OFFERING CIRCULAR DATED 15 NOVEMBER 2023.

NATIONAL AUSTRALIA BANK LIMITED

(ABN 12 004 044 937)
(*incorporated with limited liability in the Commonwealth of Australia*)

BANK OF NEW ZEALAND

(*incorporated in New Zealand with limited liability under registered number 428849*)

BNZ INTERNATIONAL FUNDING LIMITED,

acting through its London Branch

(*incorporated in New Zealand with limited liability under registered number 1635202 and registered as a branch in England & Wales under numbers BR008377 and FC026206*)

U.S.$100,000,000,000 Global Medium Term Note Programme

unconditionally and irrevocably guaranteed in the case of Notes issued by BNZ International Funding Limited, acting through its London Branch by

BANK OF NEW ZEALAND

(*incorporated in New Zealand with limited liability under registered number 428849*)

Under this U.S.$100,000,000,000 Global Medium Term Note Programme (the **Programme**), National Australia Bank Limited (ABN 12 004 044 937) (**NAB**), Bank of New Zealand (**BNZ**) and BNZ International Funding Limited, acting through its London Branch (**BNZ-IF**) (each, an **Issuer** and together, the **Issuers**), may from time to time issue notes (the **Notes**, which include Senior Notes (in the case of NAB and BNZ), Guaranteed Senior Notes (in the case of BNZ-IF) and Subordinated Notes (in the case of NAB and BNZ) as such terms are defined on pages 156-157 of this Offering Circular) denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below). Any Notes issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Notes in issue prior to the date hereof. The payment of all amounts owing in respect of Guaranteed Senior Notes issued by BNZ-IF will be unconditionally and irrevocably guaranteed by BNZ (in such capacity, the **Guarantor**). Notes may be issued in bearer or registered form (respectively, **Bearer Notes** and **Registered Notes**).

The Notes may be issued on a continuing basis to one or more of the Dealers specified on page 2 of this Offering Circular and any additional Dealer appointed under the Programme from time to time by the Issuers (each, a **Dealer** and together, the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the relevant Dealer shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

This Offering Circular has been approved as a base prospectus by the *Commission de Surveillance du Secteur Financier* (the **Competent Authority** or the **CSSF**), as competent authority under Regulation (EU) 2017/1129 (as amended, the **Prospectus Regulation**). The CSSF only approves this Offering Circular as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the CSSF should not be considered as an endorsement of any of the Issuers, the Guarantor or of the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

Application has been made to:

(i) the CSSF to approve this Offering Circular in connection with the issue by the Issuers of Notes with a minimum denomination of at least €100,000 (or its equivalent in any other currency) to be admitted to the official list and traded on the Regulated Market of the Luxembourg Stock Exchange (the Regulated Market of the Luxembourg Stock Exchange is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU as amended (**MiFID II**))), in accordance with the Prospectus Regulation (**PR Notes**); and

(ii) the Luxembourg Stock Exchange to approve this Offering Circular in connection with the issue by the Issuers of Notes with a minimum denomination of at least €100,000 (or its equivalent in any other currency) (the **Exempt Notes**) to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF market and the professional segment of the Euro MTF market (the Euro MTF market is not a regulated market for the purposes of MiFID II, but is subject to the supervision of the Luxembourg financial sector and stock exchange regulator, the CSSF) (the **Euro MTF Market**).

Each Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market and, where such Notes are, in addition, issued with a minimum denomination of at least €100,000 or otherwise fall within an exemption under the Prospectus Regulation or the Financial Services and Markets Act 2000 (the **FSMA**) from the requirement to publish a prospectus respectively, such Notes are, in addition, hereinafter also referred to in this Offering Circular as **Exempt Notes**.

For the avoidance of doubt, each Issuer may also issue Notes with a minimum denomination of less than €100,000 (or its equivalent in any other currency) which are offered to the public in the European Economic Area (and hereinafter also referred to in this Offering Circular as the **EEA**) or the United Kingdom (and hereinafter also referred to in this Offering Circular as the **UK**) and fall within an exemption under the Prospectus Regulation or the FSMA, respectively, from the requirement to publish a prospectus.

This Offering Circular (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Notes which are to be admitted to trading on a regulated market in the EEA. The obligation to supplement this Offering Circular in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Offering Circular is no longer valid and the validity of this Offering Circular will expire on 15 November 2024.

The CSSF has neither approved nor reviewed information contained in this Offering Circular in connection with Exempt Notes, including the form of Final Terms in respect of Exempt Notes. In accordance with Article 6(4) of the Luxembourg act dated 16 July 2019 on prospectuses for securities (the **Prospectus Act 2019), by approving this Offering Circular, in accordance with Article 20 of the Prospectus Regulation, the CSSF does not engage in respect of the economic or financial opportunity of the operation or the quality and solvency of the Issuers.**

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or additional stock exchange(s), or market(s), as may be agreed between the relevant Issuer, the Guarantor (in the case of Guaranteed Senior Notes) and the relevant Dealer. References in this Offering Circular to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to the official list and to trading on (i) the Regulated Market of the Luxembourg Stock Exchange or (ii) the Euro MTF Market.

Notice of, *inter alia*, the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes and the issue price of Notes which are applicable to each Tranche of Notes will be set out in the applicable Final Terms (the **Final Terms**) which, with respect to all Notes to be listed on the Regulated Market of the Luxembourg Stock Exchange or the Euro MTF Market, will be delivered to the Luxembourg Stock Exchange and, where applicable, the Competent Authority, on or before the date of issue of the Notes of such Tranche.

Information relating to the ratings of the Programme and issues of Notes under the Programme is set out on pages 98 to 100 of this Offering Circular.

Neither the Notes nor the Guarantee (as defined under "*Terms and Conditions of the Notes*") (in the case of Guaranteed Senior Notes) have been or will be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Bearer Notes that are subject to U.S. tax law requirements. The Notes may not be offered or sold (or, in the case of Bearer Notes, delivered) in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See "*Form of the Notes*" for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer, see "*Subscription and Sale and Transfer and Selling Restrictions*".

Investors in Hong Kong should not purchase Subordinated Notes (as defined herein) in the primary or secondary markets unless they are professional investors (as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and its subsidiary legislation) only and understand the risks involved. Subordinated Notes are generally not considered suitable for purchase by retail investors.

An investment in Notes issued under the Programme involves certain risks. In particular, Subordinated Notes are complex financial instruments with high risk. There are risks inherent in the holding of Subordinated Notes, including the risks in relation to their subordination, the implications on holders of Subordinated Notes (such as a substantial loss) and, in the case of Subordinated Notes issued by NAB, the circumstances in which such Subordinated Notes may be written down or converted into ordinary shares in the capital of NAB. The circumstances in which such holders may suffer loss as a result of holding the Subordinated Notes are difficult to predict and the quantum of any loss incurred by investors in the Subordinated Notes in such circumstances is also highly uncertain. For a discussion of these risks see "*Risk Factors*".

Arranger
DEUTSCHE BANK

Dealers

BARCLAYS	**BOFA SECURITIES**
BNP PARIBAS	**CITIGROUP**
DEUTSCHE BANK	**GOLDMAN SACHS INTERNATIONAL**
HSBC	**J.P. MORGAN**
MORGAN STANLEY	**NATIONAL AUSTRALIA BANK LIMITED**
NATWEST MARKETS	**RBC CAPITAL MARKETS**
TD SECURITIES	**UBS INVESTMENT BANK**

WELLS FARGO SECURITIES

This Offering Circular comprises (i) a prospectus for the issuance of Notes under the Programme by NAB; (ii) a prospectus for the issuance of Notes under the Programme by BNZ; and (iii) a prospectus for the issuance of Guaranteed Senior Notes under the Programme by BNZ-IF. Each prospectus constitutes, in respect of all Notes other than Exempt Notes issued under the Programme, a base prospectus for the purposes of Article 8 of the Prospectus Regulation and, for Exempt Notes to be listed on the Euro MTF Market, a base prospectus for the purposes of Part IV of the Prospectus Act 2019. When used in this Offering Circular, Prospectus Regulation means Regulation (EU) 2017/1129 and UK Prospectus Regulation means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (EUWA).

Each Issuer and the Guarantor (together, the **Responsible Persons) accepts responsibility for the information contained in this Offering Circular (and the Final Terms for each Tranche of Notes issued under the Programme) in respect of itself only and the Notes. The Responsible Persons, each having taken all reasonable care to ensure that such is the case, confirm that such information is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.**

The descriptions of the credit ratings set out in the section "*Documents Incorporated by Reference and Credit Ratings—(B) Credit Ratings*" on pages 99-100 of this Offering Circular, have been extracted from information published by S&P Global Ratings and Moody's Investors Service, respectively, as identified in that section. The Issuers confirm that such information has been accurately reproduced and that, so far as the Issuers are aware and are able to ascertain from such information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Copies of Final Terms will be available from the registered office of the relevant Issuer and the Guarantor (in the case of Guaranteed Senior Notes) and the specified office set out herein of each of the Paying Agents (as defined herein).

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

Other than in relation to the documents which are deemed to be incorporated by reference (see "*Documents Incorporated by Reference and Credit Ratings*"), the information on the websites to which this Offering Circular refers does not form part of this Offering Circular and has not been scrutinised or approved by the CSSF.

Following the publication of this Offering Circular, a supplement to this Offering Circular approved by the Competent Authority pursuant to Article 23 of the Prospectus Regulation may be prepared by any of the Issuers (a **Supplement to this Offering Circular). Any such Supplement to this Offering Circular will be available on the website of the Luxembourg Stock Exchange (*www.luxse.com*). Each of the Issuers and the Guarantor will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Offering Circular which may affect the assessment of any Notes, prepare a Supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes.**

In relation to Exempt Notes to be listed, following the publication of this Offering Circular, a supplement to this Offering Circular approved by the Luxembourg Stock Exchange (as competent entity for the purposes of Part IV of the Prospectus Act 2019) may be prepared by any of the Issuers pursuant to rule 206 of Part 2, Chapter 2 of the rules and regulations of the Luxembourg Stock Exchange (an **Exempt Notes Supplement to this Offering Circular). In accordance with rule 205 of Part 2, Chapter 2 of the rules and regulations of the Luxembourg Stock Exchange, any such Exempt Notes Supplement to this Offering Circular will be available, free of charge, at the registered offices of the Issuers and the Guarantor and on the website of the Luxembourg Stock Exchange (*www.luxse.com*) and copies may be obtained free of charge from the specified office of the Principal Paying Agent at Winchester House, 1**

Great Winchester Street, London EC2N 2DB. Each of the Issuers and the Guarantor will, in the event of any significant new factor relating to information included in this Offering Circular which may affect the assessment of any Exempt Notes to be listed, prepare an Exempt Notes Supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Exempt Notes to be listed.

Deutsche Trustee Company Limited, as trustee for the holders of the Notes (the **Trustee), has not independently verified the information contained herein. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuers or the Guarantor in connection with the Programme. No Dealer or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuers or the Guarantor in connection with the Programme.**

In relation to Exempt Notes issued by NAB as "Green Bonds" (as defined herein), none of the Dealers makes any representation as to the suitability of such Exempt Notes issued by NAB as Green Bonds under the Programme to fulfil any environmental, social and/or sustainability criteria required by any prospective investors. The Dealers have not undertaken, nor are they responsible for, any assessment or verification of any project, asset or other expenditure in the Portfolio (as defined in "*Use of Proceeds—Green Bonds*" below) and/or their impact, or any monitoring of the use of the net proceeds (or an amount equal thereto) of any such Notes issued by NAB as Green Bonds. Prospective investors in any Exempt Notes issued by NAB as Green Bonds should make their own assessment of NAB's Green Bond Framework, as defined in "*Use of Proceeds—Green Bonds*" below, as at the issue date of such Notes and as may be updated from time to time. For the avoidance of doubt, neither the Green Bond Framework, nor any second party opinion issued in relation thereto, is, nor shall it be deemed to be, incorporated into, or form part of, this Offering Circular.

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

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by any of the Issuers, the Guarantor or any of the Dealers or the Trustee that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and/or the Guarantor. Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes nor the issue of any Notes constitutes an offer or invitation by or on behalf of any Issuer or the Guarantor or any of the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

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

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended (the **Code), and the regulations promulgated thereunder.**

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of the Issuers, the Guarantor, the Dealers or the Trustee represents that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by any Issuer, the Guarantor, any of the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. No Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published, in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offer and sale of Notes. In addition, there are particular restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States and its territories or possessions or to any resident thereof, the EEA (including Austria, the Republic of Italy and Belgium), the UK, New Zealand (and hereinafter also referred to in this Offering Circular as NZ), Hong Kong, Japan, Singapore, Switzerland, Canada, China, the Republic of Korea and the Commonwealth of Australia (Australia); see "*Subscription and Sale and Transfer and Selling Restrictions*".

This Offering Circular has been prepared on the basis that any Notes with a minimum denomination of less than €100,000 (or equivalent in another currency) will only be offered to the public in an EEA Member State pursuant to an exemption under Article 1(4) of the Prospectus Regulation or in the UK pursuant to an exemption under section 86 of the FSMA.

SUITABILITY OF INVESTMENT

In making an investment decision, investors must rely on their own examination of the relevant Issuer and the Guarantor (in the case of Guaranteed Senior Notes) and the terms of the Notes being offered, including the merits and risks involved.

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

(i) **has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable Supplement to this Offering Circular;**

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

(iii) **has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes 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;

(iv) understands the accounting, legal, regulatory and tax implications of a purchase, holding and disposal of an interest in the Notes;

(v) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and

(vi) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Subordinated Notes discussed in this Offering Circular are complex financial instruments with high risk. More generally, 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.

MiFID II PRODUCT GOVERNANCE / TARGET MARKET

The Final Terms in respect of any Notes may include a legend entitled "MiFID II product governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.**

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

UK MiFIR PRODUCT GOVERNANCE / TARGET MARKET

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

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

IMPORTANT – EEA RETAIL INVESTORS

If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014** (as amended, the **PRIIPs Regulation) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.**

IMPORTANT – UK RETAIL INVESTORS

If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the **UK PRIIPs Regulation) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.**

PROHIBITION OF SALES TO CONSUMERS IN BELGIUM

The Final Terms in respect of any Notes may specify "Prohibition of Sales to Belgian Consumers" as being "Applicable". In that case, the Notes are not intended to be offered, sold or otherwise made available, and will not be offered, sold or otherwise made available, in Belgium to "consumers" (*consommateurs/consumenten*) within the meaning of the Belgian Code of Economic Law (*Code de droit économique/Wetboek van economisch recht*), as amended.

U.S. INFORMATION

NEITHER THE NOTES NOR THE GUARANTEE (IN THE CASE OF GUARANTEED SENIOR NOTES) HAVE BEEN OR WILL BE REGISTERED UNDER THE SECURITIES ACT, OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. THE NOTES MAY NOT BE OFFERED OR SOLD (OR, IN THE CASE OF BEARER NOTES, DELIVERED) WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS. THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY IN THE UNITED STATES, NOR HAVE THE FOREGOING AUTHORITIES APPROVED THIS OFFERING CIRCULAR OR CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THE INFORMATION CONTAINED IN THIS OFFERING CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

NONE OF THE DEALERS, THE ISSUERS, THE GUARANTOR OR THE TRUSTEE MAKES ANY REPRESENTATION TO ANY INVESTOR IN THE NOTES REGARDING THE LEGALITY OF ITS INVESTMENT UNDER ANY APPLICABLE LAWS. ANY INVESTOR IN THE NOTES SHOULD BE ABLE TO BEAR THE ECONOMIC RISK OF AN INVESTMENT IN THE NOTES FOR AN INDEFINITE PERIOD OF TIME.

