the unaudited interim consolidated financial statements (including the auditor's report thereon and notes thereto) in respect of the six months ended 31 March 2012 (set out on

pages 3 to 25 of the ANZ National Bank Limited Disclosure Statement for the six months ended 31 March 2012).

In respect of ANZNIL:

- (i) the audited annual financial statements (including the auditor's report thereon and notes thereto) in respect of the years ended 30 September 2010 and 2011; and
- (ii) the unaudited interim financial statements in respect of the six months ended 31 March 2012.

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

SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including the information and documents incorporated by reference. No civil liability attaches to any of the Issuers or the Guarantor solely on the basis of the summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to the information contained in this Base Prospectus is brought before a court in a Member State, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

Words and expressions defined or used in "Conditions of the Notes" below shall have the same meanings in this summary.

Issuer	Australia and New Zealand Banking Group Limited (" ANZBGL " and, together with its subsidiaries, the "Group" or " ANZ "), ANZ National Bank Limited (" ANZNBL ") and ANZ National (Int'l) Limited (" ANZNIL "), each either acting through its head office or through any branches as specified in the relevant Final Terms.
Guarantor	ANZNBL (in the case of Notes issued by ANZNIL). The Notes issued by ANZNBL or ANZNIL are not guaranteed by ANZBGL.
Risk Factors	There are certain factors that may affect the ability of an Issuer to fulfil its obligations under the Notes and the Guarantor's ability to fulfil its obligations under the Guarantee. These are set out under "Risk Factors" below and include changes in economic conditions, investment markets and regulatory and legal environments. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes. These are also set out under "Risk Factors" below and include the fact that Notes may not be a suitable investment for all investors, certain risks relating to the structure of particular Notes and market risks.
Description	Euro Medium Term Note Programme.
Programme Size	US\$60,000,000,000 (or the equivalent in other currencies at the date of issue) outstanding at any one time, provided that ANZBGL may not at any time have Notes outstanding over US\$50,000,000,000 and ANZNBL and ANZNIL may not at any time have Notes outstanding, when aggregated, over US\$10,000,000,000. The Issuers may increase the size of the Programme in accordance with the terms of the Programme Agreement.
Arranger	Deutsche Bank AG, London Branch

Dealers	<p>Australia and New Zealand Banking Group Limited Barclays Bank PLC BNP PARIBAS Citigroup Global Markets Limited Credit Suisse Securities (Europe) Limited Daiwa Capital Markets Europe Limited Deutsche Bank AG, London Branch Goldman Sachs International The Hongkong and Shanghai Banking Corporation Limited HSBC Bank plc J.P. Morgan Securities Ltd. Merrill Lynch International Morgan Stanley & Co. International plc RBC Europe Limited UBS Limited</p> <p>and any other Dealers appointed in accordance with the Programme Agreement.</p>
Fiscal Agent	Deutsche Bank AG, London Branch
Final Terms or Drawdown Prospectus	Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and associated Final Terms or (2) pursuant to a Drawdown Prospectus with a particular Tranche of Notes.
Redenomination, Renominalisation and/or Consolidation	The relevant Final Terms may provide that certain Notes denominated in a currency that may be replaced by the euro, may be subject to redenomination, renominalisation and/or consolidation with other Notes then denominated in euro.
Form of Notes	Notes may be issued in bearer form (" Bearer Notes ") or in registered form (" Registered Notes ") as described in "Form of Notes".
Clearing Systems.....	Euroclear, Clearstream, Luxembourg and, in relation to any Tranche of Notes, such other clearing system as may be agreed between the relevant Issuer and the relevant Dealer, as will be specified in the relevant Final Terms.
Currencies	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in such currencies as the relevant Issuer and the relevant Dealers agree.
Maturities.....	<p>Subject to compliance with all relevant laws, regulations and directives, the Notes will have a minimum maturity of one month.</p> <p>Notes issued by ANZNBL or ANZNIL having a maturity of less than one year, where either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the</p>

	Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by ANZNBL or, as the case may be, ANZNIL.
Denomination	Notes will be issued in such denominations as may be specified as the Specified Denomination(s) in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. See “Summary of the Programme — Maturities” above.
Fixed Rate Notes	Fixed interest will be payable in arrears on the date or dates in each year specified in the relevant Final Terms.
Floating Rate Notes	Floating Rate Notes will bear interest set separately for each Series at a rate, and in the respective Interest Period, as specified in the relevant Final Terms.
Index Linked Notes	Payments in respect of principal or interest in respect of Index Linked Redemption Notes and Index Linked Interest Notes, respectively, will be calculated by reference to such stock or commodity or other index, currency exchange rate and/or formula as the relevant Issuer and the relevant Dealer or other purchaser may agree.
Zero Coupon Notes	Zero Coupon Notes may be issued at their Nominal Amount or at a discount to it and will not bear interest.
Interest Periods and Interest Rates.....	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum or a minimum Rate of Interest or both.
Redemption by Instalments	The relevant Final Terms may provide that Notes are redeemable in two or more instalments (“ Instalment Notes ”) and will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Optional Redemption.....	The relevant Final Terms will state whether the relevant Notes may be redeemed (either in whole or

Status of the Notes	<p>in part) prior to their stated maturity at the option of the relevant Issuer and/or the holders, and if so the terms applicable to such redemption.</p>
	<p>The Notes may be issued as Unsubordinated Notes or, where ANZBGL is the Issuer, as Subordinated Dated Notes or Subordinated Undated Notes as specified in the applicable Final Terms.</p>
	<p>The Notes will not be deposit liabilities or protected accounts (as defined in the Banking Act (Cth) 1959 of Australia (the "Banking Act") in Australia of ANZBGL and the Conditions do not limit the amount of the liabilities ranking senior to any Notes which may be incurred or assumed by ANZBGL from time to time, whether before or after the Issue Date of the relevant Notes.</p>
Unsubordinated Notes.....	<p>The Unsubordinated Notes constitute direct, unconditional and unsecured obligations of the relevant Issuer ranking <i>pari passu</i> among themselves and (save for certain debts of the relevant Issuer required to be preferred by applicable law, including (but not limited to), in the case of ANZBGL, those in respect of protected accounts (as defined in the Banking Act) in Australia and various debts due to the Australian Prudential Regulation Authority ("APRA") and the Reserve Bank of Australia ("RBA") required to be preferred by Australian law) with all other present and future unsubordinated and unsecured obligations of the relevant Issuer, all as described in "Conditions of the Notes — Status and Guarantee — Unsubordinated Notes".</p>
Subordinated Dated Notes	<p>The Subordinated Dated Notes constitute direct, unsecured and subordinated obligations of ANZBGL ranking <i>pari passu</i> among themselves. The claims of holders of Subordinated Dated Notes will, in the event of the winding-up of ANZBGL, rank for payment behind all Unsubordinated Creditors and equally with any other equally ranking instruments as described in "Conditions of the Notes — Status and Guarantee — Subordinated Dated Notes".</p>
	<p>In respect of Subordinated Dated Notes, prior to the winding-up of ANZBGL, the obligation of ANZBGL to make payments (including of any principal, premium, additional amounts and interest) on the Subordinated Dated Notes will be conditional on ANZBGL being Solvent (as defined in "Conditions of the Notes — Interest and other Calculations — Definitions") at the time of, and immediately after, such payment by ANZBGL. Any such failure to pay will not be considered an event of default for the purposes of the Subordinated Dated Notes.</p>

Subordinated Undated Notes

The Subordinated Undated Notes constitute direct, unsecured and subordinated obligations of ANZBGL ranking *pari passu* among themselves. Prior to the winding-up of ANZBGL, the Subordinated Undated Notes are perpetual and do not have a maturity date. The claims of holders of Subordinated Undated Notes will, in the event of the winding-up of ANZBGL, rank for payment behind all Unsubordinated Creditors and Subordinated Dated Creditors and equally with any other equally ranking instruments as described in "Conditions of the Notes — Status and Guarantee — Subordinated Undated Notes," but senior in point of subordination to the obligations of ANZBGL in respect of the claims of the holders of any subordinated obligations which rank or are expressed to rank junior to the claims of the Subordinated Undated Creditors.

In respect of Subordinated Undated Notes, prior to the winding-up of ANZBGL, the obligation of ANZBGL to make payments (including of interest, deferred interest and additional amounts) on the Subordinated Undated Notes will be at the option of ANZBGL and, unless APRA has given its prior written approval, will be conditional on ANZBGL being Solvent at the time of, and immediately after, such payment by ANZBGL and the amount of any payment not exceeding the Distributable Profits (as defined in "Conditions of the Notes — Interest and other calculations — Conditions of Payment — Subordinated Undated Notes") of ANZBGL. Any such failure to pay will not be considered an event of default for the purposes of the Subordinated Undated Notes.

Deferred Interest does not accrue interest for the period during which it remains unpaid and a Subordinated Undated Noteholder has no claim in respect of interest on that unpaid interest. If ANZBGL fails to pay in full interest on the Subordinated Undated Notes on any Interest Payment Date then ANZBGL may not pay any interest on, declare or pay any dividends, distributions or interest on any other securities or instruments of ANZBGL that by their terms rank, or are expressed to rank, equally with or junior to the Subordinated Undated Notes unless and until ANZBGL has paid such unpaid interest in full.

Status of the Guarantee

Notes issued by ANZNIL will be unconditionally and irrevocably guaranteed by the Guarantor. The Guarantee constitutes direct, unconditional and unsecured obligations of the Guarantor which (save for certain debts of the Guarantor required to be preferred by law) will at all times rank *pari passu*

	among themselves and equally with all other unsubordinated and unsecured obligations of the Guarantor. The Notes issued by ANZNBL and ANZNIL are not guaranteed by ANZBGL.
Negative Pledge	None.
Cross Default	None.
Withholding Tax	All payments of principal and interest in respect of the Notes will be made free and clear of all withholding taxes of the jurisdiction of incorporation of the relevant Issuer and, where applicable, the Guarantor, and/or, where the relevant Issuer is acting through its branch, the jurisdiction, country or territory in which the branch through which the relevant Issuer is acting as specified in the relevant Final Terms is located unless such withholding is required by law. In that event, the relevant Issuer or, where applicable, the Guarantor shall pay additional amounts to the Noteholders as shall result in receipt by those Noteholders of such amounts as would have been received by them had no such withholding been required, except that no such additional amounts shall be payable with respect to any Note in the circumstances described in "Conditions of the Notes — Taxation".
Governing Law.....	English law, except that the subordination provisions applicable to the Subordinated Notes of ANZBGL will be governed by, and construed in accordance with, the laws of the State of Victoria and the Commonwealth of Australia.
Listing and Admission to Trading	Each Series may be admitted to the Official List of the FSA and admitted to trading on the London Stock Exchange's Regulated Market and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system as may be agreed between the relevant Issuer and the relevant Dealer and specified in the relevant Final Terms. Unlisted Notes may also be issued under this Programme.
Selling Restrictions	Australia, Japan, New Zealand, the European Economic Area (including the United Kingdom), United States, Hong Kong and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "Subscription and Sale".
	Each of the Issuers are Category 2 for the purposes of Regulation S under the Securities Act.

RISK FACTORS

Introduction

Any investment in the Notes issued under the Programme will involve risks including those described in this section. All principal or material risks that have been identified by the Issuers and the Guarantor are included in this section. Prospective investors should carefully consider the following discussion of the risk factors and the other information in this Base Prospectus 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 Issuers) and should carefully consider the following factors in addition to the matters set out elsewhere in this Base Prospectus before investing in the Notes offered under this Base Prospectus.

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

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

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

Risks relating to the Notes and the market generally

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

Each Tranche of Notes will be new securities which may not be widely distributed and for which there is currently no active trading market (unless, in the case of any particular Tranche of Notes, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Accordingly, the Issuer cannot predict, or give any assurance as to, whether an active or liquid trading market for any particular Tranche of Notes will develop or be sustained. In addition to the creditworthiness, many factors affect the trading market for, and trading value of, the Notes. These factors may include among other things:

- the complexity and volatility of any index or formula applicable to the Notes;
- the method of calculating the principal, premium and interest in respect of the Notes;
- the time remaining to the stated maturity of the Notes;
- the outstanding amount of the Notes;
- any redemption features of the Notes;
- the amount of other debt securities linked to any index or formula applicable to the Notes;
- the financial condition and results of the relevant Issuer's operations;
- investor confidence and market liquidity; and
- the level, direction and volatility of market interest rates generally.

There may be a limited number of buyers when an investor decides to sell the Notes. This may affect the price an investor receives for such Notes or the ability to sell such Notes at all. In addition, Notes that are designed for specific investment objectives or strategies often experience a more limited trading market and more price volatility than those not so designed.

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

Any Notes that are listed on the London Stock Exchange or any other listing authority, stock exchange or quotation system may be de-listed. If any Notes are de-listed, the relevant Issuer is obliged to endeavour promptly to obtain an alternative listing. Although no assurance is made as to the liquidity of the Notes as a result of listing on the London Stock Exchange or any other listing authority, stock exchange or quotation system, de-listing the Notes may have a material adverse effect on a Noteholder's ability to resell the Notes in the secondary market.

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

The credit ratings of the Notes may not reflect the potential impact of all risks related to the structure and other factors on any trading market for, or trading value of, the Notes. In addition, real or anticipated changes in the credit rating of the relevant Issuer or any Notes will generally affect any trading market for, or trading value of, the Notes.

The Notes may be redeemed prior to maturity

In the event that the relevant Issuer, or the Guarantor, if applicable, would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for, or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the relevant Issuer's taxing jurisdiction, or Guarantor's taxing jurisdiction, if applicable, or any authority therein or thereof having power to tax, the Issuer may redeem all of the relevant Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specifies that the Notes are redeemable at the relevant Issuer's option in certain other circumstances the relevant Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

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

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depository for Euroclear, Clearstream, Luxembourg and/or a clearing system other than Euroclear or Clearstream, Luxembourg (an "**Alternative Clearing System**"). Apart from the circumstances described in the relevant Global Note, investors will not be entitled to Notes in definitive form. Euroclear, Clearstream, Luxembourg and/or any relevant Alternative Clearing System will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear, Clearstream, Luxembourg and/or any relevant Alternative Clearing System.

While the Notes are represented by one or more Global Notes, the relevant Issuer and the Guarantor, if applicable, will discharge its payment obligations under the Notes by making payments to the common depository for Euroclear, Clearstream, Luxembourg and/or any relevant Alternative Clearing System for distribution to their relevant account holders. A holder of a

beneficial interest in a Global Note must rely on the procedures of Euroclear, Clearstream, Luxembourg and/or any relevant Alternative Clearing System to receive payments under the relevant Notes. The Issuers and the Guarantor have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

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

EU Savings Directive and other Withholding Tax Obligations

If, pursuant to the European Council Directive 2003/48/EC on the taxation of savings income (the “**Directive**”) (see “Taxation — European Union Savings Directive” below), a payment in respect of a Note were to be made by or collected through a person in a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person by or through whom a payment in respect of the Note is made or received would be obliged to pay additional amounts with respect to such Note as a result of the imposition of such withholding tax (see Condition 7 (*Taxation*) of the Notes). The Issuers and, if applicable, the Guarantor will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive (see Condition 6(e)).

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

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

Notes subject to prior claims

Claims against ANZBGL under Australian law are subject to mandatory priority provisions including those applying to ADIs (of which ANZBGL is one). These priority provisions include section 13A of the Banking Act, which provides that, in the event ANZBGL becomes unable to meet its obligations or suspends payment, its assets in Australia are available to meet specified liabilities in Australia (including protected accounts and most deposit liabilities) in priority to all other liabilities of ANZBGL (including the Notes). These liabilities will be substantial and are not limited by the Conditions. Further, certain assets, such as the assets of ANZBGL in a cover pool for covered bonds issued by ANZBGL, are excluded from constituting assets in Australia for the purposes of section 13A of the Banking Act, and these assets are subject to the prior claims of the covered bond holders and certain other secured creditors in respect of the covered bonds. The assets which are subject to such prior claims may also be substantial. In addition, future changes to applicable law may extend the debt required to be preferred by law or the assets to be excluded.

Under the €5 billion ANZNBL covered bond programme, investors have full recourse to ANZNIL or ANZNBL as issuer and ANZNBL as guarantor and also to a cover pool of assets held by the ANZNZ Covered Bond Trust. The assets of the ANZNZ Covered Bond Trust are made up of certain housing loans and related securities originated by ANZNBL and which are security for the guarantee by ANZNZ Covered Bond Trust Limited as trustee of the ANZNZ Covered Bond Trust of covered bonds issued by ANZNBL or ANZNIL, from time to time.

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

Subordinated Notes

Although Subordinated Dated Notes and Subordinated Undated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a significant risk that an investor holding Subordinated Dated Notes or Subordinated Undated Notes may lose some or all of its investment should ANZBGL become insolvent.

The Conditions do not limit the amount of the liabilities ranking senior to any Subordinated Notes which may be incurred or assumed by ANZBGL from time to time, whether before or after the Issue Date of the relevant Subordinated Notes.

The Events of Default and the remedies of a holder of Subordinated Notes are limited as set forth in the Conditions. So far as the Conditions permit the holder to initiate proceedings for the winding-up of ANZBGL, holders should note that the making of an order for the winding-up of ANZBGL is in the discretion of the relevant court.

Subordinated Dated Notes

If in the case of any particular Tranche of Notes issued by ANZBGL the relevant Final Terms specify that the Notes are Subordinated Dated Notes and ANZBGL is in winding-up, it will be required to pay the holders of senior debt and meet its obligations to all its other creditors (including unsecured creditors but excluding any obligations in respect of Subordinated Notes) in full before it can make any payments on the relevant Notes. If this occurs, ANZBGL may not have enough assets remaining after these payments to pay amounts due under the relevant Subordinated Dated Notes.

In addition, prior to the winding-up of ANZBGL, ANZBGL is only permitted to make payments (including of principal, premium, additional amounts and interest) on the relevant Notes if it is Solvent (in accordance with, and as defined in, Condition 4(k) of the Notes) at the time of such payment and if it would be Solvent immediately after any such payment. Any failure by ANZBGL to make a payment when due on the relevant Notes if it is not Solvent at the time of such payment, or would not be Solvent immediately after such payment, will not constitute an Event of Default (as defined in Condition 9(b)(ii) of the Notes) in respect of the relevant Notes.

Subordinated Undated Notes

If in the case of any particular Tranche of Notes issued by ANZBGL the relevant Final Terms specify that the Notes are Subordinated Undated Notes, and ANZBGL is declared insolvent and a winding-up is initiated, it will be required to pay the holders of senior debt and meet its obligations to all its other creditors (including unsecured creditors and holders of Subordinated Dated Notes, but excluding any obligations in respect of Subordinated Undated Notes) in full before it can make any payments on the relevant Subordinated Undated Notes. If this occurs, ANZBGL may not have enough assets remaining after these payments to pay amounts due under the relevant Subordinated Undated Notes.

In addition, prior to the winding-up of ANZBGL, ANZBGL is under no obligation to redeem the Notes at any time (as the Subordinated Undated Notes are perpetual and do not have a maturity date), ANZBGL can defer the payments of interest at any time at its discretion and is only permitted (but not obliged) to make payments of interest, Deferred Interest (as defined in Condition 4(k)) and any additional amounts on the relevant Subordinated Undated Notes, if it is Solvent (in accordance with, and as defined in, Condition 4(k) of the Notes) at the time of such payment and if it would be Solvent immediately after any such payment and if the amount of such payments do not exceed its Distributable Profits (as defined in Condition 4(o)). Any failure by ANZBGL to make a payment of interest when due on the relevant Notes will not constitute an Event of Default (as defined in Condition 9(b)(iii) of the Notes) in respect of the relevant Notes. Holders of Subordinated Undated Notes have no right to apply for the winding-up or administration of ANZBGL, or cause a receiver or receiver and manager to be appointed in respect of ANZBGL, on the grounds that ANZBGL failed to make, or is or may become unable to make, a payment of interest (including any Deferred Interest) under those Subordinated Undated Notes.

Any deferral of interest payments will likely have an adverse effect on the market price of the Subordinated Undated Notes. In addition, as a result of the interest deferral provisions of the Subordinated Undated Notes, the market price of such Notes may be more volatile than the market price of other debt securities on which the original issue discount or interest accrues that are not subject to such deferrals and may be more sensitive generally to adverse changes in ANZBGL's financial condition. There is a risk that an investor in Subordinated Undated Notes may receive a lesser return on those Subordinated Undated Notes than on other debt securities where interest is not deferred or no return on those Subordinated Undated Notes.

If so specified in the relevant Final Terms, payments of interest under the Subordinated Undated Notes may be fully franked. However, there is no guarantee that ANZBGL will have sufficient franking credits to fully frank such payments of interest. If a payment of interest on any such Subordinated Undated Notes is unfranked or partially franked, then the payment of interest may be increased to fully compensate for the unfranked component.

If the Subordinated Undated Notes cease to qualify as Upper Tier 2 Capital (as defined in Condition 4(o)), ANZBGL may at its option, subject to the prior written approval of the Australian Prudential Regulation Authority ("**APRA**"), redeem all, but not some only, of the Subordinated Undated Notes of the relevant Series at the Early Redemption Amount together with interest (including any Deferred Interest) accrued to the date fixed for redemption as more fully described in Condition 5(c).

If so specified in the relevant Final Terms, ANZBGL may issue Subordinated Undated Notes which include a call right allowing ANZBGL, subject to the prior written approval of APRA, to redeem the Subordinated Undated Notes early for certain taxation reasons, including (if specified in the relevant Final Terms) where ANZBGL determines (supported by a tax opinion from tax advisers of recognised standing in the relevant jurisdiction) that interest payable on the Subordinated Undated Notes may not be allowed as a deduction in any relevant taxing jurisdiction for income tax purposes or, if the interest on the Subordinated Undated Notes is adjusted because it is unfranked or partially franked. Exercise of the call right will trigger repayment of the outstanding principal and interest in accordance with the provisions of the relevant Final Terms.

No obligation to pay additional amounts

If any payments of interest on any such Subordinated Undated Notes which are specified in the relevant Final Terms to be frankable to a holder who is not an Australian resident are unfranked or partially franked and ANZBGL is required to deduct and withhold any dividend withholding tax, then, notwithstanding the obligations described in Condition 7(a), ANZBGL will not pay any additional amounts to the relevant holder in respect of amounts so deducted or withheld, unless so specified in the Final Terms.

An investment in Notes linked to an index, exchange rate, securities etc. entails significant risks not associated with a similar investment in conventional fixed rate or floating rate debt securities

An investment in Notes the terms of which provide that the principal, premium, if any, and/or interest payable and/or securities deliverable, is linked to one or more currencies or composite currencies (including exchange rates and swap indices between currencies or composite currencies), commodities, securities, basket of securities or securities indices, interest rates or other indices (each an “**index**” and together, the “**indices**”), either directly or inversely (the “**indexed Notes**”), entails significant risks that are not associated with investments in a conventional fixed rate or floating rate debt security including:

- the market price of such indexed Notes may be volatile;
- no interest may be payable on the indexed Notes;
- payments of principal or interest on the indexed Notes may occur at a different time or in a different currency than expected;
- the amount of principal payable at redemption may be less than the nominal amount of such indexed Notes or even zero;
- an index may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- if an index is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the index on principal or interest payable will likely be magnified; and
- the timing of changes in an index may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the index, the greater the effect on yield.

These risks include the possibility that an index or indices may be subject to significant changes, that the resulting interest rate will be less than that payable on a conventional fixed or floating rate debt security issued by the relevant Issuer at the same time, that the repayment of principal and/or premium, if any, and/or delivery of securities can occur at times other than that expected by the investor, that, in certain circumstances, the indexed Notes may cease to bear interest and that prospective investors could lose all or a substantial portion of their investment, if any, payable on the maturity date. These risks depend on a number of interrelated factors, including economic, financial and political events, over which the relevant Issuer has no control.

Additionally, if the formula used to determine the amount of principal, premium, if any, and/or interest payable and/or securities deliverable with respect to such indexed Notes contains a multiplier or leverage factor, the effect of any change in the applicable index or indices will be magnified. In recent years, values of certain indices have been highly volatile; such volatility in the past is not necessarily indicative, however, of fluctuations that may occur in the future.

Any optional redemption feature of any indexed Notes might affect their market value. Since the relevant Issuer may be expected to redeem indexed Notes when prevailing interest rates are relatively low, prospective investors generally will not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate that is as high as the current interest rate on the indexed Notes.

An investment in index-linked Notes may bear similar market risks to a direct equity investment and investors should take advice accordingly

The secondary market, if any, for indexed Notes will be affected by a number of factors independent of the relevant Issuer’s creditworthiness, including the complexity and volatility of the

index or indices, the creditworthiness of the specified entity or entities, the fluctuation of exchange rates, the method of calculating the principal, premium, if any, and/or interest in respect of indexed Notes, the time remaining to the maturity of such indexed Notes, the outstanding amount of such indexed Notes, any redemption features of such indexed Notes, the amount of other debt securities linked to such index or indices and the level, direction and volatility of market interest rates generally. Such factors also will affect the market value of indexed Notes.

In addition, certain indexed Notes may be designed for specific investment objectives or strategies and, therefore, may have a more limited secondary market and may experience more price volatility than conventional debt securities. Investors may not be able to sell such indexed Notes readily or at prices that will enable them to realise their anticipated yield. Prospective investors should not purchase such indexed Notes unless they understand and are able to bear the risks that such indexed Notes may not be readily saleable, that the value of such indexed Notes will fluctuate over time and that such fluctuations may be significant.

Finally, the relevant Issuer's credit ratings may not reflect the potential impact of the various risks that could affect the market value of the indexed Notes. Accordingly, prospective investors should consult their own financial and legal advisers as to the risks an investment in the indexed Notes may entail and the suitability of the indexed Notes in light of their particular circumstances.

Variable rate Notes with a multiplier or other leverage factor

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

Inverse Floating Rate Notes

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

Fixed/Floating Rate Notes

Fixed/floating rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the fixed/floating rate Notes may be less favourable than then prevailing spreads on comparable floating rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Partly Paid Notes

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

Modification and waivers and substitution

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

Exchange rate risks and exchange controls

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

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

Interest rate risks

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

Legal investment considerations may restrict certain investments

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

Risks relating to the Issuers’ and the Guarantor’s businesses

Each of the Issuers’ and the Guarantor’s activities are subject to risks that can adversely impact its business, operations and financial condition. Prospective investors should carefully consider the risks and other information in this Base Prospectus before investing in an Issuer’s Notes. The risks and uncertainties described below are not the only ones that the Group may face. Additional risks and uncertainties that the Group is unaware of, or that the Group currently deems to be immaterial, may also become important factors that affect it. If any of the listed or unlisted risks actually occur, the Group’s business, operations, financial condition, or reputation could be materially adversely affected, with the result that the trading price of an Issuer’s Notes could decline, and investors could lose all or part of their investment.

If applicable, references in this section to the “**Group**” are to be taken as references to each of the Issuers and/or Guarantor (as the context requires), and all references to “**securities**” include the Notes.

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

The Group’s financial performance is primarily influenced by the economic conditions and the 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 Group’s business, operations, and financial condition can be negatively affected by changes to these economic and business conditions.

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

The global financial crisis (“**GFC**”) in 2008 and 2009 saw a sudden and 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. More recently, sovereign risk (particularly in Europe) and its potential impact on financial institutions in Europe and globally has emerged as a significant risk to the recovery prospects of the global economy. The impact of the GFC and its results (such as heightened sovereign risk) continue to affect global economic activity and capital markets.

The economic effects of the GFC and the more recent European sovereign debt crisis have been widespread and far reaching with unfavourable ongoing impacts on retail sales, personal and business credit growth, housing credit and business and consumer confidence. While some of these economic factors have since improved, lasting impacts from the GFC, subsequent volatility in financial markets and the more recent European sovereign debt crisis (and potential contagion from it) suggest ongoing vulnerability and adjustment in these and other areas of consumer and business behaviour. The sovereign debt crisis could have serious implications for the European Union and the euro which depending on the circumstances in which they take place, could adversely affect the Group’s business, operations and financial condition.

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.

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

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

The Group’s financial performance could also be adversely affected if it were unable to adapt cost structures, products, pricing or activities in response to a drop in demand or lower than expected revenues. Similarly, higher than expected costs (including credit costs) could be incurred because of adverse changes in the economy, general business conditions or the operating environment in the countries in which it operates.

Other economic and financial factors or events which may adversely affect the Group's performance and results, include, but are not limited to, the level of and volatility in foreign exchange rates and interest rates, changes in inflation and money supply, fluctuations in both debt and equity capital markets, declining commodity prices due to, for example, reduced demand in Asia, especially North Asia, and decreasing consumer and business confidence.

Geopolitical instability, such as threats of, potential for, or actual conflict, occurring around the world, such as the ongoing unrest and conflicts in the Middle East, may also adversely affect global financial markets, general economic and business conditions and the Group's ability to continue operating or trading in a country, which in turn may adversely affect the Group's business, operations, and financial condition.

Natural disasters such as (but not restricted to) cyclones, floods and earthquakes, and the economic and financial market implications of such disasters on domestic and global conditions, can adversely impact the Group's ability to continue operating or trading in the country or countries directly or indirectly affected, which in turn may adversely affect the Group's business, operations and financial condition. For more specific risks in relation to earthquakes and the recent Christchurch earthquakes, see the risk factor entitled "The Group may be exposed to the impact of future climate change, geological events, plant and animal diseases, and other extrinsic events which may adversely affect its business, operations and financial condition".

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

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. Similarly, a depreciation in the Australian or New Zealand dollars relative to other currencies would increase debt service obligations in Australia or New Zealand dollar terms of unhedged exposures. The depreciation in the value of the New Zealand dollar against the Australian dollar has had a negative translation effect (and future depreciation could have a greater negative translation effect) on the financial results of the Group's New Zealand businesses, which includes ANZNBL. Appreciation of the Australian dollar against the New Zealand dollar, United States dollar and other currencies has had a negative translation effect, and future appreciation could have a greater negative impact, on the Group's results from its other non-Australian businesses, particularly its New Zealand and Asian businesses which are largely based on non-Australian dollar revenues. The Group has put in place hedges to partially mitigate the impact of currency appreciation, but notwithstanding this, any appreciation could have an adverse impact upon the Group's earnings.

Competition may adversely affect the Group's business, operations and financial condition, especially in Australia, New Zealand and the Asian markets in which it operates

The markets in which the Group 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. For example, changes in the financial services sector in Australia and New Zealand have made it possible for non-banks to offer products and services traditionally provided by banks, such as automatic payment systems, mortgages, and credit cards. In addition, banks organised in jurisdictions outside Australia and New Zealand are subject to different levels of regulation and consequently some may have lower cost structures. Increasing competition for customers could also potentially lead to a compression in the Group's

net interest margins, or increased advertising and related expenses to attract and retain customers.

Additionally, the Australian Government announced in late 2010 a set of measures with the stated purpose of promoting a competitive and sustainable banking system in Australia. Any regulatory or behavioural change that occurs in response to this policy shift could have the effect of limiting or reducing the Group's revenue earned from its banking products or operations. These regulatory changes could also result in higher operating costs. A reduction or limitation in revenue or an increase in operating costs could adversely affect the Group's profitability.

The effect of competitive market conditions, especially in the Group's main markets and products, may lead to erosion in the Group's market share or margins, and adversely affect the Group's business, operations, and financial condition.

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

Central monetary authorities (including the Reserve Bank of Australia ("RBA"), the Reserve Bank of New Zealand ("RBNZ"), the US 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. Both these factors impact the Group's net interest margin and can affect the value of financial instruments it holds, such as debt securities and hedging instruments. The policies of the central monetary authorities can also affect the Group's borrowers, potentially increasing the risk that they may fail to repay loans. Changes in such policies are difficult to predict.

Sovereign risk may destabilise global financial markets adversely affecting all participants, including the Group

Sovereign risk, or the risk that foreign governments will default on their debt obligations, increase borrowings as and when required, be unable to refinance their debts as they fall due or nationalise participants in their economy has emerged as a risk to the recovery prospects of many economies. This risk is particularly relevant to a number of European countries, though it is not limited to these places (and includes the United States). Should one sovereign default, there could be a cascading effect to other markets and countries, the consequences of which, while difficult to predict, may be similar to or worse than that currently being experienced or which was experienced during the GFC. Such an event could destabilise global financial markets adversely affecting all participants, including the Group.

The 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 Group's access to funding and liquidity

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. International capital markets and liquidity conditions improved following the GFC and banks were able to raise non-government guaranteed funds. Many such government-sponsored financial stabilisation packages were withdrawn or phased out, including in Australia and New Zealand in relation to wholesale funding. More recently, heightened sovereign risk and subsequent volatility in financial markets has re-emerged. 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.

Specifically, it could adversely affect the Group's ability to access sources of funding and lead to a decrease in the Group's liquidity position and increase in its funding costs, negatively affecting the Group's business, operations and financial condition.

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

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

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

The Group raises funding from a variety of sources including customer deposits and wholesale funding in Australia and offshore markets to ensure that it continues to meet its funding obligations and to maintain or grow its business generally. In times of systemic liquidity stress, in the event of damage to market confidence in the Group or in the event that funding inside or outside of Australia is not available or constrained, the Group's ability to access sources of funding and liquidity may be constrained and it will be exposed to liquidity risk. In any such cases, the Group may be forced to seek alternative funding. The availability of such alternative funding, and the terms on which it may be available, will depend on a variety of factors, including prevailing market conditions and the Group's credit ratings. Even if available, the cost of these alternatives may be more expensive or on unfavourable terms.

Since the GFC, developments in the US mortgage industry and in the US and European markets more generally, including recent European sovereign debt concerns did adversely affect the liquidity in global capital markets including an increase in funding costs. Future deterioration in these market conditions may limit the Group's ability to replace maturing liabilities and access funding in a timely and cost-effective manner necessary to fund and grow its business.

The Group is exposed to the risk that its credit ratings could change, which could adversely affect its ability to raise capital and wholesale funding

The Group's credit ratings have a significant impact on both its access to, and cost of, capital and wholesale funding. Credit ratings are not a recommendation by the relevant rating agency to invest in securities offered by the Group. Credit ratings may be withdrawn, subject to qualifiers, revised, or suspended by the relevant credit rating agency at any time and the methodologies by which they are determined may be revised. A downgrade or potential downgrade to the Group's credit rating may reduce access to capital and wholesale debt markets, potentially leading to an increase in funding costs, as well as affecting the willingness of counterparties to transact with it. On 18 May 2011, Moody's Investors Service Pty Ltd. downgraded ANZBGL's deposit and long-term, senior, unsecured debt rating to Aa2 (Outlook Stable). Subsequently, on 2 December 2011, as part of the implementation of their new global bank ratings criteria, Standard and Poor's (Australia) Pty Ltd. downgraded the deposit and long-term, senior unsecured debt ratings of the four major Australian banks, including ANZBGL, by one notch within the AA band from AA (Outlook Stable) to AA- (Outlook Stable). ANZBGL cannot provide any assurance that it will not be subject to any further downgrade in the future. In addition, the ratings of individual securities (including, but not limited to, certain Tier-1 capital and Tier-2 capital securities) issued by the Group (and banks globally) could be impacted from time to time by changes in the ratings methodologies used by rating agencies. Ratings agencies may revise their methodologies in response to legal or regulatory changes or other market developments.

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

The Group's capital base is critical to the management of its businesses and access to funding. The Group is required by regulators including, but not limited to, APRA, RBNZ, the UK Financial Services Authority, US regulators and various Asia Pacific jurisdictions where the Group has operations, to maintain adequate regulatory capital.