This Offering Circular has been prepared by the Issuers and the Guarantor for use in connection with the offer and sale of the Notes (1) outside the United States to persons that are not U.S. persons pursuant to Regulation S under the Securities Act and (2) with respect to Registered Notes, to qualified institutional buyers within the meaning of Rule 144A (QIBs), in reliance upon Rule 144A of the Securities Act (Rule 144A), or in transactions otherwise exempt from, or not subject to, the registration requirements under the Securities Act. Each purchaser of Registered Notes that is a U.S. person (as defined in Regulation S) is hereby notified that the offer and sale of any Registered Notes to it may be being made in reliance upon the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Each purchaser or holder of Notes will be deemed, by its acceptance or purchase of any such Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in "*Subscription and Sale and Transfer and Selling Restrictions*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in "*Form of the Notes*".

The Notes may include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered or sold or, in the case of Notes in bearer form, delivered, in the United States or to or for the account or benefit of, United States persons as defined in the Code and regulations thereunder.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are "restricted securities" as defined in Rule 144(a)(3) of the Securities Act, each of the Issuers has undertaken in the Trust Deed to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by such holder or beneficial owner, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the relevant Issuer is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the **Exchange Act), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.**

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

NAB is a corporation organised under the laws of Australia. All of the officers and directors named herein reside outside the United States and all or a substantial portion of the assets of NAB and of such officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside Australia upon NAB or such persons, or to enforce judgments against them obtained in courts outside Australia predicated upon civil liabilities of NAB or such directors and officers under laws other than Australian law, including any judgment predicated upon United States federal securities laws. There is doubt as to the enforceability in Australia in original actions or in actions for enforcement of judgments of United States courts of civil liabilities predicated solely upon the federal securities laws of the United States.

BNZ, BNZ-IF and the Guarantor are corporations organised under the laws of New Zealand. All of the respective officers and directors of BNZ, BNZ-IF and the Guarantor named herein reside outside the United States and all or a substantial portion of the assets of each of BNZ, BNZ-IF and the Guarantor and of their respective officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside New Zealand upon BNZ or BNZ-IF or the Guarantor or upon such persons, or to enforce judgments against them obtained in courts outside

New Zealand predicated upon civil liabilities of BNZ or BNZ-IF or the Guarantor, as the case may be, or their respective directors and officers under laws other than New Zealand law, including any judgment predicated upon United States federal securities laws. Each of BNZ, BNZ-IF and the Guarantor has been advised by Russell McVeagh, their New Zealand counsel, that there is doubt as to the enforceability in New Zealand in original actions or in actions for enforcement of judgments of United States courts of civil liabilities predicated solely upon the federal securities laws of the United States.

FORWARD-LOOKING STATEMENTS

This Offering Circular includes "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. All statements other than statements of historical facts included in this Offering Circular, including, without limitation, those regarding the Issuers' and the Guarantor's financial position, business strategy, plans, targets, intentions and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the relevant Issuer or the Guarantor, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the present and future business strategies of the relevant Issuer or the Guarantor and the environment in which they will operate in the future. These forward-looking statements speak only as of the date of this Offering Circular. Each of the Issuers and the Guarantor expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the expectations of the relevant Issuer or the Guarantor with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

BENCHMARKS REGULATION

Amounts payable on certain Floating Rate Notes issued under the Programme may be calculated by reference to EURIBOR, SONIA, SOFR, HIBOR, CORRA, €STR, CNH HIBOR, NIBOR, BBSW or BKBM as specified in the applicable Final Terms and each as defined below or in the Terms and Conditions of the Notes. As at the date of this Offering Circular, each of European Money Markets Institute (as administrator of EURIBOR), Norske Finansielle Referanser AS (as administrator of NIBOR) and ASX Benchmarks Limited (as administrator of Australian Bank Bill Swap Rate (BBSW)) appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (ESMA) pursuant to Article 36 of the Regulation (EU) No. 2016/1011 (the **EU Benchmarks Regulation). As at the date of this Offering Circular, the administrators of SONIA, SOFR, CORRA, €STR, CNH HIBOR, HIBOR and the NZ Bank Bill Benchmark Rate (BKBM) do not appear on ESMA's register of administrators and benchmarks under Article 36 of the EU Benchmarks Regulation. As far as each Issuer is aware, (i) SONIA, SOFR, CORRA and €STR do not fall within the scope of the EU Benchmarks Regulation, and (ii) the transitional provisions in Article 51 of the EU Benchmarks Regulation apply, such that each of the Treasury Markets Association (as administrator of CNH HIBOR and HIBOR) and the New Zealand Financial Benchmark Facility Limited (as administrator of BKBM) is not currently required to obtain recognition, endorsement or equivalence.**

SECTION 309B NOTIFICATION

In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the **SFA) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (**the **CMP Regulations 2018), the Issuers have determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA), unless otherwise specified before an offer of Notes, that all Notes issued or to be issued under the Programme are classified as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products**

(as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

NAB maintains its financial books and records and prepares its financial statements in Australian dollars in accordance with the requirements of the Corporations Act 2001 of Australia (the **Corporations Act), accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) which differ in certain respects from generally accepted accounting principles in the United States (U.S. GAAP).**

In this Offering Circular all references to the "NAB Group" refer to NAB and its controlled entities. In addition, references to "U.S. dollars" and "U.S.$" refer to United States dollars, references to "Australian dollars" and "A$" refer to Australian dollars, references to "New Zealand dollars" and "NZ$" refer to New Zealand dollars, references to "£" refer to pounds Sterling, references to "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the functioning of the European Union, as amended, references to "Renminbi" and "CNY" refer to the lawful currency of the People's Republic of China and all references to the "PRC" and "China" refer to the People's Republic of China excluding the Hong Kong Special Administrative Region of the People's Republic of China, the Macao Special Administrative Region of the People's Republic of China and Taiwan.

In this Offering Circular, unless a contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

NO RETAIL PRODUCT DISTRIBUTION CONDUCT

This Offering Circular and the Notes are not for distribution to any person in Australia who is a retail client for the purposes of section 761G of the Corporations Act. No target market determination has been or will be made for the purposes of Part 7.8A of the Corporations Act.

CLIMATE BONDS INITIATIVE CERTIFICATION – DISCLAIMER

In relation to any issue by NAB of Exempt Notes as Green Bonds, NAB may seek to procure the certification of the relevant Tranche of Notes as "Climate Bonds" by the Climate Bonds Standard Board of the Climate Bonds Initiative. The certification of any such Green Bonds issued by NAB as "Climate Bonds" by the Climate Bonds Initiative will be based solely on the version of the Climate Bonds Standard in force as at the relevant date of issue of such Green Bonds (the **Climate Bonds Standard) and does not, and is not intended to, make any representation, warranty, undertaking, express or implied, or give any assurance with respect to any other matter relating to such Green Bonds or the Portfolio (as defined on page 259 under "*Use of Proceeds—Green Bonds*"), including but not limited to this Offering Circular, the applicable Final Terms in respect of a Tranche of such Green Bonds, NAB or the management of NAB.**

The certification of any Green Bonds issued by NAB as "Climate Bonds" by the Climate Bonds Initiative will be addressed solely to the board of directors of NAB and is not a recommendation to any person to purchase, hold or sell such Green Bonds and such certification does not address the market price or suitability of those Green Bonds for a particular investor. Each potential purchaser of such Green Bonds certified as "Climate Bonds" should determine for itself the relevance of this certification. Any purchase of such Green Bonds should be based upon such investigation that each potential purchaser deems necessary. The certification also does not address the merits of the decision by NAB or any third party to participate in any project in the Portfolio and does not express and should not be deemed to be an expression of an opinion as to NAB or any aspect of any project in the Portfolio (including but not limited to the financial viability of such project) other than with respect to conformance with the Climate Bonds Standard.

In issuing or monitoring, as applicable, the certification, the Climate Bonds Initiative will assume and rely upon the fairness, accuracy, reasonableness and completeness in all material respects of the information supplied or otherwise made available to the Climate Bonds Initiative. The Climate Bonds Initiative does not assume or accept any responsibility or liability to any person for independently verifying (and it has not verified) such information or to undertake (and it has not undertaken) any independent evaluation of any project in the Portfolio or NAB. In addition, the Climate Bonds Initiative does not assume any obligation to conduct (and it has not conducted) any physical inspection of any such project. Any certification of Green Bonds issued by NAB as "Climate Bonds" may only be used with such Green Bonds and may not be used for any other purpose without the Climate Bonds Initiative's prior written consent.

Any such certification of Green Bonds issued by NAB as "Climate Bonds" by the Climate Bonds Initiative does not, and is not in any way intended to, address the likelihood of timely payment of interest when due on such Green Bonds and/or the payment of principal at maturity or any other date. Such certification may be withdrawn at any time in the Climate Bonds Initiative's sole and absolute discretion and there can be no assurance that such certification will not be withdrawn.

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In connection with the issue of any Tranche of Notes, any relevant Dealer or Dealers (if any) acting as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions (in each case outside Australia and New Zealand and not on any market in Australia or New Zealand) with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allocation must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

Neither NAB nor BNZ has authorisation of De Nederlandsche Bank N.V. to pursue the business of a bank in the Netherlands and neither NAB nor BNZ is registered as a "licensed financial enterprise" pursuant to section 1:107 of the Netherlands Financial Supervision Act (*Wet op het financieel toezicht*). NAB has authorisation of the Australian Prudential Regulation Authority (**APRA**) to pursue the business of a credit institution. BNZ is registered as a bank and prudentially supervised by the Reserve Bank of New Zealand (**RBNZ**). In addition, NAB's London Branch is authorised and regulated by the Financial Conduct Authority (the **FCA**), is subject to limited regulation by the Prudential Regulation Authority, and has permission to carry on the regulated activity of (amongst other things) accepting deposits, and is an authorised person for the purposes of the FSMA.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.

This Overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980 (the **Delegated Regulation**).

Words and expressions defined in "*Form of the Notes*" and "*Terms and Conditions of the Notes*" shall have the same meanings in this Overview.

Information relating to the Issuers and the Guarantor

Description of the Issuers and the Guarantor:	National Australia Bank Limited: registered in Australia with ABN 12 004 044 937 and having its registered office at Level 28, 395 Bourke Street, Melbourne, Victoria 3000, Australia. Bank of New Zealand: incorporated as a company under the New Zealand Companies Act 1993 with company number 428849 and having its registered office at Level 4, 80 Queen Street, Auckland 1010, New Zealand. BNZ International Funding Limited, acting through its London Branch: incorporated as a company under the New Zealand Companies Act 1993 with company number 1635202 and having its registered office at Level 4, 80 Queen Street, Auckland 1010, New Zealand, acting through its London Branch at The Scalpel, 52 Lime Street, London EC3M 7AF.
Issuers' Legal Entity Identifiers (**LEIs**):	NAB: F8SB4JFBSYQFRQEH3Z21 BNZ: N7LGVZM7X4UQ66T7LT74 BNZ-IF: 549300HVMZ89HDMELW08
Business of the Issuers and the Guarantor:	National Australia Bank Limited (ABN 12 004 044 937): NAB was incorporated on 23 June 1893. The NAB Group is a financial services organisation with more than 38,000 colleagues operating in Australia and NZ with other businesses located in Asia, the UK and the United States, with more than 596,000 shareholders and serving more than 8.5 million customers, as at 30 September 2023. Bank of New Zealand (in its capacity as an Issuer and the Guarantor): BNZ is one of New Zealand's oldest banks, founded in 1861. It provides a broad range of banking and financial products and services to retail, business, private, corporate and institutional clients. It has been a member of the NAB Group since 1992. BNZ International Funding Limited, acting through its London Branch: BNZ-IF is a subsidiary of BNZ carrying out offshore wholesale funding requirements through the issuance of debt securities.

Information relating to the Programme

Description:	Global Medium Term Note Programme
Arranger:	Deutsche Bank AG, London Branch
Dealers:	Barclays Bank PLC BNP Paribas Citigroup Global Markets Limited Deutsche Bank AG, London Branch Goldman Sachs International HSBC Bank plc J.P. Morgan Securities plc Merrill Lynch International Morgan Stanley & Co. International plc National Australia Bank Limited (ABN 12 004 044 937) NatWest Markets Plc RBC Europe Limited The Toronto-Dominion Bank UBS AG London Branch Wells Fargo Securities International Limited and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale and Transfer and Selling Restrictions*"), including, in relation to BNZ and BNZ-IF, the following restrictions applicable at the date of this Offering Circular. **Notes having a maturity of less than one year** Notes issued by BNZ or BNZ-IF having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent; see "*Subscription and Sale and Transfer and Selling Restrictions*".
Trustee:	Deutsche Trustee Company Limited
Principal Paying Agent:	Deutsche Bank AG, London Branch or, in the case of certain Series of Exempt Notes (as defined above), Deutsche Bank Trust Company Americas, as specified in the applicable Final Terms of such Exempt Notes.

Registrars:	Deutsche Bank Trust Company Americas Deutsche Bank Luxembourg S.A.
CMU Lodging Agent:	Deutsche Bank AG, Hong Kong Branch
Programme Size:	Up to U.S.$100,000,000,000 (or its equivalent in other currencies) outstanding at any time. The Issuers may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and, in each case, on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, any currency agreed between the relevant Issuer and the relevant Dealer.
Maturities:	Such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to such Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid or, in the case of Exempt Notes, a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer or registered form as described in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and *vice versa*.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined: (i) on the basis of the reference rate set out in the applicable Final Terms; or (ii) on such other basis as may be agreed between the relevant Issuer and the relevant Dealer. The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.
Exempt Notes:	The relevant Issuer may issue Exempt Notes which are Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Index Linked Notes, Dual Currency Notes, Partly Paid Notes or Notes redeemable in one or more instalments.

Index Linked Notes: Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the relevant Issuer and the relevant Dealer may agree.

Dual Currency Notes: Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealer may agree.

Partly Paid Notes: The relevant Issuer may issue Notes in respect of which the issue price is paid in separate instalments in such amounts and on such dates as the relevant Issuer and the relevant Dealer may agree.

Notes redeemable in instalments: The relevant Issuer may issue Notes which may be redeemed in separate instalments in such amounts and on such dates as the relevant Issuer and the relevant Dealer may agree.

The relevant Issuer and, in the case of Notes issued by BNZ-IF, the Guarantor may agree with any Dealer that Exempt Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event the relevant provisions will be included in the applicable Final Terms (except that, where such Exempt Notes are to be admitted to trading on the Euro MTF Market, such variations to the Terms and Conditions of the Notes shall not entail the creation of an entirely new product unless an Exempt Notes Supplement to this Offering Circular or a new Offering Circular is approved by the Luxembourg Stock Exchange for use in connection with such Exempt Notes).

Zero Coupon Notes: Zero Coupon Notes will be (i) offered and sold at a discount to their nominal amount or (ii) offered and sold at their nominal amount and redeemed at a premium to their nominal amount, and in each case will not bear interest.

Benchmark Discontinuation: In the case of certain Floating Rate Notes, if:

(A) where the Floating Rate Notes reference a benchmark other than SOFR or BBSW Rate, the relevant Issuer determines that a Benchmark Event has occurred, the relevant benchmark or screen rate may be replaced by a Successor Rate or, if there is no Successor Rate but the relevant Issuer determines there is an Alternative Rate (acting in good faith and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser), such Alternative Rate. An Adjustment Spread may also be applied to the Successor Rate or the Alternative Rate (as the case may be), together with any Benchmark Amendments (which in the case of any Alternative Rate, any Adjustment Spread unless formally recommended or provided for and any Benchmark Amendments shall be determined by the relevant Issuer acting in good faith and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser);

(B) where the Floating Rate Notes reference SOFR as the benchmark, the relevant Issuer (or its designee) determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the relevant benchmark will be replaced by the relevant Benchmark Replacement. Benchmark Replacement Conforming Changes may also be made; or

(C) where the Floating Rate Notes reference BBSW Rate as the benchmark, if a Temporary Disruption Trigger or a Permanent Discontinuation Trigger has occurred, the relevant benchmark will be replaced in accordance with Condition 5.2(b)(vi)(B).

For further information, see Conditions 5.2(b)(ii)(E), 5.5 and 5.2(b)(vi).

In the case of Subordinated Notes issued by NAB, any Successor Rate, Alternative Rate, Adjustment Spread, Benchmark Amendment, Benchmark Replacement, Benchmark Replacement Conforming Change, Benchmark Replacement Adjustment or Fallback Rate (or any other replacement rate determined in accordance with Condition 5.2(b)(vi)(B) on account of a Permanent Discontinuation Trigger) (as applicable) will be subject to APRA's prior written approval, which may not be given for any Successor Rate, Alternative Rate, Adjustment Spread, Benchmark Amendment, Benchmark Replacement, Benchmark Replacement Conforming Change, Benchmark Replacement Adjustment or Fallback Rate (or other replacement rate) (as the case may be) that APRA considers may have the effect of increasing the Rate of Interest contrary to applicable prudential standards.

In the case of Subordinated Notes issued by BNZ, BNZ must give the RBNZ at least five working days' prior notice of any amendment to the terms and conditions of a Subordinated Note. Such notice must be accompanied by, among other things, a signed opinion from BNZ's New Zealand legal counsel confirming that, once the amendment is in effect, the Subordinated Notes will continue to qualify as Tier 2 Capital (as defined in Condition 7.2). BNZ would not be able to comply with the RBNZ notification requirement and, consequently, no Successor Rate, Alternative Rate, Adjustment Spread, Benchmark Amendment, Benchmark Replacement, Benchmark Replacement Conforming Change, Benchmark Replacement Adjustment or Fallback Rate (or other replacement rate) (as applicable) could be applied, if any such Successor Rate, Alternative Rate, Adjustment Spread, Benchmark Amendment, Benchmark Replacement, Benchmark Replacement Conforming Change, Benchmark Replacement Adjustment or Fallback Rate (or other replacement rate) (as applicable) would have the effect of increasing the Rate of Interest contrary to applicable prudential regulatory requirements.

Redemption: The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity date (other than, in the case of Exempt Notes, in specified instalments, if applicable or for certain taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer upon giving notice to the Noteholders, as specified in the applicable Final Terms, on a date or dates specified prior to such stated maturity and at a price or prices and

	on such other terms as may be agreed between the relevant Issuer and the relevant Dealer.
	Unless previously redeemed or purchased and cancelled, each Note, which is not a Zero Coupon Note or an Exempt Note, will be redeemed at an amount equal to at least 100 per cent. of its nominal value on its scheduled maturity date.
	The terms and conditions governing redemptions of Subordinated Notes issued by NAB and BNZ will differ. For further particulars, please see "*Terms and Conditions of the Notes*".
	In relation to BNZ and BNZ-IF, Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution; see "*Certain Restrictions—Notes having a maturity of less than one year*" above.
Payment restrictions for Subordinated Notes:	Payments of interest, principal or any other amount owing to a Noteholder or the Trustee in connection with Subordinated Notes issued by NAB are conditional upon NAB being Solvent (as defined in Condition 10.2) at the time those payments fall due, and NAB must not pay an amount owing to a Noteholder or the Trustee in connection with any Subordinated Notes issued by NAB except to the extent that NAB may pay such amount and still be Solvent (as defined in Condition 10.2) immediately after doing so, as further described in Condition 3.2.
	Payments of interest, principal or any other amount owing to a Noteholder or the Trustee in connection with Subordinated Notes issued by BNZ at any time before their stated maturity or the Liquidation of BNZ are conditional upon BNZ being Solvent (as defined in Condition 10.2A) at the time those payments fall due, and BNZ must not pay an amount owing to a Noteholder or the Trustee in connection with Subordinated Notes issued by BNZ at any time before their stated maturity or the Liquidation of BNZ except to the extent that BNZ may pay such amount and still be Solvent (as defined in Condition 10.2A) immediately after doing so, as further described in Condition 3.3.
Denomination of Notes:	Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Note (other than an Exempt Note) that will be admitted to trading on a European Economic Area exchange or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Regulation will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the date of issue) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency; see "*Certain Restrictions—Notes having a maturity of less than one year*" above.
Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes unless required by law, to the extent provided in Condition 8. In the event that any such deduction is made, the relevant Issuer or, as the case may be, the Guarantor (in the case of

	Guaranteed Senior Notes) will, save in certain limited circumstances provided in Conditions 6 and 8, be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge:	The terms of the Notes will not contain a negative pledge.
Cross Default:	The terms of the Notes will not contain cross default provisions.
Set-off:	A holder of a Subordinated Note (or any related Receipt or Coupon) issued by NAB or BNZ (as applicable) shall not, on any account, set-off against any amounts owing to it in respect of such Subordinated Note, Receipt or Coupon amounts owing by the holder thereof to NAB or BNZ (as applicable) and neither NAB nor BNZ (as applicable) shall have any right to set-off any amounts owing by it to a holder against any amount owing by the holder to it.
Status of the Senior Notes and Guaranteed Senior Notes:	The Senior Notes and Guaranteed Senior Notes will be unsubordinated, direct and unsecured obligations of the relevant Issuer and will rank *pari passu* with all other unsecured and unsubordinated obligations of the relevant Issuer (save for certain obligations preferred by mandatory provisions of applicable law). Senior Notes issued by NAB do not constitute deposit liabilities of NAB, are not protected accounts for the purposes of the Banking Act and are not guaranteed or insured by any government, government agency or compensation scheme of Australia or any other jurisdiction or by any other party. Senior Notes issued by BNZ do not constitute deposit liabilities of BNZ. Neither Senior Notes issued by BNZ nor Guaranteed Senior Notes are guaranteed by any government, government agency or compensation scheme of Australia, His Majesty the King in right of New Zealand or any other jurisdiction or (other than the Guarantor in respect of Guaranteed Senior Notes) any other party.
Status of Subordinated Notes issued by NAB:	Subordinated Notes issued by NAB will be direct and unsecured obligations of NAB and will be subordinated to the claims of all Senior Creditors of NAB in right of payment with respect to the assets of NAB in the event of a Winding Up of NAB as defined and further described in Condition 3.2 and are liable to be mandatorily Converted into Ordinary Shares or Written-Off where this is determined by APRA to be necessary on the grounds that NAB would otherwise become non-viable as further described in Condition 10A. Subordinated Notes issued by NAB do not constitute deposit liabilities of NAB, are not protected accounts for the purposes of the Banking Act and are not guaranteed or insured by any government, government agency or compensation scheme of Australia or any other jurisdiction or by any other party.
Status of Subordinated Notes issued by BNZ:	Subordinated Notes issued by BNZ will be direct and unsecured obligations of BNZ and will be subordinated to the claims of all Senior Creditors of BNZ in right of payment with respect to the assets of BNZ in the event of a Liquidation of BNZ as defined and further described in Condition 3.3. For the avoidance of doubt, the Terms and Conditions of Subordinated Notes issued by BNZ do not contain a non-viability trigger event and Subordinated Notes issued by BNZ are not subject to mandatory conversion into ordinary shares in the capital of BNZ or write-off. Subordinated Notes issued by BNZ do not constitute deposit liabilities of BNZ and are not guaranteed or insured by any government, government agency, compensation scheme of Australia, His Majesty the

King in right of New Zealand or any other jurisdiction or by any other party.

Status of the Guarantee & Guaranteed Senior Notes:	Only Notes issued by BNZ-IF will be unconditionally and irrevocably guaranteed by the Guarantor. The obligations of BNZ-IF and the Guarantor under the Guaranteed Senior Notes will constitute unsubordinated, direct and unsecured obligations of BNZ-IF and the Guarantor and will rank *pari passu* with all other unsecured and unsubordinated obligations of BNZ-IF and the Guarantor (save for certain obligations required to be preferred by law).
Rating:	See pages 98 to 100 of this Offering Circular for further information on ratings. A rating is not a recommendation to buy, sell or hold any Notes and may be subject to revision, suspension or withdrawal at any time by the relevant rating agency. Any credit rating in respect of any Notes or any Issuer is for distribution only to persons who are not a "retail client" within the meaning of section 761G of the Corporations Act 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 and, in all cases, in such circumstances as may be permitted by applicable law in any jurisdiction in which an investor may be located. Anyone who is not such a person is not entitled to receive this Offering Circular and anyone who receives this Offering Circular must not distribute it to any person who is not entitled to receive it.
Listing and admission to trading:	Application has been made to: (i) the Competent Authority to approve this Offering Circular in connection with the issue by the Issuers of PR Notes (as defined above) to be admitted to the official list and traded on the Regulated Market of the Luxembourg Stock Exchange in accordance with the Prospectus Regulation; and (ii) the Luxembourg Stock Exchange to approve this Offering Circular in connection with the issue by the Issuers of certain Tranches of Exempt Notes (as defined above) to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF market (the **Euro MTF Market**) and on the Professional Segment of the Euro MTF Market. The Notes may be listed or admitted to trading, as the case may be, on such other or additional stock exchanges or markets as may be agreed between the relevant Issuer, the Guarantor (in the case of Guaranteed Senior Notes) and the relevant Dealer. The applicable Final Terms will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s).
Delivery:	The Notes may be settled on a delivery against payment basis or a delivery free of payment basis, as specified in the applicable Final Terms.

Risk Factors:	There are certain factors that may affect the relevant Issuer's ability to fulfil its obligations under Notes issued under the Programme or the Guarantor's ability to fulfil its obligations under the Guarantee. These factors are set out under "*Risk Factors*" and include, *inter alia*, the risk of subsequent changes in the actual or perceived creditworthiness of the relevant Issuer or the Guarantor (as applicable), which may adversely affect the market value of the Notes. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme, which include, *inter alia*, risks related to the structure of particular types of Notes, modifications and waivers of the terms and conditions of the Notes in certain circumstances without the consent of all of the Noteholders, changes in laws, taxation laws or regulations which affect the Notes, risks related to secondary market trading of the Notes, exchange rate risks and interest rate risks. For further particulars, please see "*Risk Factors*".
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, English law save that in the case of Subordinated Notes: (A) issued by NAB, Conditions 3.2 and 10A and the conversion mechanisms set out in the Schedule to the Conditions will be governed by, and construed in accordance with, the laws of the State of Victoria and the Commonwealth of Australia; and (B) issued by BNZ, Condition 3.3 will be governed by, and construed in accordance with, the laws of New Zealand.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including Austria, Republic of Italy and Belgium), the UK, New Zealand, Hong Kong, Japan, Singapore, Switzerland, Canada, China, the Republic of Korea and Australia 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 and Transfer and Selling Restrictions*".
United States Selling Restrictions:	Regulation S Compliance Category 1/2/3, Rule 144A, TEFRA C or TEFRA D or TEFRA not applicable, as specified in the applicable Final Terms.

RISK FACTORS

Each of the Issuers and the Guarantor believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and none of the Issuers nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and in the documents incorporated by reference and reach their own views prior to making any investment decision.

Each of the Issuers and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of any of the Issuers or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the relevant Issuer or the Guarantor based on information currently available to them or which they may not currently be able to anticipate.

Investors should be aware that the materialisation of any of the below risks may adversely affect the value of any securities.

References in the following risk factors to "BNZ" are to BNZ in its capacity as an Issuer and as the Guarantor.

FACTORS THAT MAY AFFECT THE RELEVANT ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME AND THE GUARANTOR'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE GUARANTEE

(A) NAB - RISKS SPECIFIC TO THE NAB GROUP

Set out below are the principal risks and uncertainties associated with the NAB Group. It is not possible to determine the likelihood of these risks occurring with any certainty. However, the risk in each category that NAB considers most material is listed first, based on the information available at the date of this Offering Circular and NAB's best assessment of the likelihood of each risk occurring and the potential magnitude of the negative impact to the NAB Group should such risk materialise. In the event that one or more of these risks materialises, the NAB Group's reputation, strategy, business, operations, financial condition and future performance could be materially and adversely impacted.

The NAB Group's Risk Management Framework and internal controls may not be adequate or effective in accurately identifying, evaluating, or addressing risks faced by the NAB Group. There may be other risks that are unknown or deemed immaterial, but which may subsequently become known or material. These may individually, or in aggregate, adversely impact the NAB Group. Accordingly, no assurances or guarantees of future performance, profitability, distributions or returns of capital are given by the NAB Group.

Strategic Risk

Strategic risk is the risk to earnings, capital, liquidity, funding, or reputation arising from an inadequate response to changes in the external environment and risk of failing to properly consider downstream impacts and achieve effective outcomes when executing material change programmes.

Strategic initiatives may fail to be executed, may not deliver all anticipated benefits, or may otherwise change the NAB Group's risk profile

The NAB Group's corporate strategy sets its purpose, ambition and objectives. The NAB Group prioritises and invests significant resources in the execution of initiatives that are aligned to its chosen strategy, including transformation and change programmes. These programmes primarily focus on customers, technology, digital and data assets, infrastructure, business improvement, cultural transformation, regulatory compliance, and changes to associated controls, and may have dependencies on external suppliers or partners. There is a risk that these programmes may not realise some or all of their anticipated benefits and outcomes. These programmes may also increase operational, compliance, and other risks, and new or existing risks may not be appropriately assessed or controlled.

The NAB Group's strategy includes Environmental, Social or Governance (**ESG**) related initiatives, including a climate strategy and various obligations, targets and goals. Setting and achieving the NAB Group's sector decarbonisation targets and managing risks including climate change related financial risks and ESG-related risks are influenced by the NAB Group's customers, policy makers, the emerging ESG-related regulatory and disclosure environment and other stakeholders.

Any failure by the NAB Group to deliver in accordance with its strategy, or to deliver strategic programmes effectively, may result in material losses to the NAB Group, reputational damage, or a failure to achieve anticipated benefits, and ultimately, may materially and adversely impact the NAB Group's operations and financial performance and position.

The NAB Group faces a rapidly changing external environment

The NAB Group operates in a dynamic macro-economic environment. The impact of slowing global and domestic economic growth, rising unemployment and interest rates, and falling consumer confidence can reduce demand for credit, adversely impacting the NAB Group revenue. In addition, the NAB Group expense plans may be at risk if inflation does not normalise in line with expectations, particularly with respect to employee remuneration and technology costs.