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

Global and domestic regulators have released proposals, including the Basel III proposals, to strengthen, among other things, the liquidity and capital requirements of banks, funds management entities, and insurance entities. These proposals, together with any risks arising from any regulatory changes, are described below in the risk factor entitled "Regulatory changes or a failure to comply with regulatory standards, law or policies may adversely affect the Group's business, operations or financial condition".

Further details about the capital management regime affecting ANZBGL are contained in the section entitled "Supervision and Regulation of Australia and New Zealand Banking Group Limited"; and further details of the capital management regime affecting ANZNBL and ANZNIL are contained in the section entitled "Supervision and Regulation of ANZ National Bank Limited and ANZ National (Int'l) Limited".

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

As a financial institution, the Group is exposed to the risks associated with extending credit to other parties. Less favourable business or economic conditions, whether generally or in a specific industry sector or geographic region, or natural disasters, could cause customers or counterparties to fail to meet their obligations in accordance with agreed terms. For example, our customers and counterparties in the natural resources sector could be adversely impacted in the event of a prolonged slowdown in the Chinese economy. Also, our customers and counterparties in the agriculture, tourism and manufacturing industries may have been adversely impacted by the recent appreciation of the Australian and New Zealand dollar relative to other currencies. The Group holds provisions for credit impairment. The amount of these provisions is determined by assessing the extent of impairment inherent within the current lending portfolio, based on current information. This process, which is critical to the Group's financial condition and results, requires difficult, subjective and complex judgments, including forecasts of how current and future economic conditions might impair the ability of borrowers to repay their loans. However, if the information upon which the assessment is made proves to be inaccurate or if the Group fails to analyse the information correctly, the provisions made for credit impairment may be insufficient, which could have a material adverse effect on the Group's business, operations and financial condition.

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

An increase in the failure of third parties to honour their commitments in connection with the Group's trading, lending, derivatives and other activities may adversely affect its business, operations and financial condition

The Group is exposed to the potential risk of credit-related losses that can occur as a result of a counterparty being unable or unwilling to honour its contractual obligations. As with any financial services organisation, the Group assumes counterparty risk in connection with its lending, trading, derivatives and other businesses where it relies on the ability of a third party to satisfy its financial obligations to the Group on a timely basis. The Group is also subject to the risk that its rights against third parties may not be enforceable in certain circumstances.

Credit exposure may also be increased by a number of factors including deterioration in the financial condition of the counterparty, the value of assets the Group holds as collateral, and the market value of the counterparty instruments and obligations it holds. Credit losses can and have resulted in financial services organisations realising significant losses and in some cases failing altogether. Should material unexpected credit losses occur they could have a materially adverse effect on the Group's business, operations and financial condition.

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

Residential, commercial and rural property lending, together with property finance, including real estate development and investment property finance, constitute important businesses to the Group. 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 Group is able to write and/or increase the losses that the Group may experience from existing loans, which, in either case, could materially and adversely impact the Group's financial condition and results of operations. A significant slowdown in the Australian and New Zealand housing markets or in other markets where the Group does business could adversely affect the Group's business, operations and financial condition.

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

The Group is subject to market risk, which is the risk to the Group's earnings arising from changes in interest rates, foreign exchange rates, credit spreads, equity prices and indices, prices of commodities, debt securities and other financial contracts, including derivatives. Losses arising from these risks may have a material adverse effect on the Group. As the Group conducts business in several different currencies, its businesses may be affected by a change in currency exchange rates. Additionally, ANZBGL's annual and interim reports are prepared and stated in Australian dollars, any appreciation in the Australian dollar against other currencies in which the Group earns revenues (particularly to the New Zealand dollar and US dollar) may adversely affect the reported earnings.

The profitability of the Group's funds management and insurance businesses is also affected by changes in investment markets and weaknesses in global securities markets due to credit, liquidity or other problems.

The Group is exposed to the risks associated with credit intermediation and financial guarantors which may adversely affect its business, operations and financial condition

ANZBGL entered into a series of structured credit intermediation trades from 2004 to 2007. ANZBGL sold protection using credit default swaps over these structures and then, to mitigate risk, purchased protection via credit default swaps over the same structures from eight US

financial guarantors. The underlying structures involve credit default swaps (“**CDSs**”) over synthetic collateralised debt obligations (“**CDOs**”), portfolios of external collateralised loan obligations (“**CLOs**”) or specific bonds/floating rate notes (“**FRNs**”).

Being derivatives, both the sold protection and purchased protection are marked-to-market. Prior to the commencement of the GFC, movements in valuations of these positions were not significant and the credit valuation adjustment (“**CVA**”) charge on the protection bought from the non-collateralised financial guarantors was minimal.

During and after the GFC, the market value of the structured credit transactions increased and the financial guarantors were downgraded. The combined impact of this was to increase the CVA charge on the purchased protection from financial guarantors. Volatility in the market value and hence CVA will continue to persist given the volatility in credit spreads and USD/AUD rates.

Credit valuation adjustments are included as part of the Group’s profit and loss statement, and accordingly, increases in the CVA charge or volatility in that charge could impact the Group’s profitability. For further information, see page 83 of ANZBGL’s 2012 Consolidated Financial Report, Dividend Announcement and Appendix 4D, which is incorporated by reference into this Base Prospectus.

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

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

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

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

- Internal Fraud: Risk that fraudulent acts are planned, initiated or executed by employees (permanent, temporary or contractors) from inside the Group.
- External Fraud: Fraudulent acts or attempts which originate from outside the Group. (E.g. valueless cheques, counterfeit credit cards, loan applications in false names, etc.).
- Employment Practices & Workplace Safety: Risk to the Group’s employees’ health and safety.
- Clients, Products & Business Practices: Risk of market manipulation, product defects, money laundering, misuse of customer information etc.
- Business Disruption (including Systems Failures): Risk that the Group’s banking operating systems are disrupted or fail. At ANZ, technology risks are key Operational Risks which fall under this category.
- Damage to Physical Assets: Risk that a natural disaster, terrorist or vandalism attack damages the Group’s buildings or property.
- Execution, Delivery & Process Management: Risk that the Group experiences losses as a result of data entry errors, accounting errors or failed mandatory reporting.

Direct or indirect losses that occur as a result of operational failures, breakdowns, omissions or unplanned events could adversely affect the Group's financial results.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that an Issuer or the Guarantor will be unable to comply with its obligations as a company with securities admitted to the Official List, or, in the case of ANZBGL, as a supervised firm regulated by the Financial Services Authority.

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

The Group is highly dependent on information systems and technology and there is a risk that these, or the services the Group uses or is dependent upon, might fail, including because of unauthorised access or use.

Most of the Group's daily operations are computer-based and information technology systems are essential to maintaining effective communications with customers. The exposure to systems risks includes the complete or partial failure of information technology systems or data centre infrastructure, the inadequacy of internal and third-party information technology systems due to, among other things, failure to keep pace with industry developments and the capacity of the existing systems to effectively accommodate growth, prevent unauthorised access and integrate existing and future acquisitions and alliances.

To manage these risks, the Group has disaster recovery and information technology governance practices and security in place. However, any failure of these systems could result in business interruption, loss of customers, financial compensation, damage to reputation and/or a weakening of the Group's competitive position, which could adversely impact the Group's business and have a material adverse effect on the Group's financial condition and operations.

In addition, the Group must update and implement new information technology systems, in part to assist it to satisfy regulatory demands, ensure information security, enhance computer-based banking services for the Group's customers and integrate the various segments of its business. The Group may not implement these projects effectively or execute them efficiently, which could lead to increased project costs, delays in the ability to comply with regulatory requirements, failure of the Group's information security controls or a decrease in the Group's ability to service its customers.

The Group is exposed to risks associated with information security, which may adversely affect its financial results and reputation

Information security means protecting information and information systems from unauthorised access, use, disclosure, disruption, modification, perusal, inspection, recording or destruction. As a bank, the Group handles a considerable amount of personal and confidential information about its customers and its own internal operations.

The Group employs a team of information security subject matter experts who are responsible for the development and implementation of the Group's Information Security Policy. The Group is conscious that threats to information security are continuously evolving and as such the Group conducts regular internal and external reviews to ensure new threats are identified, evolving risks are mitigated, policies and procedures are updated, and good practice is maintained. However, there is a risk that information may be inadvertently or inappropriately accessed or distributed or illegally accessed or stolen. Any unauthorised use of confidential information could potentially result in breaches of privacy laws, regulatory sanctions, legal action, and claims for compensation or erosion to the Group's competitive market position, which could adversely affect the Group's financial position and reputation.

The Group is exposed to reputation risk, which may adversely impact its business, operations and financial condition

Damage to the Group's reputation may have wide-ranging impacts, including adverse effects on the Group's profitability, capacity and cost of sourcing funding, and availability of new business opportunities.

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

The unexpected loss of key staff or inadequate management of human resources may adversely affect the Group's business, operations and financial condition

The Group's ability to attract and retain suitably qualified and skilled employees is an important factor in achieving its strategic objectives. The Chief Executive Officer and the management team of the Chief Executive Officer have skills and reputation that are critical to setting the strategic direction, successful management and growth of the Group, and whose unexpected loss due to resignation, retirement, death or illness may adversely affect its operations and financial condition. In addition, the Group may in the future have difficulty attracting highly qualified people to fill important roles, which could adversely affect its business, operations and financial condition.

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

ANZ is exposed to climate related events (including climate change). These events may include severe storms, drought, fires, cyclones, hurricanes, floods and rising sea levels. The impact of these events may temporarily interrupt or restrict the provision of some Group services, and also adversely affect the Group's collateral position in relation to credit facilities extended to customers.

ANZ may also be exposed to other events such as geological events (volcanic or seismic activity, tsunamis), plant and animal diseases or a flu pandemic. These may severely disrupt normal business activity and have a negative effect on the Group's business, operations and financial condition. The most recent example of this would be the major earthquakes in Christchurch, New Zealand. Whilst much of the widespread property damage was covered by public (Earthquake Commission) and private insurance, there will potentially be negative impacts on property (and hence security) values and on future levels of insurance and reinsurance coverage across New Zealand. A reduction in value of New Zealand property as a result of geological events such as earthquakes could increase lending losses which may adversely affect the Group's business, operations and financial condition.

Regulatory changes or a failure to comply with regulatory standards, law or policies may adversely affect the Group's business, operations or financial condition

The Group is subject to laws, regulations, policies and codes of practice in Australia, New Zealand and in the other countries (including but not limited to the United Kingdom, the United States of America, Hong Kong, Singapore, Japan, China and other countries within the Asia Pacific region) in which it has operations, trades or raises funds or in respect of which it has some other connection. In particular, the Group's banking, funds management and insurance activities are subject to extensive regulation, mainly relating to its liquidity levels, capital, solvency, provisioning, and insurance policy terms and conditions.

Regulations vary from country to country but generally are designed to protect depositors, insured parties, customers with other banking products, and the banking and insurance system as a whole.

The Australian Government and its agencies, including APRA, the RBA and other financial industry regulatory bodies including the Australian Securities and Investments Commission (“**ASIC**”), have supervisory oversight of the Group. The New Zealand Government and its agencies, including the RBNZ, the Financial Markets Authority and the Commerce Commission have supervisory oversight of the Group’s operations in New Zealand. To the extent that the Group has operations, trades or raises funds in, or has some other connection with, countries other than Australia or New Zealand, then such activities may be subject to the laws of, and regulation by agencies in, those countries. Such regulatory agencies include, by way of example, the US Federal Reserve Board, the US Department of Treasury, the US Office of the Comptroller of the Currency, the US Office of Foreign Assets Control, the UK’s Financial Services Authority, the Monetary Authority of Singapore, the Hong Kong Monetary Authority, the China Banking Regulatory Commission, the Kanto Local Finance Bureau of Japan, and other financial regulatory bodies in those countries and in other relevant countries. In addition, the Group’s expansion and growth in the Asia Pacific region gives rise to a requirement to comply with a number of different legal and regulatory regimes across that region.

A failure to comply with any standards, laws, regulations or policies in any of those jurisdictions could result in sanctions by these or other regulatory agencies, the exercise of any discretionary powers that the regulators hold or compensatory action by affected persons, which may in turn cause substantial damage to the Group’s reputation. To the extent that these regulatory requirements limit the Group’s operations or flexibility, they could adversely impact the Group’s profitability and prospects.

Further details of the regulation and supervision affecting ANZBGL are contained in the section entitled “Supervision and Regulation of Australia and New Zealand Banking Group Limited” and further details of the regulation and supervision affecting ANZNBL and ANZNIL are contained in the section entitled “Supervision and Regulation of ANZ National Bank Limited and ANZ National (Int’l) Limited”.

These regulatory and other governmental agencies (including revenue and tax authorities) frequently review banking and tax laws, regulations, codes of practice and policies. Changes to laws, regulations, codes of practice or policies, including changes in interpretation or implementation of laws, regulations, codes of practice or policies, could affect the Group in substantial and unpredictable ways and may even conflict with each other. These may include increasing required levels of bank liquidity and capital adequacy, limiting the types of financial services and products the Group can offer, and/or increasing the ability of non-banks to offer competing financial services or products, as well as changes to accounting standards, taxation laws and prudential regulatory requirements.

As a result of the GFC, regulators have proposed various amendments to financial regulation that will affect the Group. APRA, the Basel Committee on Banking Supervision (the “**Basel Committee**”) and regulators in other jurisdictions 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 US has passed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act which significantly affects financial institutions and financial activities in the US.

Uncertainty remains as to the final form that the proposed regulatory changes will take in Australia, the US 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.

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

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

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

Insurance risk is the risk of loss due to unexpected changes in current and future insurance claim rates. In life insurance business, insurance risk arises primarily through mortality (death) and morbidity (illness and injury) risks being greater than expected and, in the case of annuity business, should annuitants live longer than expected. For general insurance business, insurance risk arises mainly through weather-related incidents (including floods and bushfires) and other calamities, such as earthquakes, tsunamis and volcanic activities, as well as adverse variability in home, contents, motor, travel and other insurance claim amounts. For further details on climate and geological events see also the risk factor entitled "The Group may be exposed to the impact of future climate change, geological events, plant and animal diseases, and other extrinsic events which may adversely affect its business, operations and financial condition." The Group has exposure to insurance risk in both life insurance and general insurance business, which may adversely affect its business, operations and financial condition.

The Group may experience reductions in the valuation of some of its assets, resulting in fair value adjustments that may have a material adverse effect on its earnings

Under Australian Accounting Standards and New Zealand equivalents to IFRS, the Group recognises at fair value:

- financial instruments classified as "held-for-trading" or "designated as at fair value through profit or loss";
- financial assets classified as "available-for-sale"; and
- derivatives.

Generally, in order to establish the fair value of these instruments, the Group relies on quoted market prices or, where the market for a financial instrument is not sufficiently active, fair values are based on present value estimates or other accepted valuation techniques. In certain circumstances, the data for individual financial instruments or classes of financial instruments used by such estimates or techniques may not be available or may become unavailable due to changes in market conditions. In these circumstances, the fair value is determined using data derived and extrapolated from market data, and tested against historic transactions and observed market trends.

The valuation models incorporate the impact of factors that would influence the fair value determined by a market participant. Principal inputs used in the determination of the fair value of financial instruments based on valuation techniques include data inputs such as statistical data on delinquency rates, foreclosure rates, actual losses, counterparty credit spreads, recovery rates, implied default probabilities, credit index tranche prices and correlation curves. These assumptions, judgments and estimates need to be updated to reflect changing trends and market conditions. The resulting change in the fair values of the financial instruments could have a material adverse effect on the Group's earnings.

Changes to accounting policies may adversely affect the Group's business, operations and financial condition

The accounting policies and methods that the Group applies are fundamental to how it records and reports its financial position and results of operations. Management must exercise judgement in selecting and applying many of these accounting policies and methods so that they not only comply with generally accepted accounting principles but they also reflect the most appropriate manner in which to record and report on the financial position and results of operations. However, these accounting policies may be applied inaccurately, resulting in a misstatement of financial position and results of operations.

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

The Group may be exposed to the risk of impairment to capitalised software, goodwill and other intangible assets that may adversely affect its business, operations and financial condition

In certain circumstances the Group may be exposed to a reduction in the value of intangible assets. As at 31 March 2012, the Group carried goodwill principally related to its investments in New Zealand and Australia, intangible assets principally relating to assets recognised on acquisition of subsidiaries, and capitalised software balances.

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

Capitalised software and other intangible assets (including deferred acquisition costs) are assessed for indicators of impairment at least annually. In the event that an asset is no longer in use, or that the cash flows generated by the asset do not support the carrying value, an impairment may be recorded, adversely impacting the Group's financial condition.

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

From time to time, the Group may be subject to material litigation, regulatory actions, legal or arbitration proceedings and other contingent liabilities which, if they crystallise, may adversely affect the Group's results. Details regarding the Group's material contingent liabilities are contained in Note 15 to ANZBGL's unaudited interim consolidated financial statements for the half-year ended 31 March 2012 and Note 44 to the audited annual consolidated financial statements for the year ended 30 September 2011 which are incorporated by reference into, and form part of, this Base Prospectus (see "Information Incorporated by Reference"). Details regarding ANZNBL's material contingent liabilities as at 31 March 2012 are contained in Note 14 to ANZNBL's unaudited interim consolidated financial statements for the six months ended 31 March 2012 which are incorporated by reference into, and form part of, this Base Prospectus (see "Information Incorporated by Reference"). There is a risk that these contingent liabilities may be larger than anticipated or that additional litigation or other contingent liabilities may arise.

The Group regularly considers acquisition and divestment opportunities, and there is a risk that the Group may undertake an acquisition or divestment that could result in a material adverse effect on its business, operations and financial condition

The Group regularly examines a range of corporate opportunities, including material acquisitions and disposals, with a view to determining whether those opportunities will enhance the Group's financial performance and position. Any corporate opportunity that is pursued could, for a variety of reasons, turn out to have a material adverse effect on the Group.

The successful implementation of the Group's corporate strategy, including its strategy to expand in the Asia-Pacific region, will depend on a range of factors including potential funding strategies, and challenges associated with integrating and adding value to acquired businesses, as well as new regulatory, market and other risks associated with increasing operations outside of Australia and New Zealand.

There can be no assurance that any acquisition would have the anticipated positive results, including results relating to the total cost of integration, the time required to complete the integration, the amount of longer-term cost savings, the overall performance of the combined entity, or an improved price for the Group's securities. Integration of an acquired business can be complex and costly, sometimes including combining relevant accounting and data processing systems, and management controls, as well as managing relevant relationships with employees, customers, counterparties, suppliers and other business partners. Integration efforts could divert management attention and resources, which could adversely affect the Group's operations or results. Additionally, there can be no assurance that employees, customers, counterparties, suppliers and other business partners of newly acquired businesses will remain as such post-acquisition, and the loss of employees, customers, counterparties, suppliers and other business partners could adversely affect the Group's operations or results.

Acquisitions and disposals may also result in business disruptions that cause the Group to lose customers or cause customers to remove their business from the Group to competing financial institutions. It is possible that the integration process related to acquisitions could result in the disruption of the Group's ongoing businesses or inconsistencies in standards, controls, procedures and policies that could adversely affect the Group's ability to maintain relationships with employees, customers, counterparties, suppliers and other business partners, which could adversely affect the Group's ability to conduct its business successfully. The Group's operating performance, risk profile or capital structure may also be affected by these corporate opportunities and there is a risk that any of the Group's credit ratings may be placed on credit watch or downgraded if these opportunities are pursued.

CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes of each Series. Either (i) the full text of these conditions together with the applicable provisions of the relevant Final Terms or (ii) these conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on all Bearer Notes in definitive form or on the Certificates relating to Registered Notes in definitive form.

This Note is one of a Series (as defined below) of Notes issued by either Australia and New Zealand Banking Group Limited ("**ANZBGL**") or ANZ National Bank Limited ("**ANZNBL**") or ANZ National (Int'l) Limited ("**ANZNIL**"), whether acting through its head office, or a branch, as specified in the relevant Final Terms. References herein to the "**Issuer**" shall be references to the party specified as "**Issuer**" in the Final Terms for this Note, and references to "**Issuers**" shall be to ANZBGL, ANZNBL and ANZNIL. References herein to "**Notes**" shall be references to the Notes of this Series.

The Notes are issued pursuant to an Amended and Restated Agency Agreement dated 18 May 2012 (as further amended and/or supplemented and/or restated as at the Issue Date of the Notes, the "**Agency Agreement**") between the Issuers, ANZNBL as guarantor of the Notes issued by ANZNIL (the "**Guarantor**"), Deutsche Bank AG, London Branch as fiscal agent, calculation agent, paying agent and transfer agent and Deutsche Bank Trust Company Americas and Deutsche Bank Luxembourg S.A. as registrar and transfer agent and with the benefit of a Deed of Covenant dated 18 May 2012 (the "**Deed of Covenant**") executed by the Issuers in relation to the Notes. The fiscal agent, paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the "**Fiscal Agent**"; the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Registrar**"; the "**Transfer Agents**" and the "**Calculation Agent(s)**". The Guarantor has, for the benefit of the holders from time to time of the Notes issued by ANZNIL, executed and delivered a Deed of Guarantee dated 18 May 2012 (as amended and/or supplemented and/or restated from time to time, the "**Deed of Guarantee**") under which it has unconditionally and irrevocably guaranteed the due and punctual payment of all amounts due by ANZNIL under or in respect of the Notes issued by ANZNIL as and when the same shall become due and payable. Copies of the Agency Agreement, the Deed of Covenant and the Deed of Guarantee are available for inspection at the specified offices of each of the Paying Agents (if more than one), the Registrar and the Transfer Agents.

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

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

The Final Terms for this Note (or the relevant provisions thereof) is endorsed on this Note and supplements these Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purposes of this Note. References herein to the "Final Terms" are to the Final Terms (or the relevant provisions thereof) endorsed on this Note.

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

1. **Form, Denomination and Title**

The Notes are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"), in each case in the Specified Currency and the Specified Denomination(s). All Registered Notes shall have the same Specified Denomination.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Note, a Partly Paid Note, a Subordinated Dated Note or a Subordinated Undated Note, a combination of any of the foregoing or any other relevant type of Note, depending upon the Interest Basis or Redemption/Payment Basis shown in the Final Terms.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

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

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall, subject to mandatory rules of law, pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Certificate, Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "**Unsubordinated Noteholder**" means the Noteholder of a Unsubordinated Note and the Receipts relating to it, "**Subordinated Dated Noteholder**" means the Noteholder of a Subordinated Dated Note issued by ANZBGL and the Receipts relating to it, "**Subordinated Undated Noteholder**" means the Noteholder of a Subordinated Undated Note issued by ANZBGL and the Receipts relating to it (and together with a Subordinated Dated Noteholder, a "**Subordinated Noteholder**"), and "**holder**" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be).

2. **Exchange and Transfers of Notes**

(a) *Exchange of Notes*

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

(b) *Transfer of Registered Notes*

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

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

In the case of an exercise of an Issuer's or Noteholder's option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) *Delivery of New Certificates*

Each new Certificate to be issued pursuant to Condition 2(b) or (c) shall be available for delivery five business days after receipt of the request for exchange, form of transfer or Exercise Notice or surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the location of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

(e) *Exchange Free of Charge*

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

(f) *Closed Period*

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(e), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

3. Status and Guarantee

The Notes may be unsubordinated Notes ("**Unsubordinated Notes**") or, where the Issuer is ANZBGL, subordinated dated Notes ("**Subordinated Dated Notes**") or subordinated undated Notes ("**Subordinated Undated Notes**"); and together with Subordinated Dated Notes, "**Subordinated Notes**") as specified in the applicable Final Terms.

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

(a) *Unsubordinated Notes*

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

*The debts which are preferred by law to the claim of a Noteholder in respect of a Note, including by virtue of the provisions referred to in the above paragraph of Condition 3, will be substantial and are not limited by the Conditions of the Notes. Without limitation to other applicable laws, in the case of Notes issued by ANZBGL, section 13A of the Banking Act provides that, in the event ANZBGL becomes unable to meet its obligations or suspends payment, its assets in Australia are to be available to meet ANZBGL's liabilities in the following order: (i) liabilities to the Australian Prudential Regulation Authority ("**APRA**") in respect of any payments by APRA to holders of protected accounts under the Banking Act, (ii) debts in respect of costs of APRA in certain circumstances, (iii) ANZBGL's liabilities in Australia in relation to protected accounts (as defined in the Banking Act) kept with ANZBGL, (iv) debts due to the Reserve Bank of Australia ("**RBA**"), (v) liabilities under certain certified industry support contracts; and (vi) all other liabilities of ANZBGL in the order of their priority apart from section 13A(3). Changes to applicable law may extend the debts required to be preferred by law.*

The Unsubordinated Notes rank senior to the Issuer's subordinated obligations, including, where the Issuer is ANZBGL, the Subordinated Notes.

(b) *Subordinated Notes — ANZBGL*

(i) *Subordinated Dated Notes*

The Subordinated Dated Notes and the Receipts and Coupons relating to them may only be issued by ANZBGL, and will constitute direct, unsecured and subordinated obligations of ANZBGL. In the event of the winding-up of ANZBGL (see Condition 10 (*Subordination*)) and prior to the commencement of the winding-up of ANZBGL (see Condition 4(n)), the principal amount of, any premium or interest on, and any other payments, including additional amounts, in respect of the Subordinated Dated Notes will be subordinated in right of payment to the claims of all Unsubordinated Creditors, but will rank prior to the claims of all Subordinated Undated Creditors and the claims of the holders of any subordinated obligations which rank or are expressed to rank junior to the claims of the Subordinated Dated Creditors.

"**Unsubordinated Creditors**" means all creditors of ANZBGL (including all depositors of ANZBGL) other than:

- (i) Subordinated Dated Creditors;
- (ii) Subordinated Undated Creditors;
- (iii) creditors whose claims against ANZBGL rank, or are expressed to rank, equally with the claims of Subordinated Dated Creditors; and

- (iv) creditors whose claims against ANZBGL rank, or are expressed to rank, junior to the claims of the Subordinated Dated Creditors and the Subordinated Undated Creditors.

“Subordinated Dated Creditors” means:

- (i) Subordinated Dated Noteholders; and
- (ii) creditors whose claims against ANZBGL rank *pari passu* with the claims of the Subordinated Dated Noteholders, which creditors shall be deemed to include all creditors, present and future, to whom ANZBGL is indebted where the terms of such indebtedness:
 - (A) provide that such indebtedness would become due and payable on a specified or determinable date or at the end of a specified or determinable period, and that in the event of the winding-up of ANZBGL the claims of those creditors against ANZBGL will be, or are expressed to be, subordinated in right of payment to the claims of all Unsubordinated Creditors of ANZBGL; and
 - (B) do not provide that in the event of the winding-up of ANZBGL the claims of those creditors against ANZBGL will rank, or are expressed to rank, ahead of or junior to the claims of any other Subordinated Dated Noteholders of ANZBGL to whom ANZBGL is indebted.

“Subordinated Undated Creditors” means:

- (i) Subordinated Undated Noteholders; and
- (ii) creditors whose claims against ANZBGL rank *pari passu* with the claims of the Subordinated Undated Noteholders, which creditors shall be deemed to include all creditors, present and future, to whom ANZBGL is indebted where the terms of such indebtedness:
 - (A) do not provide that such indebtedness would become due and payable on a specified or determinable date or at the end of a specified or determinable period, and that in the event of the winding-up of ANZBGL the claims of those creditors against ANZBGL will be, or are expressed to be, subordinated in right of payment to the claims of all Unsubordinated Creditors and Subordinated Dated Creditors of ANZBGL; and
 - (B) do not provide that in the event of the winding-up of ANZBGL the claims of those creditors against ANZBGL will rank, or are expressed to rank, ahead of or junior to the claims of any other Subordinated Undated Noteholders of ANZBGL to whom ANZBGL is indebted.

Neither ANZBGL nor a Subordinated Dated Noteholder has any contractual right to set off any sum at any time due and payable to a Subordinated Dated Noteholder or ANZBGL (as applicable) under or in relation to the Subordinated Dated Notes against amounts owing by the Subordinated Dated Noteholder to ANZBGL or by ANZBGL to the Subordinated Dated Noteholder (as applicable).

The Subordinated Dated Notes do not limit the amount of liabilities ranking senior to the Subordinated Dated Notes which may be hereafter incurred or assumed by ANZBGL.

Claims of Subordinated Dated Noteholders are also subject to the priority of certain debts preferred by law (in respect of which please see the description provided in Condition 3(a) above).

(II) *Subordinated Undated Notes*

The Subordinated Undated Notes and the Receipts and Coupons relating to them may only be issued by ANZBGL, and will constitute direct and unsecured subordinated obligations of ANZBGL.

In the event of the winding-up of ANZBGL (see Condition 10 (*Subordination*)) and prior to the commencement of the winding-up of ANZBGL (see Condition 4(o)), the principal amount of, any premium or interest (including Deferred Interest) on, and any other payments, including additional amounts, in respect of the Subordinated Undated Notes will be subordinated in right of payment to the claims of all Unsubordinated Creditors and Subordinated Dated Creditors but will rank prior to the claims of the holders of any subordinated obligations which rank or are expressed to rank junior to the claims of the Subordinated Undated Creditors.

Neither ANZBGL nor a Subordinated Undated Noteholder has any contractual right to set off any sum at any time due and payable to a Subordinated Undated Noteholder or ANZBGL (as applicable) under or in relation to the Subordinated Undated Notes against amounts owing by the Subordinated Undated Noteholder to ANZBGL or by ANZBGL to the Subordinated Undated Noteholder (as applicable).

The Subordinated Undated Notes do not limit the amount of liabilities ranking senior to the Subordinated Undated Notes which may be hereafter incurred or assumed by ANZBGL.

Claims of Subordinated Undated Noteholders are also subject to the priority of certain debts preferred by law (in respect of which please see the description provided in Condition 3(a) above).

(c) *Guarantee — by ANZNBL (in respect of Notes issued by ANZNIL)*

Where the relevant Issuer is ANZNIL, the Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all amounts due by ANZNIL under or in respect of the Notes as and when the same shall become due and payable. This Guarantee of the Notes constitutes direct, unconditional and unsecured obligations of the Guarantor which (save for certain debts of the Guarantor required to be preferred by law) will at all times rank *pari passu* among themselves and equally with all other unsecured obligations (other than subordinated obligations) of the Guarantor. The Notes issued by ANZNBL and ANZNIL are not guaranteed by ANZBGL.

4. Interest and other Calculations

(a) *Interest on Fixed Rate Notes*

- (i) Each Fixed Rate Note bears interest on its outstanding Nominal Amount from, and including, the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the Final Terms as specified Interest Payment Dates or, if no Interest Payment Date(s) is/are specified in the Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the Final Terms as the specified Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) If a Fixed Coupon Amount or a Broken Amount is specified in the Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the Final Terms.
- (iii) *Calculation of Interest Amount:* The Interest Amount payable in respect of each Note for any period for which a Fixed Coupon Amount or Broken Amount is not specified in the Final Terms shall be calculated by applying the Rate of Interest to the Calculation Amount for such Note, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest unit of the Specified Currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen, and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by

the Calculation Amount. For this purpose, a “unit” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means 0.01 euro, as the case may be.

- (iv) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then that date will be adjusted in accordance with the Business Day Convention specified in the relevant Final Terms.

- (b) *Interest on Floating Rate Notes and Index Linked Interest Notes*
 - (i) *Interest Payment Dates*: Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding Nominal Amount from, and including, the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown in the Final Terms as specified Interest Payment Dates or, if no Interest Payment Date(s) is/are specified in the Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the Final Terms as the specified Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
 - (ii) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then that date will be adjusted in accordance with the Business Day Convention specified in the relevant Final Terms.
 - (iii) *Rate of Interest for Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes, other than in the case of BBSW Notes or BKBM Notes (unless the relevant Final Terms specify otherwise), provisions in respect of which are set out in Condition 4(c) below, for each Interest Accrual Period shall be determined in the manner specified in the Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply (as amended by the Final Terms), depending upon which is specified in the Final Terms.

(A) *ISDA Determination for Floating Rate Notes*

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

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

(B) *Screen Rate/Reference Bank Determination for Floating Rate Notes*

- (x) If Screen Rate Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be (as determined by the Calculation Agent):
 - (I) the offered quotation; or
 - (II) the arithmetic mean of the offered quotations, for the Reference Rate in each case appearing on the Relevant Screen Page at the Relevant Time on the Interest Determination Date;
- (y) if sub-paragraph (x)(I) applies and no Reference Rate appears on the Relevant Screen Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (x)(II) applies and fewer than two offered quotations appear on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the offered quotations that each of the Reference Banks is quoting (or such of them, being at least two, as are so quoting) to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date for deposits of the Specified Currency for a term equal to the relevant Interest Accrual Period, as determined by the Calculation Agent; and
- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting the Reference Rate, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage), which the Calculation Agent determines to be the nearest equivalent to the Reference Rate, in respect of deposits of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent (after consultation with the Issuer) in the Principal Financial Centre of the country of the Specified Currency, in each case as selected by the Calculation Agent (after consultation with the Issuer), are quoting at or about the Relevant Time for a period commencing on the Effective Date equivalent to the relevant Interest Accrual Period to leading banks carrying on business in (I) Europe, or (II) (if the Calculation Agent determines that fewer than two of such banks are so quoting to such leading banks in Europe) the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to such leading banks, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(iv) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified in the Final Terms and interest will accrue by reference to an Index or Formula as specified in the Final Terms.