There is also substantial competition across the markets in which the NAB Group operates. The NAB Group faces competition from established financial services providers and other parties, including foreign banks and non-bank competitors, such as fintechs, Buy Now Pay Later providers, digital platforms and large global technology companies, some of which have lower costs, or operating and business models, technology platforms or products that differ from or are more competitive than the NAB Group's and some of which are subject to less regulatory oversight. In particular, there are some financial services providers focused on the business banking segment with investment in improved customer experiences. This poses a risk to the NAB Group's position in that segment.

In addition, evolving industry trends, technology changes, and environmental factors have impacted, and may continue to impact customer needs and preferences and the NAB Group may not predict these changes accurately or quickly enough, or have the resources and flexibility to adapt in sufficient time, to meet customer expectations and keep pace with competitors. These risks are heightened in the current context in which technologies, including those that may impact the financial services industry, continue to evolve at a rapid pace.

Other trends and recent regulatory and legislative developments that may impact the NAB Group include, but are not limited to:

- Increased focus on digital, data and analytics capabilities with the objective of creating easy and seamless customer experiences. The rapid development and deployment of artificial intelligence (**AI**) capabilities has emerged as a key strategic consideration. Inadequate or lack of adoption of AI within business processes could pose a strategic disadvantage to the NAB Group relative to its competitors who deploy AI tools and could result in unwanted financial and non-financial consequences for the NAB Group. AI regulation is developing globally and its impact on the NAB Group's business is currently unknown.

- Increased demand for green or sustainability-related products or increased lending to assist customers in achieving their ESG-related performance objectives, for example, sustainability-linked loans, or, correspondingly, increased scrutiny of products or lending that are perceived to be inconsistent with the ESG-related performance objectives of the NAB Group or its stakeholders.

- Continued competitive pressures in home lending, particularly as customers of the NAB Group revert to variable rate loans as fixed rate periods expire on loans entered into at historically low rates in recent years. This increases the risk that customers will refinance outside the NAB Group.

- Increased competition for customer deposits in the context of an uncertain market and elevated interest rate environment, with the risk of further increases to the NAB Group's cost of funds relative to its competitors.

- Ongoing growth of the broker market and the risk of disintermediating customer relationships.

- The continued implementation of the Consumer Data Right (**CDR**), known as 'Open Banking', in the Australian banking sector. The CDR seeks to increase competition and innovation between service providers by mandating and standardising the sharing of certain consumer and business customer data and data relating to their products and services. In response to the 2022 Statutory Review of the CDR recommendations proposed by the Australian Treasury, the Australian Government committed funding in its 2023-24 budget over the next two years to support the CDR to maturity in banking and energy, progress its expansion to non-bank lending, progress the design of action initiation (a draft bill is currently before the Australian Parliament), deliver cyber security enhancements, and develop a trust brand strategy that will support consumer confidence in the CDR. Where large global technology companies choose to participate in the CDR, there is potential for these companies to access more data which may increase their competitiveness, including in other sectors such as financial services.

- The NZ Government's decision to establish a CDR in NZ and for banking to be the first sector designated under the legislation. An exposure draft of the Customer and Product Data Bill was released in June 2023 for industry feedback. The adoption of Open Banking in NZ is designed to increase competition in the NZ banking industry, and may increase compliance costs for established institutions, including BNZ and may limit BNZ's ability to charge for access to payments or data.

- The evolving and increasingly complex payments landscape, including increasing use of digital payments, new payments infrastructures and emerging technology, and shift away from traditional payment methods. To this end, the Australian Government is consulting on proposed changes to the Payments Systems (Regulation) Act 1998 to address new payments-related risks following the release of its Strategic Plan for Australia's Payments System in June 2023.

- The Reserve Bank of Australia (**RBA**) proposes to enhance the competitiveness, efficiency and safety of Australia's debit card market, including expectations for tokenisation of payment cards and storage of primary account numbers in the Australian market. AusPayNet is working with the industry to meet the RBA's expectations including developing more specific tokenisation standards, if required. Standardisation of tokenised dual network debit cards will improve portability for both scheme and proprietary tokens to reduce the friction for merchants that wish to switch payment service providers.

- The continued consumer and institutional adoption of cryptocurrencies and other digital assets. The rate of digital asset adoption, digital asset product creation (for example, stable coins and decentralised finance) and government responses are expected to influence the future of the sector and its impact on the NAB Group. The RBA has completed a research project exploring central bank digital currency (**CBDC**) use cases and identified legal, regulatory, technical and operational issues warranting further consideration in future research. The RBA's review of these matters remains ongoing. As part of its multi-stage reform agenda, the Australian Government recently completed consultations on token mapping and on the licensing of payment service providers to help formulate an appropriate regulatory framework for the crypto and digital assets ecosystem in Australia. A draft Digital Assets (Market Regulation) Bill 2023 was referred to the Senate Economics Legislation Committee which recommended the bill not be passed. Regulation of digital assets is nascent, but emerging, across all markets in which the NAB Group operates, which may increase the NAB Group's costs, or require the NAB Group to invest in resources to adapt its products or systems to new technologies. The release of Basel Committee's final Prudential Treatment of Crypto-asset Exposures in December 2022 is expected to provide the basis for the development by APRA of its prudential standard in this area. APRA has announced it will consult on the prudential treatment for crypto-assets in 2024, which is expected to come into effect in 2025.

- The commencement of a market study into competition for personal banking services in NZ by the NZ Commerce Commission. The NZ Commerce Commission's final report, which will set out its findings on factors that may affect competition in personal banking, including bank profitability, and any recommendations, is due to be released in August 2024.

Competition for customers, which remains heightened in the current interest rate environment, can lead to compression in profit margins and loss of market share. Intense competition increases the risk of additional price pressure, especially in commoditised lines of business, such as mortgages, where the providers with the lowest unit cost may gain market share and industry profit pools may be eroded. Such factors may ultimately impact the NAB Group's financial performance and position, profitability and returns to investors.

Risks may arise from pursuing acquisitions and divestments

The NAB Group regularly considers a range of corporate opportunities, including acquisitions, divestments, joint ventures and investments.

Pursuit of corporate opportunities inherently involves transaction risks, including the risk that the NAB Group over-values an acquisition or investment, or under-values a divestment, as well as exposure to reputational damage or regulatory intervention. The NAB Group may encounter difficulties in integrating or separating businesses, including failure to realise expected synergies, disruption to operations, diversion of management resources, or higher than expected costs. These risks and difficulties may ultimately have an adverse impact on the NAB Group's financial performance and position.

The NAB Group may incur unexpected financial losses following an acquisition, joint venture or investment, if the business it invests in does not perform as planned or causes unanticipated changes to the NAB Group's risk profile. Additionally, there can be no assurance that customers, employees, suppliers, counterparties, and other relevant stakeholders will remain with an acquired business following the transaction, and any failure to retain such stakeholders may have an adverse impact on the NAB Group's overall financial performance and position.

Risks related to NAB's acquisition of Citigroup's Australian consumer business which completed on 1 June 2022 continue to exist.

NAB continues to rely on Citigroup's regional shared technology infrastructure for transitional services (and will do so through the transition period), as well as Citigroup's support for data migration activities after the development of technology systems within the NAB Group. There is a risk that as the integration project and the development of technology systems within the NAB Group continues, costs may be higher than anticipated, more internal resourcing is required than anticipated, or that key employees, customers, suppliers, or other stakeholders required for a successful transition, will not be retained. Additionally, there is a risk that the timeline for the integration is extended, which may result in further costs being incurred by NAB.

Citigroup has provided NAB with indemnities relating to certain matters which may have occurred pre-completion, as well as covenants and warranties in favour of NAB. There is a risk that these protections may be insufficient to fully cover liabilities relating to these matters, which may have an adverse impact on the NAB Group's financial performance and position.

The NAB Group may also have ongoing exposures to divested businesses, including through a residual shareholding, the provision of continued services and infrastructure, or an agreement to retain certain liabilities of the divested businesses through warranties and indemnities. These ongoing exposures may have an adverse impact on the NAB Group's business and financial performance and position. The NAB Group may also enter into non-compete arrangements as part of divestments, which may limit the future operations of the NAB Group.

NAB completed the sale of its advice, platforms, superannuation and investments and asset management businesses to IOOF Holdings in May 2021, now named Insignia Financial (**MLC Wealth Transaction**). As part of the MLC Wealth Transaction, NAB provided Insignia Financial with indemnities relating to certain pre-completion matters, including a remediation programme relating to workplace superannuation matters, breaches of anti-money laundering laws and regulations, regulatory fines and penalties, and certain litigation and regulatory investigations. NAB also provided covenants and warranties in favour of Insignia Financial. A breach or triggering of these contractual protections may result in NAB being liable to Insignia Financial.

As part of the MLC Wealth Transaction, NAB retained the companies that operated the advice businesses, such that the NAB Group has retained all liabilities associated with the conduct of these businesses pre-completion. From completion, NAB has agreed to provide Insignia Financial with certain transitional services and continuing access to records, as well as support for data migration activities. NAB may be liable to Insignia Financial if it fails to perform its obligations. There is a risk that costs associated with separation activities and the costs incurred by NAB in satisfying its obligations may be higher than anticipated. If so, or if NAB fails to perform its obligations, there may be an adverse impact on the NAB Group's financial performance and position.

On 17 November 2022, NAB announced its intention to exit its custody business, NAB Asset Servicing. The exit is expected to be effected through the transfer of all of NAB Asset Servicing's clients to alternative custody providers over a period of approximately three years. The transfer of all clients over a relatively short period is a complex exercise that is subject to operational/transitional risks that will need to be managed carefully. There is a risk that this does not occur to plan, and that there may be a potential adverse impact on the NAB Group if not managed appropriately.

Credit Risk

Credit risk is the risk that a customer will fail to meet their obligations to the NAB Group in accordance with agreed terms. Credit risk arises from both the NAB Group's lending activities and markets and trading activities.

Elevated interest rates to combat persistent inflation may result in deterioration in the NAB Group's credit risk profile in the short term through increases in defaulted loans

Globally, central banks (including in Australia and NZ) have rapidly increased policy rates in response to elevated levels of inflation.

Inflation remains high and above the targets of many central banks, including those in the locations in which the NAB Group operates. This may increase the risks arising from further rate rises in 2023 and beyond, or from elevated rates, relative to recent historical levels, persisting.

Elevated interest rates, coupled with existing inflationary pressures, may increase household and business financial stress across Australia and NZ, particularly for underprepared customers. Higher rates typically lead to reduced disposable income for households, leaving sectors exposed to changes in household discretionary spending (including retail trade, tourism, hospitality and personal services) vulnerable to significant financial stress in the event of changes to consumer spending behaviour. This includes a heightened risk of corporate and business bankruptcies, job losses and higher unemployment, particularly in the event of an economic slowdown. The increased credit risk in affected sectors and elevated levels of household and business financial stress may result in an increase in losses if customers default on their loan obligations and/or higher capital requirements through an increase in the probability of default.

A decline in property market valuations may give rise to higher losses on defaulting loans

Lending activities account for most of the NAB Group's credit risk exposure. The NAB Group's lending portfolio is largely based in Australia and NZ. Residential housing loans and commercial real estate (**CRE**) loans constitute a material component of the NAB Group's total gross loans and acceptances.

The NAB Group may have higher credit risk, or experience higher credit losses, to the extent its loans are concentrated by loan type, industry segment, borrower type, or location of the borrower or collateral. For example, the NAB Group's credit risk and credit losses can increase if borrowers who engage in similar activities are uniquely or disproportionately affected by extreme weather events, economic or market conditions, or by regulation, such as regulation related to climate change. Deterioration in economic conditions or real estate values in Australia and NZ, where the NAB Group has relatively larger concentrations of lending, including for residential real estate or CRE, could result in higher credit losses and costs.

Residential and commercial property prices in Australia and NZ increased for some years up until 2021, but experienced decline in 2022 following the central banks' moves to increase policy rates. House prices have stabilised to date in 2023, with some markets recording price increases, however the recovery has not covered the declines experienced in 2022.

Any declines in the value of residential or commercial property used as collateral (including in business lending) may give rise to greater losses to the NAB Group resulting from customer defaults. This may, in turn, impact the NAB Group's financial performance and position, profitability and returns to investors. The most significant impact, in the event of default, is likely to come through residential mortgage customers in high loan-to-value-ratio brackets.

Adverse business conditions in Australia and NZ, in the agricultural and other sectors, may give rise to increasing customer defaults

The NAB Group has a large market share among lenders to the Australian and NZ agricultural sectors. These sectors may be negatively impacted by several factors, including:

- vulnerability to labour constraints;
- trade restrictions and tariffs;
- volatility in commodity prices (particularly agricultural product prices);
- foreign exchange rate movements;
- changes in consumer preference;
- disease and introduction of pathogens and pests (for example, the threat of a local foot and mouth disease outbreak and spread in Australia of the varroa mite, impacting European honey bees);
- export and quarantine restrictions;
- supply chain constraints;
- extreme weather events (including substantial rainfall or drought);
- increasing weather volatility; and
- longer-term changes in climatic conditions.

Some customers are facing significant challenges from extreme weather events such as the floods in NZ in 2023, Australian bushfires in 2019/20 and floods in New South Wales (**NSW**) and Queensland (2022 and 2023), which caused stock, crop and plant and equipment loss and damage. These events, combined with changes to future insurance affordability and availability, may result in increased losses to the NAB Group from customer defaults, and ultimately may have an adverse impact on the NAB Group's financial performance and position.

More broadly, physical and transition risks associated with climate change may also increase current levels of customer defaults in other sectors.

Adverse business conditions (including supply chain disruptions, labour constraints and rising input costs, including from volatile commodity and energy prices) and the impact of rapid technological change may also lead to stress in certain other sectors such as construction, wholesale trade and manufacturing. Rising household financial pressures (including inflationary pressures) also pose a risk to sectors that are reliant on household expenditure.

Market declines and increased volatility may result in the NAB Group incurring losses

Some of the NAB Group's assets and liabilities comprise financial instruments that are carried at fair value, with changes in fair value recognised in the NAB Group's income statement. Movements in interest rates can affect prepayment assumptions and thus fair value. Market declines and increased volatility could negatively impact the value of such financial instruments and cause the NAB Group to incur losses.

Other macro-economic, geopolitical, climate, other nature-related or social risks may adversely affect the NAB Group and pose a credit risk

The majority of the NAB Group's businesses operate in Australia and NZ, with additional operations located in Asia, the United Kingdom, France and the United States. Levels of borrowing are heavily dependent on customer confidence, employment trends, market interest rates, and other economic and financial market conditions and forecasts.

Domestic and international economic conditions and forecasts are influenced by a number of macro-economic factors, such as: economic growth rates, environmental and social issues (including emerging issues such as modern slavery and nature-related risks), cost and availability of capital, central bank intervention, inflation and deflation rates, level of interest rates, yield curves, market volatility and uncertainty.

Deterioration in any of these factors may lead to the following negative impacts on the NAB Group:

- deterioration in the value and liquidity of assets (including collateral);
- the inability to price certain assets;
- environmental conditions and social and governance issues impacting the risk and return profile and/or value of customers' security or business operations;
- an increase in customer or counterparty default and credit losses;
- higher provisions for credit impairment;
- mark-to-market losses in equity and trading positions, including NAB's high-quality liquid asset (**HQLA**) portfolios;
- a lack of available or suitable derivative instruments for hedging purposes; and
- increased cost of insurance, lack of available or suitable insurance, or failure of the insurance underwriter.

Economic conditions may also be negatively impacted by climate change and major shock events, such as natural disasters, epidemics and pandemics, war and terrorism, cyber-attacks, political and social unrest, banking instability and sovereign debt restructuring and defaults.

The following macro-economic and financial market conditions are, as of the date of this Offering Circular, of most relevance to the credit risk facing the NAB Group and may affect revenue growth and/or customer balance sheets:

- Global economic growth has slowed to date in calendar year 2023, consistent with expectations of below average growth in both calendar years 2023 and 2024. Weaker economic conditions reflect the impact of tightening monetary policy and lending standards, particularly in advanced economies, along with energy disruptions in Europe and weak growth rates in China. The risk of recessions in one or more major economies in calendar year 2024 remains.

- Inflationary pressures emerged at the start of calendar year 2021 and have continued through calendar year 2023, increasing the cost of living and reducing disposable income for consumers. The lift in inflation reflected a broad range of factors, including the impact of fiscal stimulus in a range of countries, disruptions to global supply chains, shortages of key inputs, commodities and labour in various locations and the impact of the Russia-Ukraine conflict. The conflict in Israel-Palestine will also likely impact inflation, particularly through the impact on global commodity prices, most notably oil. Although inflation has slowed in calendar year 2023 to date, it remains above the targets set by most major central banks.

- Persistent inflation and fears that households' inflation expectations could become unanchored from central bank targets (driving increased wage demands) drove global central banks (including in Australia and NZ) to rapidly lift policy rates starting in early 2022 and this trend continued in 2023. Market pricing suggests most major central banks are either at or near the peak of the rate cycle, although forward guidance from these banks indicates that they still have a tightening bias (indicating that policy rates could rise further should the current slowing in inflation falter).

- A sustained period of increased policy rates, and/or further increases in rates, accompanied by tighter lending standards in many countries, may expose imbalances or weaknesses in balance sheets, including those of financial institutions and asset markets that have built up over time. This may increase pressure on borrowers, particularly those that are highly geared and/or face reduced income due to weaker economic activity. Where concerns over the viability of financial institutions arise, it can trigger contagion fears, potentially destabilising global markets and, in turn, negatively affecting economic activity. More generally, higher policy rates may adversely affect the NAB Group's cost of funds, trading income, margins and the value of the NAB Group's lending and investments.

- Risk of contagion due to financial system instability remains an ongoing concern for the NAB Group due to the interdependency of financial market participants. Where concerns over the viability of financial institutions arise, it can trigger contagion fears, potentially destabilising global markets and, in turn, negatively affecting economic activity and adversely affecting the NAB Group's results.

- China is a major trading partner for Australia and NZ, with export incomes and business investment exposed to changes in China's economic growth and trade policies. China's economic growth slowed in the June quarter of 2023, pointing to the loss of momentum in China's post-zero-COVID recovery, with domestic demand remaining subdued. There remains considerable uncertainty around household consumption and the property sector in China (including as a result of defaults by major property developers), which could negatively impact the global economy generally, and the Australian and NZ economy in particular (including by reducing demand for Australian and NZ exports). A range of medium to longer-term risks also continue to be present, including high corporate debt levels and demographic pressures from China's ageing population. Although diplomatic tensions between the Chinese and Australian governments appear to have eased since mid-calendar year 2022, the risk of trade restrictions being imposed on Australian exports remains. Such restrictions could have a negative impact on the NAB Group's customers and may give rise to increasing levels of customer defaults.

- As commodity exporting economies, Australia and NZ are exposed to shifts in global commodity prices that can be sudden, sizeable, and difficult to predict. Fluctuations in commodity markets can affect key economic variables like national income tax receipts and exchange rates. Commodity price volatility remains substantial and, given the NAB Group's sizeable exposures to commodity producing and trading businesses, this volatility poses a credit risk to the NAB Group.

- Ongoing geopolitical instability, such as that caused by the ongoing conflict between Russia and Ukraine, has negatively impacted, and could in the future negatively impact, the global and Australian economies, including by causing supply chain disruptions, rising prices for oil and other commodities, volatility in capital markets and foreign currency exchange rates, rising interest rates and heightened cyber security risks. In response to the Russia-Ukraine conflict, several countries (including Australia and NZ) imposed wide ranging economic sanctions and export controls on individuals and firms closely connected to the Russian Government or conducting economic activity in certain regions of Ukraine. These sanctions, as well as responsive measures, continue to impact the European and global economy, including through volatile energy and commodity prices. Prices may remain elevated for an extended period, which would negatively impact most businesses and households, and may lead to increased credit losses for the NAB Group.

- Other geopolitical risks continue to present uncertainty to the global economic outlook, with negative impacts on consumption and business investment. Tensions between the United States and China, including in relation to Taiwan, the Russia-Ukraine conflict and China's trade and technology policies, continue to persist, which could impact global economic growth and global supply chains. Similarly, geopolitical tensions in the Asia-Pacific region could increase as a result of the AUKUS pact or other similar agreements. The possibility of the war between Israel and Hamas expanding to become a wider regional conflict in the Middle East, poses a fresh threat to the global economy including potential implications for energy prices, inflation and confidence levels.

Market Risk

The NAB Group may suffer losses as a result of a change in the value of the NAB Group's positions in financial instruments, bank assets and liabilities, or their hedges due to adverse movements in market prices. Adverse price movements impacting the NAB Group may occur in credit spreads, interest rates, foreign exchange rates, and commodity and equity prices, particularly during periods of heightened market volatility or reduced liquidity. Market volatility has increased in response to increased geopolitical risk, rising inflation and central banks lifting interest rates.

The occurrence of any event giving rise to material market risk losses may have a negative impact on the NAB Group's financial performance and position.

The NAB Group is exposed to credit spread risk

Credit spread risk is the risk that the NAB Group may suffer losses from adverse movements in credit spreads. This is a significant risk in the NAB Group's trading and banking books.

The NAB Group's trading book is exposed to credit risk movements in the value of securities and derivatives as a result of changes in the perceived credit quality of the underlying company or issuer. Credit spread risk accumulates in the NAB Group's trading book when it provides risk transfer services to customers seeking to buy or sell fixed income securities (such as corporate bonds). The NAB Group may also be exposed to credit spread risk when holding an inventory of fixed income securities in anticipation of customer demand or undertaking market-making activity (i.e., quoting buy and sell prices to customers) in fixed income securities. The NAB Group's trading book is also exposed to credit spread risk through credit valuation adjustments. A widening of credit spreads could negatively impact the value of the credit valuation adjustments.

The NAB Group's banking book houses the NAB Group's liquidity portfolio. While the NAB Group hedges the interest rate risk on this portfolio, it is subject to credit spread risk through changes in spreads on its holdings of semi-government bonds. These positions form part of the required holdings of HQLAs used in managing the NAB Group's liquidity risk, and can give rise to material profit and loss volatility within the

NAB Group's Treasury portfolio during periods of adverse credit spread movements. Positions in Residential Mortgage-Backed Securities that arise through the NAB Group's warehousing, underwriting and syndication operations also form part of the banking book and are exposed to changes in credit spreads.

The NAB Group is exposed to interest rate risk

The NAB Group's financial performance and capital position are impacted by changes in interest rates. The NAB Group's trading book is exposed to changes in the value of securities and derivatives as a result of changes in interest rates. The NAB Group's trading book accumulates interest rate risk when the NAB Group provides interest rate hedging solutions for customers, holds interest rate risk in anticipation of customer requirements, or undertakes market-making activity in fixed income securities or interest rate derivatives. The level of volatility in interest rate markets has increased in the post-pandemic period after a broadening of inflationary pressures saw major central banks unwind stimulus and rapidly tighten monetary policy. Market volatility has increased in response to increased geopolitical risk, rising and sustained inflation, central banks lifting interest rates and other macroeconomic risks.

Balance sheet and off-balance sheet items can create an interest rate risk exposure within the NAB Group. As interest rates and yield curves change over time, the NAB Group may be exposed to a loss in earnings and economic value due to the interest rate profile of its balance sheet. Such exposure may arise from a mismatch between the maturity profile of the NAB Group's lending portfolio compared to its deposit portfolio (and other funding sources), as well as the extent to which lending and deposit products can be repriced should interest rates change, thereby impacting the NAB Group's net interest margin.

The NAB Group is exposed to foreign exchange risk

Foreign exchange risks are evident in the NAB Group's trading and banking books.

Foreign exchange and translation risks arise from the impact of currency movements on the value of the NAB Group's positions in financial instruments, profits and losses, and assets and liabilities due to participation in global financial markets and international operations.

The NAB Group's ownership structure includes investment in overseas subsidiaries and associates which gives rise to foreign currency exposures, including through the repatriation of capital and dividends. The NAB Group's businesses may therefore be affected by a change in currency exchange rates, and movements in the mark-to-market valuation of derivatives and hedging contracts.

The NAB Group's financial statements are prepared and presented in Australian dollars unless otherwise stated, and any adverse fluctuations in the Australian dollar against other currencies in which the NAB Group invests or transacts, and generates profits (or incurs losses), may adversely impact its financial performance and position.

The NAB Group is exposed to market risk should it be unable to sell down its underwriting risk

As financial intermediaries, members of the NAB Group underwrite or guarantee different types of transactions, risks and outcomes, including the placement of listed and unlisted debt, equity-linked and equity securities. The underwriting obligation or guarantee may be over the pricing and placement of these securities, and the NAB Group may therefore be exposed to potential losses, which may be significant, if it fails to sell down some or all of this risk to other market participants.

Capital, Funding and Liquidity Risk

The NAB Group is exposed to funding and liquidity risk

Liquidity risk is the risk that the NAB Group is unable to meet its financial obligations as they fall due. These obligations include the repayment of deposits on demand or at their contractual maturity, the repayment of wholesale borrowings and loan capital as they mature, the payment of interest on borrowings and the payment of operational expenses and taxes. The NAB Group must also comply with prudential and regulatory liquidity obligations across the jurisdictions in which it operates. Any significant deterioration in the NAB Group's liquidity position may lead to an increase in the NAB Group's funding costs, constrain the volume of new lending or cause the NAB Group to breach its prudential or regulatory liquidity obligations. This may adversely impact the NAB Group's reputation and financial performance and position.

Funding risk is the risk that the NAB Group is unable to raise short and long-term funding to support its ongoing operations, regulatory requirements, strategic plans and objectives. The NAB Group accesses domestic and global capital markets to help fund its business, along with using customer deposits. The final maturity dates of the additional and supplementary allowance of the drawn Term Funding Facility (**TFF**) (a three-year facility established by the RBA to support lending to the NAB Group's customers) are concentrated during 2024 for all participating authorised deposit-taking institutions (**ADIs**), including the NAB Group (the initial allowance matured in 2023). The NAB Group relies on offshore wholesale funding to support its funding and liquidity position. Periods of heightened market volatility may limit the NAB Group's access to this funding source. Disruption in global capital markets, reduced investor interest in the NAB Group's securities and/or reduced customer deposits, may adversely affect the NAB Group's funding and liquidity position. This may increase the cost of obtaining funds, reduce the tenor of available funds or impose unfavourable terms on the NAB Group's access to funds, constrain the volume of new lending, or adversely affect the NAB Group's capital position.

The NAB Group's capital position may be constrained by prudential requirements

Capital risk is the risk that the NAB Group does not hold sufficient capital and reserves to cover exposures and to protect against unexpected losses. Capital is the cornerstone of the NAB Group's financial strength. It supports the NAB Group's operations by providing a buffer to absorb unanticipated losses from its activities.

The NAB Group must comply with prudential requirements in relation to capital across the jurisdictions in which it operates. Compliance with these requirements, and any further changes to these requirements may:

- Limit the NAB Group's ability to manage capital across the entities within the NAB Group.
- Limit payment of dividends or distributions on shares and hybrid instruments.
- Require the NAB Group to raise more capital (in an absolute sense) or raise more capital of higher quality.
- Restrict balance sheet growth.

Current regulatory changes that could present a risk to the NAB Group's capital position include loss-absorbing requirements for Domestic Systemically Important Banks, which include the NAB Group. These changes require an increase to total capital by 4.5 per cent. of risk weighted assets (**RWA**) by 1 January 2026, with an interim increase by 3 per cent. of RWA by 1 January 2024. These requirements are expected to be satisfied primarily through the issue of additional Tier 2 Capital which will further increase the NAB Group's funding costs due to the higher cost of Tier 2 Capital issuance relative to senior debt.

On 21 September 2023, APRA released a discussion paper, outlining potential options for, and seeking feedback from stakeholders on, improving the effectiveness of Additional Tier 1 (**AT1**) capital in Australia. APRA intends to follow this process with a formal consultation in 2024 on any proposed amendments to prudential standards. Changes to the requirements for AT1 capital may impact the NAB Group's capital position. In addition, revisions to the RBNZ capital requirements (to be phased in by 2028) will require the NAB Group to hold more capital in NZ.

If the information or the assumptions upon which the NAB Group's capital requirements are assessed prove to be inaccurate, this may adversely impact the NAB Group's operations, financial performance and financial position.

A downgrade in the NAB Group's credit ratings or outlook may adversely impact its cost of funds and capital market access

Credit ratings are an assessment of a borrower's creditworthiness and may be used by market participants in evaluating the NAB Group and its products, services and securities. Credit rating agencies conduct ongoing review activities, which can result in changes to credit rating settings and outlooks for the NAB Group, or credit ratings of sovereign jurisdictions where the NAB Group conducts business. Credit ratings may be affected by operational and other market factors (e.g., ESG-related), or changes in a credit rating agency's rating methodologies.

A downgrade in the credit ratings or outlook of the NAB Group, the NAB Group's securities, or the sovereign rating of one or more of the countries in which the NAB Group operates, may increase the NAB Group's cost of funds or limit its access to capital markets. This may also cause a deterioration of the NAB Group's liquidity position and trigger additional collateral requirements in derivative contracts and other secured funding arrangements. A downgrade to the NAB Group's credit ratings relative to its peers may also adversely impact the NAB Group's competitive position and financial performance and position.

Operational Risk

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

Disruption to technology may adversely impact the NAB Group's reputation and operations

Most of the NAB Group's operations depend on technology and therefore the reliability, resilience and security of the NAB Group's (and its third party vendors') information technology systems and infrastructure are essential to the effective operation of the NAB Group's business and consequently to its financial performance and position. The reliability, security and resilience of the NAB Group's technology may be impacted by the complex technology environment, failure to keep technology systems up-to-date, an inability to restore or recover systems and data in acceptable timeframes, or a physical or cyber-attack against the NAB Group or its external providers, including suppliers of cloud services to the NAB Group.

The rapid evolution of technology in the financial services industry and the increased expectations of customers for internet and mobile services on demand expose the NAB Group to changing operational scenarios.

Any disruption to the NAB Group's technology (including disruption to the technology systems of the NAB Group's external providers) may be wholly or partially beyond the NAB Group's control and may result in operational disruption, regulatory enforcement actions, customer redress, litigation, financial losses, theft or loss of customer data, loss of market share, loss of property or information, or may adversely impact the NAB Group's speed and agility in the delivery of change and innovation.

In addition, any such disruption may adversely affect the trust that internal and external stakeholders have in the NAB Group's ability to protect key information (such as customer and employee records) and infrastructure. This may in turn affect the NAB Group's reputation, which may result in loss of customers, a reduction in share price, ratings downgrades and regulatory censure or penalties.