(c) *Rate of Interest on BBSW Notes or BKBM Notes*

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

- (i) the Rate of Interest shall be the stated average (expressed as an interest rate per annum and rounded up, if necessary, to, in the case of BBSW Notes, the fourth decimal place and,

in the case of BKBM Notes, the fifth decimal place) of the mean buying and selling rates (for the purposes of this Condition 4(c), each such rate a “**quotation**”) of each BBSW Reference Bank or BKBM Reference Bank, as the case may be, (each as defined below) excluding the highest and lowest quotations for bank bills having a tenor approximately equal to the relevant Interest Accrual Period as set forth on the display page designated on page “BBSW” or “BKBM”; as the case may be, on the Reuters screen service (“**BBSW Reuters Page**” or “**BKBM Reuters Page**”; as the case may be) or such other information service as may replace the BBSW Reuters Page or BKBM Reuters Page, as the case may be, for the purpose of displaying Australian dollar bank bill rates or New Zealand dollar bank bill rates, as the case may be, of leading financial institutions in Australia or New Zealand, as the case may be, at or about the Relevant Time on the relevant Interest Determination Date in respect of such Interest Accrual Period, converted by the Calculation Agent (by dividing such Interest Rate by 365 and then multiplying it by 360) into a rate expressed on a 360-day year basis, or as otherwise specified in the Final Terms;

- (ii) if, at or about the Relevant Time on any Interest Determination Date, the quotations of only two BBSW Reference Banks or BKBM Reference Banks, as the case may be, are available, or no such quotations are available, on the BBSW Reuters Page or BKBM Reuters Page, as the case may be, or if the BBSW Reuters Page or the BKBM Reuters Page, as the case may be, is unavailable, the Calculation Agent shall at or about the Relevant Time on such Interest Determination Date request the principal office of each of the BBSW Reference Banks or BKBM Reference Banks, as the case may be, to provide the Calculation Agent with its quotation (expressed as an interest rate per annum) for the Australian dollar bank bills or New Zealand dollar bank bills, as the case may be, having a tenor approximately equal to the relevant Interest Accrual Period. The Rate of Interest for such Interest Accrual Period shall be the arithmetic mean (rounded up as aforesaid) of such quotations excluding the highest and lowest quotations, as determined by the Calculation Agent and converted by the Calculation Agent (by dividing such Rate of Interest by 365 and then multiplying it by 360) into a rate expressed on a 360-day year basis, or as otherwise specified in the Final Terms;
- (iii) if, at or about the Relevant Time on any Interest Determination Date, only two or fewer quotations are available under sub-paragraph (i) above, but at least three but fewer than all the BBSW Reference Banks or BKBM Reference Banks, as the case may be, provide the Calculation Agent with quotations as referred to in sub-paragraph (ii) above, the Rate of Interest for the relevant Interest Accrual Period shall be determined in accordance with sub-paragraph (ii) above, on the basis of the quotations of those BBSW Reference Banks or BKBM Reference Banks, as the case may be, providing such quotations; and
- (iv) if, at or about the Relevant Time on any Interest Determination Date, the Rate of Interest cannot be determined by reference to any of sub-paragraphs (i), (ii) and (iii) above, the Rate of Interest for the relevant Interest Accrual Period shall, subject as provided below, be the rate per annum converted by the Calculation Agent (by dividing such Rate of Interest by 365 and then multiplying it by 360) into a rate expressed on a 360-day basis, which the Calculation Agent determines to be either (A) the arithmetic mean (rounded upwards as aforesaid) of the offered rates (excluding the highest and lowest of such offered rates) which leading financial institutions selected by the Calculation Agent (after consultation with the Issuer) are quoting at or about the Relevant Time on such Interest Determination Date for bank bills for such Interest Accrual Period to the principal office of each of the BBSW Reference Banks or BKBM Reference Banks, as the case may be, or those of them (being at least three in number) to which such offered rates are, in the opinion of the Calculation Agent, being so quoted, or (B) in the event that the Calculation Agent can determine no such arithmetic mean, the arithmetic mean (rounded upwards as aforesaid) of the offered rates (excluding the highest and lowest of such offered rates) which leading financial institutions selected by the Calculation Agent (after consultation with the Issuer) are quoting on such date to leading financial institutions which have their head offices in Europe for bank bills for such Interest Accrual Period; provided that if the financial institutions selected as referred to

in (B) above by the Calculation Agent are not quoting as mentioned above, the Rate of Interest for the relevant Interest Accrual Period shall be the Rate of Interest in effect for the last preceding Interest Accrual Period (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

In relation to BBSW Notes or BKBM Notes, as the case may be, unless stated to the contrary on the face thereof, "**BBSW Reference Banks**" or "**BKBM Reference Banks**", as the case may be, shall mean the financial institutions appearing on the BBSW Reuters Page or BKBM Reuters Page, as the case may be, (or any replacement page thereof) at or about the Relevant Time on the relevant Interest Determination Date provided that if on such Interest Determination Date there are fewer than three financial institutions appearing on the BBSW Reuters Page or BKBM Reuters Page, as the case may be, (or any replacement page thereof) or the BBSW Reuters Page or BKBM Reuters Page, as the case may be, is unavailable, the "**BBSW Reference Banks**" or "**BKBM Reference Banks**", as the case may be, shall be the financial institutions appearing on the BBSW Reuters Page or BKBM Reuters Page, as the case may be, (or any replacement page thereof) at or about the Relevant Time on the last preceding date on which two or more financial institutions so appeared.

(d) *Zero Coupon Notes*

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

(e) *Dual Currency Notes*

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

(f) *Partly Paid Notes*

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up Nominal Amount of such Notes and otherwise as specified in the Final Terms.

(g) *Accrual of Interest*

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

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

(i) If any Margin or Rate Multiplier is specified in the Final Terms (either (A) generally, or (B) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (A), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (B), calculated in accordance with (b) or (c) above, by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying such Rate Multiplier, subject always to the next paragraph;

- (ii) If any Maximum or Minimum Interest Rate, Instalment Amount or Redemption Amount is specified in the Final Terms, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be; and
- (iii) Subject to the requirements of applicable law, for the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (B) all figures shall be rounded to seven decimal places (with halves being rounded up) and (C) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes “unit” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means 0.01 euro, as the case may be.

(i) *Calculations*

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

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

As soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any rate or amount or Instalment Amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, the Guarantor (if applicable), each of the Paying Agents, the Noteholders, the Registrar, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange (and/or admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system) and the rules of such listing authority, stock exchange and/or quotation system so require, such listing authority, stock exchange and/or quotation system as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Accrual Period, if determined prior to such time in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Accrual Period is subject to adjustment pursuant to Condition 4(a)(iv) or Condition 4(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Accrual Period. If the Calculation Amount is less than the minimum Specified Denomination, the Calculation Agent shall not be obligated to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect

of a Note having the minimum Specified Denomination. If the Notes become due and payable under Condition 9 (*Events of Default*), the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(k) *Definitions*

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

"Amortisation Yield" has the meaning given in Condition 5(d)(ii) unless otherwise specified in the Final Terms.

"Amortised Face Amount" has the meaning given in Condition 5(d)(ii) unless otherwise specified in the Final Terms.

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

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

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

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

"Business Day" means:

- (i) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments generally in London and, where ANZBGL is the Issuer, Sydney or, where ANZNBL or ANZNIL is the Issuer, Auckland and Wellington; and
- (ii) in the case of:
 - (A) a Specified Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments generally in the Principal Financial Centre for such Specified Currency; or
 - (B) in the case of euro, a TARGET2 Business Day; and
- (iii) in the case of one or more Additional Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the Additional Business Centres or, if no currency is indicated, generally in each of the Additional Business Centres,

unless otherwise specified in the relevant Final Terms.

"Business Day Convention" in relation to an Interest Payment Date or other particular date, unless otherwise specified in the relevant Final Terms, has the following meaning as so specified in the Final Terms:

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

- (ii) **Following Business Day Convention** means that the relevant date shall be postponed to the next day that is a Business Day;
- (iii) **Modified Following Business Day Convention** means that the relevant date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day;
- (iv) **Preceding Business Day Convention** means that the relevant date shall be brought forward to the immediately preceding Business Day; or
- (v) **No adjustment** means that the relevant date shall not be adjusted in accordance with any Business Day Convention.

"Calculation Amount" has the meaning given in the relevant Final Terms.

"Day Count Fraction" means, in relation to the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Accrual Period, the **"Calculation Period"**):

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

where **"Regular Period"** means:

- (aa) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
 - (bb) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
 - (cc) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;
- (ii) if **"Actual/Actual (ISDA)"** or **"Actual/Actual"** is specified in the Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the

Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

- (iii) if "**Actual/365 (Fixed)**" is specified in the Final Terms, the actual number of days in the Calculation Period divided by 365;
- (iv) if "**Actual/365 (Sterling)**" is specified in the Final Terms, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (v) if "**Actual/360**" is specified in the Final Terms, the actual number of days in the Calculation Period divided by 360;
- (vi) if "**30/360 (ICMA)**" is specified in the Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;
- (vii) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

where:

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

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number is 31, in which case D₁ will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

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

where:

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

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30; or

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

where:

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

"Y₁" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless (A) that day is the last day of February or (B) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (A) that day is the last day of February but not the Maturity Date or (B) such number would be 31, in which case D₂ will be 30,

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

"**Deferred Interest**" means, at any time, any unpaid interest in respect of a Subordinated Undated Note which has been deferred in accordance with Condition 4(p)(i).

"**Early Redemption Amount**" means, in relation to a Note other than a Zero Coupon Note, its Nominal Amount unless otherwise specified in the Final Terms or, in relation to a Zero Coupon Note, as specified in Condition 5(d).

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

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

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

"**Event of Default**", in respect of Unsubordinated Notes, has the meaning given in Condition 9(a) and, in respect of Subordinated Notes, has the meaning given in Condition 9(b).

"**Exercise Notice**" has the meaning given in Condition 5(f).

"**Extraordinary Resolution**" has the meaning given in Condition 11(a).

"Final Redemption Amount" means, in relation to a Note (other than a Subordinated Undated Note), its Nominal Amount unless otherwise specified in the Final Terms.

"Initial Call Date" means the first occurring Optional Redemption Date (if any).

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

"Interest Accrual Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date, except that the final Interest Accrual Period ends on (but excludes) the Maturity Date or the date of any earlier redemption of a Note in accordance with the Conditions, or any other period specified in the Final Terms.

"Interest Commencement Date" means the Issue Date or such other date as may be specified in the Final Terms.

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

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

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

"Interest Period" means, unless otherwise specified in the Final Terms, the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date, except that the final Interest Period ends on (but excludes) the Maturity Date or the date of any earlier redemption of a Note in accordance with the Conditions.

"Interest Period Date" means each Interest Payment Date unless otherwise specified in the Final Terms.

"ISDA Definitions" means, unless otherwise specified in the Final Terms, the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) or, if so specified in the relevant Final Terms, the 2000 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) in each case as published by the International Swaps and Derivatives Association, Inc.

"Issue Date" means the date of issue of the Notes as specified in the Final Terms.

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

"Nominal Amount" in respect of a Note means the outstanding nominal amount of that Note.

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

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

"Rate of Interest" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with these Conditions and the provisions set out in the Final Terms.

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

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

"Reference Banks" means (other than in relation to BBSW Notes or BKBM Notes, separate provisions for which are contained in Condition 4(c)) the institutions specified as such in the Final Terms or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Reference Rate specified in the Final Terms which, if the relevant Reference Rate is EURIBOR, shall be the Euro-Zone.

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

"Relevant Financial Centre" means, with respect to any Floating Rate to be determined in accordance with Screen Rate Determination on an Interest Determination Date:

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

"Relevant Time" with respect to any Interest Determination Date, unless otherwise specified in the Final Terms, in the case of BBSW Notes is 10.10 a.m. Sydney time, in the case of the BKBM Notes is 10.45 a.m. Wellington time, in the case of LIBOR is 11.00 a.m. London time and in the case of EURIBOR is 11.00 a.m. Brussels time.

"Solvent" means at any time in respect of ANZBGL:

- (i) it is able to pay all its debts as and when they become due and payable; and
- (ii) its assets exceed its liabilities, in each case determined on an unconsolidated stand-alone basis.

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

"Subordinated Dated Creditors" has the meaning given in Condition 3(b)(I).

"Subordinated Undated Creditors" has the meaning given in Condition 3(b)(I).

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

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

"Unsubordinated Creditors" has the meaning given in Condition 3(b)(I).

(l) *Calculation Agent and Reference Banks*

The Issuer and, if applicable, the Guarantor shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the Final Terms and for so long as any Note is outstanding (as defined in the Agency Agreement). If any Reference Bank (acting through its relevant offices) is unable or unwilling to continue to act as a Reference Bank, then the Issuer or, failing which and if applicable, the Guarantor shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount or Optional Redemption Amount or to comply with any other requirement, the Issuer or, failing which and if applicable, the Guarantor shall appoint a leading bank or investment banking firm engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(m) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4 (*Interest and other Calculations*) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor (if applicable), the Calculation Agent, the Fiscal Agent, the other Paying Agents (if any), the Registrar and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(n) *Conditions of Payment — Subordinated Dated Notes*

Prior to the commencement of the winding-up of ANZBGL (other than under or in connection with a scheme of amalgamation or reconstruction not involving bankruptcy or insolvency):

- (i) the obligations of ANZBGL to make payments of principal of, any premium or interest on, and any other payments, including additional amounts, in respect of the Subordinated Dated Notes will be conditional on ANZBGL being Solvent at the time of such payment by ANZBGL; and
- (ii) no payment of principal of, any premium or interest on, and any other payments, including additional amounts, in respect of the Subordinated Dated Notes shall be made unless ANZBGL is Solvent immediately after making such payment,

and if, pursuant to this Condition, ANZBGL fails to make any payment of principal of, or premium or interest on, or any other payment, including additional amounts, in respect of any Subordinated Dated Note when due, such failure will not constitute an Event of Default for the purposes of Condition 9(b)(ii).

A certificate signed by ANZBGL, two authorised signatories or an auditor of ANZBGL or, if ANZBGL is being wound up, its liquidator as to whether ANZBGL is Solvent at any time is (in the absence of wilful default, bad faith or manifest error) conclusive evidence of the information contained in the certificate and will be binding on the Subordinated Dated Noteholders. In the absence of any such certificate, the Subordinated Dated Noteholders are entitled to assume (unless the contrary

is proved) that ANZBGL is Solvent at the time of, and will be Solvent immediately after, any payment on or in respect of the Subordinated Dated Notes.

(o) *Conditions of Payment — Subordinated Undated Notes*

Prior to the commencement of the winding-up of ANZBGL (other than under or in connection with a scheme of amalgamation or reconstruction not involving bankruptcy or insolvency) the obligations of ANZBGL to make payments of interest (including any Deferred Interest) on, and any other payments, including additional amounts, in respect of the Subordinated Undated Notes will be at the option of ANZBGL, provided that unless APRA has given its prior written approval:

- (i) (A) the obligations of ANZBGL to make such payments will be conditional on ANZBGL being Solvent at the time of such payment by ANZBGL; and
- (B) no such payments shall be made unless ANZBGL is Solvent immediately after making such payment; or
- (ii) no such payments shall be made on an Interest Payment Date or other date on which interest is due and payable if the amount of such payment exceeds the Distributable Profits as at the relevant Regular Record Date for that date,

and if ANZBGL fails to make any payment of interest (including any Deferred Interest) on, or any other payment, including additional amounts, in respect of any Subordinated Undated Note when due, such failure will not constitute an Event of Default for the purposes of Condition 9(b)(iii). Subordinated Undated Noteholders have no right to apply for the winding-up or administration of ANZBGL, or cause a receiver or receiver and manager to be appointed in respect of ANZBGL, on the grounds that ANZBGL failed to make, or is or may become unable to make, a payment of interest (including any Deferred Interest) under those Subordinated Undated Notes.

For the purposes of this Condition 4(o):

“Distributable Profits” means, in respect of any Regular Record Date, an amount calculated in accordance with the following formula:

Distributable Profits = the lesser of A – B and C – D

Where:

- (a) **“A”** is the aggregate of the consolidated net profits after income tax of ANZBGL, its subsidiaries and other entities whose financial results are required to be consolidated with ANZBGL (determined before any interest, dividends or distributions paid or payable by ANZBGL on its Upper Tier 2 Capital and Tier 1 Capital) for the immediately preceding two six-monthly financial periods for which results have been publicly announced (or any other amount as determined by APRA in its discretion to be appropriate in ANZBGL’s circumstances on a Level 2 basis for the purposes of paying interest, dividends or distributions on ANZBGL’s Tier 1 Capital and Upper Tier 2 Capital).
- (b) **“B”** is the aggregate amount of interest, dividends, distributions or other amounts paid, determined to be paid or liable to be paid by ANZBGL, any of its subsidiaries and any other entities whose financial results are required to be consolidated with ANZBGL in the 12 months to and including the applicable Interest Payment Date on:
 - (1) the Subordinated Undated Notes; and
 - (2) any other Tier 1 Capital or Upper Tier 2 Capital security of ANZBGL or any of its subsidiaries or any other entities whose financial results are required to be consolidated with ANZBGL to the extent interest, dividends, distributions or other amounts on those securities are funded by ANZBGL or by instruments of ANZBGL,

but excluding:

- (i) interest payable in relation to the Subordinated Undated Notes on the relevant Interest Payment Date; and
 - (ii) any such interest, dividend, distribution or other amount to which ANZBGL, any of its subsidiaries or any other entities whose financial results are required to be consolidated with ANZBGL was or is beneficially entitled.
- (c) **“C”** is the net profit after income tax of ANZBGL on a Level 1 basis (determined before any interest, dividends or distributions paid or payable by ANZBGL on its Upper Tier 2 Capital and Tier 1 Capital) for the period referred to in (a) above (or any other amount as determined by APRA in its discretion to be appropriate in ANZBGL’s circumstances on a Level 1 basis for the purposes of paying interest, dividends or distributions on ANZBGL’s Tier 1 Capital and Upper Tier 2 Capital).
- (d) **“D”** is the aggregate amount of interest, dividends, distributions or other amounts paid, determined to be paid or liable to be paid:
- (1) by ANZBGL in the 12 months to and including the relevant Interest Payment Date on:
 - (A) the Subordinated Undated Notes; and
 - (B) any other Tier 1 Capital or Upper Tier 2 Capital security of ANZBGL to the extent interest, dividends, distributions or other amounts on those securities are funded by ANZBGL; and
 - (2) on any other securities determined by APRA in its discretion to be appropriate Tier 1 Capital or Upper Tier 2 capital on a Level 1 basis,

but excluding:

- (i) interest payable in relation to the Subordinated Undated Notes on the relevant Interest Payment Date; and
- (ii) any such interest, dividend, distribution or other amount to which ANZBGL was or is beneficially entitled.

“Level 1” and **“Level 2”** have the respective meanings given to those terms from time to time by APRA.

“Regular Record Date” means, in respect of an Interest Payment Date or any other date on which interest is due and payable, the day (whether or not a Business Day) prior to such Interest Payment Date.

“Tier 1 Capital” means tier 1 capital as defined by APRA from time to time.

“Upper Tier 2 Capital” means upper tier 2 capital as defined by APRA from time to time.

(p) *Deferred Interest — Subordinated Undated Notes*

- (i) If and to the extent that all or any part of an interest payment in respect of the Subordinated Undated Notes is not paid when due on an Interest Payment Date, that unpaid amount will be deferred and will automatically become due and payable on the next Interest Payment Date or any earlier date on which the Subordinated Undated Notes are redeemed, subject to Condition 4(o). Any interest payment made in part will be made on a *pro rata* basis among the Subordinated Undated Noteholders.
- (ii) Notwithstanding Condition 4(p)(i), if APRA has given its prior written approval, ANZBGL may make payments of Deferred Interest at any time.

- (iii) Deferred Interest does not accrue interest for the period during which it remains unpaid and a Subordinated Undated Noteholder has no claim in respect of interest on that unpaid interest.
- (iv) ANZBGL shall notify as soon as practicable the Subordinated Undated Noteholders in accordance with Condition 14 (*Notices*) of any such non-payment of interest on the Subordinated Undated Notes on any Interest Payment Date, specifying the amount of interest being deferred on that Interest Payment Date and (if relevant) the cumulative Deferred Interest remaining unpaid immediately following that Interest Payment Date.
- (q) *Dividend Stopper — Subordinated Undated Notes*
 - (i) If ANZBGL fails to pay in full interest on the Subordinated Undated Notes on any Interest Payment Date then, unless the holders of a majority in Nominal Amount of the Subordinated Undated Notes otherwise consent, from the date of such Interest Payment Date, ANZBGL may not pay any interest on, declare or pay any dividends, distributions or interest (or arrears thereof) from the income or capital of ANZBGL on, or return any capital or undertake any buy-backs, redemptions, repurchases or other acquisitions of ANZBGL's US\$300,000,000 Perpetual Capital Floating Rate Notes (the "**Existing Perpetual Subordinated Notes**") or any other securities or instruments of ANZBGL that by their terms rank, or are expressed to rank, equally with or junior to the Subordinated Undated Notes for payment of interest, dividend or similar payments, unless and until ANZBGL has paid such unpaid interest in full.
 - (ii) The restrictions contained in Condition 4(q)(i) above do not apply to:
 - (A) proportionate payments on the Subordinated Undated Notes, the Existing Perpetual Subordinated Notes and such other securities of the Issuer that rank or are expressed to rank for interest payment, dividends or distributions equally with the Subordinated Undated Notes; or
 - (B) repurchases (including buy-backs), redemptions or other acquisitions of ANZ Shares in connection with:
 - (x) any employment contract, employee share scheme, benefit plan, share option plan or other similar arrangement with or for the benefit of any one or more employees, officers, directors or consultants of ANZBGL or any entity that ANZBGL controls;
 - (y) a dividend reinvestment plan or shareholder share purchase plan; or
 - (z) the issuance of ANZ Shares, or securities convertible into or exercisable for such shares, as consideration in an acquisition transaction entered into prior to the non-payment of interest referred to in Condition 4(q)(i);
 - (C) an exchange, redemption or conversion of any class or series of ANZ Shares, or any securities of a subsidiary or of any other entity whose financial results are required to be consolidated with the Issuer's financial statements, for any class or series of ANZ Shares, or of any class or series of the Issuer's indebtedness for any class or series of ANZ Shares;
 - (D) the purchase of fractional interests in ANZ Shares under the conversion or exchange provisions of the shares or the security being converted or exchanged;
 - (E) any payment or declaration of a dividend in connection with any shareholder's rights plan, or the issuance of rights, shares or other property under any shareholder's rights plan, or the redemption or repurchase of rights pursuant to the plan; or
 - (F) any dividend in the form of shares, warrants, options or other rights where the dividend shares or the shares issuable upon exercise of such warrants, options or

other rights are the same class or series of shares as those on which the dividend is being paid or rank equal or junior to those shares.

Nothing in these Conditions prohibits the Issuer or an entity it controls from purchasing ANZ Shares (or an interest therein) in connection with transactions for the account of customers of the Issuer or customers of entities that the Issuer controls or in connection with the distribution or trading of ANZ Shares in the ordinary course of business. This includes (for the avoidance of doubt and without affecting the foregoing) any acquisition resulting from:

- (I) taking security over ANZ Shares in the ordinary course of business; and
- (II) acting as trustee for another person where neither the Issuer nor any entity it controls has a beneficial interest in the trust (other than a beneficial interest that arises from a security given for the purposes of a transaction entered into in the ordinary course of business).

For the purposes of this Condition 4(q)(ii):

"ANZ Shares" means ordinary shares in the capital of ANZBGL.

"control" has the meaning given in section 9 of the Corporations Act 2001 of Australia.

5. **Redemption, Purchase and Options**

(a) *Redemption by Instalments and Final Redemption*

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 5 or unless the relevant Instalment Date (being one of the dates so specified in the Final Terms) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5(e) or 5(f), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the Final Terms. The outstanding Nominal Amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the Nominal Amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 5(e) or 5(f), each Note (other than a Subordinated Undated Note) shall be finally redeemed on the Maturity Date specified in the Final Terms at its Final Redemption Amount or, in the case of a Note (other than a Subordinated Undated Note) falling within paragraph (i) above, its final Instalment Amount.
- (iii) Subordinated Undated Notes are perpetual instruments and do not have a Maturity Date.

(b) *Redemption for Taxation Reasons Applicable to all Notes*

If, as a result of any change in or amendment to the laws or regulations of the jurisdiction of incorporation of the Issuer and/or, where the Issuer is acting through its branch, the jurisdiction, country or territory in which the branch through which the Issuer is acting as specified in the relevant Final Terms is located and/or, if applicable, the jurisdiction of incorporation of the Guarantor, or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations or any ruling, confirmation or advice from any taxing authority, which change or amendment or ruling becomes effective on or after the Issue Date shown on the face of any Note, the Issuer or, if applicable, the Guarantor (if the Guarantor was or is obliged to make a payment under the Guarantee) has or will

become obliged to pay additional amounts as provided in Condition 7 (*Taxation*), the Issuer may at its option, at any time (if this Note is neither a Floating Rate Note nor an Index Linked Interest Note) or on any Interest Payment Date (in the case of Floating Rate Notes or Index Linked Interest Notes), on giving not more than 60 nor less than 30 days' notice to the Noteholders of the relevant Series (which notice shall be irrevocable) redeem all, but not some only, of the Notes of the relevant Series at their Early Redemption Amount together with interest (including, in the case of Subordinated Undated Notes, any Deferred Interest) accrued to the date fixed for redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, if applicable, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due or (as the case may be) an obligation to make a payment under the Guarantee were then made. Prior to the publication of any notice of redemption pursuant to this Condition 5(b), the Issuer shall deliver to the Fiscal Agent a certificate signed by two persons each of whom is either a Director, a Senior Executive, an authorised representative or of equivalent status of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of the facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred.

(c) *Redemption for Regulatory Reasons*

If the Subordinated Undated Notes cease to qualify as Upper Tier 2 Capital (as defined in Condition 4(o)), ANZBGL may at its option, at any time prior to the Initial Call Date or on any Interest Payment Date on or after the Initial Call Date, on giving not more than 60 nor less than 30 days' notice to the Subordinated Undated Noteholders of the relevant Series (which notice shall be irrevocable) redeem all, but not some only, of the Subordinated Undated Notes of the relevant Series at the Early Redemption Amount together with interest (including any Deferred Interest) accrued to the date fixed for redemption. Prior to the publication of any notice of redemption pursuant to this Condition 5(c), ANZBGL shall deliver to the Fiscal Agent a certificate signed by two persons each of whom is either a Director, a Senior Executive, an authorised representative or of equivalent status of ANZBGL stating that ANZBGL is entitled to effect such redemption and setting forth a statement of the facts showing that the conditions precedent to the right of ANZBGL so to redeem have occurred.

(d) *Early Redemption of Zero Coupon Notes*

- (i) The Early Redemption Amount payable in respect of any Zero Coupon Note that does not bear interest prior to the Maturity Date, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 5(b), (e) or (f) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*), shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified in the Final Terms.
- (ii) Subject to the provisions of sub-paragraph (iii) below, the "**Amortised Face Amount**" of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted to the date of its early redemption at a rate per annum (expressed as a percentage) equal to the "**Amortisation Yield**" (which, if none is set out in the Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the Issue Price of the Notes if such Notes were discounted back from the Maturity Date to the Issue Date) compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction set out in the Final Terms.
- (iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(b), (e) or (f) or upon it becoming due and payable as provided in Condition 9 (*Events of Default*) is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were

replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (after, as well as before, judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 4(d).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction.

(e) *Redemption at the Option of the Issuer and Exercise of Issuer's Options*

If a Call Option is included in the Final Terms, the Issuer may, on giving not less than five or more than 30 days' irrevocable notice (subject to such other notice period as may be specified in the Final Terms under "Option Exercise Date(s)") to the Noteholders redeem, or exercise any Issuer's option (as may be described in the Final Terms) in relation to, all or, if so provided, some of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest (including, in the case of Subordinated Undated Notes, any Deferred Interest) accrued to the date fixed for redemption. Any such redemption or exercise of the Issuer's option shall only relate to Notes of a Nominal Amount at least equal to the Minimum Redemption Amount to be redeemed specified in the Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the Final Terms.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of an Issuer's option, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place as may be fair and reasonable in the circumstances, having regard to prevailing market practices and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange requirements. So long as the Notes are listed on the Official List of the FSA and admitted to trading on the Regulated Market of the London Stock Exchange and/or admitted to listing, trading and/or quotation on any other listing authority, stock exchange and/or quotation system and the rules of the relevant listing authority, stock exchange and/or quotation system so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper of general circulation in London (which is expected to be the *Financial Times*), or as specified by such other listing authority, stock exchange and/or quotation system, a notice specifying the aggregate principal amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

(f) *Redemption at the Option of Noteholders and Exercise of Noteholders' Options*

If Put Option is specified in the Final Terms, the Issuer shall, at the option of the holder of such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (subject to such other notice period as may be specified in the Final Terms, under "Option Exercise Date(s)"), redeem such Note on the Optional Redemption Date(s) so provided at its Optional Redemption Amount together with interest (including in the case of Subordinated Undated Notes, any Deferred Interest) accrued to the date fixed for redemption.

To exercise such option or any other Noteholder's option that may be set out in the Final Terms the holder must deposit (in the case of Bearer Notes) such Note (together with all unexpired Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except

as provided in the Agency Agreement) without the prior consent of the Issuer, except that such Note or Certificate will be returned to the relevant Noteholder by the Paying Agent, the Registrar or Transfer Agent with which it has been deposited if, prior to the due date for its redemption or the exercise of the option, the Note becomes immediately due and payable or if upon due presentation payment of the redemption moneys is not made or exercise of the option is denied.

(g) *Partly Paid Notes*

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified in the Final Terms.

(h) *Purchases*

Where ANZBGL is the Issuer of this Note, ANZBGL is taken to represent as at the date of issue of this Note, that it does not know, or have any reasonable grounds to suspect, that this Note or any interest in this Note is being or will later be, acquired either directly or indirectly by an Offshore Associate of ANZBGL (acting other than in the capacity of a dealer, manager or underwriter in relation to the placement of this Note or a clearing house, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act 2001 of Australia).

"Offshore Associate" means an associate (as defined in section 128F of the Australian Tax Act) of ANZBGL that is either a non-resident of the Commonwealth of Australia which does not acquire the Notes in carrying on a business at or through a permanent establishment in Australia or, alternatively, a resident of Australia that acquires the Notes in carrying on business at or through a permanent establishment outside of Australia.

The Issuer, the Guarantor and any of their respective subsidiaries may, to the extent permitted by applicable laws and regulations, at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise.

Notes purchased by the Issuer, the Guarantor or any of their respective subsidiaries may be surrendered by the purchaser through the Issuer to the Fiscal Agent or any Paying Agent for cancellation or may at the option of the Issuer, the Guarantor or the relevant subsidiary be held or resold.

(i) *Cancellation*

All Notes redeemed by the Issuer or surrendered by the purchaser through the Issuer for cancellation pursuant to Condition 5(h) shall be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to, or to the order of, the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(j) *Consent of APRA*

Notwithstanding anything to the contrary in this Condition 5, unless otherwise specified or determined by APRA, where ANZBGL is the Issuer, ANZBGL may not redeem any Subordinated Dated Notes under paragraph (b), (d), (e), (f) or (g) above or prior to the Maturity Date under paragraph (a) or (g) above or any Subordinated Undated Notes under paragraph (b), (c), (d), (e) or (g) above or purchase, or procure that any of its subsidiaries purchase, any Subordinated Notes

under paragraph (h) above without the prior written approval of APRA and ANZBGL will not be permitted to redeem any Subordinated Dated Notes or Subordinated Undated Notes unless:

- (a) the Subordinated Dated Notes or Subordinated Undated Notes (as applicable) are replaced concurrently or beforehand with Tier 2 Capital of the same or better quality; or
- (b) APRA is satisfied that ANZBGL's capital position is well above its minimum capital requirements after ANZ elects to redeem the Subordinated Dated Notes or Subordinated Undated Notes (as applicable).

"Tier 2 Capital" means Tier 2 Capital as defined by APRA from time to time.

6. **Payments and Talons**

(a) *Bearer Notes*

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi)) or Coupons (in the case of interest, save as specified in Conditions 6(f)(ii) and (vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holder, by transfer to an account denominated in that currency with, a bank in the Principal Financial Centre for that currency; provided, however, that:

- (i) payments in a Specified Currency other than euro will be made by transfer to an account in the relevant Specified Currency maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank in the Principal Financial Centre of the country of such Specified Currency (which (A) if the Specified Currency is New Zealand dollars shall be Wellington and Auckland; provided that where the London branch of ANZNIL is the Issuer (as specified in the Final Terms relating to the Notes) such account and bank shall be located outside of New Zealand, and (B) if the Specified Currency is Australian dollars, shall be Sydney); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque; provided that where the London branch of ANZNIL is the Issuer (as specified in the Final Terms relating to the Notes) such euro account or bank on which such euro cheque is drawn shall be located outside of New Zealand.

(b) *Registered Notes*

- (i) Payments of principal (which for the purposes of this Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar in the manner provided in subparagraph (ii) below.
- (ii) Interest (which for the purpose of this Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the 15th day before the due date for payment thereof (the **"Record Date"**). Payments of interest in respect of each Registered Note shall be made in the relevant Specified Currency by cheque drawn on a bank in the Principal Financial Centre of the country of such Specified Currency (which (A) if the Specified Currency is New Zealand dollars shall be Wellington and Auckland provided that where the London branch of ANZNIL is the Issuer (as specified in the Final Terms relating to the Notes)

such account and bank shall be located outside of New Zealand, and (B) if the Specified Currency is Australian dollars, shall be Sydney), and mailed to the holder (or the first-named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided in paragraph 6(a) above, such payment of interest may be made by transfer to an account in the Specified Currency maintained by the payee with a bank in the Principal Financial Centre of the country of such Specified Currency (which (x) if the Specified Currency is New Zealand dollars shall be Wellington and Auckland; provided that where the London branch of ANZNIL is the Issuer (as specified in the Final Terms relating to the Notes) such account and bank shall be located outside of New Zealand, and (y) if the Specified Currency is Australian dollars, shall be Sydney); provided, however, that in the case of euro, the transfer may be to, or the cheque drawn on, a euro account with a bank in the European Union.

So long as the Notes are represented by a Registered Global Note, the “Record Date” shall be the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment where “Clearing System Business Day” means a day on which the relevant clearing system is open for business.

(c) *Payments in the United States*

Notwithstanding the foregoing, if any Bearer Notes are denominated in US dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) *Payments Subject to Fiscal Laws*

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7 (*Taxation*). No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) *Appointment of Agents*

The Fiscal Agent, the other Paying Agents (if any), the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and the Guarantor and their respective specified offices are listed below. The Fiscal Agent, the other Paying Agents (if any), the Registrar, Transfer Agents and the Calculation Agent act solely as agents of the Issuer and, if applicable, the Guarantor and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer and, if applicable, the Guarantor reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer and, if applicable, the Guarantor shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes (including a Transfer Agent having its specified office in London so long as any Registered Notes are listed on the Official List of the FSA and admitted to trading on the London Stock Exchange), (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities (including London so long as the Notes are listed on the Official List of the FSA and admitted to trading on the London Stock Exchange), (vi) such other agents as may be required by the rules of any other listing authority, stock exchange and/or quotation system on which the Notes may be admitted to

listing, trading and/or quotation and (vii) a Paying Agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive, provided that there is an EU Member State in which no such obligation is imposed.

In addition, the Issuer and, if applicable, the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in US dollars in the circumstances described in Condition 6(c).

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 14 (*Notices*).

(f) *Unmatured Coupons and Receipts and Unexchanged Talons*

- (i) In the case of Fixed Rate Notes, and unless the Final Terms provides that the relative Coupons are to become void upon the due date for redemption of those Notes, Bearer Notes should be surrendered for payment together with all unmatured Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8 (*Prescription*)).
- (ii) In the case of Floating Rate Notes, unless the Final Terms provides otherwise, upon the due date for redemption of any Bearer Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note which provides that the relative Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provisions of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Notes is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note or Certificate representing it, as the case may be. Interest accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) *Talons*

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 8 (*Prescription*)).

(h) *Non-Business Days*

If any date for payment in respect of any Note, Receipt or Coupon is not a Payment Business Day, the holder shall not be entitled to payment until the next following Payment Business Day nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**Payment Business Day**" means a day (other than a Saturday or a Sunday) on which:

- (i) commercial banks and foreign exchange markets settle payments generally in such jurisdictions as shall be specified as "**Additional Financial Centres**" in the Final Terms, in London and Sydney where ANZBGL is the Issuer, in London, Auckland and Wellington where ANZNBL or ANZNIL is the Issuer and, where relevant, in the relevant place of presentation; and
- (ii) (in the case of a payment in a currency other than euro or Australian dollars where ANZBGL is the Issuer, or New Zealand dollars where ANZNBL or, as the case may be, ANZNIL is the Issuer, where payment is to be made by transfer in the relevant currency to an account maintained with a bank) foreign exchange transactions may be carried on in the relevant currency in the Principal Financial Centre of the country of such currency; or
- (iii) (in the case of a payment in euro) banks are open for business and carrying out transactions in euro in the jurisdiction in which the account specified by the payee is located and a day on which the TARGET System is open, unless otherwise specified in the Final Terms.

(i) *Euro and Redenomination*

References to euro are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to Article 123 of the Treaty.