Privacy, information security and data breaches may adversely impact the NAB Group's reputation and operations

The NAB Group collects, processes, stores and transmits large amounts of personal and confidential information through its people, technology systems and networks and the technology systems and networks of its external service providers. Threats to information security are constantly evolving and techniques used to perpetrate cyber-attacks are increasingly sophisticated. In addition, the number, nature and resources of adverse actors that could pose a cyber threat to the NAB Group is growing, including individual cybercriminals, criminal or terrorist syndicate networks and large sophisticated foreign governments with significant resources and capabilities.

There is a risk that the NAB Group's efforts to improve its technology systems and networks and its information security policies, procedures and controls may not be adequate to address these threats. While the NAB Group participates in internal and external reviews and testing and is subject to regulatory oversight, which collectively helps to identify weaknesses and areas for improvement, remediation of weaknesses is sometimes difficult to complete in a timely manner due to the complex technology environment (including third party involvement) and the rapidly evolving nature of the threats, which leads to the continuing emergence of new vulnerabilities.

As cyber threats continue to evolve, the NAB Group may be required to expend significant additional resources to continue to modify or enhance its layers of defence or to investigate and remediate any information security vulnerabilities.

The NAB Group may also not always be able to anticipate a security threat, or be able to implement effective information security policies, procedures and controls to prevent or minimise the resulting damage. The NAB Group may also inadvertently retain information which is not specifically required or is not permitted by legislation, thus increasing the impact of a potential data breach or non-compliance. A successful cyber-attack could persist for an extended period before being detected and, following detection, it could take considerable time for the NAB Group to obtain full and reliable information about the cyber security incident and the extent, amount and type of information compromised. During an investigation, the NAB Group may not necessarily know the full effects of the incident or how to remediate it, and actions and decisions that are taken or made in an effort to mitigate risk may further increase the costs and other negative consequences of the incident. Moreover, the NAB Group may be required to disclose information about a cyber security event before it has been resolved or fully investigated.

Additionally, the NAB Group uses select external providers (in Australia and overseas) to process and store confidential data and to develop and provide its technology services, including the increasing use of cloud infrastructure. While the NAB Group negotiates comprehensive risk-based controls with its service providers, it is limited in its ability to monitor and control the security protocols that service providers implement on a day-to-day basis. The NAB Group may also submit confidential information to its key regulators under a legal obligation and as part of regulatory reporting.

A breach of security at any of these external providers, regulators or within the NAB Group may result in operational disruption, theft or loss of customer or employee data, a breach of privacy laws, regulatory enforcement actions, civil penalties, customer or employee redress, litigation, financial losses, or loss of market share, property or information. This may be wholly or partially beyond the control of the NAB Group and may adversely impact its financial performance and position. For example, some large Australian organisations have experienced significant cyber-attacks in recent years leading to intense public reactions and increased political and regulatory focus.

In addition, any such event may give rise to increased regulatory scrutiny or adversely affect the view of ratings agencies. Social media commentary, and the NAB Group's responses to the relevant event, may exacerbate the impact on the NAB Group's reputation.

The threat environment has also seen a new vector appear in the form of generative AI, the threat of which is uncertain, but which is a step-change in AI. While generative AI has potential to support significant service advances for customers, it also has potential to assist and enable and enhance existing methods for criminals to perpetrate fraud, scams and cyber threats against NAB and its customers.

Complexity of infrastructure, processes and models, gives rise to a significant risk to the NAB Group's operations

The NAB Group's business involves the execution of many processes and transactions with varying degrees of complexity. The NAB Group is reliant on its policies, processes, controls, and supporting infrastructure functioning as designed, and on third parties appropriately managing their own operational risk and delivering services to the NAB Group as required. A failure in the design or operation of these policies, processes, controls and infrastructure, failure of the NAB Group to manage external service providers, or the disablement of a supporting system, all pose a significant risk to the NAB Group's operations and consequently its financial performance, reputation and the timeliness and accuracy of its statutory and prudential reporting.

Models are used extensively in the conduct of the NAB Group's business, for example, in calculating capital requirements or customer compensation payments, and in measuring and stressing exposures. If the models used prove to be inadequate, or are based on incorrect or invalid assumptions, judgements or inputs, this may adversely affect the NAB Group's customers and the NAB Group's financial performance and position.

The NAB Group is exposed to the risk of human error

The NAB Group's business, including the internal processes and systems that support business decisions, relies on appropriate actions and inputs from its employees, agents and external providers. The NAB Group is exposed to operational risk due to process or human error, including incorrect or incomplete data capture and records maintenance, incorrect or incomplete documentation to support activities, inadequate design of processes or controls, or incorrect reporting. The NAB Group uses select external providers (in Australia and overseas) to provide services to the NAB Group and is exposed to similar risks arising from such failures in the operating environment of its external providers. The materialisation of any of these risks could lead to direct financial loss, loss of customer, employee or commercially sensitive data, regulatory penalties and reputational damage.

The NAB Group may not be able to attract and retain suitable talent

The NAB Group is dependent on its ability to attract and retain key executives, employees, and Board members with a deep understanding of banking and technology, who are qualified to execute the NAB Group's strategy, including the technology transformation the NAB Group is undertaking to meet the changing needs of its customers. Potential weaknesses in employment practices, including diversity, anti-discrimination, workplace flexibility, payroll compliance, workplace health and safety and employee wellbeing, together with a competitive labour market for critical skills, are sources of operational risk that can impact the NAB Group's ability to attract and retain qualified personnel with the requisite knowledge, skills and capability. The effective management of psychosocial risk (including relating to workplace factors such as customer aggression, workload issues or poor change management) is an area of focus within the NAB Group to support colleague wellbeing and retain talent. It is also an area of increasing regulatory scrutiny and reputational risk.

The NAB Group's capacity to attract and retain key talent, in addition to providing attractive career opportunities, also depends on its ability to design and implement effective remuneration and talent structures. This may be constrained by several factors, including by regulatory requirements (particularly in the highly regulated financial services sector).

The unexpected loss of key resources or the inability to attract personnel with suitable experience may adversely impact the NAB Group's ability to operate effectively and efficiently, or to meet the NAB Group's strategic objectives. This risk may also impact third party vendors (including offshore vendors) engaged by the NAB Group, who may be experiencing similar personnel related challenges.

External events may adversely impact the NAB Group's operations

Operational risk can arise from external events such as biological hazards, climate change, natural disasters, widespread disease or pandemics, or acts of terrorism and geopolitical conflict.

The NAB Group has branches across Australia in locations that are prone to seasonal natural disasters. Recent examples are the bushfires over the 2019/2020 summer period in NSW and Victoria, and severe flooding events in Eastern Australia in 2021 and 2022 and North-Eastern Australia in 2023. In addition, the NAB Group has branches and office buildings in NZ, which is prone to extreme weather events and has experienced significant flooding and earthquakes in recent years, as well as a severe and damaging tropical cyclone in February 2023, and which may be exposed to the risk of future extreme weather events and earthquakes.

Given the NAB Group's physical presence in major cities in Australia, NZ and other countries where it has, or is intending to establish, offshore operations, it may also be exposed to the risk of a terrorist attack.

The NAB Group has operations in India and Vietnam conducting a range of essential business functions and processes, including transaction processing and technology development. Disruption to these centres may have a material impact on the NAB Group's operations.

Geopolitical risks continue to present uncertainty to the NAB Group's operations. Tensions between the United States and China, including in relation to Taiwan, the Russia-Ukraine and Israel-Gaza conflicts and China's trade and technology policies, continue to persist, which could impact the NAB Group's operations adversely, for example, through disruption to global supply chains and availability of talent.

External events, such as extreme weather, natural disasters, biological hazards, and acts of terrorism may cause property damage and business disruption, which may adversely impact the NAB Group's financial performance. In addition, if the NAB Group is unable to manage the impacts of such external events, it may compromise the NAB Group's ability to provide a safe workplace for its personnel and/or lead to reputational damage.

The environment the NAB Group is operating in has become more complex and more uncertain and could create operational risks that are yet to be identified.

Sustainability Risk

Sustainability risk is the risk that ESG-related events or conditions arise that could negatively impact the sustainability, resilience, risk and return profile, value or reputation of the NAB Group or its customers and suppliers. Inadequate management of ESG risks by the NAB Group or its customers may expose the NAB Group to other potential risks across risk categories such as strategic, credit, compliance, conduct, operational risk and capital, funding and liquidity risk.

Physical and transition risks arising from climate change, other environmental impacts and nature-related risks may lead to increasing customer defaults and decrease the value of collateral

Extreme weather, increasing weather volatility, and longer-term changes in climatic conditions, as well as environmental impacts such as land contamination and other nature-related risks such as deforestation, biodiversity loss and ecosystem degradation, may affect water security, property and asset values or cause customer losses due to damage, crop losses, existing land use ceasing to be viable, and/or interruptions to, or impacts on, business operations and supply chains.

Globally, an increasing number of countries are prone to, and have experienced, acute physical climate events. In Australia and NZ these have included drought conditions, bushfires over summer periods and severe floods, particularly in Eastern Australia over the past three years including in 2023. NZ also experienced a severe and damaging tropical cyclone in February 2023. Extreme weather events are expected to increase globally and locally in frequency and severity, which may have adverse macroeconomic impacts. The impact of extreme weather events can take time to be fully realised and be widespread, extending beyond residents, businesses and primary producers in highly impacted areas, to supply chains in other cities and towns relying on agricultural and other products from within these areas. The impact of these losses on the NAB Group may be exacerbated by a decline in the value and liquidity of assets held as collateral and the extent to which these assets are insured or insurable, which may impact the NAB Group's ability to recover its funds when loans default.

Climate-related transition risks are increasing as economies, governments and companies seek to transition to low-carbon alternatives and adapt to climate change. Certain customer segments may be adversely impacted as the economy transitions to renewable and low-emissions technology. Decreasing investor appetite and customer demand for carbon intensive products and services, increasing climate-related litigation, and changing regulations and government policies designed to mitigate climate change, may negatively impact revenue and access to capital for some businesses, and/or the NAB Group's products or services that serve those customers. Furthermore, management of transition risk is more challenging given the presence of social risks such as modern slavery in relevant supply chains e.g., input materials and equipment required to support the low carbon transition.

NZ also faces geological risk associated with major earthquakes and certain areas of Australia have also more recently experienced some earthquake-related damage.

Nature-related risks (caused by impacts and dependencies on nature), such as deforestation and illegal land clearing, and biodiversity loss and ecosystem degradation, may disrupt business activities and supply chains, and may cause business impacts including contributing to raw material and/or commodity price volatility, stranded assets, changes in customer demand and changes in the regulatory environment. Examples include: the decline of bee populations which provide pollination services to agriculture, the collapse of fishing or agricultural yields, and a decrease in air or water quality.

These risks may increase expected and actual levels of customer defaults, thereby increasing the credit risk facing the NAB Group and adversely impacting the NAB Group's financial performance and position, profitability and returns to investors.

The NAB Group, its customers, or its suppliers may fail to comply with legal, regulatory or voluntary standards or broader shareholder, community and stakeholder expectations concerning ESG risk performance

ESG issues have been subject to increasing legal, regulatory, voluntary, and prudential standards and increasing (and sometimes differing) community and stakeholder expectations. These include:

- Environmental issues – such as climate change, deforestation and illegal land clearing, biodiversity loss, ecosystem degradation and pollution. Supervisory and regulatory guidance and requirements for banks are increasingly focusing on ESG risks, as regulators seek to understand and manage system-wide impacts such as those arising from climate-related risks. This focus is quickly evolving to broader environmental issues, such as nature-related risks, as the links between nature and economic prosperity and societal wellbeing are becoming better understood. This has been a particular focus of the Task Force on Nature-related Financial Disclosures, whose recommendations were released in September 2023, and the development of which has been supported by the Australian and UK governments.

- Social issues – such as human rights (including modern slavery), compliance with recognised labour standards and fair working conditions, unfair and inequitable treatment of people including discrimination, product responsibility, appropriate remuneration, and indigenous land rights and cultural heritage including any such potential impacts on these matters from a customer's operations and/or projects.

- Governance issues – such as bribery and corruption, tax avoidance, greenwashing and other false or misleading environmental or sustainability claims, poor governance, lack of transparency, and not fulfilling accountabilities.

As certain issues become better understood and the associated risks can be more accurately quantified, corporate ESG commitments, and performance against those commitments, are being more closely monitored by external stakeholders.

Globally, and particularly in Australia, regulators have strengthened their policy guidance in relation to sustainability-related disclosures and governance practices, with particular emphasis on greenwashing. Consumer and fair-trading issues in relation to environmental and sustainability claims are a 2023-24 compliance and enforcement priority of the Australian Competition and Consumer Commission (**ACCC**), aimed at improving the integrity of environmental and sustainability claims and to protect consumers from greenwashing. Effective regulatory frameworks underpinning sustainable finance continues to be a key theme and strategic priority of the Australian Securities and Investments Commission (**ASIC**) in 2023. In 2022, Australian regulators (in particular, ASIC) increased enforcement activity in relation to sustainability-related disclosures and that trend has continued in 2023.

ESG due diligence requirements may become mandatory in some jurisdictions in which the NAB Group operates, placing increasing demands on the NAB Group's processes and capability to manage, monitor and address ESG risks.

The impacts associated with climate change-related legislative and regulatory initiatives, customer requirements and the transition to a low carbon economy, including meeting new regulatory expectations, retrofitting of assets, energy efficient and low carbon investments, purchasing carbon credits or paying carbon taxes, may result in operational changes and additional expenditures that could adversely affect the NAB Group and/or its customers. The NAB Group's reputation and business prospects may also be damaged if it does not, or is perceived not to, effectively prepare for the potential business and operational opportunities and risks associated with climate change, including through the development and marketing of effective and competitive products and services designed to address clients' climate risk-related needs. These risks include negative market perception, reduced market share and regulatory and litigation consequences associated with greenwashing claims or driven by association with clients, industries or products that may be inconsistent with the NAB Group's stated positions on climate change issues.

Failure by the NAB Group to:

- comply with ESG-related regulatory requirements or standards, including emerging ESG-related disclosure requirements arising globally and following the release of the International Sustainability Standards Board's Sustainability and Climate disclosure standards, the proposed introduction of climate-related disclosure requirements by the AASB, and recently introduced disclosure requirements in NZ, related to the recommendations of the Task Force on Climate-related Financial Disclosures;

- meet ESG-related commitments, goals and targets set by the NAB Group, or ESG-related policies of the NAB Group;

- meet community and stakeholder expectations in relation to ESG;

- apply appropriate ESG standards to its customers, or to entities in the NAB Group's supply chain; or

- appropriately make representations about its ESG-related products and performance,

may adversely impact the NAB Group's reputation, and shareholder, customer and employee sentiment towards the NAB Group, may increase the risk of ESG-related litigation against the NAB Group, or may result in regulatory fines or penalties, including litigation or regulatory action related to greenwashing. Risk also exists due to well-funded and strategic private litigants actively seeking opportunities to take litigation action in Australia.

Certain products, services or industries may become subject to heightened public scrutiny, either generally or following a specific adverse event, or because of activism by shareholders, investors or special interest groups.

This could result in a sudden and significant decrease in demand for these products or services and a negative impact on revenue and access to capital for some businesses, and increasing litigation risk. Reputational damage to impacted suppliers, customers or customer sectors may give rise to associated reputational damage to the NAB Group. In addition, levels of customer defaults in an impacted sector may increase, adversely impacting the NAB Group's financial performance and position, profitability and returns to investors.

Conduct Risk

Conduct risk is the risk that any action (or inaction) of the NAB Group, or those acting on behalf of the NAB Group, will result in unfair outcomes for any of the NAB Group's customers.

The NAB Group is reliant on its employees, contractors and external suppliers acting in an appropriate and ethical way

Organisational culture can greatly influence individual and group behaviours. Poor culture can expose an organisation and lead to customer harm, financial loss and detriment. The behaviours that could expose the NAB Group to conduct risk include:

- Failure to design products and services that are transparent, accessible, and easy for the NAB Group's customers to understand.
- Unmanaged conflicts of interest that could influence behaviour that is not in the customer's best interest.
- Non-adherence to applicable learning and competency training requirements.
- Selling, providing, or unduly influencing customers to purchase or receive products or services that may not meet their existing needs or that place the customer at risk of future hardship.
- Use of AI that is inappropriate or inconsistent with community and customer expectations, or the overreliance on algorithmic outcomes without adequate human supervision.
- Making representations to customers about products or services of the NAB Group which are inaccurate, misleading or deceptive, including representations which may mislead customers on the extent to which the NAB Group's practices are environmentally friendly, sustainable or ethical.
- Being a party to fraud.
- Failure to protect customers from fraud or scams when banking through digital channels or failure to respond adequately to customers impacted by external fraud or scams.
- Non-adherence to applicable requirements or providing financial advice which is not appropriate or in a customer's interests.
- Delays in appropriately escalating regulatory and compliance issues.
- Failure to resolve issues and remediate customers in a timely manner and in accordance with community expectations.
- Failure to deliver on product and service commitments.
- Failure to remediate ineffective business processes and stop re-occurrence of issues in a timely manner.

- Failure to act in accordance with the NAB Group's Code of Conduct or Financial Markets Conduct Policy.

If the NAB Group's conduct related controls were to fail significantly, be designed inappropriately, or not meet legal or regulatory requirements or community expectations, then the NAB Group may be exposed to, among other things:

- Increased costs of compliance, fines, additional capital requirements, public censure, loss of customer confidence, class actions and other litigation, settlements, and restitution to customers or communities.

- Increased supervision, oversight, or enforcement by regulators or other stakeholders.

- Unenforceability of contracts such as loans, guarantees and other security documents.

- Enforced suspension of operations, amendments to licence conditions, or loss of licence to operate all or part of the NAB Group's businesses.

- Other enforcement or administrative action or agreements, including legal proceedings.

A failure of the NAB Group's conduct-related controls to accurately reflect relevant legal, regulatory or community expectations may adversely impact the NAB Group's reputation, financial performance and position, profitability, operations, and returns to investors and can result in customer harm, financial loss and detriment.

Compliance Risk

Compliance risk is the risk of failing to understand and comply with relevant laws, regulations, licence conditions, supervisory requirements, self-regulatory industry codes of conduct and voluntary initiatives, as well as the internal policies, standards, procedures and frameworks that support fair and equitable treatment of customers.

The NAB Group may be involved in a breach or alleged breach of laws governing bribery, corruption and financial crime

Supervision and regulation of financial crime and enforcement of anti-bribery and corruption (**ABC**), anti-money laundering and counter-terrorism financing (**AML/CTF**) laws have increased in recent years.

On 29 April 2022, NAB entered into an enforceable undertaking with the Australian Transaction Reports and Analysis Centre (**AUSTRAC**) to address AUSTRAC's concerns with the NAB Group's compliance with certain AML/CTF requirements. Under the terms of the enforceable undertaking, NAB and the relevant members of the NAB Group are required to:

- complete a Remedial Action Plan (**RAP**) approved by AUSTRAC; and

- address, to AUSTRAC's satisfaction, any deficiencies or concerns with activities in the RAP identified by AUSTRAC.

In May 2022, NAB appointed an external auditor (as required under the enforceable undertaking). NAB obtains interim reports from the external auditor on a quarterly basis and an annual basis. The external auditor will provide a final report to NAB for the period up to 31 March 2025. NAB has completed approximately three-quarters of its required activities under the RAP. A number of these activities require review by the external auditor, and some of the more complex activities under the RAP have longer timeframes for completion. NAB continues to oversee delivery of the RAP commitments through dedicated enforceable undertaking governance forums.

The NAB Group continues to investigate and remediate a number of known AML/CTF compliance issues and weaknesses, including in accordance with the enforceable undertaking. As this work progresses, further compliance issues may be identified and reported to AUSTRAC or equivalent foreign regulators, and additional enhancements of the NAB Group's systems and processes may be required.

A negative outcome to any investigation or remediation process, or a failure to comply with the enforceable undertaking, may adversely impact the NAB Group's reputation, business operations, financial position and results.

As a bank engaged in global finance and trade, the NAB Group faces risks relating to compliance with AML/CTF, ABC and financial sanctions laws across multiple jurisdictions. Undetected failure of internal controls, or the ineffective remediation of compliance issues could lead to breaches of AML/CTF and/or ABC obligations or sanctions violations, resulting in potentially significant monetary and regulatory penalties, which, in turn, may adversely impact the NAB Group's reputation, financial performance and position.

The risks of sanctions violations are increased in the context of additional, wide ranging economic sanctions and export controls imposed in 2022 and 2023 as a result of the Russia-Ukraine conflict and the continued attempts by those subject to sanctions to evade and circumvent their impact. NAB's sanctions compliance function continues to monitor the sanctions issued as a result of rising tensions in the Middle East. NAB's sanctions controls remain well equipped to support compliance with new and anticipated sanctions measures imposed by regulators. Refer to '*Notes to the Financial Statements—Note 31— Commitments and contingent liabilities*', on pages 233 to 237 in the NAB Group's 2023 Annual Report, which is incorporated by reference in this Offering Circular, under the heading '*Regulatory activity, compliance investigations and associated proceedings – Anti-Money Laundering and Counter-Terrorism Financing program uplift and compliance issues*' for more information.

The NAB Group may fail to comply with applicable laws and regulations which may expose the NAB Group to increased regulatory intervention, significant compliance and remediation costs, regulatory enforcement action or litigation, including class actions

The NAB Group is highly regulated and subject to various regulatory regimes which differ across the jurisdictions in which it operates, trades and raises funds.

Ensuring compliance with all applicable laws is complex. There is a risk the NAB Group will be unable to implement the processes and controls required by relevant laws and regulations in a timely manner, or that the NAB Group's internal controls will prove to be inadequate or ineffective in ensuring compliance. There is also a potential risk of misinterpreting new or existing regulations.

There is significant cost associated with the systems, processes, controls and personnel required to comply with applicable laws and regulations. Such costs may negatively impact the NAB Group's financial performance and position. Any failure to comply with relevant laws and regulations may have a negative impact on the NAB Group's reputation and financial performance and position and may give rise to class actions, litigation, or regulatory enforcement, which may in turn result in the imposition of civil or criminal penalties, or additional regulatory capital requirements, on the NAB Group.

Entities within the NAB Group have been, and may continue to be, involved from time to time in regulatory enforcement and other legal proceedings arising from the conduct of their business. There is inherent uncertainty regarding the possible outcome of any legal or regulatory proceedings involving the NAB Group. It is also possible that further class actions, regulatory investigations, compliance reviews, civil or criminal proceedings, or the imposition of new licence conditions or regulatory capital requirements could arise in relation to known matters or other matters of which the NAB Group is not yet aware. The aggregate potential liability and costs associated with legal proceedings cannot be estimated with any certainty.

A negative outcome to regulatory investigations or litigation involving the NAB Group may impact the NAB Group's reputation, divert management time from operations, and affect the NAB Group's financial performance and position, profitability and returns to investors. Refer to '*Notes to the Financial Statements—Note 31—Commitments and contingent liabilities*', on pages 233 to 237 in the NAB Group's 2023 Annual Report, which is incorporated by reference in this Offering Circular, for details in relation to certain current legal and regulatory proceedings, compliance reviews and associated remediation, and other contingent liabilities which may impact the NAB Group.

Extensive regulatory change poses a significant risk to the NAB Group

Globally, the financial services and banking industries are subject to significant and increasing levels of regulatory change, reviews and political scrutiny, including in Australia, NZ and other countries where the NAB Group has, or is intending to establish, offshore operations.

Examples of regulatory change in other jurisdictions that may directly or indirectly impact the NAB Group's Australian operations include changes relating to the Group of 20 over-the-counter derivative products, potential updates to the Foreign Exchange Global Code, UK and European market abuse regulations, European Union directives relating to Corporate Sustainability Reporting and Corporate Sustainability Due Diligence and the French Duty of Vigilance legislation. The pace, volume and complexity of change may also expose the NAB Group to the increased risk of failure to adequately identify all applicable regulatory changes. Changes to laws and regulations or their interpretation and application can be unpredictable, are beyond the NAB Group's control, and may not be harmonised across the jurisdictions in which the NAB Group operates.

Regulatory change may result in significant capital and compliance costs, changes to the NAB Group's corporate structure, and increasing demands on management, colleagues and information technology systems. This may also impact the competitiveness of the NAB Group in certain of its businesses, the viability of the NAB Group's participation in certain markets or require the divestment of a part of the NAB Group's business.

Operationalising large volumes of regulatory change presents ongoing risks for the NAB Group. Extensive work is done to assess proposed design solutions and to test design effectiveness of controls for each regulatory change before the effective date, however, the operating effectiveness of some controls cannot be fully tested until the go-live date for the relevant regulatory change has occurred. There are also inherent risks associated with the dependency on third parties for the effectiveness of some controls.

The NAB Group is in the process of implementing key regulatory changes that have yet to take effect. These include the Financial Accountability Regime Act 2023, Operational Risk Management (CPS 230), Public Disclosure (APS 330) and Recovery and Exit Planning (CPS 190). Other notable changes which have taken effect recently include the Compensation Scheme of Last Resort (which facilitates payment of compensation for eligible consumers who have received a determination from the Australian Financial Claims Authority that remains unpaid) and ASIC's Indigenous Financial Services Framework (which aims to encourage financial institutions to provide suitable products and services to First Nations peoples).

Since coming into power in May 2022, the Australian Government has released its inaugural Strategic Plan for the Payments System, an initial Data and Digital Government Strategy and a proposed 2023-2030 Australian Cyber Security Strategy. It is also progressing discussions with the RBA on recommendations from the Review of the RBA which may have implications for the NAB Group and for the Australian economy. The NAB Group will be subject to significant regulatory and process changes as the Australian Government finalises and implements its strategic policy priorities and digitalisation agenda in the period ahead.

Ongoing and proposed regulatory changes, reviews and inquiries relevant to the NAB Group include operational resilience (including cyber security), market risk capital reform, liquidity reforms, CDR reforms (expansion to non-bank lenders, action initiation, and consent), crypto-assets (prudential treatment, licensing and custody), governance, vulnerability (including hardship, domestic violence, accessible and inclusive banking and regional branch closures), financial claims scheme, personal property securities framework reform, financial advice reforms, market abuse or conduct-related regulations, changes to financial benchmarks, derivatives reform, modification of legislation applicable to deposit takers in NZ, payments, data quality, protection and privacy law reforms, competition inquiries (ACCC retail deposits inquiry and Treasury review of competition policy settings), financial crime legislation (including de-banking), accounting, disclosure and reporting requirements (financial, sustainability and climate risk, reportable situations, complaints and remuneration), bankruptcy and personal and corporate insolvency, human rights, modern slavery, tax reform and the Australian Securities Exchange CHESS replacement.

Current consumer-centric regulatory changes due to take effect in the coming months include enhancements to the Unfair Contract Terms (**UCT**) regime for consumers and small businesses and the Banking Code of Practice. The changes to UCT will allow courts to impose substantial penalties on businesses and individuals who include unfair terms in their standard form contracts. Regulatory priorities may also direct or influence the manner in which the NAB Group is currently meeting its obligations to customers.

With increasing evidence of consumers experiencing financial distress and difficulty due to cost-of-living pressures, ASIC expects lenders to work constructively with their customers to find a sustainable solution in the period ahead. In addition, ASIC's strategic priority to take action to address poor product design and distribution and poor consumer outcomes is expected to drive both issuers' and distributors' focus on the application of the 'reasonable steps' obligations to ensure financial products are appropriately distributed to their respective target markets.

Further inquiries and regulatory reviews impacting the financial services industry may be commissioned by the Australian and NZ governments, which, depending on their scope, findings and recommendations, may adversely impact the NAB Group.

Examples of specific reviews and regulatory reforms currently relevant to the NAB Group, and which present a potential material regulatory risk include those set out below:

- The Financial Markets (Conduct of Institutions) Amendment Act 2022 (**CoFI Act**) will create an oversight and licensing regime for regulating conduct in the banking, non-bank deposit taking (**NBDT**) and insurance sectors in NZ. The CoFI Act is expected to come into force in early 2025.

- Legislation was introduced into Australian Parliament in November 2022 to enable 'write access' or 'action initiation' within the CDR regime which may present additional cyber and fraud risks in the CDR ecosystem, if passed. Governance mechanisms including accountabilities, controls, and frameworks are still evolving and, under the Open Banking regime, customer data may be shared with, and received from, a broader range of stakeholders. Significant NAB Group resources and management time have been, and will continue to be, utilised to implement and progress Open Banking (including supporting the CDR to mature in the banking sector).

- At the direction of the Australian Treasurer in February 2023, the ACCC is conducting an inquiry into the market for the supply of retail deposit products to ensure that there is competition between Australian banks in relation to the pricing and features of retail deposit products offered to customers. The inquiry will look at matters including the interest rates paid by ADIs for retail deposits, how the interest rates are set between retail deposit products and lending products (including home loans), decisions made in light of changes to the RBA target cash rate, the extent of competition in the market for retail deposit products and how deposit products are a source of funding for the supply of credit. The ACCC is to provide its report by 1 December 2023.

- Globally, regulators increasingly expect that the financial services industry, including banks, will play a more substantive role in protecting customers from scams and other fraudulent activity. While recognising the potential for regulatory change to address the impact of scams, the NAB Group continues to proactively educate its customers about scams and further enhance its systems and processes to detect and protect customers and the NAB Group from scams and fraud. In this way, the NAB Group seeks to mitigate the risk to customers from scam or fraud activity that may be difficult for the NAB Group to anticipate or control. Although no government policy or position in relation to a contingent reimbursement scheme has been promulgated in Australia, the NAB Group's strategic planning and enhancement of systems and processes will also prepare it for expected regulatory change in this regard. Given the considerable growth in industry and customer losses from scams and fraud, the potential costs associated with control failures and transferal of risk from the customer may be significant.

- New Base Erosion and Profit Shifting rules (Pillar Two model rules) have been released by The Organisation for Economic Co-operation and Development that are designed to ensure that multinational enterprises pay a minimum tax of 15 per cent. on income arising in each jurisdiction. The rules will come into effect for NAB globally commencing in 2025. The rules are complex and will require global implementation resulting in increased compliance costs. Substantial changes will be required to existing tax operations with a focus on an increase in global data analytics capabilities.