Unless otherwise specified in the Final Terms, Notes denominated in the currency of a Member State that does not participate in the third stage of European economic and monetary union prior to the Issue Date of the relevant Notes may, at the election of the Issuer, be subject to redenomination in the manner set out below. In relation to such Notes the Issuer may, without the consent of the Noteholders or Couponholders, on giving at least 30 days' prior notice to Noteholders, the Fiscal Agent and each of the Paying Agents and Transfer Agents, designate a "**Redenomination Date**" for the Notes, being a date for payment of interest under the Notes falling on or after the date on which the relevant Member State commences participation in such third stage.

With effect from the Redenomination Date, notwithstanding the other provisions of the Conditions:

- (i) the Notes shall (unless already so provided by mandatory provisions of applicable law) be deemed to be redenominated in euro in the denomination of euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Relevant Currency, converted into euro at the rate for conversion of the Relevant Currency into euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations) provided that, if the Issuer determines that the then market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice

and the Issuer shall promptly notify the Noteholders, any listing authority, stock exchange and/or quotation system on which the Notes may be listed, the Fiscal Agent and each of the Paying Agents and Transfer Agents of such deemed amendment;

- (ii) if Notes in definitive form are required to be issued, they shall be issued at the expense of the Issuer in the denominations of euro 0.01, euro 1,000, euro 10,000, euro 100,000 and such other denominations as the Fiscal Agent shall determine and notify to Noteholders;
- (iii) if Notes in definitive form have been issued, all unmatured Receipts and Coupons denominated in the Relevant Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives the notice (the "**Exchange Notice**") that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes so issued will also become void on that date although those Notes will continue to constitute valid exchange obligations of the Issuer. New certificates in respect of euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Relevant Currency in such manner as the Fiscal Agent may specify and as shall be specified to Noteholders in the Exchange Notice;
- (iv) all payments in respect of the Notes (other than, unless the Redenomination Date is on or after such date as the Relevant Currency ceases to be a subdivision of the euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in euro. Such payments will be made in euro by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or by cheque; and
- (v) the amount of interest in respect of Notes will be calculated by reference to the aggregate principal amount of Notes presented (or, as the case may be, in respect of which Receipts or Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01.

In connection with such redenomination, the Issuer may, after consultation with the Fiscal Agent, make such other changes to the Conditions applicable to the relevant Notes as it may decide so as to conform them to the then market practice in respect of euro-denominated debt securities issued in the euromarkets which are held in international clearing systems. Any such changes will not take effect until the next following Interest Payment Date after they have been notified to the Noteholders in accordance with Condition 14 (*Notices*).

7. **Taxation**

(a) *Withholding Tax*

Subject as provided below, all payments of principal and interest in respect of the Notes, the Receipts and the Coupons by or on behalf of the Issuer or, if applicable, the Guarantor shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the jurisdiction of incorporation of the Issuer and/or, where the Issuer is acting through its branch, the jurisdiction, country or territory in which the branch through which the Issuer is acting as specified in the relevant Final Terms is located or, if applicable, the jurisdiction of incorporation of the Guarantor or by any authority therein or thereof having power to tax (together, "**Taxes**"), unless such withholding or deduction is required by law. In that event, the Issuer or (as the case may be) the Guarantor shall pay such additional amounts to the Noteholders, Couponholders and Receiptholders as shall result in receipt by those Noteholders, Couponholders and Receiptholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (i) presented for payment by or on behalf of a holder which is liable to such Taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of its having some connection with the jurisdiction of incorporation of the Issuer or, where the Issuer is acting through its branch, the jurisdiction, country or territory in which the branch through which the Issuer is acting as specified in the Final Terms or, if applicable, the jurisdiction of incorporation of the Guarantor is located, other than the mere holding of such Note, Receipt or Coupon or the receipt of the relevant payment in respect thereof; or
- (ii) where ANZBGL is the Issuer, presented for payment by or on behalf of a holder who is an Australian resident or a non-resident who is engaged in carrying on business in Australia at or through a permanent establishment of that non-resident in Australia, if that person has not supplied an appropriate tax file number, Australian business number or other exemption details; or
- (iii) presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the 30th such day; or
- (iv) in respect of which the holder thereof is an Offshore Associate of ANZBGL, (acting other than in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the *Corporations Act 2001* of Australia), where ANZBGL is the Issuer; or
- (v) in respect of which the Taxes have been imposed or levied as a result of the holder of such Note, Receipt or Coupon being party to or participating in a scheme to avoid such Taxes, being a scheme which ANZBGL, where ANZBGL is the Issuer, was neither a party to nor participated in; or
- (vi) in respect of Bearer Notes only, if the holder of such Note, Receipt or Coupon or any entity which directly or indirectly has an interest in or right in respect of such Note, Receipt or Coupon is a resident of Australia, or a non-resident who is engaged in carrying on business in Australia at or through a permanent establishment of that non-resident in Australia (the expressions "**resident of Australia**", "**non-resident**" and "**permanent establishment**" having the meanings given to them by the Australian Tax Act if, and to the extent that, section 126 of the Australian Tax Act (or any equivalent provisions) requires ANZBGL, where ANZBGL is the Issuer, to pay income tax in respect of interest payable on such Note, Receipt or Coupon and the income tax would not be payable were the holder or such entity not such a resident of Australia or non-resident; or
- (vii) presented for payment where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (viii) presented for payment by, or on behalf of, a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union; or
- (ix) where such withholding or deduction is for or on account of New Zealand resident withholding tax, where either ANZNBL or ANZNIL is the Issuer or ANZNBL is the Guarantor; or
- (x) presented for payment by, or a third party on behalf of, a holder if such withholding or deduction may be avoided by complying with any statutory requirement or by making a declaration of non-residence or other similar claim for exemption to any authority of or in New Zealand, unless the holder proves that he is not entitled so to comply or to make such

declaration or claim, where either ANZNBL or ANZNIL is the Issuer or ANZNBL is the Guarantor; or

- (xi) presented to, or to a third party on behalf of, a holder that is a partnership, or a holder that is not the sole beneficial owner of the Note, Receipt or Coupon, or which holds the Note, Receipt or Coupon, in a fiduciary capacity, to the extent that any of the members of the partnership, the beneficial owner or the settlor or beneficiary with respect to the fiduciary would not have been entitled to the payment of an additional amount had each of the members of the partnership, the beneficial owner, settlor or beneficiary (as the case may be) received directly his beneficial or distributive share of the payment, where either ANZNBL or ANZNIL is the Issuer or ANZNBL is the Guarantor; or
- (xii) presented for payment in New Zealand, where either ANZNBL or ANZNIL is the Issuer or ANZNBL is the Guarantor; or
- (xiii) in respect of which the Taxes have been imposed or levied as a result of the holder of such Note, Receipt or Coupon being party to or participating in a scheme to avoid such Taxes, being a scheme which either ANZNBL or ANZNIL, where ANZNBL or ANZNIL is the Issuer, or ANZNBL, where ANZNBL is the Guarantor, was neither a party to nor participated in.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 (*Redemption, Purchase and Options*) or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 (*Interest and other Calculations*) or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition or any undertaking given in addition to or substitution for it under the Agency Agreement. Any additional amounts due in respect of the Subordinated Notes will be subordinated in right of payment as described in Condition 10 (*Subordination*).

The remaining provisions of this Condition only apply to ANZNIL where ANZNIL is the Issuer and to ANZNBL where ANZNBL is the Issuer or the Guarantor. Where used in the remaining provisions of this Condition, "**interest**" means interest (as defined under New Zealand taxation legislation) for withholding tax purposes, which under current legislation includes the excess of the redemption amount over the issue price of any Note as well as coupon interest paid on such Note.

*Where (i) ANZNIL is the Issuer or (ii) ANZNBL is the Issuer or the Guarantor, and ANZNBL or, as the case may be, ANZNIL is required to deduct New Zealand non-resident withholding tax in the case of any payments of interest to a holder of a Note or Coupon who is not a resident of New Zealand for income tax purposes and who is not engaged in business in New Zealand through a fixed establishment (as defined in the New Zealand Income Tax Act 2007) in New Zealand (a "**non-New Zealand holder**"), ANZNBL or, as the case may be, ANZNIL may, and intend to (for so long as they do not incur any increased cost or detriment from so doing), relieve themselves of such obligation by using a procedure which permits borrowers such as ANZNBL or, as the case may be, ANZNIL to reduce the applicable rate of non-resident withholding tax to zero per cent (in the case of holders of a Note or Coupon who are non-New Zealand holders and who are not associated with ANZNBL or ANZNIL). Under the current law, that procedure involves ANZNBL or, as the case may be, ANZNIL paying on their own respective accounts a levy to the New Zealand revenue authorities (which is currently equal to two per cent of such payments of interest).*

ANZNBL is, and ANZNIL may be required by law to deduct New Zealand resident withholding tax from the payment of interest to the holder of any Note on any Interest Payment Date or the Maturity Date, where:

- (A) the holder is a resident of New Zealand for income tax purposes or the holder is engaged in business in New Zealand, through a fixed establishment (as defined in the New Zealand Income Tax Act 2007) in New Zealand (a “**New Zealand Holder**”); and
- (B) at the time of such payment the New Zealand Holder does not hold a valid certificate of exemption for New Zealand resident withholding tax purposes.

Prior to any Interest Payment Date or the Maturity Date, any New Zealand Holder:

- (x) must notify ANZNBL or, as the case may be, ANZNIL or any Paying Agent that the New Zealand Holder is the holder of a Note; and
- (y) must notify ANZNBL or, as the case may be, ANZNIL or a Paying Agent of any circumstances, and provide ANZNBL or, as the case may be, ANZNIL or the relevant Paying Agent with any information that may enable ANZNBL or, as the case may be, ANZNIL to make payment of interest to the New Zealand Holder without deduction on account of New Zealand resident withholding tax.

The New Zealand Holder must notify ANZNBL or, as the case may be, ANZNIL prior to any Interest Payment Date or the Maturity Date, of any change in the New Zealand Holder’s circumstances from those previously notified that could affect the payment or withholding obligations of ANZNBL, or, as the case may be, ANZNIL in respect of this Note. By accepting payment of the full face amount of a Note or any interest thereon on any Interest Payment Date or the Maturity Date, the New Zealand Holder indemnifies ANZNBL or, as the case may be, ANZNIL for all purposes in respect of any liability ANZNBL or, as the case may be, ANZNIL may incur for not deducting any amount from such payment on account of New Zealand resident withholding tax.

Only a New Zealand Holder will be obliged to make the notification referred to above and no other holder will be required to make any certification that it is not a New Zealand Holder.

(b) *Taxing Jurisdiction*

If the Issuer or, if applicable, the Guarantor is, or becomes, subject at any time to any taxing jurisdiction(s) other than or in addition to its own jurisdiction of incorporation or the jurisdiction, country or territory in which the branch (if any) specified in the relevant Final Terms is located, references in Condition 5(b) and this Condition 7 shall be read and construed as including references to such other taxing jurisdiction(s).

8. **Prescription**

Claims against the Issuer and, if applicable, the Guarantor for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

9. **Events of Default**

(a) *Unsubordinated Notes*

If any of the following events (“**Events of Default**”) occurs and is continuing, the holder of any Unsubordinated Note of any Series issued by the Issuer may give written notice to the Fiscal Agent at its specified office that such Unsubordinated Note is immediately repayable, whereupon it shall immediately become due and repayable at its Early Redemption Amount together with accrued interest to the date of payment unless, prior to the date that such written notice is

received by the Fiscal Agent, the Issuer and/or, if applicable, the Guarantor shall have cured or otherwise made good all Events of Default in respect of the Unsubordinated Notes of such Series:

- (i) default is made in the payment of any principal or Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount, Instalment Amount or Amortised Face Amount (in the case of a Zero Coupon Note) (whether becoming due upon redemption or otherwise) or interest when due, in respect of any Unsubordinated Note of such Series, and such default continues for a period of seven days; or
- (ii) the Issuer fails to perform or observe any of its obligations under any Unsubordinated Note of such Series or, if applicable, the Guarantor fails to perform or observe any of its obligations under the Deed of Guarantee, in either case other than those specified in paragraph (i) above and in such case (except where such failure is incapable of remedy) such failure continues for a period of 30 days next following the service by any holder of any Unsubordinated Note of such Series on the Issuer, the Guarantor (if applicable) and the Fiscal Agent of written notice requiring the same to be remedied; or
- (iii) otherwise than for the purpose of an amalgamation or reconstruction or merger within the meaning of these words under the laws of the Issuer's or, if applicable, the Guarantor's country of incorporation or, where 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 or, as the case may be, the Guarantor be wound up or dissolved; or
- (iv) the Issuer or, if applicable, the Guarantor stops payment (within the meaning of Australian or any other applicable bankruptcy law) of its obligations; or
- (v) an encumbrancer takes possession of or a receiver is appointed of the whole or a substantial part of the undertaking and assets of the Issuer or, if applicable, the Guarantor and any such event is continuing for 45 days after its occurrence and would materially prejudice the performance by the Issuer or, as the case may be, the Guarantor of its obligations under the Unsubordinated Notes of such Series or a distress or execution is levied or enforced upon or sued out against the whole or a substantial part of the undertaking and assets of the Issuer or, as the case may be, the Guarantor which would materially prejudice the performance of (i) the Issuer of its obligations under the Unsubordinated Notes of such Series or, (ii) if applicable, the Guarantor of its obligations under the Deed of Guarantee, and in each case is not discharged within 60 days thereof; or
- (vi) proceedings shall have been initiated against the Issuer or, if applicable, the Guarantor under any applicable bankruptcy, reorganisation or other similar law and such proceedings shall not have been discharged or stayed within a period of 60 days; or
- (vii) the Issuer or, if applicable, the Guarantor shall initiate or consent to proceedings relating to itself under any applicable bankruptcy, insolvency, composition or other similar law (otherwise than for the purpose of amalgamation, reconstruction or merger (within the meaning of those words under the laws of the country of the Issuer's or, if applicable, the Guarantor's incorporation or, 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 (A) the Issuer of its obligations under the Unsubordinated Notes of such Series or (B), if applicable, the Guarantor of its obligations under the Deed of Guarantee); or
- (viii) in respect of Notes issued by ANZNIL only, the Deed of Guarantee of the Notes is (A) not in full force and effect and, where capable of remedy, the Deed of Guarantee is not in full force and effect within seven days of the date the defect is first discovered or (B) claimed by the Guarantor not to be in full force and effect.

Any such notice by a holder of Unsubordinated Notes to the Fiscal Agent shall specify the serial number(s) of the Unsubordinated Notes concerned.

(b) *Subordinated Notes Issued by ANZBGL*

The following are “**Events of Default**” with respect to Subordinated Notes, except in the case of the Events of Default specified in (ii) below, which do not apply to Subordinated Undated Notes and in the case of the Event of Default specified in (iii) below, which does not apply to Subordinated Dated Notes:

- (i) (A) the making of an order by a court of the State of Victoria, Commonwealth of Australia or a court with appellate jurisdiction from such court which is not successfully appealed or permanently stayed within 60 days of the entry of such order; or
- (B) the valid adoption by ANZBGLs shareholders of an effective resolution, in each case for the winding-up of ANZBGL (other than under or in connection with a scheme of amalgamation or reconstruction not involving bankruptcy or insolvency);
- (ii) in the case of Subordinated Dated Notes only, subject to Condition 4(n):
 - (A) default in the payment of interest on any Subordinated Dated Note when due, continued for 30 days; or
 - (B) default in the payment of principal of, or any premium on, any Subordinated Dated Note when due; and
- (iii) in the case of Subordinated Undated Notes only, default in payment of principal of, or any premium on, any Subordinated Undated Note when due (following receipt of prior written approval of APRA permitting redemption of such Subordinated Undated Note pursuant to Condition 5(j)).

Upon the occurrence of an Event of Default specified in paragraph (i) above, subject to the subordination provisions, the principal amount of, and all accrued and unpaid interest (including, in the case of Subordinated Undated Notes, any Deferred Interest) on, the Subordinated Notes will automatically become due and payable.

If an Event of Default contemplated by paragraph (ii) or (iii) above with respect to any of the Subordinated Notes occurs and is continuing, a Subordinated Noteholder may only, in order to enforce the obligations of ANZBGL under such Subordinated Notes:

- (y) notwithstanding the provisions of paragraph (z) below, institute proceedings in the State of Victoria, Commonwealth of Australia (but not elsewhere) for the winding-up of ANZBGL (all subject to, and in accordance with, the terms of Condition 10 (*Subordination*)); or
- (z) institute proceedings for recovery of the money then due, provided that ANZBGL will not, by virtue of the institution of any such proceedings (other than proceedings for the winding-up of ANZBGL), be obliged to pay any sums representing principal or interest in respect of such Subordinated Notes sooner than the same would otherwise have been payable by it and provided that:
 - (I) in the case of Subordinated Dated Notes, ANZBGL is Solvent at the time of, and will be Solvent immediately after, the making of any such payment; or
 - (II) in the case of Subordinated Undated Notes, any payment is subject to Condition 4(o).

No remedy against ANZBGL, other than those referred to in this paragraph (b), shall be available to the Subordinated Noteholders or Couponholders or Receiptholders in respect of Subordinated Notes, whether for the recovery of amounts owing in respect of the Subordinated Notes or in

respect of any breach by ANZBGL of any of its other obligations under or in respect of the Subordinated Notes.

10. **Subordination**

In the event of the winding-up of ANZBGL constituting an Event of Default with respect to the Subordinated Notes, there shall be payable with respect to the Subordinated Notes, subject to the subordination provisions discussed above (see Condition 3 (*Status and Guarantee*)), an amount equal to the principal amount of the Subordinated Notes then outstanding, together with all accrued and unpaid interest (including, in the case of Subordinated Undated Notes, any Deferred Interest) thereon to the repayment date.

As a result of the subordination provisions, no amount will be payable in the winding-up of ANZBGL in Australia in respect of the Subordinated Notes until all claims of Unsubordinated Creditors and, in the case of the Subordinated Undated Notes, Subordinated Dated Creditors, admitted in the winding-up proceeding have been satisfied in full. By subscription for, or transfer of, Subordinated Notes to a Noteholder, that Subordinated Noteholder will be taken to have agreed that no amount in respect of the Subordinated Notes will be repaid until all the claims of the Unsubordinated Creditors and, in the case of the Subordinated Undated Notes, Subordinated Dated Creditors, admitted in the winding-up proceeding have been satisfied accordingly. Accordingly, if proceedings with respect to the winding-up of ANZBGL in Australia were to occur, the Subordinated Noteholders could recover less relatively than the holders of deposit liabilities or protected accounts, the Unsubordinated Noteholders, the holders of prior ranking subordinated liabilities of ANZBGL and, in the case of the Subordinated Undated Notes, Subordinated Dated Creditors. For the avoidance of doubt, the Subordinated Notes do not constitute deposit liabilities or protected accounts of ANZBGL.

If, in any such winding-up, the amount payable with respect to the Subordinated Dated Notes and any claims ranking equally with those Subordinated Dated Notes cannot be paid in full, those Subordinated Dated Notes and other claims ranking equally with those Subordinated Dated Notes will share relatively in any distribution of ANZBGL's assets in a winding-up in proportion to the respective amounts to which they are entitled. If, in any such winding-up, the amount payable with respect to the Subordinated Undated Notes and any claims ranking equally with those Subordinated Undated Notes cannot be paid in full, those Subordinated Undated Notes and other claims ranking equally with those Subordinated Undated Notes will share *pro rata* in any distribution of ANZBGL's assets in a winding-up in proportion to the respective amounts to which they are entitled. To the extent that Subordinated Noteholders are entitled to any recovery with respect to the Subordinated Notes in any winding-up, such Subordinated Noteholders might not be entitled in such proceedings to a recovery in the Specified Currency in respect of such Subordinated Notes (if other than Australian dollars) and might be entitled only to a recovery in Australian dollars.

11. **Meeting of Noteholders, Modifications and Waiver**

(a) *Meetings of Noteholders*

The Agency Agreement contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. The quorum for any meeting of Noteholders shall be two or more persons holding or representing in the aggregate a clear majority in Nominal Amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the Nominal Amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes or the obligation of the Issuer to pay additional amounts pursuant to Condition 7 (*Taxation*), (ii) to

reduce or cancel the Nominal Amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount is set out in the Final Terms, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or Specified Denomination of the Notes, (vii) to take any steps that as specified in the Final Terms may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, or (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum at any adjourned meeting shall be two or more persons holding or representing in the aggregate not less than one-third in Nominal Amount of the Notes for the time being outstanding. However, unless otherwise specified or determined by APRA, the prior written approval of APRA is required to modify the terms of any Series of Subordinated Notes where such variation may affect the eligibility of the Subordinated Notes as Tier 2 Capital. Any resolution duly passed (including an Extraordinary Resolution) shall be binding on all Noteholders of the relevant Series (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders of the relevant Series. The expression "**Extraordinary Resolution**" means a resolution passed at a meeting of Noteholders duly convened by a majority consisting of not less than three-quarters of the votes cast. All other resolutions, except for written resolutions, shall be passed at a meeting of Noteholders duly convened by a clear majority of the votes cast.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) *Modification of the Agency Agreement*

The Agency Agreement may be amended by the Issuer, the Guarantor and the Fiscal Agent, without the consent of the Registrar, or any Paying Agent, Transfer Agent or holder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer, the Guarantor and the Fiscal Agent may mutually deem necessary or desirable and which does not, in the reasonable opinion of the Issuer, the Guarantor and the Fiscal Agent, adversely affect the interests of the holders.

(c) *Modification of the Conditions and the Final Terms*

The Conditions and the Final Terms may be amended by the Issuer, the Guarantor and the Fiscal Agent, without the consent of the holders, for the purpose of curing any ambiguity, correcting any defective provision or correcting any manifest or proven error contained therein. Any such amendment shall be binding on the holders and any such amendment shall be notified to the holders in accordance with Condition 14 as soon as practicable thereafter.

12. **Replacement of Notes, Certificates, Receipts, Coupons and Talons**

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and listing authority, stock exchange and/or quotation system regulations, at the specified office of the Fiscal Agent (in case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such

terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13. Further Issues

Any Issuer may (and, in the instance of an issue of Subordinated Notes by ANZBGL, if ANZBGL has obtained the prior approval of APRA) from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single Series with the outstanding securities of any Series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. Notes of more than one Series may be consolidated into one Series denominated in euro, even if one or more such Series was not originally denominated in euro, provided all such Series have been redenominated into euro and otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single Series with the Notes.

14. Notices

Notices to the holders of Registered Notes shall be (a) mailed to them (or, in the case of joint holders, to the first named) at their respective addresses in the Register and (b) save where another means of effective communication has been specified herein or in the Final Terms, published (i) in the case of any Registered Notes which are admitted to trading on the Regulated Market of the London Stock Exchange (so long as such Registered Notes are admitted to trading on the Regulated Market of the London Stock Exchange and the rules of that exchange so require), in a leading newspaper having general circulation in London (which is expected to be the *Financial Times*), or if such publication is not practicable, if published in a leading English language daily newspaper having general circulation in Europe, or (ii) in the case of Registered Notes which are admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system (so long as such Registered Notes are admitted to listing, trading and/or quotation by such listing authority, stock exchange and/or quotation system and the rules of such listing authority, stock exchange and/or quotation system so require), in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*) and in such other place or manner as may be required by the rules and regulations of such listing authority, stock exchange and/or quotation system.

Notices to the holders of Registered Notes shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the later of the date of mailing and the date of publication (or, if required to be published in more than one newspaper, the first date on which publication shall have been made in all required newspapers).

Notices to the holders of Bearer Notes shall be, save where another means of effective communication has been specified herein or in the Final Terms, published (a) in the case of any Bearer Notes which are admitted to trading on the Regulated Market of the London Stock Exchange (so long as such Bearer Notes are admitted to trading on the Regulated Market of the London Stock Exchange and the rules of that exchange so require), in a leading newspaper having general circulation in London (which is expected to be the *Financial Times*), or if such publication is not practicable, if published in a leading English language daily newspaper having general circulation in Europe, or (b) in the case of Bearer Notes which are admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system (so long as such

Bearer Notes are admitted to trading, listing and/or quotation by such listing authority, stock exchange and/or quotation system and the rules of such listing authority, stock exchange and/or quotation system so require), in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*) and in such other place as may be required by the rules and regulations of such listing authority, stock exchange and/or quotation system.

Notices to the holders of Bearer Notes shall be deemed to have been given on the date of publication (or, if required to be published in more than one newspaper, the first date on which publication shall have been made in all required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 14.

15. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes, Receipts or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, Receipts or Coupons, the Issuer shall indemnify each holder, on the written demand of such holder addressed to the Issuer and delivered to the Issuer or to the specified office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such holder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof. For the purposes of this Condition 15, it shall be sufficient for the Noteholder, Receiptholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder, Receiptholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

16. **Governing Law, Jurisdiction and Service of Process**

(a) *Governing Law*

The Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, except for the subordination provisions of the Subordinated Notes (including, without limitation, the provisions contained in Conditions 3(b), 4(n), (o), (p) and (q), 9(b) and 10 (*Subordination*)) which will be governed in accordance with the laws of the State of Victoria and the Commonwealth of Australia.

(b) *Jurisdiction*

The Issuer agrees for the benefit of the holders of Notes, Receipts, Coupons and Talons that the courts of England shall have jurisdiction to hear and determine any suit, action or proceedings, and to settle any disputes, which may arise out of or in connection with the Notes and all matters connected with the Notes, Receipts, Coupons and Talons (including a dispute relating to any non-contractual obligation arising out of or in connection with them) (respectively, "**Proceedings**" and "**Disputes**") and, for such purposes, irrevocably submits to the jurisdiction of such courts.

(c) *Appropriate Forum*

The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.

(d) *Service of Process*

The Issuer agrees that the process by which any Proceedings in England are begun may be served on it by being delivered to the officer in charge of the London Branch of Australia and New Zealand Banking Group Limited at 40 Bank Street, Canary Wharf, London E14 5EJ. If such person is not or ceases to be effectively appointed to accept service of process on the Issuer's behalf, the Issuer shall appoint a further person in England to accept service of process on the Issuer's behalf and, failing such appointment, within 15 days, any Noteholder shall be entitled to appoint such a person by written notice addressed to the Issuer and delivered to the Issuer or to the specified office of the Fiscal Agent. Nothing in this paragraph shall affect the right of any holder of Notes, Receipts, Coupons or Talons to serve process in any other manner permitted by law.

(e) *Non-exclusivity*

The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of any holder of Notes, Receipts, Coupons or Talons to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if and to the extent permitted by law.

(f) *Consent to Enforcement etc.*

Subject to Condition 10 (*Subordination*), the Issuer consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such Proceedings.

17. **Third Parties**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

USE OF PROCEEDS

The net proceeds from the issue of any Notes will be used by the relevant Issuer for its general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

FORM OF NOTES

The summary of the forms and provisions of the Notes contained in this section is intended to be a guide only and is subject to change, including as a result of any amendments to the Agency Agreement and the forms of Notes and the terms of the relevant Final Terms. For further details regarding the forms of Notes and the provisions applicable to the Notes, purchasers and potential purchasers of Notes are advised to review the Agency Agreement and the relevant Notes.

1. Initial Issue of Notes

Bearer Notes

Temporary Global Notes

Unless otherwise specified in the relevant Final Terms, each Series or Tranche of Bearer Notes will initially be represented by a Temporary Global Note if:

- (a) Bearer Notes in definitive form are to be made available to Noteholders following the expiry of 40 days after the Issue Date of an identifiable Tranche of such Notes; or
- (b) such Notes are being issued in compliance with US Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**D Rules**"), as specified in the relevant Final Terms.

Permanent Global Notes

In all other cases, each Series or Tranche of Bearer Notes will be represented by a Permanent Global Note.

The Temporary Global Note or Permanent Global Note (as the case may be) initially representing each Series or Tranche of Bearer Notes will be deposited on the Issue Date thereof with a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg (or, in the case of a Series or Tranche to be cleared through a clearing system other than Euroclear or Clearstream, Luxembourg (an "**Alternative Clearing System**"), as agreed between the relevant Issuer, the Guarantor (if applicable), the Fiscal Agent and the relevant Dealers).

Registered Notes

As set forth in the Final Terms, each Series or Tranche of Notes in registered form will be represented by either:

- (a) *Definitive Certificates*: one or more Certificates in definitive form which shall be delivered as agreed between the relevant Issuer, the Guarantor (if applicable) and the relevant Dealer(s); or
- (b) *Registered Global Notes*: one or more Registered Global Notes without Coupons, deposited on the Issue Date with a Common Depositary, and registered in the name of a nominee, for Euroclear and Clearstream, Luxembourg (or, in the case of a Series or Tranche to be cleared through an Alternative Clearing System, as agreed between the relevant Issuer, the Guarantor (if applicable), the Fiscal Agent, the Registrar and the relevant Dealer(s)).

2. Clearing Systems

Upon the initial deposit of a Bearer Global Note with a Common Depositary or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relevant Registered Global Note to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depository may (if indicated in the relevant Final Terms) also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) Alternative Clearing Systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such Alternative Clearing Systems. Conversely, Notes that are initially deposited with an Alternative Clearing System may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other Alternative Clearing Systems.

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any Alternative Clearing System as the holder of a Note represented by a Bearer Global Note or a Registered Global Note must look solely to Euroclear, Clearstream, Luxembourg or the Alternative Clearing System (as the case may be) for his share of each payment made by the relevant Issuer to the bearer of such Bearer Global Note or the holder of the underlying Registered Notes, as the case may be, and such payments and all other rights arising under the Bearer Global Notes or Registered Global Notes, will be subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the relevant Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Bearer Global Note or Registered Global Note and such obligations of the relevant Issuer, or the Guarantor (if applicable), will be discharged by payment to the bearer of such Bearer Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

3. **Exchange**

Temporary Global Notes

Each Temporary Global Note in respect of a Tranche of Bearer Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (a) *Bearer Notes in definitive form*: if the relevant Final Terms indicates that such Temporary Global Note is issued in compliance with US Treasury Regulation §1.163-5(c)(2)(i)(C) (the “**C Rules**”) or in a transaction to which TEFRA is not applicable, in whole, but not in part, for Bearer Notes in definitive form as described below; and
- (b) *Permanent Global Note*: otherwise, in whole or in part, upon certification as to non-US beneficial ownership in the form set out in the Agency Agreement, for interests in a Permanent Global Note or, if so provided in the relevant Final Terms, for Bearer Notes in definitive form.

“**Exchange Date**” means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after the Issue Date of the Notes.

Permanent Global Notes

Each Permanent Global Note in respect of a Tranche of Bearer Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not in part for Bearer Notes in definitive form only in the following circumstances:

- (a) unless principal in respect of any Bearer Notes is not paid when due, by the relevant Issuer giving notice to the Noteholders and the Fiscal Agent of its intention to effect such exchange;
- (b) if the Final Terms provides that such Permanent Global Note is exchangeable at the request of the holder, by the holder giving notice to the Fiscal Agent of its election for such exchange; or
- (c) (i) if the Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or

announces an intention permanently to cease business or in fact does so or (ii) upon or following any failure to pay principal in respect of any Bearer Notes when it is due and payable, by the holder giving notice to the Fiscal Agent of its election for such exchange.

“Exchange Date” means, in relation to a Permanent Global Note, a day falling not less than 60 days, or in the case of exchange following failure to pay principal in respect of any Bearer Notes when due 30 days, after that on which notice requiring exchange is given and on which commercial banks are open for business in the city in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to sub-paragraph (c)(i) above, in the cities in which Euroclear and Clearstream, Luxembourg, or any Alternative Clearing System (if applicable), are located.

A Permanent Global Note is not exchangeable in part except (provided that if the Permanent Global Note is held by or on behalf of Euroclear, Clearstream, Luxembourg or an Alternative Clearing System, such clearing system permits) (A) upon or following any failure to pay principal in respect of the Notes when it is due and payable or (B) if so provided in, and in accordance with, the Conditions for Partly Paid Notes.

Registered Global Notes

Each Registered Global Note will only be exchangeable for Certificates in definitive form:

- (a) if the Notes represented by the Registered Global Note are held (directly or indirectly) on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so;
- (b) upon or following any failure to pay principal in respect of any Notes when it is due and payable; or
- (c) with the consent of the Issuer.

Delivery

On or after any due date for exchange of any Bearer Global Note or Registered Global Note, the holder of such Bearer Global Note or Registered Global Note may surrender the same or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent or Registrar, as the case may be, or as otherwise specified in the Bearer Global Note or Registered Global Note, as the case may be. Upon surrender of any Bearer Global Note or Registered Global Note, or the part thereof to be exchanged, the relevant Issuer will:

- (a) **Permanent Global Note** in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate principal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange; or
- (b) **Definitive Notes and Certificates** in the case of a Permanent Global Note or Registered Global Note exchangeable for Notes or Certificates in definitive form (unless such exchange is at the request of the relevant Issuer) at the cost of the relevant Noteholder, cause an equal aggregate principal amount of Notes or Certificates in definitive form to be executed and delivered to the Fiscal Agent or the Registrar, as the case may be, for completion, authentication and dispatch to the relevant Noteholders.

Bearer Notes in definitive form will be security-printed and Certificates in definitive form will be printed in accordance with any applicable legal and listing authority, stock exchange and/or quotation system requirements in or substantially in the form set out in the Schedules to the Agency Agreement.

On exchange in full of each Bearer Global Note, the relevant Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Notes in definitive form for which it was exchanged.

4. **Legends**

Each Bearer Note (including each Bearer Global Note), Talon and Coupon will bear the following legend:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

The sections of the US Internal Revenue Code referred to in the legend provide that a United States taxpayer, with certain exceptions, will not be permitted to deduct any loss, and will not be eligible for capital gain treatment with respect to any gain realised, on any sale, exchange or redemption of Bearer Notes or any related Coupons.

5. **Provision Relating to Notes Whilst Notes in Global Form**

Each Bearer Global Note and Registered Global Note contains provisions that apply to the Notes that they represent, some of which modify the effect of the Conditions of the Notes set out in this Base Prospectus. The following is a summary of those provisions:

(a) **Payments**

No person shall be entitled to receive any payment in respect of the Notes represented by any Bearer Global Note that falls due on or after the Exchange Date of that Bearer Global Note unless, upon presentation, exchange for an interest in, as appropriate, a Permanent Global Note or for Bearer Notes in definitive form is improperly withheld or refused or, in the case of a Permanent Global Note, the relevant Issuer does not comply with or perform its obligations under any Bearer Note in definitive form. Payments on any Temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-US beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Bearer Notes will be made against presentation for endorsement and, if no further payment is due to be made in respect of such Notes, surrender of that Bearer Global Note to or to the order of the Fiscal Agent, or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each such Bearer Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes.

So long as the Notes are represented by a Registered Global Note, the “**Record Date**” shall be the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment where “**Clearing System Business Day**” means a day on which the relevant clearing system is open for business.

(b) **Prescription**

Claims against the relevant Issuer in respect of Notes issued by it that are represented by a Permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date.

(c) **Meetings**

The holder of a Global Note or Registered Global Note shall (unless such Global Note or Registered Global Note represents only one Note) be treated as being two persons for the purposes of any quorum requirements at any meeting of Noteholders. At any such meeting, the holder of a Permanent Global Note shall be treated as having one vote in respect of each minimum Specified Denomination of Notes for which such Permanent Global Note may be exchanged.

(d) **Cancellation**

Cancellation of any Bearer Note represented by a Bearer Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant Bearer Global Note and evidenced by the appropriate notation in the relevant schedule to such Bearer Global Note.

(e) **Purchase**

Bearer Notes represented by a Permanent Global Note may only be purchased by the relevant Issuer or any of its subsidiaries together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

(f) **Each Issuer's Options**

Any option of the relevant Issuer provided for in the Conditions of any Notes issued by it while such Notes are represented by a Global Note shall be exercised by the relevant Issuer giving notice to the Noteholders within the time limits set out in, and containing the information required by, the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the relevant Issuer is exercised in respect of some but not all of the Notes of any Tranche or Series which are represented by a Global Note, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or any Alternative Clearing System (as the case may be).

(g) **Noteholders' Options**

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a Global Note may be exercised by the holder of the Global Note delivering to the Fiscal Agent, within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions, a notice stating the principal amount of Notes in respect of which the option is exercised (but which shall not be required to state the serial numbers of such Notes) and at the same time presenting the Global Note to the Fiscal Agent or to a Paying Agent acting on behalf of the Fiscal Agent, for notation.

(h) **Events of Default**

(i) *In respect of Notes issued by ANZBGL*

Each Bearer Global Note and Registered Global Note representing Unsubordinated Notes provides that the holder may from time to time exercise the right to declare Unsubordinated Notes represented by such Bearer Global Note or Registered Global Note due and repayable in the circumstances described in "Conditions of the Notes — Condition 9 — Events of Default" by stating in a notice to the Fiscal Agent the principal amount of such Bearer Global Note or Registered Global Note that is due and repayable. Each Bearer Global Note and Registered Global Note representing Subordinated Notes provides that, if an Event of Default in paragraph (ii) or (iii) as

applicable of Condition 9(b) occurs and is continuing, the holder of such Bearer Global Note or Registered Global Note may only, in the case of Subordinated Dated Notes subject to Condition 4(n), in order to enforce the obligations of ANZBGL under such Bearer Global Note or Registered Global Note: (A) notwithstanding the provisions of (B) below, institute proceedings in the State of Victoria, Commonwealth of Australia (but not elsewhere) for the winding-up of ANZBGL (all subject to, and in accordance with, the subordination terms of Condition 10 (*Subordination*)); or (B) institute proceedings for recovery of the money then due, provided that ANZBGL will not, by virtue of the institution of any such proceedings (other than proceedings for the winding-up of ANZBGL) be obliged to pay any sums representing principal or interest in respect of the relevant Bearer Global Note or Registered Global Note representing Subordinated Notes sooner than the same would otherwise have been payable by it and provided that (x) in the case of Subordinated Dated Notes, ANZBGL is Solvent at the time of, and will be Solvent immediately after, any such payment or (y) in the case of Subordinated Undated Notes, any payment is subject to Condition 4(o). No remedy against ANZBGL, other than those referred to in (A) and (B) above, shall be available to the holders of a Bearer Global Note or Registered Global Note representing Subordinated Notes or Couponholders or Receiptholders in respect of such Bearer Global Note or Registered Global Note, whether for the recovery of amounts owing in respect of that Bearer Global Note or Registered Global Note or in respect of any breach by ANZBGL of any of its other obligations under or in respect of that Bearer Global Note or Registered Global Note representing Subordinated Notes. If principal in respect of any Note is not paid when due, the holder of a Bearer Global Note or Registered Global Note representing such Notes from time to time may elect in a notice to the Fiscal Agent for direct enforcement rights against ANZBGL under the terms of a Deed of Covenant executed as a deed by the Issuers on 18 May 2012 to come into effect in relation to the whole or a part of such Bearer Global Note or Registered Global Note in respect of which such failure to pay principal has occurred in favour of the persons entitled to such part of such Bearer Global Note or Registered Global Note, as the case may be, as accountholders with a clearing system. Following any such election, the specified portion of the Bearer Global Note or, as the case may be, the Registered Global Note and the corresponding entry in the register kept by the Registrar will become void, save to the extent that the appropriate direct enforceable rights shall fail to take effect for whatever reason. In the case of Bearer Global Notes, no such election may however be made on or before the Exchange Date unless the holder elects in such notice that the exchange for such Notes shall no longer take place.

(ii) *In respect of Notes issued by ANZNBL and ANZNIL*

Each Bearer Global Note and Registered Global Note provides that the holder may from time to time exercise the right to declare Notes represented by such Bearer Global Note or Registered Global Note due and repayable in the circumstances described in “Conditions of the Notes — Condition 9 — Events of Default” by stating in a notice to the Fiscal Agent the principal amount of such Bearer Global Note or Registered Global Note that is due and repayable. If principal in respect of any Note is not paid when due (but subject as provided below), the holder of a Bearer Global Note or Registered Global Note representing such Notes from time to time may elect in a notice to the Fiscal Agent for direct enforcement rights against the relevant Issuer under the terms of a Deed of Covenant executed as a deed by the Issuers on 18 May 2012 to come into effect in relation to the whole or a part of such Bearer Global Note or Registered Global Note in respect of which such failure to pay principal has occurred in favour of the persons entitled to such part of such Bearer Global Note or Registered Global Note, as the case may be, as accountholders with a clearing system. Following any such election, the specified portion of the Bearer Global Note

or, as the case may be, the Registered Global Note and the corresponding entry in the register kept by the Registrar will become void, save to the extent that the appropriate direct enforceable rights shall fail to take effect for whatever reason. Save as provided in this paragraph and in the Deed of Covenant, no term of the Bearer Global Note or Registered Global Note may be enforceable by any person other than the holder. However, no such election may be made (A) in respect of Bearer Global Notes, on or before the Exchange Date unless the holder elects in such notice that the exchange for such Notes shall no longer take place, or (B) in respect of Notes represented by a Registered Global Note, unless the exchange of the whole or a part of the holding of Notes represented by that Registered Global Note shall have been improperly withheld or refused.

(i) **Notices**

So long as any Notes are represented by a Bearer Global Note and such Bearer Global Note is held on behalf of a clearing system, notices to the holders of such Notes may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions. Such notices shall be deemed to have been given to the holders of the Notes in accordance with the Conditions on the date of delivery to that clearing system. In addition, so long as any Bearer Global Notes or Registered Global Notes are admitted to trading on the regulated market of the London Stock Exchange (so long as such Bearer Global Notes or Registered Global Notes are admitted to trading on the Regulated Market of the London Stock Exchange and the rules of that exchange so require), notices shall also be published in a leading newspaper having general circulation in London (which is expected to be the *Financial Times*), or if such publication is not practicable, published in a leading English language daily newspaper having general circulation in Europe, or in the case of Bearer Global Notes and Registered Global Notes which are admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system (so long as such Bearer Global Notes or Registered Global Notes are admitted to trading, listing and/or quotation by such listing authority, stock exchange and/or quotation system and the rules of such listing authority, stock exchange and/or quotation system so require), in a leading daily newspaper having general circulation in London (which is expected to be the *Financial Times*) and in such other place as may be required by the rules and regulations of such listing authority, stock exchange and/or quotation system.

(j) **Partly Paid Notes**

The provisions relating to Partly Paid Notes are not set out in this Base Prospectus, but will be contained in the relevant Final Terms and thereby in the Global Notes relating thereto. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a Permanent Global Note or for Bearer Notes in definitive form (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the relevant Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them.

AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED AND ITS SUBSIDIARIES

Overview

Australia and New Zealand Banking Group Limited (“**ANZBGL**”) and its subsidiaries (together, the “**Group**”), which began its Australian operations in 1835 and its New Zealand operations in 1840, is one of the four major banking groups headquartered in Australia. ANZBGL is a public company limited by shares incorporated in Australia and was registered in the State of Victoria on 14 July 1977. ANZBGL’s registered office is located at Level 9, 833 Collins Street, Docklands, Victoria, 3008, Australia and the telephone number is +61 3 9683 9999. Its Australian Company Number is ACN 005 357 522.

As at the close of trading on 31 March 2012, ANZBGL had a market capitalisation of approximately \$62.3 billion. As at 31 March 2012, ANZBGL had total assets of \$603.2 billion and shareholders’ equity of \$39.4 billion. ANZBGL’s principal ordinary share listing and quotation is on the Australian Securities Exchange. Its ordinary shares are also quoted on the New Zealand Stock Exchange.

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.

The Group’s primary strategy is to become a super-regional bank focusing on Australia, New Zealand and the Asia Pacific region. Consistent with this strategy, its goals include increasing the Asia Pacific, Europe & America profit contribution to the Group to between 25 per cent and 30 per cent by 2017. While there is a strong focus on organic growth, ANZBGL continues to explore appropriate acquisitions throughout Asia where opportunities arise.

Principal activities of regions and divisions – until 1 March 2012 and for financial reporting for the half year ended 31 March 2012

For financial reporting purposes for the half year ended 31 March 2012, the Group was managed along the geographic regions of (i) Australia, (ii) Asia Pacific, Europe & America, and (iii) New Zealand, as well as globally through the Group’s global institutional client business, which is viewed as a separate division but also impacts each geographic region. The results of the Institutional division are separately tracked and reported, but are also allocated to the geographic regions to which the Institutional division results relate for Group segment reporting purposes.

As the Group continually reviews its business structure, the description of its business is subject to change from time to time. Recent organisational changes to ANZBGL are described immediately below.

Organisational changes – effective from 1 March 2012

On 15 February 2012, in addition to a number of senior management changes (as described in the “Recent Developments” section below), ANZBGL made certain organisational changes (which took effect on 1 March 2012) designed to support its super regional aspirations, give focus to areas of growth and opportunity and strengthen succession planning within the senior management team.

The following key organisational changes became effective on 1 March 2012:

- Global Institutional and Asia, Pacific, Europe and America (APEA) (previously separate divisions) have joined to create a single new division, International and Institutional Banking;
- Global Wealth and Private Banking (previously ANZBGL managed its wealth and private banking businesses separately within the Australia, Asia Pacific, Europe & America and New

Zealand divisions) have come together to form a new global division, Global Wealth and Private; and

- Corporate Banking Australia and the Health segment teams (both previously part of Institutional) have shifted to become part of Commercial within the Australia division.

Thus, although for the half year ended 31 March 2012 financial reporting purposes ANZBGL presents its segments as they were prior to 31 March 2012, beginning on 1 March 2012, the Group now operates its business through a revised structure incorporating the above changes. These organisational structural changes are still in the process of implementation. As the changes are finalised and implemented it is anticipated that revised reportable segments will be established.

The Group's business and divisional structure for the half year ended 31 March 2012 financial reporting purposes is outlined below.

Australia

The Australia division comprises Retail, Commercial and Wealth segments, along with Operations and Support which includes the central support functions for the division.

- **Retail**
 - **Retail Distribution** delivers banking solutions to customers via the Australian branch network, ANZ Direct and specialist sales channels.
 - **Retail Products** is responsible for delivering a range of products including mortgages, credit cards, personal loans, transaction banking, savings accounts and deposits, using capabilities in product, analytics, customer research, segmentation, strategy and marketing. It also provides online and electronic payment solutions for businesses.
 - **Mortgages** provides housing finance to consumers in Australia for both owner-occupied and investment purposes.
 - **Cards and Payments** provides consumer and commercial credit cards, personal loans and merchant services.
 - **Deposits**, provides transaction banking, savings and investment products, such as term deposits and cash management accounts.
- **Commercial**
 - **Esanda** provides motor vehicle and equipment finance, and investment products.
 - **Regional Commercial Banking** provides a full range of banking services to personal customers and to small business and agribusiness customers in rural and regional Australia, and includes the acquisition of loans and deposits from Landmark Financial Services.
 - **Business Banking** provides a full range of banking services, including risk management, to metropolitan-based small to medium-sized business clients with a turnover of up to A\$125 million.
 - **Small Business Banking** provides a full range of banking services for metropolitan-based small businesses in Australia with lending up to A\$1 million.

- **Wealth**

- **ANZ Private** specialises in assisting individuals and families to manage, grow and preserve their wealth. The businesses within Private Wealth include ANZ Private, ANZ Trustees, E*Trade, Investment Lending & Super Concepts.
- **ANZ Funds Management and Insurance** includes OnePath Group, ANZ Financial Planning, ANZ General insurance, Lender's Mortgage Insurance and Online Investment Account. OnePath Australia was formerly the INGA JV entity between ANZ and the ING Group and is now a wholly owned subsidiary of ANZ. It operates as part of ANZ's specialist wealth management and protection business. It provides a comprehensive range of wealth and insurance products available through financial advisers or direct to customers and includes ANZ Financial Planners.

Asia Pacific, Europe & America

Asia Pacific, Europe & America division comprises Retail, Asia Partnerships, Institutional and Relationship & Infrastructure.

- **Retail** provides retail and small business banking services to customers in the Asia Pacific region and also includes investment and insurance products and services for Asia Pacific customers.
- **Asia Partnerships** is a portfolio of strategic partnerships in Asia. This includes investments in Indonesia with PT Bank Pan Indonesia, in the Philippines with Metrobank Cards Corporation, in China with Bank of Tianjin and Shanghai Rural Commercial Bank, in Malaysia with AMMB Holdings Berhad and in Vietnam with Saigon Thuong Tin Commercial Joint-Stock (Sacombank) and Saigon Securities Incorporation. During the half year ended 31 March 2012, the investment in Saigon Thuong Tin Commercial Joint-Stock (Sacombank) was sold.
- **Relationship & Infrastructure** includes the central support functions for the division.
- **Institutional Asia Pacific, Europe & America** matrix reports to the APEA and Institutional divisions and is also referred to in the paragraph below entitled "Institutional".

New Zealand

The New Zealand division is described in the section entitled "ANZ National Bank Limited" starting on page 99 of this Base Prospectus.

New Zealand comprises Retail, Commercial and Wealth segments, and Operations and Support which includes the central support functions (including Treasury funding).

- **Retail**
 - Provides a full range of banking services to personal customers under the ANZ and National Bank brands in New Zealand.
- **Commercial**
 - **Commercial & Agri** incorporates the ANZ and National Bank brands and provides financial solutions through a relationship management model for medium-sized businesses, including agri-business, with a turnover of up to NZ\$150 million. Asset Finance (including motor vehicle and equipment finance), operating leases and investment products are provided under the UDC brand.
 - **Business Banking** provides a full range of banking services to small enterprises, typically with turnover of less than NZ\$5 million.

- **Wealth**

- **Private Banking** includes private banking operations under the ANZ and National Bank brands.
- **OnePath New Zealand** manufactures and distributes investment and insurance products and provides related advice.

Institutional

Institutional provides global financial services to government, corporate and institutional clients with a focus on solutions for clients with complex financial needs, based on a deep understanding of their businesses and industries, with particular expertise in natural resources, agriculture and infrastructure. Institutional delivers transaction banking, specialised and relationship lending and markets solutions in Australia, New Zealand, Asia Pacific, Europe and America.

- **Transaction Banking** provides working capital solutions including deposit products, cash transaction banking management, trade finance, international payments and clearing services principally to institutional and corporate customers.
- **Global Markets** provides risk management services to corporate and institutional clients globally in relation to foreign exchange, interest rates, credit, commodities, debt capital markets, wealth solutions and equity derivatives. Markets provides origination, underwriting, structuring and risk management services, advice and sale of credit and derivative products globally. Markets also manages ANZBGLs interest rate risk position and liquidity portfolio.
- **Global Loans** provides term loans, working capital facilities and specialist loan structuring. It provides specialist credit analysis, structuring, execution and ongoing monitoring of strategically significant customer transactions, including project and structured finance, debt structuring and acquisition finance, loan product structuring and management, structured asset and export finance.
- **Relationship and infrastructure** includes client relationship management teams for global institutional and financial institution and corporate customers in Australia and Asia, corporate advisory and central support functions.

Group Centre

Group Centre includes (i) Global Services and Operations, (ii) Group Technology, (iii) Finance, (iv) Risk, (v) Human Resources, and (vi) Corporate Affairs.

- **Global Services and Operations (“GSO”)** which is the Group’s core support division comprising Operations and Global Shared Services is responsible for the overall design and delivery of scalable processes and professional services to the Group globally, and Property.
- **Group Technology** is responsible for the Group’s information and technology solutions and infrastructure, including the development, maintenance and support of technology solutions for staff and customers globally.
- **Finance** comprises Strategy, Finance, Mergers and Acquisitions (“**M&A**”), Legal, Treasury and Investor Relations.
- **Risk** has global responsibility for the effectiveness of the Group’s risk management framework and risk strategies, policies and processes. Divisional Risk teams (Risk Australia, Risk New Zealand, Risk Asia Pacific, Europe & America, Risk Institutional, and Risk Global Services and Operations) provide an active business partnership to embed and manage the Group’s Risk Framework within the regions. Central Risk teams (Governance, Risk

Infrastructure, Credit & Market Risk, and Risk Chief of Staff) provide common governance and capabilities intended to enable effective enterprise-wide risk management.

- **Human Resources** delivers global human resources capabilities, including developing and managing strategies, policies, processes and initiatives relating to the employment and development of staff.
- **Corporate Affairs** manages key external relationships within Community, Corporate Responsibility, Government and Regulatory Affairs. This includes leadership and governance of the Group's Corporate Responsibility agenda.

Organisational Structure

ANZBGL is not directly or indirectly owned or controlled by any other corporation or corporations or by any foreign government.

ANZBGL's material controlled entities as at 30 September 2011 are set out in Note 38 to the financial statements contained in ANZBGL's 2011 Annual Report as updated by Note 18 to ANZBGL's unaudited interim consolidated financial statements in respect of the six months ended 31 March 2012, each of which is incorporated by reference into, and forms part of, this Base Prospectus (see "Information Incorporated by Reference").

Credit Rating

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

- Standard and Poor's (Australia) Pty Ltd: AA- (Outlook Stable);
- Moody's Investors Service Pty Ltd: Aa2 (Outlook Stable); and
- Fitch Australia Pty Ltd: AA- (Outlook Stable).

Directors

As at the date of this Base Prospectus, there are nine members on the Board of Directors of ANZBGL. Their names, function within ANZBGL, and principal outside activities are described below. The business address of the Board of Directors of ANZBGL is ANZ Centre Melbourne, Level 9, 833 Collins Street, Docklands, Victoria 3008, Australia.

<u>Name of Director</u>	<u>Position</u>	<u>Principal Outside Activities</u>
Mr John Powell Morschel	Chairman	Director, CapitaLand Limited, Tenix Group Pty Limited and Gifford Communications Pty Limited.
Mr Michael Roger Pearson Smith O.B.E. ..	Chief Executive Officer	Director, ANZ National Bank Limited, The Financial Markets Foundation for Children and the Institute of International Finance. Chairman, Australian Bankers' Association. Member of Financial Literacy Advisory Board, Chongqing Mayor's International Economic Advisory Council, Asia Business Council, Business Council of Australia and Shanghai International Financial Advisory Council.
Dr Gregory John Clark	Independent Non- Executive Director	Chairman, KaComm Communications Pty Ltd. Council member, The Royal Institution of Australia.
Ms Paula Jane Dwyer..	New Non-Executive Director – appointed with effect from 1 April 2012	Chairman, Tabcorp Holdings Limited. Director, Leighton Holdings Limited and Lion Pty Limited.

Mr Peter Algernon Franc Hay	Independent Non- Executive Director	Chairman, Lazard Pty Ltd Advisory Board. Director, Alumina Limited, Landcare Australia Limited, GUD Holdings Limited, NBN Co Limited and Myer Holdings Limited. Member, Australian Government Takeovers Panel.
Mr Lee Hsien Yang	Independent Non- Executive Director	Chairman, Fraser & Neave, Limited, Asia Pacific Investments Pte Ltd, The Islamic Bank of Asia Limited and Civil Aviation Authority of Singapore. Director, Singapore Exchange Limited and Kwa Geok Choo Pte Ltd. Member, Governing Board of Lee Kuan Yew School of Public Policy and Rolls Royce International Advisory Council, and Capital International Inc. Advisory Board Consultant.
Mr Ian John Macfarlane AC.....	Independent Non- Executive Director	Director, Woolworths Limited, Leighton Holdings Limited and the Lowy Institute for International Policy. Member, Council of International Advisors to the China Banking Regulatory Commission, CHAMP Private Equity International Advisory Board and Goldman Sachs JB Were International Advisory Board.
Mr David Edward Meiklejohn AM	Independent Non- Executive Director	Director, Coca Cola Amatil Limited and Mirrabooka Investments Limited.
Ms Alison Mary Watkins	Independent Non- Executive Director	Chief Executive Officer and Managing Director of GrainCorp Limited. Director, Glencoe Properties and The Centre for Independent Studies. Member, Australian Government Takeovers Panel.

As at the date of this Base Prospectus, no material conflicts of interest and, other than in respect of any dealings between ANZBGL and any of the companies listed above under "Principal Outside Activities" which may arise in the future and be referred to the Board of Directors of ANZBGL, no potential material conflicts of interest exist between any duties owed to ANZBGL by members of its Board of Directors listed above and their private interests and/or other duties. In respect of potential conflicts of interest that may arise in the future, ANZBGL has processes for the management of such conflicts.

The Group's Strategic Priorities

The Group's primary strategy is to become a super-regional bank focusing on Australia, New Zealand and the Asia Pacific region. This includes a goal to rebalance profits across the geographies and drive revenues sourced from Asia Pacific, Europe & America to account for 25 per cent to 30 per cent of Group profit after tax by 2017. While there is a strong focus on organic growth, ANZBGL continues to explore appropriate acquisitions throughout Asia where opportunities arise.

There are three parts to this strategy:

1. Geography: ensuring regional connectivity between the Group's strong domestic businesses in Australia and New Zealand, and the Group's growing presence in Asia.
2. Capabilities: building management and international talent strength, enabling regional technology and operations centres of excellence, supporting innovative product capability, and ensuring sound governance and risk management systems and processes.
3. Customer: supporting the Group's customers, providing unique insight and facilitating trade, migration and investment flows within the Asia Pacific region.

The super-regional strategy was launched in December 2007 and comprises three key phases:

- Restore (2007-2009):
 - o improve performance in Institutional banking;
 - o strengthen governance and risk processes;
 - o increase depth of international banking experience; and
 - o ensure continued focus on balance sheet and capital management.
- Outperform (2009-2010):
 - o move from having a presence in Asia to a real business;
 - o maintain strong domestic franchises;
 - o increase management bench strength, create a foundation for regional hubs; and
 - o improve balance sheet composition and funding diversity.
- Outperform and Transform (2011-2017):
 - o realise the full potential of super-regional aspiration; and
 - o capture value from flows to Asia, within Asia, and from Asia.

Since the strategy was launched, the Group believes that it has achieved the following:

- in-fill acquisitions to strengthen businesses in Australia and New Zealand;
- invested for growth in Institutional and building a significant business in Asia;
- during the 2010 fiscal year, ANZBGL acquired selected Royal Bank of Scotland Group PLC businesses in Asia, including the Philippines, Vietnam, Hong Kong, Taiwan, Singapore and Indonesia;
- strengthened the balance sheet and established a world-class team;
- built a sustainable business with the capabilities to achieve its long-term goals;
- reorganised to focus on customer segments; and
- supported its people with training and development to help them outperform.

In March 2011 ANZBGL provided additional detail regarding the super-regional strategy and ANZBGL's ambitions up to 2017, including:

- Asia Pacific, Europe & America sourced revenue to drive 25-30 per cent of Group profit by 2017;
- focusing on connectivity and growth — to Asia, within Asia and from Asia — to capture opportunities associated with trade, investment, and people-flows across the Asia Pacific region;
- driving domestic performance, including leveraging the Group's growing regional links to build new business opportunities in Australia and New Zealand;
- establishing hubs as centres of excellence to drive productivity and move the Group from a fixed to flexible cost base;
- investing in technology through an agreed roadmap, which prioritises the development of customer channels and cross-border systems; and
- continuing to focus on strengthening ANZBGL's balance sheet and on building its regional risk management culture and capabilities.

As at 31 March 2012, 14 per cent of the Group's profit after tax was sourced from Asia Pacific, Europe and America.

Recent Developments

Changes to Senior Management and Executives

On 14 October 2011 ANZBGL announced the appointment of Alistair Currie to the newly defined role of Group Chief Operating Officer with responsibility for technology, shared services and operations including ANZBGL's Bangalore, Manila and Chengdu hubs, property and major projects. This new role will report to the CEO and forms part of ANZBGL's Management Board. Mr Currie's appointment became effective on 15 October 2011. ANZBGL's Chief Information Officer, Anne Weatherston, will report to Mr Currie and remain a member of ANZBGL's Management Board, reflecting the importance attached to Technology. Coinciding with these changes, ANZBGL also announced that the Chief Operating Officer, David Cartwright, who had been responsible for Global Services and Operations, was leaving ANZBGL to pursue the next stage of his career.

On 17 November 2011 ANZBGL announced the appointment of Nigel Williams as Chief Risk Officer and a member of ANZBGL's Management Board reporting to the CEO. This appointment became effective on 16 December 2011 and coincided with the planned retirement of the Group's previous Chief Risk Officer, Christopher Page, from ANZBGL.

On 15 February 2012 ANZBGL announced a number of senior management changes. The following senior appointments became effective on and from 1 March 2012:

- Shayne Elliott, previously CEO Institutional, will succeed Peter Marriott as Chief Financial Officer. Mr Elliott has initially taken up the role of Chief Financial Officer Designate to complete a three month transition with Mr Marriott who leaves ANZ on 31 May 2012. Mr Elliott also has responsibility for Strategy from 1 March 2012.
- Alex Thursby has taken up an expanded role as CEO International and Institutional Banking focused on ANZBGL's largest multi-national clients globally and the growth and transformation of ANZBGL's international franchise. In this role, Mr Thursby will continue to have responsibility for Retail and Commercial in Asia Pacific, and Partnerships.
- Joyce Phillips, previously Group Managing Director of Strategy, M&A, Marketing and Innovation, has been appointed to a new role as CEO Global Wealth and Private Banking with responsibility for wealth management and private banking globally. Ms Phillips will retain responsibility for Marketing, Innovation and Digital.

Mr Elliott, Mr Thursby and Ms Phillips remain members of ANZBGL's Management Board reporting to ANZBGL Chief Executive Officer Mike Smith. Shayne Elliott's appointment follows agreement with Peter Marriott over his plan to pursue a non-executive career later this year after a distinguished contribution to ANZBGL including 15 years as Chief Financial Officer of ANZBGL.

SUPERVISION AND REGULATION OF AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED

Australia

Overview of APRA's Prudential and Regulatory Supervision

Since 1 July 1998, APRA has been responsible for the prudential and regulatory supervision of Australian authorised deposit-taking institutions ("ADIs"), which covers banks (including ANZBGL), credit unions, building societies, insurance companies (including OnePath Life Limited), and superannuation funds. Prior to this, the Australian banking industry was regulated by the RBA. The RBA has retained overall responsibility for monetary policy, financial system stability, and payments system regulation. APRA draws authority from the Australian Prudential Regulation Authority Act 1998.

APRA requires ADIs to meet certain prudential standards that are covered in a range of APRA Prudential Standards ("APS").

APRA discharges its responsibilities in part by requiring ADIs subject to its supervision to regularly provide it with reports which set forth a broad range of information, including financial and statistical data, relating to their financial position, and information in respect of prudential and other matters. APRA gives special attention to capital adequacy, liquidity, earnings, credit quality and associated loan loss experience, concentration of risks, the maturity profile of assets and liabilities, operational risks, market risks, interest rate risk in the banking book, exposures to related entities, outsourcing, funds management, securitisation activities, and international banking operations. APRA may also exercise certain investigative powers if an ADI fails to provide information about its financial condition. Where APRA considers that an ADI may become unable to meet its obligations or suspends payment, (among other circumstances), it can take control of the ADI's business, including by appointment of an ADI statutory manager. A counterparty to a contract with an ADI cannot rely solely on the fact that an ADI statutory manager is in control of the ADI's business as a basis for denying any obligations to the ADI or for accelerating any debt under that contract, or closing out any transaction relating to that contract.

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

Capital Management and Adequacy and Liquidity within APRA's Regulations

For further details of the Group's capital management and adequacy, liquidity and APRA's regulatory environment (including its implementation of the Basel Committee's Basel III proposals) refer to the section entitled "Capital Management" set out on pages 36 to 42 of ANZBGL's 2012 Consolidated Financial Report, Dividend Announcement and Appendix 4D, which is incorporated by reference into this Base Prospectus.

Basel II and Other Capital Regulatory Considerations

The common framework for determining the appropriate level of bank regulatory capital is set by the Basel Committee under a framework developed in 2004 that is commonly known as "Basel II"

A key objective of Basel II is to improve the stability of the global financial system by encouraging improved risk management practices and requiring financial institutions, including ADIs, to hold levels of regulatory capital commensurate with their risk profile. In particular, Basel II introduced a more risk-sensitive and detailed regulatory capital regime for credit risk, and introduced for the first time an explicit regulatory capital charge for operational risk.

A major innovation of the accord is that Basel II allows ADIs of varying sophistication in their risk management practices to enter the regulatory capital framework at one of three levels, with incentives embedded (by way of the potential for reduced regulatory capital requirements) to attract ADIs with more sophisticated risk measurement and management approaches to reach the more advanced levels. ADIs are required to choose their approach and be accredited at a level of compliance in each of credit and operational risk.

On 10 December 2007, APRA advised that the Group had achieved Advanced accreditation under the Basel II rules for the purposes of calculating its minimum capital requirements, which enables use of the Advanced Internal Ratings Based (“**AIRB**”) methodology for credit risk weighted assets and the Advanced Measurement Approach for the operational risk weighted asset equivalent. This means the Group has used the most sophisticated approaches for the three major types of risk facing banks, being credit risk, operational risk, and market risk, for regulatory capital determination from 1 January 2008 when the Basel II principles took effect in Australia.

Under Basel II, financial institutions are required to make extensive qualitative and quantitative disclosures with respect to capital adequacy and credit risk management. ANZBGL provides this information quarterly in its Basel II Pillar III Report.

In addition, on 10 December 2007 ANZNBL received accreditation from the RBNZ to use the AIRB methodology which took effect on 1 January 2008.

Pre-Basel III Liquidity

Liquidity is controlled by individual agreements between APRA and each ADI that take into consideration the specific operations of each organisation. APRA requires that ADIs have a comprehensive liquidity policy statement that defines the guidelines and systems for managing domestic and foreign currency liquidity, including a formal contingency plan for dealing with a liquidity crisis. The ANZBGL directors must approve this statement. An ADI’s liquidity management policy should cater to a range of potential conditions and APRA requires an ADI’s liquidity risk to be assessed under two specific scenarios.

- The first scenario is known as the “going-concern” scenario and refers to the normal behaviour of cash flows in the ordinary course of business. It constitutes a key day-to-day focus of an ADI’s liquidity management. APRA requires that an ADI must be able to meet all commitments and obligations under this going-concern scenario, within the ADI’s normal funding capacity over at least the following 30 calendar days.
- The second scenario, known as the “name crisis” scenario, models the behaviour of cash flows where there is a problem (real or perceived) which may include, but is not limited to, operational issues, doubts about the solvency of an ADI, or adverse rating changes. Under the “name crisis” scenario, APRA requires an ADI to have sufficient liquidity to remain cash flow positive for at least the five following business days.

Proposed Changes to the Capital and Liquidity Framework

In December 2010, the Basel Committee released their liquidity package entitled ‘Basel III: International framework for liquidity and risk measurement, standards and monitoring’. The Basel III liquidity proposals aim to strengthen the resilience of banks to liquidity risk, and are centred upon the following two key measures:

- Liquidity Coverage Ratio ("**LCR**"): a severe name-specific stress scenario, whereby the ADI is required to maintain sufficient liquidity to meet its needs for a 30 day calendar time horizon under a significant severe liquidity stress scenario. This stress assumes a significant customer deposit run and no access to wholesale funding markets; and
- Net Stable Funding Ratio ("**NSFR**"): a one-year structural liquidity measure requiring all "core" assets to be funded by "core" or "stable" sources.

Following the publication of earlier discussion papers relating to liquidity prudential requirements, APRA issued a Discussion Paper and a draft Prudential Standard in November 2011 addressing the Basel III Committee proposals for enhanced liquidity risk management. These proposals include enhancements to qualitative aspects of liquidity management including governance, the requirement for a clear Board approved liquidity risk tolerance statement that emphasises the importance of stress testing, funding strategies, internal pricing and contingency funding plans. Many of these aspects have been integrated into ANZBGL's liquidity management framework for some time and ANZBGL believes it is well positioned to satisfy these qualitative liquidity risk management enhancements. The changes to the quantitative requirements include the introduction of two new liquidity ratios to measure and enhance liquidity risk (the LCR and the NSFR) and are more significant. A component of the liquidity required under the proposed standards will likely be met through the previously announced Committed Liquidity Facility from the Reserve Bank of Australia (RBA), however the size and availability of the facility is not yet agreed with APRA and the RBA. While ANZBGL has an existing stress scenario framework and structural liquidity risk metrics and limits in place, the requirements proposed by APRA are in general more challenging. These changes will impact the future composition and size of ANZBGL's liquidity portfolio, the size and composition of ANZBGL's funding base, and consequently could affect future profitability. APRA is proposing to release further details on the implementation of Basel III liquidity requirements during the latter half of calendar 2012 and to implement the LCR ratio on 1 January 2015 and the NSFR ratio on 1 January 2018 in line with the Basel Committee's timetable for liquidity risk.

For a summary of the regulatory changes which would result from the Basel Committee's Basel III proposals (including in respect of the capital and liquidity standards, the Life Insurance and General Insurance Capital reforms and the proposed Level 3 Conglomerate rules), refer to the sections entitled "Regulatory change", "Level 3 Conglomerates ("Level 3")" and "Life Insurance and General Insurance Capital reforms ("LAGIC")" set out on pages 37 and 38 of ANZBGL's 2012 Consolidated Financial Report, Dividend Announcement and Appendix 4D, which is incorporated by reference into this Base Prospectus.

The Basel Committee is yet to release details of contingent and "bail-in" capital requirements.

Other Regulators

In addition, to APRA's prudential and regulatory supervision, ANZBGL is supervised and regulated in some respects by ASIC, the Australian Competition and Consumer Commission ("**ACCC**"), the Australian Transaction Reports and Analysis Centre ("**AUSTRAC**") and various securities exchanges.

ASIC is Australia's corporate, markets, and financial services regulator. It regulates Australian companies, financial markets, financial services organisations and professionals who deal and advise in investments, superannuation, insurance, deposit-taking, and credit. ANZBGL provides products and participates in markets regulated by ASIC.

The ACCC is an independent Commonwealth statutory authority which promotes competition and fair trading in the Australian marketplace to benefit consumers, business, and the community. It also regulates national infrastructure services. Its primary responsibility is to ensure that individuals and businesses, including ANZBGL, comply with the Australian competition, fair trading, and consumer protection laws.

The Group is required to comply with certain anti-money laundering and counter-terrorism financing legislation and regulations under Australian law and the local laws of all the countries in which it operates, including the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (the "**AML Act**"). The AML Act is administered by the AUSTRAC.

The Group has equity securities listed on the Australian Securities Exchange and the New Zealand Stock Exchange, and has debt securities listed on these and some other overseas securities exchanges. As a result, the Group must comply with a range of listing and corporate governance requirements in Australia, New Zealand, and overseas.

In addition to the prudential capital oversight that APRA conducts over ANZBGL and its branch operations, and details of the supervision and regulation by other regulators described above, local banking operations in all of ANZBGL's offshore branches and banking subsidiaries are subject to host country supervision by their respective regulators, such as the RBNZ, the Office of the Comptroller of the Currency (the "**Comptroller**"), the Federal Reserve Board ("**FRB**"), the UK Financial Services Authority, the Monetary Authority of Singapore, the Hong Kong Monetary Authority, the China Banking Regulatory Commission, and other financial regulatory bodies in those countries and in other relevant countries. In addition, the Group's super-regional strategy, expansion, and growth in the Asia Pacific region gives rise to a requirement to comply with a number of different legal and regulatory regimes across that region. These regulators may impose minimum capitalisation requirements on operations in their home jurisdictions.

United States of America (US)

A major focus of US governmental policies affecting financial institutions has been combating money laundering and terrorist financing. The USA PATRIOT Act of 2001 (the "**Patriot Act**") substantially broadened the scope of US anti-money laundering laws by imposing significant compliance and due diligence obligations, creating crimes and penalties, and expanding the extra-territorial jurisdiction of the US. The US Treasury Department has issued a number of regulations implementing various requirements of the Patriot Act that apply to US financial institutions, such as ANZBGL's US bank subsidiaries and US broker-dealer subsidiary, as well as, ANZBGL's New York branch.

Those regulations impose obligations on financial institutions operating in the US to maintain appropriate policies, procedures and controls to detect, prevent, and report money laundering and terrorist financing, and to verify the identity of their customers. In addition, the US bank regulatory agencies are imposing heightened standards and US law enforcement authorities have been taking a more active role. Failure of a financial institution to maintain and implement adequate policies and procedures to combat money laundering and terrorist financing could have serious legal and reputation consequences for the financial institution, as well as result in the imposition of civil, monetary and criminal penalties.

Following the passage of the US Gramm-Leach-Bliley Act (also known as the Financial Modernization Act) (the "**GLB**"), ANZBGL successfully sought certification as a Financial Holding Company (a "**FHC**") by the Federal Reserve Board. An FHC is allowed to engage, or acquire companies engaged, in the US in activities that are determined by the Federal Reserve Board and the Secretary of the Treasury to be financial in nature or incidental thereto, and activities that are determined by the Federal Reserve Board to be complementary to financial activities.

Under the GLB, the activities of a FHC are subject to restrictions if it is determined that the FHC (in the case of ANZBGL, at the Group level only), or any of its US subsidiary depository institutions, does not satisfy the definition of "well managed" or "well capitalised", or if any of its US subsidiary depository institutions ceases to achieve at least a "satisfactory" rating under the US Community Reinvestment Act of 1977. In addition, under the GLB, the FRB is the "umbrella" supervisor with jurisdiction over FHCs.

ANZBGL's New York branch is subject to supervision, examination and regulation by the Comptroller under the US International Banking Act of 1978 (the "**IBA**") and under regulations adopted pursuant to the IBA. The IBA provides, among other things, that a federal branch of a non-US bank can exercise the same rights and privileges that are available to national banks. In addition, the exercise of any such right or privilege must be subject to the same duties, restrictions, penalties, liabilities, conditions and limitations that apply to national banks in the same jurisdiction. The federal branch must maintain its accounts and records separate from those of the non-US bank, and must comply with such additional requirements as may be prescribed by the Comptroller.

Under the IBA, a federal branch of a non-US bank is subject to the receivership provisions to the same extent as a national bank. The Comptroller may take possession of the business and property of a federal branch. Accordingly, the Comptroller has at its disposal a wide range of supervisory and enforcement tools for addressing violations of laws and regulations, and breaches of safety and soundness, which can be imposed upon federal branches. The Comptroller may remove federal branch management and assess civil money penalties. In certain circumstances, the Comptroller may also terminate a federal branch license at its own initiative or at the recommendation of the FRB.

Also, under the IBA, a non-US bank is subject to certain restrictions with respect to opening new US domestic deposit-taking branches and establishing new US subsidiary banks in States outside of its "home-state", which in ANZBGL's case is New York.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**") was signed into law on 21 July 2010. Implementation of the Dodd-Frank Act will require many lengthy rulemaking processes that are expected to result in the promulgation of 200 or more new regulations. Once fully implemented, the Dodd-Frank Act will affect many aspects, in the US and internationally, of the business of banking, including securitisation, proprietary trading, investing, OTC derivatives and other activities.

The so-called "Volcker Rule" provisions of the Dodd-Frank Act impose broad restrictions on proprietary trading and investing in and sponsoring private equity and hedge funds by banking organisations. The outcome of rulemaking implementing Volcker Rule restrictions could affect ANZ's domestic and international business lines accordingly.

The Group's businesses may be affected by a variety of new regulations under the Dodd-Frank Act including, but not limited to, greater regulation of over-the-counter derivatives, including stricter capital and margin requirements, the central clearing of standardised over-the-counter derivatives, and heightened supervision of all over-the-counter derivatives dealers, and major market participants. In addition, if ANZBGL is designated as "systematically important" under the Dodd-Frank Act, US regulators have increased regulatory authority over ANZBGL, and may have the power to require ANZBGL to sell or transfer assets and terminate activities if US regulators determine that the size or scope of ANZBGL's activities pose a threat to US financial stability. The extent of these impacts will depend on the rules the US regulatory agencies develop and implement under the Dodd-Frank Act over the next several years.

The Foreign Account Tax Compliance Act ("**FATCA**") was enacted on 18 March 2010. FATCA requires foreign financial institutions (such as ANZBGL) to provide the US Internal Revenue Service ("**IRS**") with information on certain foreign accounts held by US persons. FATCA is expected to require significant investment by affected institutions in compliance and reporting frameworks that will meet FATCA standards.

Final regulations under FATCA have not been published by the IRS and unified market practices regarding FATCA have not yet developed. It is possible that the Issuers may become subject to onerous US withholding taxes under FATCA. Further, it is also possible that the Issuers may be required to make onerous gross-up payments to others in respect of FATCA withholding on payments made by the Issuers to them under existing or future transaction documentation.

The Group is also subject to regulations of the US Department of Treasury's Office of Foreign Assets Control, which administers and enforces economic and trade sanctions against targeted foreign countries, terrorists and other threats to US national security.

ANZ NATIONAL BANK LIMITED

Background

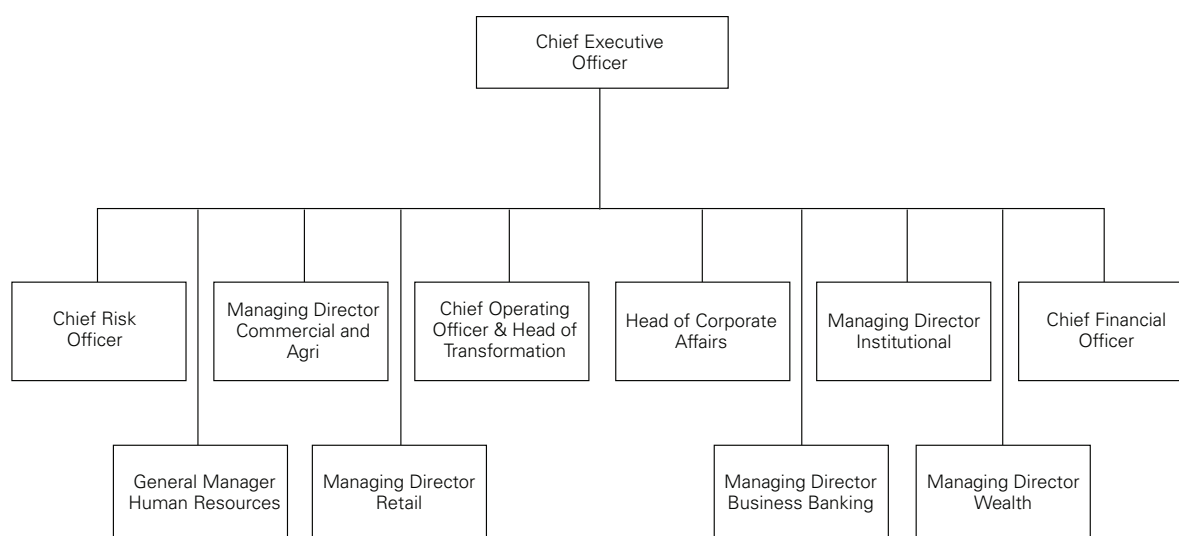
ANZNBL was incorporated under the New Zealand Companies Act 1955 on 23 October 1979, was re-registered under the New Zealand Companies Act 1993 on 13 June 1997 and is a private company limited by shares. The registered office of ANZNBL is located at Level 10, 170-186 Featherston Street, Wellington 6011, New Zealand and its company number is 35976. ANZNBL's principal executive offices are located at Level 10, 1 Victoria Street, Wellington 6011, New Zealand and the telephone number is +64 (4) 496 7000. ANZNBL is a wholly owned subsidiary of ANZBGL. ANZNBL is a registered bank under the Reserve Bank of New Zealand Act 1989.

ANZNBL is the largest full-service banking group in New Zealand with total assets of NZ\$115,313 million and total liabilities of NZ\$104,388 million as at 31 March 2012, and its two brands, "ANZ" and "The National Bank of New Zealand", have significant market share in most banking markets in New Zealand. As at 31 March 2012, ANZNBL held approximately 32 per cent of the total assets held by registered banks in New Zealand¹ and was supported by over 300 branches across its two brands with a customer base of approximately 2 million.

Business Lines

The business of ANZNBL is organised into the following three major business segments: Retail, Commercial and Institutional. These segments are supported by centralised back office and corporate functions. Life insurance and fund management products are developed and procured through OnePath Holdings (NZ) Limited group of companies ("**OnePath**") which are wholly owned subsidiaries of ANZNBL.

The ANZNBL executive team is structured as follows:



Retail

Retail provides banking products and services to individuals through separate ANZ and The National Bank of New Zealand branded distribution channels. Personal banking customers have access to a wide range of financial services and products. Retail contains the wealth businesses which include private banking and investment services provided to high net worth individuals, the OnePath wealth management and insurance businesses, and other investment products. This segment also includes other profit centres supporting the Retail segment.

¹ Based on data on total assets in the RBNZ Aggregate Standard Statistical Return for registered banks in New Zealand.

Commercial

Commercial provides services to Business Banking, Commercial & Agri, and UDC customers. Business Banking services are offered to small enterprises (typically with annual revenues of less than NZ\$5 million). Commercial & Agri customers consist of primarily privately owned medium to large enterprises. The relationship with these businesses ranges from simple banking requirements with revenue from deposit and transactional facilities, and cash flow lending, to more complex funding arrangements with revenue sourced from a wider range of products. UDC is principally involved in the financing and leasing of plant, vehicles and equipment, mainly for small and medium sized businesses, as well as investment products.

Institutional

Institutional provides financial services to large multi-banked corporations, often global, who require sophisticated product and structuring solutions. The Institutional business unit includes the following specialised units:

- Markets - provides foreign exchange, interest rate and commodity trading and sales-related services, origination, underwriting, structuring, risk management and sale of credit and derivative products globally;
- Transaction Banking - provides cash management, trade finance and international payments;
- Global Loans - provides origination, credit analysis, structuring and execution of specific customer transactions.

Other

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

ANZNBL's Strategic Priorities

ANZNBL's strategy is to fully leverage its leading market position to deliver superior growth and returns. ANZNBL's strategy is underpinned by a programme of initiatives, including:

- Aligning services to customer needs, improving the customer experience and increasing customer satisfaction while lowering cost to serve;
- Investing in customer-facing systems and technology infrastructure, simplifying processes and using data-driven customer insights to improve the business;
- Continuing to manage credit risks and provisions;
- Transforming the way banking services are delivered and reducing costs, including through transforming service delivery channels and processes; and
- Optimising profitability by targeting profitable customer segments and pricing credit appropriately for risk.

Branding Strategy

ANZNBL operates a multi-brand strategy.

In the Institutional segment, ANZNBL operates under the "ANZ" brand, while in the Commercial and Retail segments, it operates under the dual brands of "ANZ" and "The National Bank of New Zealand".

In specialised markets, ANZNBL is further represented by the following brands:

- UDC (asset finance);
- Direct Broking (online share and fixed-rate instrument trading);
- EFTPOS New Zealand (card merchant acquiring and terminal rental);
- OnePath (insurance, superannuation and investment products); and
- Bonus Bonds.

Credit Rating

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

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

Directors

The current directors of ANZNBL, the business address of each of whom should be regarded for the purposes of this Base Prospectus as being Level 10, 170-186 Featherston Street, Wellington 6011, New Zealand, and their principal outside activities, where significant, are as follows:

Name of Director	Position	Principal Outside Activities
Mr D D Hisco	Chief Executive Officer and Director	
Sir Dryden T Spring Kt	Independent Non-Executive Chairman	Director, Port of Tauranga Ltd.
Mr N M T Geary CBE	Independent Non-Executive Chairman	Director, Otago Innovation Ltd.
Mr M R P Smith OBE	Non-Executive Director	Chief Executive Officer, Australia and New Zealand Banking Group Limited. Director, The Financial Markets Foundation for Children, and the Institute of International Finance. Chairman, Australian Bankers' Association. Member of Financial Literacy Advisory Board, Chongqing Mayor's International Economic Advisory Council, Asia Business Council, Business Council of Australia and Shanghai International Financial Advisory Council.
Mr P R Marriott	Non-Executive Director	Chief Financial Officer, Australia and New Zealand Banking Group Limited. Director, ASX Limited, ASX Clearing Corporation Limited, ASX Clear Pty Ltd, ASX Clear (Futures) Pty Ltd, ASX Settlement Pty Ltd, Austraclear Ltd and ASX Settlement Corporation Limited.

Name of Director	Position	Principal Outside Activities
Mr J F Judge	Independent Non-Executive Director	Director, Fletcher Building Limited, Fletcher Building Finance Limited. Chairman of the Crown organisation, Accident Compensation Corporation. Advisory Board Member of the University of Otago School of Business.
Mr S Elliott.....	Non-Executive Director	Chief Financial Officer Designate, Australia and New Zealand Banking Group Limited.
Mr A J Carter.....	Independent Non-Executive Director	Director, Air New Zealand Limited, Fisher and Paykel Healthcare Corporation, Fletcher Building Limited, Fletcher Building Industries Limited, Vector Limited. Director and Co-Chair, New Zealand Initiative Limited.

Mr P R Marriott has announced his intention to resign as a Director of ANZNBL on 31 May 2012, and Sir Dryden Spring has announced his intention to retire as a Director and as Chairman of the board of ANZNBL ("**ANZNBL Board**") on 22 June 2012. Mr J F Judge will succeed Sir Dryden Spring as Chairman of the ANZNBL Board on 22 June 2012.

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

On 14 February 2012 the ANZNBL Board adopted a Board Charter which sets out the ANZNBL Board's purpose, powers and responsibilities.

Board Committees

To assist in the execution of its responsibilities, the ANZNBL Board has established committees, including an Audit Committee, a Remuneration Committee and a Risk Management Committee, each with a charter, to assist and support the ANZNBL Board in the conduct of its duties and obligations. The Chairman of the ANZNBL Board is a member of each committee.

Audit Committee — The purpose of the Audit Committee is to assist the ANZNBL Board in its review and approval of:

- (a) the financial reporting principles and policies, controls and procedures of ANZNBL and its subsidiaries;
- (b) the compliance of ANZNBL and its subsidiaries with applicable local financial reporting, prudential reporting and audit requirements as well as those of the Group;
- (c) the effectiveness of ANZNBL's internal control and risk management framework;
- (d) the work of Internal Audit;
- (e) the integrity of ANZNBL and its subsidiaries' financial statements and the independent audit thereof and compliance with relevant legal and regulatory requirements thereof;
- (f) any due diligence procedures and the provision of significant reports to regulatory bodies; and

- (g) prudential supervision procedures required by regulatory bodies to the extent relating to financial reporting.

The current members of the Audit Committee are Mr Judge (Chairman), Sir Dryden Spring, Mr Geary, Mr Carter and Mr Marriott.

Remuneration Committee — This committee is responsible for reviewing and, where necessary, making recommendations to the ANZNBL Board in respect of remuneration policies and terms of service, including remuneration relating to the Chairman, Directors, Chief Executive, and nominated senior management and executive officers.

The current members of the Remuneration Committee are Sir Dryden Spring (Chairman), Mr Geary, Mr Judge, Mr Smith and Mr Carter.

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

- (a) assist the ANZNBL Board in the effective discharge of its responsibilities for business, market, credit, capital, financial, operational, compliance, liquidity and reputation risk management; and
- (b) liaise and consult with the Group Risk Committee to assist it to discharge its responsibilities.

The current members of the Risk Committee are Mr Geary (Chairman), Sir Dryden Spring, Mr Judge, Mr Carter and Mr Marriott.

Significant Subsidiaries

The significant subsidiaries of ANZNBL are as follows:

- ANZNIL;
- OnePath Holdings (NZ) Limited; and
- UDC Finance Limited.

Recent Developments

The following are significant recent developments for ANZNBL:

Move to Single Core IT System

Work to move to a single banking platform, as announced in November 2010, is well advanced, with testing and integration work expected to be completed later this calendar year. The Board of Directors of ANZNBL has approved additional expenditure for completion of the programme of around NZ\$110 million in technology and related costs.

Canterbury Region Earthquakes

The Canterbury region of New Zealand has experienced two major earthquakes over the last 18 months as well as a number of significant aftershocks. The first earthquake, on 4 September 2010, measured 7.1 on the Richter scale, and caused significant damage to the city of Christchurch and surrounding towns. The second earthquake, on 22 February 2011, measured 6.3 on the Richter scale, and caused even greater damage to buildings and infrastructure across Christchurch. The second earthquake also caused some loss of life.

Christchurch is New Zealand's second largest city with approximately 350,000 people and is the main commercial hub for the South Island. The cost of remediating the impact of these earthquake effects has been estimated to exceed NZ\$30 billion. Damage estimates and timeframes to reconstruct the city continue to be assessed and updated as more information becomes available and remediation or compensation decisions are made. The great majority of local government,

commercial and personal customers have public (Earthquake Commission) as well as private insurance cover for the full costs of repairing or rebuilding damaged properties. The Government has appointed a commission to manage the overall reconstruction effort and is committed to rebuilding the city as soon as possible.

As at 31 March 2012, ANZNBL had the following lending assets in the affected area (in millions):

Retail	NZ\$1,912
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Commercial (including Business Banking customers)	NZ\$2,978
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As most property assets are insured against earthquake damage and business customers generally hold insurance cover for interruption to their business operations, ANZNBL believes that credit losses directly attributable to the earthquakes will be small. That assessment has been borne out to date as only a small number of exposures have been provisioned thus far. However a low level of additional losses is expected as some customers will be impacted by insurance shortfalls, loss of income, and continuing business disruption beyond the period covered by insurance. These latter impacts may not be identified for some time.

ANZNBL believes it holds sufficient provisions to cover expected credit losses given current information and internal assessments about the potential medium term economic impacts of these earthquakes. However there can be no assurance that ANZNBL's provisions will be sufficient or that these assessments will be accurate.

Changes to ANZNBL Board of Directors

On 2 May 2012, ANZNBL announced Sir Dryden Spring's intention to retire as a Director and as Chairman of the Board of ANZNBL on 22 June 2012.

ANZNBL Director, John Judge, will succeed Sir Dryden Spring as Chairman on 23 June 2012.

Following the announcement in February 2012 that Peter Marriott will resign as ANZNBL's Chief Financial Officer on 31 May 2012, Mr Marriott has announced his intention to resign as a Director of ANZNBL on 31 May 2012.

ANZ NATIONAL (INT'L) LIMITED

ANZNIL was incorporated under the New Zealand Companies Act 1955 on 8 December 1986, was registered under the New Zealand Companies Act 1993 on 27 May 1996 and is a private company limited by shares, whose place of registration is Wellington, New Zealand. The registered office of ANZNIL is located at Level 10, 170-186 Featherston Street, Wellington 6011, New Zealand and the telephone number is +44 20 3229 2017. The New Zealand company number of ANZNIL is 328154.

ANZNIL is a wholly owned subsidiary of ANZNBL (see "ANZ National Bank Limited" above for details of ANZNBL).

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

ANZNIL's overseas activities are currently conducted through its London branch.

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

Directors

The directors of ANZNIL, the business address of each of whom should be regarded for the purposes of this Base Prospectus as being Level 10, 170-186 Featherston Street, Wellington 6011 New Zealand, and their principal outside activities, where significant, are as follows:

<u>Name of Director</u>	<u>Position</u>	<u>Principal Outside Activities</u>
Mr D Hisco	Director	Chief Executive Officer and Director, ANZ National Bank Limited
Mr N Freeman	Director	Chief Financial Officer, ANZ National Bank Limited
Ms J A Evans	Director	Chief Risk Officer, ANZ National Bank Limited

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

Board Practices

ANZNIL does not have an audit committee. The audit committee function is fulfilled by the ANZNBL Audit Committee which is more fully described in the section entitled "ANZ National Bank Limited — Board Committees" on pages 102 to 103 of the Base Prospectus.

Corporate Governance

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

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

**SUMMARY OF FINANCIAL STATEMENTS OF
ANZ NATIONAL (INT'L) LIMITED**

The amounts included in this summary have been extracted from the audited annual financial statements of ANZNIL (see "Information Incorporated by Reference") with the exception of the amounts for the six months ended 31 March 2012 and six months ended 31 March 2011 which have been taken from the unaudited interim financial statements of ANZNIL (see "Information Incorporated by Reference").

	Unaudited 6 months to 31/03/2012 NZ \$000	Unaudited 6 months to 31/03/2011 NZ \$000	Audited Year to 30/09/2011 NZ \$000	Audited Year to 30/09/2010 NZ \$000
Income Statements				
Interest income	221,907	188,657	383,859	368,152
Interest expense	218,039	184,709	375,935	360,275
Net interest income.....	3,868	3,948	7,924	7,877
Net foreign exchange gains/(losses)	53	(10)	(19)	14
Total income	3,921	3,938	7,905	7,891
Operating expenses	329	278	589	553
Profit before income tax	3,592	3,660	7,316	7,338
Income tax expenses	1,006	1,098	2,306	2,201
Profit after income tax.....	2,586	2,562	5,010	5,137
	Unaudited 31/03/2012 NZ \$000	Unaudited 31/03/2011 NZ \$000	Audited 30/09/2011 NZ \$000	Audited 30/09/2010 NZ \$000
Balance Sheets				
<i>Assets</i>				
Liquid assets	369	78	181	71
Amounts due from related parties	19,647,879	19,827,384	19,992,149	24,025,695
Total assets	19,648,248	19,827,462	19,992,330	24,025,766
<i>Liabilities</i>				
Payables and other liabilities	104,371	93,884	99,369	103,026
Deposits and other borrowings.....	4,456,627	2,860,319	4,790,137	7,304,998
Current tax liabilities	1,432	1,198	1,292	1,115
Amounts due to related parties.....	2,348,527	2,464,336	2,296,295	3,609,639
Bonds and notes	12,725,912	14,398,376	12,796,444	13,000,201
Total liabilities	19,636,869	19,818,113	19,983,537	24,018,979
Net assets	11,379	9,349	8,793	6,787
<i>Equity</i>				
Ordinary share capital	500	500	500	500
Foreign currency translation reserve.....	10,879	5,456	5,130	3,283
Retained profits	10,879	5,456	5,130	3,004
Total Equity	11,379	9,349	8,793	6,787

SUPERVISION AND REGULATION OF ANZ NATIONAL BANK LIMITED AND ANZ NATIONAL (INT'L) LIMITED

The Reserve Bank of New Zealand Act 1989 (the “**Act**”) requires the Reserve Bank of New Zealand (the “**RBNZ**”) to exercise its powers of registration of banks and prudential supervision of registered banks for the purposes of:

- promoting the maintenance of a sound and efficient financial system; or
- avoiding significant damage to the financial system that could result from the failure of a registered bank.

The RBNZ’s policy around the registration of banks aims to ensure that only financial institutions of appropriate standing and repute are able to become registered banks. Subject to this requirement, the RBNZ has stated that it intends to keep to a minimum any impediments to the entry of new registered banks, in order to encourage competition in the banking system.

The RBNZ’s supervisory functions are aimed at encouraging the soundness and efficiency of the financial system as a whole, and are not aimed at preventing individual bank failures or at protecting creditors. The RBNZ seeks to achieve this by drawing on and enhancing disciplines that are naturally present in the market.

As a consequence, the RBNZ places considerable emphasis on a requirement that the banks disclose, on a quarterly basis, information on financial performance and risk positions, and on a requirement that directors regularly attest to certain key matters. These measures are intended to strengthen market disciplines and to ensure that responsibility for the prudent management of banks lies with those who the RBNZ considers are best placed to exercise that responsibility — the directors and management.

The main elements of the RBNZ’s supervisory role include:

- requiring all banks to comply with certain minimum prudential requirements, which are applied through conditions of registration. These include constraints on connected exposure, minimum capital adequacy requirements and minimum standards for liquidity risk management, and are set out in more detail below;
- monitoring each registered bank’s financial condition and compliance with conditions of registration, principally on the basis of published quarterly disclosure statements. This monitoring is intended to ensure that the RBNZ maintains familiarity with the financial condition of each bank and the banking system as a whole, and maintains a state of preparedness to invoke crisis management powers should this be necessary;
- consulting with the senior management of registered banks;
- using crisis management powers available to it under the Act to intervene where a bank distress or failure situation threatens the soundness of the financial system;
- assessing whether a bank is carrying on business prudently;
- issuing guidelines on anti-money laundering and countering financing of terrorism;
- issuing guidelines on banks’ internal capital adequacy process and liquidity policy;
- issuing guidelines on corporate governance; and
- maintaining close working relationships with parent bank supervisors (such as APRA in Australia) on bank-specific issues, policy issues and general matters relating to the condition of the financial system in New Zealand and in the countries where parent banks are domiciled.

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

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

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

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

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

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

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

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

New Zealand banking groups have a condition of registration that requires the parent bank to have minimum solo capital ratios calculated under a Basel I approach.

On 14 March 2011, the RBNZ released a consultation paper on the pre-positioning requirements that banks will be expected to comply with to fully implement the Open Bank Resolution ("**OBR**") policy. OBR is a long-standing policy option aimed at resolving a bank failure quickly, in such a way, including by applying a haircut to deposits, that the bank can be promptly reopened for business, thus minimising stresses on the overall banking and payments system. Banks were consulted on the systems requirements to ensure the concept can be put into operation. Banks were required to provide detailed implementation plans to the RBNZ by the end of February 2012, setting out how they will meet systems requirements. The RBNZ plans to impose a new condition of registration by the end of 2012 requiring relevant banks to fully implement OBR by the end of June 2013.

The RBNZ released consultation papers on Basel III capital adequacy requirements in November 2011 and March 2012. Submissions have been made on both consultation papers. The RBNZ sent a letter to all banks on 8 May 2012 outlining decisions it has taken on key elements in response to the submissions. Further decisions will be taken during 2012. Overall, the RBNZ are adopting almost all of the Basel III capital standards. The RBNZ proposals are generally well-aligned with APRA's in most areas. The most notable departures from the Basel standards and from APRA's requirements are:

- (a) it is not intended to impose a leverage ratio; and
- (b) earlier implementation of the conservation and countercyclical buffers.

The RBNZ plans to release proposed changes to the Supervision Handbook to incorporate Basel III policy in July 2012.

The RBNZ has also stated that it does not intend to switch to the Basel III liquidity standards in the near term, although the New Zealand standards will continue to be reviewed (including in light of the Basel III liquidity requirements). The RBNZ plans to issue a consultation paper on liquidity in the first half of 2012.

The RBNZ confirmed on 9 May 2012 in the Financial Stability Report its intention that from 1 January 2013 it will increase the minimum one-year core funding ratio of the banking group from 70 per cent to 75 per cent. This will be effected by a change to ANZNBL's Conditions of Registration.

Following consultation by the RBNZ, the Reserve Bank of New Zealand (Covered Bonds) Amendment Bill was introduced to Parliament on 10 May 2012 ("**Bill**"). The Bill's primary purpose is to establish a legislative framework for covered bonds in order to provide legal certainty as to the treatment of cover pool assets in the event of an issuer's liquidation or statutory management. The key aspects of the framework are:

- (a) mandatory registration of New Zealand banks' covered bond programmes, subject to meeting registration requirements;
- (b) required cover pool assets to be held by a special purpose vehicle ("**SPV**") that is a separate legal entity from the issuer;
- (c) independent monitoring of cover pools by a cover pool monitor; and
- (d) clarification of the treatment of cover pool assets held by a covered bond SPV in the event that an issuer is placed into statutory management or liquidation.

The Bill contains transitional provisions for existing covered bond programmes.

Under previous Conditions of Registration, ANZNBL, including its subsidiaries, recorded a supervisory adjustment for the risk weighted exposures of its residential mortgage portfolio. Following RBNZ approval of ANZNBL's mortgage capital model, this supervisory adjustment is no longer required from 1 October 2011.

FATCA requires foreign financial institutions (such as ANZNBL and ANZNIL) to provide the US Internal Revenue Service ("**IRS**") with information on certain foreign accounts held by US persons. FATCA is expected to require significant investment by affected institutions in compliance and reporting frameworks that will meet FATCA standards. Final regulations under FATCA have not been published by the IRS and unified market practices regarding FATCA have not yet developed. It is possible that ANZNBL and ANZNIL may become subject to onerous US withholding taxes under FATCA. Further, it is also possible that ANZNBL and ANZNIL may be required to make onerous gross-up payments to others in respect of FATCA withholding on payments made by ANZNBL and ANZNIL to them under existing or future transaction documentation.

Further details of other US legislation and regulation affecting ANZNBL and ANZNIL (as members of the Group) are contained in the section entitled "Supervision and Regulation of Australia and New Zealand Banking Group Limited".

Conditions of Registration: ANZ National Bank Limited

These conditions apply on and after 31 December 2011, except as provided otherwise.

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

1. (1) That the banking group complies with the following requirements:
 - (a) the total capital ratio of the banking group calculated in accordance with the Reserve Bank of New Zealand document "Capital adequacy framework (internal models based approach)" (BS2B) dated June 2011 is not less than eight per cent;
 - (b) the tier one capital ratio of the banking group calculated in accordance with the Reserve Bank of New Zealand document "Capital adequacy framework (internal models based approach)" (BS2B) dated June 2011 is not less than four per cent; and
 - (c) the capital of the banking group calculated in accordance with the Reserve Bank of New Zealand document "Capital adequacy framework (internal models based approach)" (BS2B) dated June 2011 is not less than \$30 million.

For the purposes of this condition of registration the scalar referred to in the Reserve Bank of New Zealand document "Capital adequacy framework (internal models based approach)" (BS2B) dated June 2011 is 1.06.

- (2) For the purposes of this condition of registration, the supervisory adjustment referred to in the Reserve Bank of New Zealand document "Capital adequacy framework (internal models based approach)" (BS2B) dated June 2011 is defined as follows:

Supervisory adjustment = (30 per cent x RM Exposure) – (RMRWA x 1.06)

where,—

RM Exposure = non defaulted exposures secured by residential mortgages as defined in the Reserve Bank of New Zealand document "Capital adequacy framework (internal models based approach)" (BS2B) dated June 2011.

RMRWA = risk weighted exposure for non defaulted exposures secured by residential mortgages as defined in the Reserve Bank of New Zealand document "Capital adequacy framework (internal models based approach)" (BS2B) dated June 2011, calculated using the bank's long-run capital model with the weighted average probability of default for non-defaulted exposures calibrated to 1.25 per cent.

Clause (2) of this condition does not apply on or after 1 October 2011.

1A. That—

- (a) the bank has an internal capital adequacy assessment process ("**ICAAP**") that accords with the requirements set out in the document "Guidelines on a bank's internal capital adequacy assessment process ('ICAAP')" (BS12) dated December 2007;
- (b) under its ICAAP the bank identifies and measures its "other material risks" defined as all material risks of the banking group that are not explicitly captured in the calculation

of tier one and total capital ratios under the requirements set out in the document "Capital adequacy framework (internal models based approach)" (BS2B) dated June 2011; and

- (c) the bank determines an internal capital allocation for each identified and measured "other material risk".
- 1B. That the banking group complies with all requirements set out in the Reserve Bank of New Zealand document "Capital adequacy framework (internal models based approach)" (BS2B) dated June 2011.
- 1C. That the bank complies with the following requirements:
- (a) the total capital ratio of the bank is not less than eight per cent; and
 - (b) the tier one capital ratio of the bank is not less than four per cent.

For the purposes of this condition of registration:

the total capital ratio is defined as capital as a percentage of risk-weighted exposures where capital and risk-weighted exposures are as defined in the Reserve Bank of New Zealand document "Capital adequacy framework (Basel I approach)" (BS2) dated October 2010; and

the tier one capital ratio is defined as tier one capital as a percentage of risk-weighted exposures where tier one capital and risk-weighted exposures are as defined in the Reserve Bank of New Zealand document "Capital adequacy framework (Basel I approach)" (BS2) dated October 2010.

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

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

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

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

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

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

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

For the purposes of this condition of registration,—

“insurance business” means the undertaking or assumption of liability as an insurer under a contract of insurance:

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

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

Credit rating of the registered Bank²	Connected exposure limit (% of the Banking Group's Tier 1 capital)
AA/Aa2 and above	75
AA-/Aa3.....	70
A+/A1	60
A/A2	40
A-/A3.....	30
BBB+/Baa1 and below	15

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

For the purposes of this condition of registration, compliance with the rating-contingent connected exposure limit is determined in accordance with the Reserve Bank of New Zealand document entitled “Connected Exposures Policy” (BS8) dated June 2011.

5. That exposures to connected persons are not on more favourable terms (e.g. as relates to such matters as credit assessment, tenor, interest rates, amortisation schedules and requirement for collateral) than corresponding exposures to non-connected persons.
- 5A. Before and on 31 March 2012, that the bank complies with the following corporate governance requirements:
- (a) the board of the bank must contain at least two independent directors and alternates for those directors, if any, must also be independent. In this context an independent director (or alternate) is a director (or alternate) who is not an employee of the bank, and who is not a director, trustee or employee of any holding company (as that term is defined in section 5 of the Companies Act 1993) of the bank or any other entity capable of controlling or significantly influencing the bank;
 - (b) the chairperson of the bank's board must not be an employee of the bank; and
 - (c) the bank's constitution must not include any provision permitting a director, when exercising powers or performing duties as a director, to act other than in what he or she believes is the best interests of the company (i.e. the bank).
6. On and after 1 April 2012, that the bank complies with the following corporate governance requirements:
- (a) the board of the bank must have at least five directors;
 - (b) the majority of the board members must be non-executive directors;
 - (c) at least half of the board members must be independent directors;

² This table uses the rating scales of Standard & Poor's, Fitch Ratings and Moody's Investors Service. (Fitch Ratings' scale is identical to Standard & Poor's.)

- (d) an alternate director,—
 - (i) for a non-executive director must be non-executive; and
 - (ii) for an independent director must be independent;
- (e) at least half of the independent directors of the bank must be ordinarily resident in New Zealand;
- (f) the chairperson of the board of the bank must be independent; and
- (g) the bank's constitution must not include any provision permitting a director, when exercising powers or performing duties as a director, to act other than in what he or she believes is the best interests of the company (i.e. the bank).

For the purposes of this condition of registration, "non-executive" and "independent" have the same meaning as in the Reserve Bank of New Zealand document entitled "Corporate Governance" (BS14) dated March 2011.

7. That no appointment of any director, chief executive officer, or executive who reports or is accountable directly to the chief executive officer, is made in respect of the bank unless:
 - (a) the Reserve Bank has been supplied with a copy of the curriculum vitae of the proposed appointee; and
 - (b) the Reserve Bank has advised that it has no objection to that appointment.
8. On and after 1 April 2012, that a person must not be appointed as chairperson of the board of the bank unless:
 - (a) the Reserve Bank has been supplied with a copy of the curriculum vitae of the proposed appointee; and
 - (b) the Reserve Bank has advised that it has no objection to that appointment.
9. On and after 1 April 2012, that the bank has a board audit committee, or other separate board committee covering audit matters, that meets the following requirements:
 - (a) the mandate of the committee must include: ensuring the integrity of the bank's financial controls, reporting systems and internal audit standards;
 - (b) the committee must have at least three members;
 - (c) every member of the committee must be a non-executive director of the bank;
 - (d) the majority of the members of the committee must be independent; and
 - (e) the chairperson of the committee must be independent and must not be the chairperson of the bank.

For the purposes of this condition of registration, "non-executive" and "independent" have the same meaning as in the Reserve Bank of New Zealand document entitled "Corporate Governance" (BS14) dated March 2011.

10. That a substantial proportion of the bank's business is conducted in and from New Zealand.
11. That the bank has legal and practical ability to control and execute any business, and any functions relating to any business, of the bank that are carried on by a person other than the bank, sufficient to achieve, under normal business conditions and in the event of stress or failure of the bank or of a service provider to the bank, the following outcomes:

- (a) that the bank's clearing and settlement obligations due on a day can be met on that day;
- (b) that the bank's financial risk positions on a day can be identified on that day;
- (c) that the bank's financial risk positions can be monitored and managed on the day following any failure and on subsequent days; and
- (d) that the bank's existing customers can be given access to payments facilities on the day following any failure and on subsequent days.

For the purposes of this condition of registration, the term "legal and practical ability to control and execute" is explained in the Reserve Bank of New Zealand document entitled "Outsourcing Policy" (BS11) dated January 2006.

12. That:

- (a) the business and affairs of the bank are managed by, or under the direction or supervision of, the board of the bank;
- (b) the employment contract of the chief executive officer of the bank or person in an equivalent position (together "**CEO**") is with the bank, and the terms and conditions of the CEO's employment agreement are determined by, and any decisions relating to the employment or termination of employment of the CEO are made by, the board of the bank; and
- (c) all staff employed by the bank shall have their remuneration determined by (or under the delegated authority of) the board or the CEO of the bank and be accountable (directly or indirectly) to the CEO of the bank.

13. That the banking group complies with the following quantitative requirements for liquidity-risk management:

- (a) the one-week mismatch ratio of the banking group is not less than zero per cent at the end of each business day;
- (b) the one-month mismatch ratio of the banking group is not less than zero per cent at the end of each business day; and
- (c) the one-year core funding ratio of the banking group is not less than 70 per cent at the end of each business day.

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

14. That the bank has an internal framework for liquidity risk management that is adequate in the bank's view for managing the bank's liquidity risk at a prudent level, and that, in particular:

- (a) is clearly documented and communicated to all those in the organisation with responsibility for managing liquidity and liquidity risk;
- (b) identifies responsibility for approval, oversight and implementation of the framework and policies for liquidity risk management;
- (c) identifies the principal methods that the bank will use for measuring, monitoring and controlling liquidity risk; and

- (d) considers the material sources of stress that the bank might face, and prepares the bank to manage stress through a contingency funding plan.

15. That no more than 10 per cent of total assets may be beneficially owned by a SPV.

For the purposes of this condition,—

“total assets” means all assets of the banking group plus any assets held by any SPV that are not included in the banking group’s assets:

“SPV” means a person—

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

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

16. That:

- (a) no member of the banking group may give effect to a qualifying acquisition or business combination that meets the notification threshold, and does not meet the non-objection threshold, unless:
 - (i) the registered bank has notified the Reserve Bank in writing of the intended acquisition or business combination and at least 10 working days have passed; and
 - (ii) at the time of notifying the Reserve Bank of the intended acquisition or business combination, the registered bank provided the Reserve Bank with the information required under the Reserve Bank of New Zealand Banking Supervision Handbook document “Significant Acquisitions Policy” (BS15) dated December 2011; and
- (b) no member of the banking group may give effect to a qualifying acquisition or business combination that meets the non-objection threshold unless:
 - (i) the registered bank has notified the Reserve Bank in writing of the intended acquisition or business combination;
 - (ii) at the time of notifying the Reserve Bank of the intended acquisition or business combination, the registered bank provided the Reserve Bank with the information required under the Reserve Bank of New Zealand Banking Supervision Handbook document “Significant Acquisitions Policy” (BS15) dated December 2011; and
 - (iii) the Reserve Bank has given the registered bank a notice of non-objection to the significant acquisition or business combination.

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

This condition of registration applies to acquisitions and business combinations to which a member of the banking group intends to give effect on or after 1 April 2012.

In these conditions of registration, —

“banking group” means ANZ National Bank Limited’s financial reporting group (as defined in section 2(1) of the Financial Reporting Act 1993):

“generally accepted accounting practice” has the same meaning as in section 2 of the Financial Reporting Act 1993.

TAXATION

General

Neither ANZBGL, ANZNBL nor ANZNIL nor any of the Dealers makes any comment about the treatment for taxation purposes of payments or receipts in respect of the Notes. Each investor contemplating acquiring Notes under the Programme is advised to consult a professional adviser in connection with the consequences relating to the acquisition, retention and disposition of Notes.

Australia

The comments below are of a general nature and are based on the provisions currently in force in Australia. They relate only to the position of persons who are the absolute beneficial owners of their Notes issued by ANZBGL (other than through an offshore branch, in which case such persons should consider the tax implications of the jurisdiction in which the relevant branch is located) and are based on the assumption that the only instrument issued by ANZBGL under the Programme are debt interests for Australian taxation purposes. Noteholders who are in doubt as to their personal tax position should consult their professional advisers. Statutory references are references to a section of the *Income Tax Assessment Act 1936* or the *Income Tax Assessment Act 1997* of Australia (the "**Australian Tax Act**").

Under the Programme, the Notes may be issued out of the head office of ANZBGL or through foreign branches of ANZBGL.

To the extent the Notes are issued out of a foreign branch of ANZBGL under the Programme in the course of carrying on business at or through a permanent establishment outside of Australia, any interest paid on the Notes by ANZBGL should not be subject to Australian interest withholding tax.

Interest or an amount that is included in the extended definition of interest in section 128A on the Notes issued by ANZBGL is exempt from Australian withholding tax under section 128F of the Australian Tax Act if the following conditions are met:

- (a) ANZBGL is either:
 - (i) a resident of Australia when it issues the Notes and when interest (as defined in section 128A (1AB)) is paid on the Notes; or
 - (ii) a non-resident of Australia when it issues the Notes and when interest (as defined in section 128A (1AB)) is paid on the Notes and the Notes are issued and the interest is paid on the Notes by ANZBGL in carrying on business at or through a permanent establishment in Australia;
- (b) the Notes are debentures for the purposes of section 128F; and
- (c) the Notes are issued by ANZBGL in a manner which satisfies the public offer test.

The public offer test is satisfied if the Notes are issued by ANZBGL as a result of being offered for issue:

- (a) to at least 10 persons each of whom:
 - (i) is carrying on business of providing finance, or investing or dealing in securities, in the course of operating in financial markets; and
 - (ii) is not known, or suspected, by ANZBGL to be an associate (as defined in section 128F) of any of the other persons; or

- (b) to at least 100 persons whom it is reasonable for ANZBGL to regard as having acquired Notes in the past or being likely to be interested in acquiring Notes; or
- (c) as a result of being accepted for listing on a stock exchange, where ANZBGL had previously entered into an agreement with a dealer, manager or underwriter in relation to the placement of the Notes, requiring ANZBGL to seek such a listing; or
- (d) as a result of negotiations being initiated publicly in electronic form, or in another form, that is used by financial markets for dealing in instruments similar to the Notes; or
- (e) to a dealer, manager or underwriter in relation to the placement of the Notes who, under an agreement with ANZBGL, offered the Notes for sale within 30 days in a way covered by any of paragraphs (a) to (d) above.

In relation to the issue of a Global Note by ANZBGL, the “**public offer**” test will be satisfied if the Global Note falls within the definition of “**global bond**” set out in section 128F(10). Broadly speaking, this will be the case if the following requirements are satisfied:

- (a) the Global Note describes itself as a global bond or a global note; and
- (b) it is issued to a clearing house (as defined in section 128F(9)) or to a person as trustee or agent for, or otherwise on behalf of, one or more clearing houses; and
- (c) in connection with the issue of the Global Note, the clearing house or houses confer rights in relation to the Global Note on other persons and will record the existence of the rights; and
- (d) before the issue of the Global Note, ANZBGL or a Dealer, manager or underwriter in relation to the placement of debentures, on behalf of ANZBGL, announces that, as a result of the issue, such rights will be able to be created; and
- (e) the announcement is made in a way or ways covered by any of paragraphs (a) to (e) of section 128F(3) (reading a reference in those paragraphs to “**debenture**” as if it were a reference to the rights referred to in paragraph (d) above and a reference to the “**company**” as if it included a reference to the Dealer, manager or underwriter); and
- (f) under the terms of the Global Note, interests in the Global Note are able to be surrendered, whether or not in particular circumstances, in exchange for other debentures issued by ANZBGL, that are not themselves Global Notes.

The public offer test is not satisfied if at the time of issue, ANZBGL knows, or had reasonable grounds to suspect, that the Notes, or an interest in the Notes, issued by ANZBGL was being, or would later be, acquired directly or indirectly by an Offshore Associate (as defined below in “Subscription and Sale — Australia”) of ANZBGL acting other than in the capacity of a dealer, manager or underwriter in relation to the placement of the Notes or a clearing house, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act 2001 of Australia.

The exemption under section 128F does not apply to interest paid by ANZBGL in respect of a Note if, at the time of payment, ANZBGL knows, or has reasonable grounds to suspect, that the investor is an Offshore Associate (as defined below in “Subscription and Sale – Australia”) of ANZBGL (acting other than in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act 2001 of Australia).

If, where ANZBGL is the Issuer, ANZBGL is compelled by law at any time to withhold or deduct an amount in respect of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of Australia or any authority therein having the power to tax, it will, subject to certain exceptions set out in Condition 7 (*Taxation*), pay such additional amounts as will result in

the payment to the Noteholders concerned of the sum which would otherwise have been payable on the Notes.

ANZBGL will not be liable to account to an investor for any deduction or withholding on account of any duties or taxes where those duties or taxes are imposed or levied by or on behalf of Australia or any authority therein having the power to tax by virtue of, among other things (refer to Condition 7 (*Taxation*) of "The Conditions of the Notes" for further details), the investor being an Offshore Associate (as defined below in "Subscription and Sale — Australia") of ANZBGL (acting other than in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act 2001 of Australia), or as a result of the investor being a party to or participating in a scheme to avoid such duties or taxes, being a scheme which ANZBGL neither was a party to nor participated in.

ANZBGL proposes to issue Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

The Australian Government has signed a number of new or amended double tax conventions ("**New Treaties**") with foreign jurisdictions (each a "**Specified Country**").

The New Treaties effectively prevent interest withholding tax applying to interest derived by:

- Governments of the Specified Countries and certain governmental authorities and agencies in a Specified Country; and
- certain unrelated (1) banks, and (2) other financial institutions which substantially derive their profits by carrying on a business of raising and providing finance and which are resident in the Specified Country,

by reducing the interest withholding tax rate to zero (interest paid under a back-to-back loan or economically equivalent arrangement will not qualify for this exemption).

The New Treaties are in force in a number of jurisdictions including, for example, the United States and the United Kingdom. The Australian Government is progressively amending its double tax conventions to include this form of the interest withholding tax exemption.

Section 126 of the Australian Tax Act imposes a type of withholding tax at the rate of 45 per cent on the payment of interest on bearer Notes issued by ANZBGL (other than certain promissory notes) if ANZBGL fails to disclose the names and addresses of the holders to the Australian Taxation Office. Section 126 does not apply to a payment on a bearer Note which, although not being interest at general law, is included in the extended definition of interest in section 128A. Section 126 does not apply to the payment of interest on bearer Notes held by non-residents who do not carry on business at or through a permanent establishment in Australia, where the issue of those Notes satisfied the requirements of section 128F of the Australian Tax Act or interest withholding tax is payable. The Australian Taxation Office has confirmed that it considers "the holder of debenture," for the purposes of section 126, to be the person in possession of the debenture. Consequently, where residents of Australia or non-residents carrying on a business at or through a permanent establishment in Australia hold bearer Notes through (for example) the Euroclear or Clearstream systems, the Australian Taxation Office will view the operator of the relevant system as the holder of those bearer Notes.

Section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia (the "**Tax Administration Act**") imposes a type of withholding tax at the rate of (currently) 46.5 per cent on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number ("**TFN**"), (in certain circumstances) an Australian Business Number ("**ABN**") or proof of some other exception (as appropriate). Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes issued by ANZBGL, then the requirements of section 12-140 do not apply to payments to a holder of those Notes in registered form who is not a resident of Australia and not holding those Notes in the course of carrying on

business at or through a permanent establishment in Australia. Payments to other classes of holders of Notes issued by ANZBGL in registered form may be subject to a withholding where the holder of those Notes does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate).

ANZBGL has been advised by its Australian counsel that, under current Australian law:

- (a) subject to compliance with the requirements of the Australian Tax Act referred to above, payments of:
 - (i) principal;
 - (ii) interest; or
 - (iii) amounts included in the extended definition of interest in section 128A (1AB),to a holder of a Note or Coupon issued by ANZBGL who is a non-resident of Australia, and who during the taxable year has not engaged in trade or business at or through a permanent establishment within Australia, will not be subject to Australian income tax;
- (b) a holder of a Note or Coupon issued by ANZBGL who is a non-resident of Australia and who during the taxable year has not carried on business at or through a permanent establishment within Australia will not be subject to Australian income or capital gains tax on gains realised during that year on sale or redemption of such Notes, provided such gains do not have an Australian source. A gain arising on the sale of a Note or Coupon issued by ANZBGL by a non-Australian resident holder to another non-Australian resident where the Note or Coupon is sold outside Australia and all negotiations are conducted and all documentation is executed outside Australia would not be regarded as having an Australian source;
- (c) subdivision 12-FB of the *Tax Administration Act* imposes a withholding obligation in respect of certain payments, to be prescribed by regulation, that are made to non-residents of Australia.

The Tax Administration Act expressly provides that the regulations will not apply to interest and other payments which are already subject to the current interest withholding tax rules or specifically exempt from those rules. Further, regulations may only be made if the responsible minister is satisfied the specified payments are of a kind that could reasonably relate to assessable income of foreign residents. ANZBGL has been advised by its Australian counsel that they do not expect the regulations to apply to repayments of principal under the Notes, as such amounts are not generally income or gains. The possible application of any regulations to the proceeds of any sale of the Notes will need to be monitored.

- (d) the Notes issued by ANZBGL will not be subject to death, estate or succession duties imposed by Australia or by any instrumentality thereof or therein, if held outside Australia at the time of death; and
- (e) no ad valorem stamp, issue, registration or similar taxes are payable in Australia on the issue of the Notes by ANZBGL or the transfer of the Notes issued by ANZBGL outside Australia.

Interest Paid on Subordinated Undated Notes when Treated as Equity for Tax Purposes

For Australian tax purposes, interest may be paid on Subordinated Undated Notes as a “franked distribution” if the Notes qualify as “equity” interest for Australian tax purposes. In these circumstances, a notional “franking credit” will be attached to the distribution if ANZBGL chooses to pay interest in accordance with relevant Final Terms. Broadly, interest paid on Subordinated Undated Notes will be considered to be paid as a franked distribution if the payment is stated by ANZBGL to be a franked distribution and if the Commissioner of Taxation has not made a determination to the effect that it is not a franked distribution. The franking credit on the distribution will be the amount so stated by ANZBGL when making the distribution, and is broadly

intended to be an amount representative of the Australian income tax paid by ANZBGL on profits from which the payment is made.

To the extent interest is paid on Subordinated Undated Notes as a franked distribution and the noteholder in receipt of such interest is a resident of Australia:

- (a) the noteholder will generally be subject to income tax on the amount of interest received and on the franking credit stated to be attached to the distribution; and
- (b) the noteholder will generally be entitled to a tax offset equal to an amount up to the amount of the franking credit. Some noteholders who are Australian residents may be entitled to a refund if the amount of the franking credit exceeds tax otherwise payable by the investor. Some noteholders (primarily companies) who are Australian residents may be entitled to include the franking credit in its own franking account.

The inclusion of the amount of the franking credit in the taxable income of a noteholder, and the entitlement of a noteholder to a tax offset is subject to there being no arrangements which would cause certain anti-avoidance rules to apply. It is also subject to the noteholder satisfying a minimum holding period of, very broadly, 45 days within specified periods or, in certain cases, 90 days within specified periods.

To the extent interest is paid on Subordinated Undated Notes as a franked distribution and the Noteholder in receipt of such interest is not a resident of Australia the Noteholder will generally not be subject to income tax. Unless there are arrangements which cause certain anti-avoidance rules to apply, such fully franked interest payments will not be subject to dividend withholding tax. If dividend withholding tax is payable, the payment of any additional amount by ANZBGL in respect of such withholding tax will be determined in accordance with the relevant Final Terms.

Taxation of Financial Arrangements

The Australian Government has enacted a new regime for the taxation of financial arrangements (referred to as **TOFA**) which can affect the taxation of financial instruments such as Notes. ANZBGL has elected for the new TOFA regime to apply to certain financial arrangements, such as the Notes, acquired on or after 1 July 2009. The previous law governing the taxation of financial arrangements will continue to apply to Notes held by taxpayers that are not subject to the TOFA regime because they do not meet certain threshold requirements. The TOFA regime does not contain any measures that would override the exemption from Australian interest withholding tax available under section 128F of the Australian Tax Act in respect of interest payable on the Notes.

New Zealand

Resident Withholding Tax

ANZNBL is, and ANZNIL may be, required by law to deduct New Zealand resident withholding tax from the payment of interest to the holder of any Note on any Interest Payment Date or the Maturity Date, where:

- (a) the holder is a resident of New Zealand for income tax purposes or the holder is engaged in business in New Zealand, through a fixed establishment (as defined in the New Zealand Income Tax Act 2007) in New Zealand (a "**New Zealand Holder**"); and
- (b) at the time of such payment the New Zealand Holder does not hold a valid certificate of exemption for New Zealand resident withholding tax purposes.

Prior to any Interest Payment Date or the Maturity Date, any New Zealand Holder:

- (a) must notify ANZNBL or ANZNIL, as the case may be, or a Paying Agent that the New Zealand Holder is the holder of a Note; and

- (b) must notify ANZNBL or ANZNIL, as the case may be, or a Paying Agent of any circumstances, and provide ANZNBL or ANZNIL, as the case may be, or the relevant Paying Agent with any information, that may enable ANZNBL or ANZNIL, as the case may be, to make the payment of Interest to the New Zealand Holder without deduction on account of New Zealand resident withholding tax.

The New Zealand Holder must notify ANZNBL or ANZNIL, as the case may be, prior to any Interest Payment Date or the Maturity Date, of any change in the New Zealand Holder's circumstances from those previously notified that could affect ANZNBL's or ANZNIL's, as the case may be, payment or withholding obligations in respect of any Note. By accepting payment of the full face amount of a Note or any interest thereon on any Interest Payment Date or the Maturity Date, the New Zealand Holder will be deemed to have indemnified ANZNBL or ANZNIL, as the case may be, for all purposes in respect of any liability which ANZNBL or ANZNIL, as the case may be, may incur for not deducting any amount from such payment on account of New Zealand resident withholding tax.

Non-Resident Withholding Tax

To the extent that New Zealand law requires a deduction on account of non-resident withholding tax to be made from the payment of interest to any holder of a Note who is not a New Zealand Holder, ANZNBL and ANZNIL intend (for so long as they do not incur any increased cost or detriment from so doing and are legally able to do so) to reduce the applicable rate of non-resident withholding tax to zero per cent (in the case of holders of Notes who are not New Zealand Holders and are not associated with ANZNBL or ANZNIL) by registering the Programme with the New Zealand Inland Revenue Department and paying, on its own account, a levy equal to two per cent of the relevant interest payment. It is not possible to use the approved issuer levy if the holder is associated with ANZNBL or ANZNIL.

United Kingdom

A. Introduction

The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Notes. It is based on current law and the practice of H.M. Revenue and Customs ("**HMRC**") which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Notes. The comments relate only to the position of persons who are absolute beneficial owners of the Notes and related Coupons and Talons (if any). Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the relevant Final Terms may affect the tax treatment of that and other series of Notes. The following is a general guide and should be treated with appropriate caution. It is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Noteholders who are in any doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Notes are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Notes. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

B. UK Withholding Tax on UK Source Interest

- B.1. Interest on Notes may be paid by the relevant Issuer without withholding or deduction for or on account of United Kingdom income tax except in circumstances where such interest has a United Kingdom source ("**UK Interest**"). Interest on Notes may have a United Kingdom source where, for example, the Notes are issued by an Issuer acting through a branch or permanent establishment in the United Kingdom, the Notes are secured on assets situated in the United Kingdom or the interest is paid out of funds maintained in the United Kingdom. Notes which carry a right to UK Interest are referred to in this United Kingdom Taxation Section as "**UK Notes**".
- B.2. UK Notes which carry a right to interest will constitute "quoted Eurobonds" within the meaning of section 987 of the Income Tax Act 2007 provided they are and continue to be "listed on a recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. HMRC may designate certain exchanges as recognised stock exchanges. The London Stock Exchange is a recognised stock exchange for these purposes. In the case of UK Notes to be traded on the London Stock Exchange, the UK Notes will be treated as "listed on a recognised stock exchange" if the UK Notes are included in the Official List of the FSA (within the meaning of Part 6 of the FSMA) and admitted to trading on the London Stock Exchange. UK Notes to be traded on a recognised stock exchange outside the United Kingdom will be treated as "listed on a recognised stock exchange" if (and only if) they are admitted to trading on that exchange and they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange. Whilst the UK Notes are and continue to be quoted Eurobonds, payments of interest on the UK Notes may be made without withholding or deduction for or on account of United Kingdom income tax.
- B.3. In addition to the exemption set out in B.2 above, interest on UK Notes may be paid without withholding or deduction for or on account of United Kingdom income tax if the relevant Issuer is a "bank" for the purposes of section 878 of the Income Tax Act 2007 and so long as such payments are made by the relevant Issuer in the ordinary course of its business. Neither ANZNBL nor ANZNIL qualifies as a bank for these purposes. However, ANZBGL has confirmed that, when acting through its London branch, it is a bank for these purposes. In accordance with the published practice of HMRC, such payments will be accepted as being made by the relevant Issuer in the ordinary course of its business unless either:
- (i) the borrowing in question relates to the capital structure of the relevant Issuer. A borrowing will be regarded as relating to the capital structure of the relevant Issuer if it conforms to any of the definitions of Tier 1, 2 or 3 capital adopted by the Bank of England whether or not it actually counts towards Tier 1, 2 or 3 capital for regulatory purposes; or
 - (ii) the characteristics of the transaction giving rise to the interest are primarily attributable to an intention to avoid United Kingdom tax.
- B.4. In all cases falling outside the exemptions described in B.2 and B.3 above, interest on UK Notes may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20 per cent) subject to such relief as may be available following a direction from HMRC under the provisions of any applicable double taxation treaty or to any other exemption which may apply. However, this withholding will not apply if the relevant interest is paid on UK Notes with a maturity of less than one year from the date of issue and which are not issued under arrangements the effect of which is to render such UK Notes part of a borrowing with a total term of a year or more.

C. Payments by Guarantor

If the Guarantor makes any payments in respect of interest on UK Notes (or other amounts due under UK Notes other than the repayment of amounts subscribed for such UK Notes) such payments may be subject to United Kingdom withholding tax at the basic rate (currently 20 per cent) subject to such relief as may be available following a direction from HMRC under the provisions of any applicable double taxation treaty or to any other exemption which may apply. Such payments by the Guarantor may not be eligible for the exemptions described in B above.

D. Payments under Deed of Covenant

Any payments made by an Issuer under the Deed of Covenant may not qualify for the exemptions from UK withholding tax described in B above.

E. Provision of Information

Noteholders should note that where any interest on Notes is paid to them (or to any person acting on their behalf) by an Issuer acting through a UK branch or permanent establishment or by any person in the United Kingdom acting on behalf of an Issuer (a "**paying agent**"), or is received by any person in the United Kingdom acting on behalf of the relevant Noteholder (other than solely by clearing or arranging the clearing of a cheque) (a "**collecting agent**"), then the Issuer, the paying agent or the collecting agent (as the case may be) may, in certain cases, be required to supply to HMRC details of the payment and certain details relating to the Noteholder (including the Noteholder's name and address). These provisions will apply whether or not the interest has been paid subject to withholding or deduction for or on account of United Kingdom income tax and whether or not the Noteholder is resident in the United Kingdom for United Kingdom taxation purposes. In certain circumstances, the details provided to HMRC may be passed by HMRC to the tax authorities of certain other jurisdictions.

For the above purposes, "**interest**" should be taken, for practical purposes, as including payments made by a guarantor in respect of interest on Notes.

The provisions referred to above may also apply, in certain circumstances, to payments made on redemption of any Notes which constitute "deeply discounted securities" for the purposes of section 18 of the Taxes Management Act 1970 (although in this regard HMRC-published guidance for the year 2012/2013 indicates that HMRC will not exercise its power to obtain information in relation to such payments in that year).

Information may also be required to be reported in accordance with regulations made pursuant to the EU Savings Directive (see below).

F. Other Rules Relating to United Kingdom Withholding Tax

1. Notes may be issued at an issue price of less than 100 per cent of their principal amount. Any discount element on any such Notes will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned in B above, but may be subject to reporting requirements as outlined in E above.
2. Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax and reporting requirements as outlined above.
3. Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

4. The references to “**interest**” in this United Kingdom taxation section mean “interest” as understood in United Kingdom tax law. The statements do not take any account of any different definitions of “interest” or “principal” which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation (e.g. see Condition 7 (*Taxation*) of the Notes). Where a payment on a Note does not constitute (or is not treated as) interest for United Kingdom tax purposes and the payment has a United Kingdom source, it may be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment, a manufactured payment, rent or royalties for United Kingdom tax purposes. Where a payment is subject to United Kingdom withholding tax, depending on the nature of the payment (which will be determined by, among other things, the terms and conditions specified by the Final Terms of the Note), the payment may fall to be made under deduction of United Kingdom tax (the rate of withholding generally being 20 per cent), subject to any exemption from withholding which may apply and to such relief as may be available following direction from HMRC under the provisions of any applicable double tax treaty.
5. The above description of the United Kingdom withholding tax position assumes that there will be no substitution of an Issuer and does not consider the tax consequences of any such substitution.

European Union Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “**Directive**”), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State. However, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either the provision of information or transitional withholding) in relation to payments of interest or other similar income payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above. It is not clear if and when such changes will be implemented. Any such changes may impact Notes which have already been issued.

FATCA

On 8 February 2012, the Joint Statement regarding an Intergovernmental Approach to Improving International Tax Compliance and Implementing FATCA was issued (“**Joint Statement**”) by the UK Government together with the Governments of France, Germany, Italy, Spain and the United States. Pursuant to the Joint Statement, the UK Government is consulting on introducing legislation that will broaden the scope of information that is provided by it to certain other tax authorities and vice versa. Such changes, when introduced, may impact Notes which have already been issued.

For further information in relation to the potential tax implications of FATCA, see the “Supervision and Regulation of Australia and New Zealand Banking Group Limited – United States of America (US)”:

HMRC Consultation Document

On 27 March 2012, HMRC published a Consultation Document on “Possible changes to income tax rules on interest” which includes proposals relating to the imposition of UK withholding tax. One potential change is that the quoted Eurobond exemption from withholding tax on UK interest will not be available where Notes are issued between group companies and listed on a stock exchange on which there is no substantial or regular trading in the Notes. It is also proposed that the withholding tax obligation in respect of UK interest payments be extended so that it may apply to interest on Notes issued for a term of less than one year. It is not possible to identify at this time to what extent, if at all, these proposals will be implemented.

SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in an Amended and Restated Programme Agreement dated 18 May 2012 (as further amended, restated, supplemented and/or updated from time to time, the “**Programme Agreement**”) between the Issuers, the Guarantor and the Permanent Dealers (as defined in the Programme Agreement), the Notes will be offered from time to time by the relevant Issuer to the Permanent Dealers. However, each Issuer reserves the right to issue Notes directly on its own behalf to Dealers that are not Permanent Dealers or to other subscribers procured by it. The Notes may be sold at prevailing market prices, or at prices related thereto, at the time of such sale, as determined by the relevant Dealer. The Notes may also be issued by an Issuer through the Dealers, acting as agents of the relevant Issuer. The Programme Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The relevant Issuer will pay each relevant Dealer a commission as agreed between such Issuer and the Dealer, which commission may be deducted from the net proceeds payable to such Issuer on the closing of any series of Notes. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

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

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

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

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia) in relation to the Programme or any Notes (including this Base Prospectus) has been or will be lodged with or registered by ASIC or the Australian Securities Exchange Limited. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not (unless the relevant Final Terms or a supplement to this Base Prospectus otherwise provides):

- (a) made or invited, and will not make or invite, an offer of the Notes for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and

- (b) distributed or published and will not distribute or publish any draft, preliminary or final form offering memorandum, advertisement or other offering material relating to the Notes in Australia,

unless:

- (i) the minimum aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternate currency) (disregarding money lent by the Offeror or its associates) or the offer otherwise does not require disclosure to investors in accordance with Part 6D.2 and Part 7 of the Corporations Act 2001; and
- (ii) such action complies with all applicable laws, directives and regulations and does not require any document to be lodged with, or registered by, the Australian Securities and Investments Commission.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not sell any Note issued by ANZBGL in circumstances where employees of the Dealer aware of, or involved in, the sale know, or have reasonable grounds to suspect, that the Note, or an interest in or right in respect of the Note, was being, or would later be, acquired either directly or indirectly by:

- (a) in respect of Bearer Notes in definitive form, and Temporary Global Notes which are exchangeable for Bearer Notes in definitive form according to the relevant Final Terms only, a resident of Australia, or a non-resident who is engaged in carrying on business in Australia at or through a permanent establishment of that non-resident in Australia (the expressions "**resident of Australia**", "**non-resident**" and "**permanent establishment**" having the meanings given to them by the Australian Tax Act); or
- (b) in respect of any Note issued by ANZBGL, an Offshore Associate of ANZBGL acting other than in the capacity of a dealer, manager or underwriter in relation to the placement of the Notes or a clearing house, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act 2001 of Australia.

"**Offshore Associate**" means an associate (as defined in section 128F of the Income Tax Assessment Act 1936 and any successor legislation) of ANZBGL that is either a non-resident of Australia which does not acquire the Notes in carrying on a business at or through a permanent establishment in Australia or, alternatively, a resident of Australia that acquires the Notes in carrying on business at or through a permanent establishment outside of Australia.

Public Offer Selling Restriction Under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the Final Terms or Drawdown Prospectus in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member

State and notified to the competent authority in that Relevant Member State, provided that any such prospectus which is not a Drawdown Prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable, and the relevant Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not offered or sold and will not offer or sell in the Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong**”), by means of any document, any Notes (except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong (the “**SFO**”), other than:
 - (i) to “professional investors” as defined in the SFO and any rules made under the SFO; or
 - (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap.32) of Hong Kong (the “**Companies Ordinance**”) or which do not constitute an offer to the public within the meaning of the Companies Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**FIEA**”) and, accordingly, each Dealer has represented and undertaken, and each further Dealer appointed under the Programme will be required to represent and undertake, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the FIEA and all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, “**Japanese Person**” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

New Zealand

No action has been or will be taken by any Issuer, the Guarantor or the Dealers which would permit a public offering of any of the Notes, or possession or distribution of any offering material in relation to the Notes, in New Zealand.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered and will not directly or indirectly offer, sell or deliver any Note, and it will not distribute any offering memorandum or advertisement in relation to any offer of Notes, in New Zealand, unless the minimum subscription price payable by each offeree for Notes is at least NZ\$500,000 (disregarding any amount lent by the Offeror, the relevant Issuer or any associated person of the Offeror or relevant Issuer) and the minimum holding of Notes is at least NZ\$500,000, or that offer, sale or delivery is in other circumstances where there is no contravention of the Securities Act 1978 of New Zealand.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, in relation to Note issues by ANZNBL or ANZNIL, it has not offered or sold, and will not offer or sell, any Notes to persons whom it believes to be persons to whom any amounts payable on the Notes are or would be subject to New Zealand resident withholding tax, unless such persons certify that they hold a valid certificate of exemption for New Zealand resident withholding tax purposes and provide a New Zealand tax file number to such Dealer (in which event the Dealer shall provide details thereof to the relevant Issuer or to a Paying Agent).

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) **No deposit-taking**: in relation to any Notes having a maturity of less than one year and issued by ANZNBL and/or ANZNIL:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and:
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by ANZNBL and/or ANZNIL;

- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to ANZNBL and/or ANZNIL, or, in the case of ANZBGL would not, if ANZBGL was not an authorised person, apply to ANZBGL; and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

United States of America

Neither the Notes nor the Guarantee have been, and neither will be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered, sold or delivered within the United States or to or for the account or benefit of US persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted by the Programme Agreement, it has not offered, sold or delivered Notes, and will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the completion of the distribution of the Notes comprising the relevant Tranche, as determined and certified to the Fiscal Agent or the relevant Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Fiscal Agent or the relevant Issuer shall notify each such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, US persons except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts (as defined in Regulation S under the Securities Act) with respect to the Notes, and it and they have complied and will comply with any applicable offering restrictions requirement of Regulation S. Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree that, at or prior to the confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it or through it during the distribution compliance period (as defined in Regulation S under the Securities Act) a confirmation or notice to substantially the following effect:

“Neither the Notes covered hereby nor the Guarantee have been, and neither will be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”), or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to or for the account or benefit of US persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the completion of the distribution of the Notes comprising the relevant Tranche, as determined and certified by [*Name of Dealer or Dealers, as the case may be*], except in either case in accordance with Rule 903 of Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S under the Securities Act.”

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, to notify the Fiscal Agent and the relevant Issuer when it has completed its distribution

of the Notes of any Tranche. In addition, until 40 days after the later of the commencement of the offering and the completion of the distribution of the Notes comprising the relevant Tranche, any offer or sale of Notes within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

In addition, unless the Final Terms or the subscription agreement relating to one or more Tranches specifies that the applicable Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**") exemption is either "C Rules" or "not applicable," each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

- (a) except to the extent permitted under US Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**D Rules**"):
 - (i) it has not offered or sold, and during the restricted period will not offer or sell, any Notes to a person who is within the United States or its possessions or to a United States person; and
 - (ii) it has not delivered and will not deliver within the United States or its possessions any Notes in bearer form that are sold during the restricted period;
- (b) it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (c) if it is a United States person, it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of US Treasury Regulation §1.163-5(c)(2)(i)(D)(6); and
- (d) with respect to each affiliate that acquires from it Notes in bearer form for the purpose of offering or selling such Notes during the restricted period, it either (i) repeats and confirms the representations and agreements contained in sub-paragraphs (a), (b) and (c) above on behalf of such affiliate or (ii) agrees that it will obtain from such affiliate for the benefit of the relevant Issuer the representations and agreements contained in sub-paragraphs (a), (b) and (c) above.

Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code and regulations thereunder, including the D Rules.

In addition, to the extent that the Final Terms or the subscription agreement relating to one or more Tranches of Notes in bearer form specifies that the applicable TEFRA exemption is C Rules under US Treasury Regulation §1.163-5(c)(2)(i)(I) (the "**C Rules**") (provided that such transaction is in accordance and compliance with applicable laws), Notes in bearer form must be issued and delivered outside the United States and its possessions in connection with their original issuance. In relation to each such Tranche, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or delivered, and shall not offer, sell or deliver, directly or indirectly, Notes in bearer form within the United States or its possessions in connection with their original issuance. Further, in connection with their original issuance of Notes in bearer form, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not communicated, and shall not communicate, directly or indirectly, with a prospective purchaser if either such purchaser or it is within the United States or its possessions or otherwise involve its US office in the offer or sale of Notes in bearer form. Terms used in this paragraph have the meanings given to them by the US International Revenue Code and regulations thereunder, including the C Rules.

Each issuance of index, commodity or currency-linked Notes may be subject to such additional US selling restrictions as the relevant Dealer(s) may agree with the relevant Issuer as a term of the issuance and purchase or, as the case may be, subscription of such Notes. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it shall offer, sell and deliver such Notes only in compliance with such additional US selling restrictions.

General

These selling restrictions may be modified by the agreement of the relevant Issuer and the Dealers, including following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus. With the exception of the approval by the FSA of this Base Prospectus as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the United Kingdom, no action has been taken in any country or jurisdiction by any Issuer, the Guarantor or the Dealers that would permit a public offering of any of the Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required.

The Programme Agreement provides that each Dealer will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any Drawdown Prospectus, any Final Terms or any other offering material, in all cases at its own expense.

The Programme Agreement also provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

Persons into whose hands the Base Prospectus or any Final Terms comes are, and each Noteholder is, required by the Issuers, the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

The form of Final Terms that will be issued in respect of each Tranche, subject only to the possible deletion of non-applicable provisions, is set out below:

FORM OF FINAL TERMS



[Australia and New Zealand Banking Group Limited

(Australian Business Number 11 005 357 522)

(Incorporated with limited liability in Australia and registered in the State of Victoria)]*

[ANZ National Bank Limited

(Incorporated with limited liability in New Zealand)]*

[ANZ National (Int'l) Limited

(Incorporated with limited liability in New Zealand)]*

US\$60,000,000,000
Euro Medium Term Note Programme

Series No: []

Tranche No: []

[*Brief Description and Amount of Notes*]

Issue Price: [] per cent.

[Guaranteed by ANZ National Bank Limited]**

[Name(s) of Dealers(s)]

The date of these Final Terms is []

* delete as appropriate

** include only if Issuer is ANZ National (Int'l) Limited

PART A – CONTRACTUAL TERMS

Option 1: *(The following paragraphs should only be inserted for issues to be admitted to trading on an EU regulated market and/or offered to the public in the European Economic Area)*

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (b) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (a) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (b) in those Public Offer Jurisdictions mentioned in Paragraph 38 of Part A below, provided such person is one of the persons mentioned in Paragraph 38 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

For the purposes of the above, the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.^{1]}

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

For the purposes of the above, the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.^{2]}

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 18 May 2012 [and the Supplemental Base Prospectus dated [●]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the

1 Consider including this legend where a non-exempt offer of notes is anticipated in any Member State of the European Economic Area.

2 Consider including this legend where an exempt offer of notes is anticipated in any Member State of the European Economic Area.

Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented].

Full information on the Issuer [, the Guarantor] and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the Supplemental Base Prospectus] [is] [are] available for viewing at the offices of the Paying Agents and copies may be obtained from Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB.

[(The following alternative language applies if the first Tranche of an issue of Notes which is being increased was issued under a Base Prospectus with an earlier date.)]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [*original date*] [and the Supplemental Base Prospectus dated [●]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") and must be read in conjunction with the Base Prospectus dated [*current date*] [and the Supplemental Base Prospectus dated [●]], which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated [*original date*] [and the Supplemental Prospectus dated [●]] and are attached hereto. Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated [*original date*] and [*current date*] [and the Supplemental Base Prospectus dated [●] and [●]]. [The Base Prospectus [and the Supplemental Base Prospectus] are available for viewing at the offices of the Paying Agents and copies may be obtained from Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB.]

End of Option 1

Option 2: *(The following paragraphs should only be inserted for issues of Notes which are not to be admitted to trading on an EU regulated market and not offered to the public in the European Economic Area)*

This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 18 May 2012 [and the Supplemental Base Prospectus dated [●]] ([together,] the "**Base Prospectus**"). These Final Terms of the Notes must be read in conjunction with such Base Prospectus [as so supplemented].

[(The following alternative language applies if the first Tranche of an issue of Notes which is being increased was issued under a Base Prospectus with an earlier date.)]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated [*original date*]. These Final Terms of the Notes must be read in conjunction with the Base Prospectus dated [*current date*] [and the Supplemental Base Prospectus dated [●]] ([together,] the "**Base Prospectus**"), save in respect of the Conditions which are extracted from the Base Prospectus dated [*original date*] [and the Supplemental Base Prospectus dated [●]] and are attached hereto.]

(Include whichever of the following apply or specify as "Not Applicable" or "N/A." Note that the numbering should remain as set out below, even if "Not Applicable" or "N/A" indicated for individual paragraphs or sub paragraphs. Italics denote guidance for completing the Final Terms.

When completing the Final Terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)

End of Option 2

(Unless stated otherwise, include all the items listed in Part A - Contractual Terms of these Final Terms in connection with all Notes. References in the drafting notes to retail issues are to issues of Notes with a Specified Denomination of less than EUR 50,000¹ (or equivalent in another currency) to be admitted to trading on an EU regulated market and/or offered to the public in the European Economic Area and references to wholesale issues are to issues of Notes with a Specified Denomination of at least EUR 50,000¹ (or equivalent in another currency) to be admitted to trading on an EU regulated market)

- 1** [(i)] Issuer [Australia and New Zealand Banking Group Limited(specify branch, if applicable)/ANZ National Bank Limited (specify branch, if applicable)/ANZ National(Int'l) Limited(specify branch, if applicable)]
- [(ii)] Guarantor ANZ National Bank Limited]²
- 2** (i) Series Number: []
- (ii) Tranche Number: [] (if fungible with an existing Series, include details of that Series, and the date on which the Notes become fungible)
- 3** Specified Currency or Currencies: []
- 4** Aggregate Nominal Amount: []
- (i) Series: []
- (ii) Tranche: []
- 5** Issue Price: [] per cent of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]
- 6** (i) Specified Denomination(s): [](Notes issued by ANZNBL and ANZNIL (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies))
- (N.B. Notes issued after the implementation of Directive 2010/73/EU in a Member State must have a minimum denomination of EUR 100,000 (or equivalent in another currency) in order to benefit in that Member State from the wholesale exemption set out in Article 3.2(d) of the Prospectus Directive)
- (ii) Calculation Amount: []The applicable Calculation Amount will be (i) if there is only one Specified Denomination, the Specified Denomination of the relevant Notes or (ii) if

1 This will increase to EUR 100,000 (or equivalent in another currency) once Directive 2010/73/EU has been implemented in the relevant Member State.

2 Only applicable for Notes issued by ANZ National (Int'l) Limited.

there are several Specified Denominations or the Specified Denomination is expressed to be €50,000 or its equivalent and multiples of a lower principal amount (for example €1,000), the highest common factor of those Specified Denominations (note: there must be a common factor in the case of two or more Specified Denominations).

- 7** [(i)] Issue Date: []
- [(ii)] Interest Commencement Date:] [Issue Date [] (specify)Not Applicable]
- [N.B. An Interest Commencement Date will not be relevant for certain Notes, for example, Zero Coupon Notes.]
- 8** Maturity Date: []
- (specify date or, where applicable Interest Payment Date falling in or nearest to the relevant month and year) (Notes issued by ANZNBL or ANZNIL having a maturity of less than one year, where either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, must:*
- (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by ANZNBL or, as the case may be, ANZNIL)*
- 9** Interest Basis: [[] per cent Fixed Rate] [[specify reference rate] +/- [] per cent Floating Rate] [Zero Coupon] [Index Linked Interest] [Other (specify)] (Further particulars specified below)
- 10** Redemption/Payment Basis: [Redemption at Par] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other (specify)]
- 11** Change of Interest or Redemption/Payment Basis: [Not Applicable/[]]
- (Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis) [(Further particulars specified below)]*
- 12** Put/Call Options: [Not Applicable] [Investor Put Option] [Issuer Call Option] [(Further particulars specified below)]

13 [i] Status of the Notes: [Unsubordinated] [Subordinated Dated Notes/ Subordinated Undated Notes (*only if Issuer is ANZBGL*)]

(Add the following language if Board (or similar) authorisation is required for the particular Tranche of Notes or related Guarantee)

[(ii)] [Date [Board] approval for issuance of Notes [and Guarantee] obtained: [] [and [], respectively] (*Only relevant where Board (or similar) authorisation is required for the particular Tranche of Notes or related Guarantee*)]

14 Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15 Fixed Rate Note Provisions [Applicable [in respect of the period from, and including, []to, but excluding, []

(specify if interest on the Note is calculated by reference to more than one interest rate)/Not Applicable] (If not applicable, delete the remaining subparagraphs of this paragraph)

(i) Rate(s) of Interest: [] per cent per annum [payable annually/semi-annually/quarterly/monthly/other (*specify*)] in arrear

(ii) (a) Interest Payment Date(s): [] in each year [subject to adjustment in accordance with the Business Day Convention] [commencing on []/Not Applicable]

(b) Interest Period(s): [[](*Specify either a period or periods or a specific date or dates if no Interest Payment Date(s) specified*)/Not Applicable]

(c) Interest Period Date: [[[]
(Specify either a date or dates if no Interest Payment Date(s) specified)/Not Applicable]

(iii) Fixed Coupon Amount(s): [[] per Calculation Amount/Not Applicable]

(iv) Broken Amount(s): [Not Applicable/[] per Calculation Amount payable on [] (*Insert particulars of any initial or final Broken Amount(s) which do not correspond with Fixed Coupon Amount(s) and insert relevant Interest Payment Date(s) for which a Broken Amount is payable*)

(v) Day Count Fraction: [Actual / Actual (ICMA)] [Actua I/ Actual (ISDA)] [Actual / Actual] [Actual / 365 (Fixed)] [Actual /365 (Sterling)] [Actual / 360] [30 / 360 (ICMA)] [30 / 360] [360 / 360] [Bond Basis] [30E / 360] [Eurobond Basis] [30E / 360 (ISDA)] [Other (*specify*)]

- (vi) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/No Adjustment/other (*give details*)/Not Applicable]
- (vii) Additional Business Centre(s): [[]/Not Applicable] (*Only relevant where a Business Day Convention is applicable. For the purposes of the definition of "Business Day"*)
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent in its capacity as Calculation Agent): [Fiscal Agent/[] shall be the Calculation Agent (*insert name and address*)]
- (ix) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/(*give details*)]
- 16 Floating Rate Note Provisions** [Applicable [in respect of the period from, and including, [] to, but excluding, [] (*specify if interest on the Note is calculated by reference to more than one interest rate*)/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) (a) Interest Payment Dates [[] in each year [commencing on []]/Not Applicable]
- (b) Interest Period(s): [[]]
(*Specify either a period or periods or a specific date or dates if no Interest Payment Date(s) specified*)/Not Applicable]
- (c) Interest Period Date [[]] (*specify either a date or dates if no Interest Payment Date(s) specified*)/Not Applicable]
- (ii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (iii) Additional Business Centre(s): [] (*for the purposes of the definition of "Business Day"*)
- (iv) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/BBSW Notes/BKBM Notes/other (*give details*)]
- (v) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent in its capacity as Calculation Agent): [Fiscal Agent/[] shall be the Calculation Agent (*insert name and address*)]

- (vi)** Screen Rate Determination: [Applicable/Not Applicable] (*Specify “Not Applicable” if the Notes are BBSW Notes or BKBM Notes*) (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- Reference Rate: []
 - Interest Determination Date(s): []
 - Relevant Screen Page: []
 - [Relevant Time:] [[]] (*If other than as specified in the definition of “Relevant Time” in Condition 4(k)*)
 - [Relevant Financial Centre:] [[]] (*If other than as specified in the definition of “Relevant Financial Centre” in Condition 4(k)*)
- (vii)** ISDA Determination: [Applicable/Not Applicable]
- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (viii)** [Margin(s)/Rate Multiplier]: [[+/-] []] per cent per annum/[] Not Applicable]
- (ix)** Minimum Rate of Interest: [[]] per cent per annum/Not Applicable]
- (x)** Maximum Rate of Interest: [[]] per cent per annum/Not Applicable]
- (xi)** Day Count Fraction: [Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360 (ICMA)] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [Other (*specify*)].
- (xii)** Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [*specify*] (*Also, review and confirm additional defined terms in Condition 4 (Interest and other Calculations): Effective Date, Interest Accrual Period and Reference Banks*)]

17 Zero Coupon Note Provisions

[Applicable [in respect of the period from, and including, [] to, but excluding, [] (*specify if interest on the Note is calculated by reference to more than one interest rate*)/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

- (i)** Amortisation Yield: [[]] per cent per annum/Not Applicable]
- (ii)** Day Count Fraction: []

[(iii)] [Any other relevant provisions and/or other formula/basis of determining amount payable or the Amortised Face Amount (if other than as specified in Condition 4(d)(ii)):] []

18 Index-Linked Interest Note/Other variable-linked interest Note Provisions

[Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Index/Formula/other variable: *[give or annex details]*

(ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent in its capacity as Calculation Agent): [Fiscal Agent/[] shall be the Calculation Agent *(insert name and address)*]

(iii) Provisions for determining the Rate(s) of Interest where calculated by reference to an Index and/or Formula and/or other variable: []

(iv) Interest Determination Date(s): []

(v) Provisions for determining the Rate(s) of Interest where calculation by reference to an Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: []

(vi) (a) Interest Payment Dates: [[] in each year [commencing on []]/Not Applicable]

(b) Interest or calculation Period(s): [[] *(Specify either a period or periods or a specific date or dates if no Interest Payment Date(s) specified)/Not Applicable]*

(c) Interest Period Date: [[] *(Specify either a date or dates if no Interest Payment Date(s) specified)/Not Applicable]*

(vii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business

Day Convention/Preceding Business Day
Convention/other (give details)]

(viii) Additional Business Centre(s): []
(for the purposes of the definition of "**Business Day**")

(ix) Minimum Rate of Interest: [[] per cent per annum/Not Applicable]

(x) Maximum Rate of Interest: [[] per cent per annum/Not Applicable]

(xi) Day Count Fraction: []

(xii) [Margin(s)/Rate Multiplier]: [[+/-][] per cent per annum/[]/Not Applicable]

19 Dual Currency Note Provisions [Applicable [in respect of the period from, and including, [] to, but excluding, [] (specify if interest on the Note is calculated by reference to more than one interest rate)/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Rate of Exchange/method of calculating Rate of Exchange and Rate(s) of Interest: [give details]

(ii) Party, if any, responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent in its capacity as the Calculation Agent): [Fiscal Agent/[] shall be the Calculation Agent (insert name and address)]

(iii) Provisions applicable where calculation of Rate(s) of Interest by reference to Rate of Exchange impossible or impracticable: []

(iv) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

20 Call Option [Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)

[Any early redemption will be subject to the prior approval of APRA (for Subordinated Notes issued by ANZBGL only)]

(i) Option Exercise Date(s) (if other than as set out in the Conditions): [[] (If setting notice periods which are different to those provided in the terms and conditions, consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer

and the Fiscal Agent)/Not Applicable]

- (ii) Optional Redemption Date(s): []
- (iii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s): [[] per Calculation Amount/other (*specify*)]
- (iv) If redeemable in part:
 - (a) Minimum Redemption Amount: [[]/Not Applicable]
 - (b) Maximum Redemption Amount: [[]/Not Applicable]

21 Put Option [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Option Exercise Date(s) (if other than as set out in the Conditions): [] *(If setting notice periods which are different to those provided in the terms and conditions, consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Fiscal Agent)*
- (ii) Optional Redemption Date(s): []
- (iii) Optional Redemption Amount(s) and method, if any, of Amount/other (*specify*) calculation of such amount(s): [[] per Calculation Amount/other(*specify*)]

22 Final Redemption Amount of each Note [[]

per Calculation Amount/Index Linked Redemption or other variable-linked/ other(*specify*)

[See appendix for details.]

[In cases where the Final Redemption Amount is index-linked or other variable-linked:

- (i) Index/Formula/ variable: [] (*give or annex details*)
- (ii) Person responsible for calculating the Final Redemption Amount (if not the Fiscal Agent in its capacity as Calculation Agent): [Fiscal Agent/[] shall be the Calculation Agent (*insert name and address*)]

- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: []
- (iv) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:] *[Include a description of any market disruption or settlement disruption events that affect the underlying]*

23 Early Redemption Amount:

(Early Redemption Amount(s) payable on redemption for taxation reasons or on an Event of Default or other early redemption and/or the method of calculating the same) (if required or if different from that set out in the Conditions)

[Not Applicable/[] per Calculation Amount/Index-Linked Redemption or other variable-linked/Other (Specify) [See appendix for details]]

(The Early Redemption Amount means, in relation to a Note other than a Zero Coupon Note, its Nominal Amount (and, in relation to a Zero Coupon Note, as specified in Condition 5(d)) unless otherwise specified here in these Final Terms. Specify "Not Applicable" if no changes are to be made in these Final Terms to the Early Redemption Amount. If changes are to be made, specify the relevant Early Redemption Amount definition to be used.)

[Any early redemption will be subject to the prior approval of APRA (for Subordinated Notes issued by ANZBGL only)]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24 Form of Notes:

[Bearer Notes/Registered Notes]

[If Bearer Notes:

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Bearer Notes in definitive form on 60 days' notice (or, following a failure to pay principal, on 30 days' notice) by the Issuer [or the holder as the case may be]⁷ and ([in the limited circumstances specified in the Permanent Global Note].) [Temporary Global Note exchangeable for Bearer Notes in definitive form following the Exchange Date (as defined in the Temporary Global Note).] [Permanent Global Note exchangeable for Bearer Notes in definitive form on 60 days' notice (or, following a failure to pay principal, on 30 days' notice) by the Issuer [or the holder as the case may be]⁸ [at any time/in the

⁷ If the minimum denomination is €50,000 + €1,000 (or equivalent in another currency) or other multiples less than €50,000, the holder's option to request Bearer Notes in definitive form should be disappplied.

⁸ If the minimum denomination is €50,000 + €1,000 (or equivalent in another currency) or other multiples less than €50,000, the holder's option to request Bearer Notes in definitive form should be disappplied.

		limited circumstances specified in the Permanent Global Note].]
		[<i>If Registered Notes:</i> [Registered Global Note exchangeable for Certificates in definitive form in the limited circumstances specified in the Registered Global Note/Certificates in definitive form]
25	Additional Financial Centre(s) or other special provisions relating to Payment Business Dates:	[[]/Not Applicable] (<i>Note that this item relates to the definition of "Payment Business Day" and the place of payment in Condition 6(h), and not Additional Business Centres to which item 15(iii) relates</i>)
26	Talons for future Coupons or Receipts to be attached to Notes in definitive form (and dates on which such Talons mature):	[Yes (<i>If yes, give details</i>)/No]
27	Details relating to Partly Paid Notes including: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment and the method of calculating interest:	[Not Applicable/(<i>give details</i>)]
28	Details relating to Instalment Notes, including Instalment Amount(s) and Instalment Date(s):	[Not Applicable/(<i>give details</i>)]
29	Redenomination, renominatisation and reconventioning provisions:	[Not Applicable/ <i>Condition 6(i) applies</i> /The provisions annexed to this Final Terms apply]
30	Consolidation provisions:	[Not Applicable/The provisions annexed to this Final Terms apply]
31	Governing Law:	English
32	Other final terms	[Not Applicable/(<i>give details</i>)] (<i>when adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive</i>)

DISTRIBUTION

(In the left hand column under "Distribution" the words in square brackets should be included for retail issues only)

- 33 (i)** If syndicated, names [and addresses] of Managers [and underwriting commitments]: [Not Applicable/(give names [and for retail issues only, addresses and underwriting commitments] and include names [and addresses] of entities agreeing to underwrite the issue on a firm commitment basis and names [and addresses] of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers, specifying any Financial Intermediaries)]
- (ii)** Stabilising Manager (if any): [Not Applicable/(give name)]
- [(iii)]** [Date of Subscription Agreement:] (retail issues only) []
- 34** If non-syndicated, name [and address] of Dealer: [Not Applicable/(give name [and address])]
- 35** [Total commission and concession:] (retail issues only) [] per cent of the Aggregate Nominal Amount
- 36** Additional selling restrictions: [Not Applicable/(give details)]
- 37** US Selling Restrictions: [TEFRA Not Applicable/C Rules/D Rules/(applicable to Bearer Notes only)/Reg S. Category 2] (in the absence of any specification, the D Rules will apply)
- 38 Non-exempt Offer:** [Not Applicable] [An offer of the Notes may be made by the Managers [and[specify, if applicable]] other than pursuant to Article 3(2) of the Prospectus Directive in [specify relevant Member State(s) — which must be jurisdictions where the Base Prospectus and any supplements have been passported] ("**Public Offer Jurisdictions**") during the period from [specify date] until [specify date] ("Offer Period"). See further Paragraph 10 of Part B below.

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for the issue [and public offer in the Public Offer Jurisdictions]⁵ and admission to trading on the Regulated Market of the London Stock Exchange of the Notes described herein pursuant to the US\$60,000,000,000 Euro Medium Term Note Programme.⁶

RESPONSIBILITY

[Australia and New Zealand Banking Group Limited/ANZ National Bank Limited/ANZ National (Int'l) Limited] accepts responsibility for the information contained in these Final Terms. [Specify relevant third party information] has been extracted from [specify source]. [Each of the] [The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as

5 Include only for Notes that are offered to the public.

6 Relevant only in regards to Notes that are listed.

it is aware, and is able to ascertain from information published by *[specify source]*, no facts have been omitted which would render the reproduced information inaccurate or misleading.] *(Include where any information sourced from a third party has been reproduced and provide any necessary details)*

Signed on behalf of [Australia and New Zealand Banking Group Limited/ANZ National Bank Limited/ANZ National (Int'l) Limited]:

By: [Duly Authorised Signatory/Attorney] [By: Duly Authorised Signatory]⁷

[Signed on behalf of ANZ National Bank Limited:⁸

By: [Duly Authorised Signatory/Attorney] [By: Duly Authorised Signatory]⁹

7 Delete if signed by an attorney of the entity.
8 Include only if Issuer is ANZ (Int'l) Limited.
9 Delete if signed by an attorney of the entity.

PART B — OTHER INFORMATION

1 LISTING

- (i) Listing: [London/other (*specify*)/None]
- (ii) Admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify 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 [*specify regulated market*] with effect from [].]
- [Not Applicable]
- (Where documenting a fungible issue, the Issuer needs to indicate that the original securities are already admitted to trading.)
- (iii) [Estimate of total expenses related to admission to trading:]¹⁰ [●] (*For wholesale issues only*)

2 RATINGS

- Ratings: The Notes to be issued [have been]/[have not been] rated:
- [Standard & Poor's (Australia) Pty Ltd: []] [Moody's Investors Service Pty, Limited: []] [[Other]: []]
- [Include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider]¹¹
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating)
- A rating is not a recommendation by any rating organisation to buy, sell or hold Notes and may be subject to revision or withdrawal at any time by the assigning rating organisation.
- [[Insert credit rating agency] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009 as amended by Regulation (EC) No. 513/2011, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]
- [[Insert credit rating agency] is established in the European Union and is registered under Regulation

10 Relevant only in relation to Notes with a denomination of at least €50,000.

11 Relevant only in relation to Notes with a denomination of less than €50,000.

(EC) No. 1060/2009 as amended by Regulation (EC) No. 513/2011.]

[[Insert credit rating agency] is not established in the European Union and is not registered under Regulation (EC) No. 1060/2009 as amended by Regulation (EC) No. 513/2011.]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 as amended by Regulation (EC) No. 513/2011. However, the application for registration under Regulation (EC) No. 1060/2009 as amended by Regulation (EC) No. 513/2011 of [insert the name of the relevant EU CRA affiliate that applied for registration], which is established in the European Union, disclosed the intention to endorse credit ratings of [insert credit rating agency].]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 as amended by Regulation (EC) No. 513/2011. The ratings [[have been]/are expected to be] endorsed by [insert the name of the relevant EU-registered credit rating agency] in accordance with Regulation (EC) No. 1060/2009 as amended by Regulation (EC) No. 513/2011. [Insert the name of the relevant EU-registered credit rating agency] is established in the European Union and registered under Regulation (EC) No. 1060/2009 as amended by Regulation (EC) No. 513/2011. As such [insert name of relevant EU-registered credit rating agency] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with Regulation (EC) No. 1060/2009 as amended by Regulation (EC) No. 513/2011.]

[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 as amended by Regulation (EC) No. 513/2011, but [is/has applied to be] certified in accordance with such Regulation.]

Note: In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under Regulation (EU) No. 1060/2009 as amended by Regulation (EC) No. 513/2011 (the “**CRA Regulation**”) unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

3 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

(Need to include a description of any interest, including conflicting ones, that is material to the issue/offer of the Notes, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement.)

[Save as discussed in the section of the Base Prospectus entitled “Subscription 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.]

(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)

4 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer []

(See “Use of Proceeds” wording in Base Prospectus - if reasons for offer different from general corporate purposes, making profit and/or hedging certain risks will need to include those reasons here)

[(ii) Estimated net proceeds: []

(If proceeds are intended for more than one use then need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding)

[(iii) Estimated total expenses: []

[Include breakdown of expenses.]¹² (If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

5 [(Fixed Rate Notes only) YIELD]

Indication of yield: []

Calculated as *[include details of method of calculation in summary form]* on the Issue Date¹³. (As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.)

6 [(Retail issues only – Floating Rate Notes only) HISTORIC INTEREST RATES]

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from *[Identify relevant screen page or service where information is available].*

12 Relevant only in relation to Notes with a denomination of less than €50,000.

13 Relevant only in relation to Notes with a denomination of less than €50,000.

7 [(Index-linked Interest or Index-Linked Redemption or other variable-linked Notes only) PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, (for retail issues only) EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS] AND OTHER INFORMATION CONCERNING THE UNDERLYING¹⁴

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained [and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident]. Where the underlying is an index, need to include the name of the index and a description if composed by the Issuer and, if the index is not composed by the Issuer need to include details of where the information about the index can be obtained.

Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.¹⁵

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

8 [Dual Currency Notes only PERFORMANCE OF RATE[S] OF EXCHANGE (for retail issue only) AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

(Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained [(for retail issues only) and a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

9 OPERATIONAL INFORMATION

ISIN Code: []

Common Code: []

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s), address(es) and number(s)]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) or other Agent(s) (if any): []

¹⁴ Relevant only in relation to Notes with a denomination of less than €50,000.

¹⁵ If the Final Redemption Amount is or may be less than 100 per cent of the nominal value of the Notes, the Notes will be derivative securities for the purposes of the Prospectus Directive, and the requirements of Annex XII to the Prospectus Directive will apply.

10 (Retail issues only) TERMS AND CONDITIONS OF THE OFFER

Offer Price:	[Issue Price] [<i>specify if other than Issue Price</i>]
Conditions to which the offer is subject:	[Not applicable/ <i>give details</i>]
Description of the application process:	[Not applicable/ <i>give details</i>]
Details of the minimum and/or maximum amount of application:	[Not applicable/ <i>give details</i>]
Description of the possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not applicable/ <i>give details</i>]
Details of the method and time limits for paying up and delivering the Notes:	[Not applicable/ <i>give details</i>]
Manner in and date on which results of the offer are to be made public:	[Not applicable/ <i>give details</i>]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not applicable/ <i>give details</i>]
Categories of potential investors to which the Notes are offered and whether Tranche(s) have been reserved for certain countries:	[Not applicable/ <i>give details</i>]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not applicable/ <i>give details</i>]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not applicable/ <i>give details</i>]
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/ <i>give details</i>]

GENERAL INFORMATION

1. The admission of the Programme to listing on the Official List of the FSA and to trading on the Regulated Market of the London Stock Exchange is expected to take effect on or around 23 May 2012. The price of the Notes on the price list of the London Stock Exchange will be expressed as a percentage of their principal amount (exclusive of accrued interest). Any Tranche of Notes intended to be admitted to trading on the Regulated Market of the London Stock Exchange will be so admitted to trading upon submission to the London Stock Exchange of the relevant Final Terms and any other information required by the London Stock Exchange, subject to the issue of the relevant Notes. Prior to admission to trading, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions will normally be effected for delivery on the third working day in London after the day of the transaction.
2. However, Notes may be issued pursuant to the Programme which will not be admitted to listing, trading and/or quotation by the London Stock Exchange or any other listing authority, stock exchange and/or quotation system or which will be admitted to listing, trading and/or quotation by such listing authority, stock exchange and/or quotation system as the relevant Issuer and the relevant Dealer(s) may agree.
3. Each Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes issued by it. The establishment of the Programme and the issue of the Notes by it thereunder was authorised (i) by resolutions of the board of directors of ANZBGL on 24 April 1991, 26 and 27 February 2002, 22 and 23 October 2002 and 22 and 23 July 2008; (ii) by resolutions of the board of directors of ANZNBL on 5 January 2000, 16 June 2004, 9 August 2007, 19 June 2008, 2 December 2008 and 15 April 2010; (iii) by resolutions of the board of directors of ANZNIL on 22 June 2004, 29 August 2007, 28 November 2008, 23 December 2008, 2 September 2010 and 23 November 2011 and (iv) by resolutions of the shareholder of ANZNIL on 22 June 2004 and 21 August 2007.

The update of the Programme does not require further authorisation of the board of directors of ANZBGL, ANZNBL or ANZNIL.

ANZBGL is authorised to raise dated and perpetual subordinated liabilities up to a limited aggregate amount in any ANZBGL financial year (being from 1 October to 30 September). If any proposed issue of Subordinated Notes, when aggregated with other dated and perpetual subordinated liabilities raised by ANZBGL in the relevant ANZBGL financial year, will exceed that limit, then further authorisations will need to be obtained from the board of directors of ANZBGL prior to that issue.

4.
 - (i) Since 31 March 2012 there has been no significant change in the financial or trading position of ANZBGL and its subsidiaries taken as a whole. Since 30 September 2011 there has been no material adverse change in the prospects of ANZBGL and its subsidiaries taken as a whole.
 - (ii) Since 31 March 2012 there has been no significant change in the financial or trading position of ANZNBL and its subsidiaries taken as a whole. Since 30 September 2011 there has been no material adverse change in the prospects of ANZNBL and its subsidiaries taken as a whole.
 - (iii) Since 31 March 2012, there has been no significant change in the financial or trading position of ANZNIL. Since 30 September 2011, there has been no material adverse change in the prospects of ANZNIL.
5. None of the Issuers nor the Guarantor is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of

which it is aware) during the 12 months before the date of this Base Prospectus which may have, or have had in the recent past, a significant effect on the financial position or profitability of it or, in respect of ANZBGL and ANZNBL only, it and its subsidiaries taken as a whole, except in the case of ANZBGL only, as set out in Note 15 to ANZBGL's unaudited interim consolidated financial statements for the half-year ended 31 March 2012 and Note 44 to the audited annual consolidated financial statements for the year ended 30 September 2011 which are incorporated by reference into this Base Prospectus.

6. There are no material contracts having been entered into outside the ordinary course of each of the Issuer's businesses, which could result in any group member of that Issuer being under an obligation or entitlement that is material to that Issuer's ability to meet its obligation to Noteholders in respect of the Notes being issued.
7. Notes have been accepted for clearance through Euroclear of 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and Clearstream, Luxembourg of 42 Avenue JF Kennedy, L-1855, Luxembourg, Grand Duchy of Luxembourg. The Common Code and the International Securities Identification Number (ISIN) (and any other relevant identification number for any Alternative Clearing System) for each Series of Notes will be set out in the relevant Final Terms.
8. ANZBGL is authorised by the Financial Services Authority to accept deposits through a branch in the United Kingdom. ANZNBL and ANZNIL are not so authorised in the United Kingdom.
9. The financial statements of ANZBGL and of ANZBGL and its subsidiaries have been audited for the years ended 30 September 2010 and 2011 by KPMG of 147 Collins Street, Melbourne, Victoria 3000, Australia, independent auditors of ANZBGL and of ANZBGL and its subsidiaries, for that period, and unqualified opinions have been reported thereon. KPMG has no material interest in ANZBGL.

KPMG partners are members or affiliate members of The Institute of Chartered Accountants of Australia.

The liability of ANZBGL's auditors in respect of an audit of ANZBGL may be subject to statutory schemes in Australian jurisdictions that restrict the recovery of damages from accountants. Such schemes operate in all states of Australia (except for Tasmania), as well as the Australian Capital Territory and Northern Territory. The limitations in these schemes are based on specified amounts which are likely to be significantly less than an investment in the Notes. However, the limitations do not apply to claims for breach of trust, fraud or dishonesty. The scope of the limitations and their effect on the enforcement of foreign judgments in Australia have not been subject to judicial consideration and investors should seek their own advice on application of these schemes in the context of an investment in the Notes.

10. The financial statements of ANZNBL and of ANZNBL and its subsidiaries have been audited for the years ended 30 September 2010 and 2011 by KPMG of 10 Customhouse Quay, P.O. Box 996, Wellington, New Zealand, independent auditors of ANZNBL and of ANZNBL and its subsidiaries, for that period, and unqualified opinions have been reported thereon. KPMG has no material interest in ANZNBL.

The financial statements of ANZNIL have been audited for the years ended 30 September 2010 and 2011 by KPMG of 10 Customhouse Quay, P.O. Box 996, Wellington, New Zealand, independent auditors of ANZNIL, for that period, and unqualified opinions have been reported thereon. KPMG has no material interest in ANZNIL.

KPMG partners are members or affiliate members of the New Zealand Institute of Chartered Accountants.

11. For the life of this Base Prospectus or whilst any Notes are outstanding, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Fiscal Agent and the relevant Issuer:
- (i) the constitutive documents of the relevant Issuer;
 - (ii) the Agency Agreement (which includes the form of the Bearer Global Notes, the Registered Global Notes, the Bearer Notes in definitive form, the Certificates, the Coupons, the Receipts and the Talons);
 - (iii) the Programme Agreement, the Deed of Covenant and the Deed of Guarantee;
 - (iv) any Final Terms relating to Notes of the relevant Issuer which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. (In the case of any Notes which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by the relevant Noteholders.);
 - (v) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus; and
 - (vi) copies of the most recent publicly available annual audited consolidated and/or non-consolidated (as applicable) accounts and semi-annual unaudited financial statements of each of the Issuers and their subsidiaries incorporated by reference into this Base Prospectus, beginning with the annual audited consolidated and/or non-consolidated (as applicable) and interim consolidated and/or non-consolidated (as applicable) accounts of ANZBGL, ANZNBL and ANZNIL for the financial years ended 30 September 2010 and 2011 and the half-year ended 31 March 2012 (see "Information Incorporated by Reference" above for further details).
12. The Issuer does not intend to provide any post-issuance information in relation to any issue of Notes. However, the Issuer may prepare one or more supplements to this Base Prospectus to reflect, among other things, developments in its business or affairs.

THE ISSUERS

Australia and New Zealand Banking Group Limited

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ANZ National Bank Limited

Level 10
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New Zealand

ANZ National (Int'l) Limited

Level 10
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Wellington 6011
New Zealand

THE GUARANTOR

ANZ National Bank Limited

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DEALERS

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