- Proposed ESG-related regulatory regimes, including increasing obligations relating to modern slavery, human rights, sustainable finance, climate, and other sustainability risk-related prudential guidance, and regulatory and disclosure requirements. These include:

  - the climate-related disclosures regime under the Financial Markets Conduct Act 2013 in NZ, which requires mandatory climate-related reporting from early 2024, and the expected introduction of similar requirements in Australia in 2024/2025 following the consultations by Australian Treasury in 2023 on the design and implementation of standardised, internationally-aligned requirements for disclosure of climate-related financial risks and opportunities in Australia;

  - changes to international accounting standards on disclosure of sustainability and climate-related financial information published by the International Sustainability Standards Board in 2023 and amendments to Australian Accounting Standards proposed by the AASB to introduce three Australian Sustainability Reporting Standards;

  - the final recommendations of the Taskforce on Nature-related Financial Disclosures which were published in September 2023; and

  - expansion of modern slavery and sustainability due diligence requirements in Australia, NZ and the European Union.

The full scope, timeline and impact of current and potential inquiries and regulatory reforms such as those mentioned above, or how they will be implemented (if at all in some cases), is not known.

Depending on the specific nature of the regulatory change requirements and how and when they are implemented or enforced, they may have an adverse impact on the NAB Group's business, operations, structure, compliance costs or capital requirements, and ultimately its competitiveness, reputation, financial performance or financial position.

The NAB Group may be exposed to losses if critical accounting judgements and estimates are subsequently found to be incorrect

Preparation of the NAB Group's financial statements requires management to make estimates and assumptions and to exercise judgement in applying relevant accounting policies, each of which may directly impact the reported amounts of assets, liabilities, income and expenses. A higher degree of judgement is required for the recognition and estimates used in the measurement of provisions (including for customer-related remediation and other regulatory matters), the determination of income tax, the valuation of financial assets and liabilities (including fair value and credit impairment of loans and advances), and the valuation of goodwill and intangible assets arising from business acquisitions.

If the judgements, estimates and assumptions used by the NAB Group in preparing the financial statements are subsequently found to be incorrect, there could be a significant loss to the NAB Group beyond that anticipated or provided for, which may adversely impact the NAB Group's reputation, financial performance and financial position.

(B) BNZ AND BNZ-IF - RISKS SPECIFIC TO BNZ AND BNZ-IF

Set out below are the principal risks and uncertainties associated with BNZ and its controlled entities (including BNZ-IF). It is not possible to determine the likelihood of these risks occurring with any certainty. However, the risk in each category that BNZ considers most material is listed first, based on the information available at the date of this Offering Circular and BNZ's best assessment of the likelihood of each risk occurring and the potential magnitude of the negative impact to BNZ should such risk materialise. In the event that one or more of these risks materialises, BNZ's reputation, strategy, business, operations, financial condition and future performance could be materially and adversely impacted.

BNZ's risk management framework and internal controls may not be adequate or effective in accurately identifying, evaluating, or addressing risks faced by BNZ. There may be other risks that are unknown or deemed immaterial, but which may subsequently become known or material. These may individually, or in aggregate, adversely impact BNZ. Accordingly, no assurances or guarantees of future performance, profitability, distributions or returns of capital are given by BNZ or BNZ-IF.

Risk specific to BNZ-IF as an offshore funding entity of BNZ

BNZ-IF is an offshore funding entity

BNZ-IF is a funding entity, the primary business of which is carrying out offshore wholesale funding for BNZ through the issuance of debt securities (see "*Description of BNZ-IF*" on pages 273 to 275 of this Offering Circular for further details). BNZ-IF's debt securities are unconditionally and irrevocably guaranteed by BNZ to enable BNZ-IF to carry out such fundraising activities. As all funds raised by BNZ-IF will be on-lent to BNZ, the ability of BNZ-IF to fund its debt obligations in respect of Guaranteed Senior Notes will be entirely dependent on the ability of BNZ to fund its debt obligations to BNZ-IF.

Strategic Risk

Strategic risk is the risk to earnings, capital, liquidity, funding or reputation arising from an inadequate response to changes in the external environment and risk of failing to properly consider downstream impacts and achieve effective outcomes when executing material change programmes.

Strategic initiatives may fail to be executed, may not deliver all anticipated benefits, or may otherwise change BNZ's risk profile

BNZ's corporate strategy sets its purpose, ambition and objectives.

BNZ prioritises, and invests significant resources in, the execution of initiatives that are aligned to its chosen strategy, including transformation and change programmes. These programmes primarily focus on customers, technology, digital and data assets, infrastructure, business improvement, cultural transformation, regulatory compliance and changes to associated controls, and may have dependencies on external suppliers or partners. There is a risk that these programmes may not realise some or all of their anticipated benefits and outcomes. These programmes may also increase operational, compliance and other risks, and new or existing risks may not be appropriately assessed or controlled.

BNZ's strategy includes ESG-related initiatives, including a climate strategy and various obligations, targets and goals. Setting and achieving BNZ's sector decarbonisation targets and managing risks including climate change related financial risks and ESG-related risks are influenced by BNZ's customers, policy makers, the emerging ESG-related regulatory and disclosure environment and other stakeholders.

Any failure by BNZ to deliver in accordance with its strategy, or to deliver strategic programmes effectively, may result in material losses to BNZ, reputational damage, or a failure to achieve anticipated benefits, and ultimately, may materially and adversely impact BNZ's operations and financial performance and position.

BNZ faces a rapidly changing external environment

BNZ operates in a dynamic macro-economic environment. The impact of slowing global and domestic economic growth, rising unemployment and interest rates, and falling consumer confidence can reduce demand for credit, adversely impacting BNZ's revenue. In addition, BNZ expense plans may be at risk if inflation does not normalise in line with expectations, particularly with respect to employee remuneration and technology costs.

There is also substantial competition across the markets in which BNZ conducts business. BNZ faces competition from established financial services providers and other parties, including foreign banks and new market entrants, particularly non-bank competitors, such as fintechs and digital platforms, some of which have lower costs, or operating and business models, technology platforms or products that differ from or are more competitive than BNZ's and some of which are subject to less regulatory oversight.

In addition, evolving industry trends, technology changes, and environmental factors have impacted, and may continue to impact customer needs and preferences and BNZ may not predict these changes accurately or quickly enough, or have the resources and flexibility to adapt in sufficient time, to meet customer expectations and keep pace with competitors. These risks are heightened in the current context in which technologies, including those that may impact the financial services industry, continue to evolve at a rapid pace.

Other trends and recent regulatory and legislative developments that have increased, and may impact BNZ include, but are not limited to:

- increased focus on digital, data and analytics capabilities with the objective of creating easy and seamless customer experiences. The rapid development and deployment of AI capabilities has emerged as a key strategic consideration. Inadequate or lack of adoption of AI within business processes could pose a strategic disadvantage to BNZ relative to its competitors who deploy AI tools and could result in unwanted financial and non-financial consequences for BNZ. AI regulation is developing globally and its impact on BNZ's business is currently unknown;

- increased demand for green or sustainability-related products or increased lending to assist customers in achieving their ESG-related performance objectives, for example, sustainability-linked loans, or, correspondingly, increased scrutiny of products or lending that are perceived to be inconsistent with the ESG-related performance objectives of BNZ or its stakeholders;

- continued competitive pressures in home lending, particularly as customers of BNZ adjust to higher rates in both calendar years 2023 and 2024 as fixed rate periods expire on loans entered into at historically low rates in recent years. This increases the risk that customers will refinance outside BNZ;

- increased competition for customer deposits in the context of an uncertain market and elevated interest rate environment, with the risk of further increases to BNZ's cost of funds relative to its competitors;

- ongoing growth of the broker market and the risk of disintermediating customer relationships;

- progress is being made in Open Banking in NZ. The NZ Government has decided to establish a CDR in NZ and for banking to be the first sector designated under the legislation. An exposure draft of the

Customer and Product Data Bill was released in June 2023 for industry feedback. The adoption of Open Banking is designed to increase competition in the NZ banking industry, and may increase compliance costs for established institutions, including BNZ and limit BNZ’s ability to charge for access to payments or data;

- the evolving and increasingly complex payments landscape, including increasing use of digital payments, new payments infrastructures and emerging technology, and shift away from traditional payment methods;

- the continued consumer adoption of cryptocurrencies and other digital assets. The rate of digital asset adoption, digital asset product creation (for example, stable coins and decentralised finance) and government responses including the possibility of the RBNZ issuing a CBDC are expected to influence the future of the sector and its impact on BNZ. The introduction of a CBDC may increase competition for deposit funding or other products and services offered by BNZ which may have an adverse impact on BNZ’s financial performance and position. In addition, regulation of digital assets is nascent, but emerging, across all markets in which BNZ conducts business, which may increase BNZ’s costs, or require BNZ to invest in resources to adapt its products or systems to new technologies; and

- the commencement of a market study into competition for personal banking services in NZ by the NZ Commerce Commission. The NZ Commerce Commission’s final report, which will set out its findings on factors that may affect competition in personal banking, including bank profitability, and any recommendations, is due to be released in August 2024.

Competition for customers, which remains heightened in the current interest rate environment, can lead to compression in profit margins and loss of market share. Intense competition increases the risk of additional price pressure, especially in commoditised lines of business, such as mortgages, where the providers with the lowest unit cost may gain market share and industry profit pools may be eroded. Such factors may ultimately impact BNZ’s financial performance and position.

BNZ’s performance is largely dependent on the talents and efforts of highly skilled people; therefore, BNZ’s continued ability to compete effectively depends on its ability to attract new talented and diverse employees and to retain and motivate its existing employees. Competition from within the financial services industry and from businesses outside the financial services industry, including the technology industry, for qualified employees has often been intense. BNZ has experienced increased competition in hiring and retaining employees to address the demands of new regulatory requirements, expanding consumer-oriented businesses and its technology initiatives.

Risks may arise from pursuing acquisitions and divestments

BNZ regularly considers a range of corporate opportunities, including acquisitions, divestments, joint ventures and investments.

Pursuit of corporate opportunities inherently involves transaction risks, including the risk that BNZ over-values an acquisition or investment, or under-values a divestment, as well as exposure to reputational damage or regulatory intervention. BNZ may encounter difficulties in integrating or separating businesses, including failure to realise expected synergies, disruption to operations, diversion of management resources, or higher than expected costs. These risks and difficulties may ultimately have an adverse impact on BNZ’s financial performance and position.

BNZ may incur unexpected financial losses following an acquisition, joint venture or investment if the business it invests in does not perform as planned or causes unanticipated changes to BNZ’s risk profile. Additionally, there can be no assurance that customers, employees, suppliers, counterparties and other relevant stakeholders will remain with an acquired business following the transaction, and any failure to retain such stakeholders may have an adverse impact on BNZ’s overall financial performance and position.

BNZ may also have ongoing exposures to divested businesses, including through any residual shareholding, the provision of continued services and infrastructure, or an agreement to retain certain liabilities of the divested businesses through warranties and indemnities. These ongoing exposures may have an adverse impact on BNZ's business and financial performance and position.

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

As BNZ is part of the NAB Group, it may be impacted by the decisions made by, or events that affect, the NAB Group, as well as any financial or reputational damage by virtue of its association with the NAB Group. If financial resources are withdrawn by the NAB Group, or the NAB Group makes a business or corporate decision or is subject to actions, such as regulatory actions, that are not in BNZ's interests, this may adversely affect BNZ's business, financial condition, liquidity, results of operations and prospects. In addition, the reputational consequences of the occurrence of a risk event within the NAB Group, for example, a major operational failure, may have a material impact on BNZ's business, financial condition, reputation, liquidity, results of operations and prospects. There is a risk that if a major operational failure occurred within the NAB Group, BNZ's existing business continuity plans, including those prepared under the RBNZ's Outsourcing Policy (BS11), may fail or be ineffective, which may, in turn, have a material impact on BNZ's financial performance and position.

Credit Risk

Credit risk is the risk that a customer will fail to meet their obligations to BNZ in accordance with agreed terms. Credit risk arises from both BNZ's lending activities and markets and trading activities.

Elevated interest rates to combat persistent inflation may result in deterioration in BNZ's credit risk profile in the short term through increases in defaulted loans

Globally, central banks (including in Australia and NZ) have rapidly increased policy rates in response to elevated levels of inflation.

Inflation remains high and above the targets of many central banks including the RBNZ. This may increase the risks arising from further rate rises in 2023 and beyond, or from elevated rates, relative to recent historical levels, persisting.

Elevated interest rates, coupled with existing inflationary pressures, may increase household and business financial stress across Australia and NZ, particularly for underprepared customers. Higher rates typically lead to reduced disposable income for households, leaving sectors exposed to changes in household discretionary spending vulnerable to significant financial stress in the event of changes to consumer spending behaviour. This includes a heightened risk of corporate and business bankruptcies, job losses, and higher unemployment, particularly in the event of an economic slowdown. The increased credit risk in affected sectors and elevated levels of household and business financial stress may result in an increase in losses if customers default on their loan obligations and/or higher capital requirements through an increase in the probability of default.

A decline in property market valuations may give rise to higher losses on defaulting loans

Lending activities account for most of BNZ's credit risk exposure. BNZ's lending portfolio is largely based in NZ. Residential housing loans and CRE loans constitute a material component of BNZ's total gross loans and acceptances.

BNZ may have higher credit risk, or experience higher credit losses, to the extent its loans are concentrated by loan type, industry segment, borrower type, or location of the borrower or collateral. For example, BNZ's credit risk and credit losses can increase if borrowers who engage in similar activities are uniquely or disproportionately affected by extreme weather events, economic or market conditions, or by regulation, such as regulation related to climate change. Deterioration in economic conditions or real estate values in NZ, where BNZ has relatively larger concentrations of lending, including for residential real estate or CRE, could result in higher credit losses and costs.

Residential and commercial property prices in NZ increased for some years up until 2021, but experienced decline in 2022 following the RBNZ's moves to increase policy rates. House prices have stabilised to date in 2023, with some markets recording price increases, however the recovery has not covered the declines experienced in 2022.

Any declines in the value of residential or commercial property used as collateral (including in business lending) may give rise to greater losses to BNZ resulting from customer defaults, which may, in turn, impact BNZ's financial performance and position. The most significant impact, in the event of default, is likely to come through residential mortgage customers in high loan-to-value-ratio brackets.

Adverse business conditions in NZ, in the agricultural and other sectors, may give rise to increasing customer defaults

BNZ has a large market share among lenders to the NZ agricultural sectors. These sectors may be negatively impacted by several factors, including:

- vulnerability to labour constraints;
- trade restrictions and tariffs;
- volatility in commodity prices (particularly agricultural product prices);
- foreign exchange rate movements;
- changes in consumer preference;
- disease and introduction of pathogens and pests (for example, the threat of a local foot and mouth disease outbreak);
- export and quarantine restrictions;
- supply chain constraints;
- extreme weather events (including substantial rainfall or drought);
- increasing weather volatility; and
- longer-term changes in climatic conditions.

Some customers are facing significant challenges from extreme weather events such as the floods in NZ in 2023, which caused stock, crop, and plant and equipment loss and damage. These events may result in increased losses to BNZ from customer defaults, and ultimately may have an adverse impact on BNZ's financial performance and position. More broadly, physical and transition risks associated with climate change may also increase current levels of customer defaults in other sectors.

Labour constraints continue to have a negative impact on tourism, healthcare, hospitality, construction and other businesses. As a bank with exposure to business in these sectors, this ongoing constraint may result in increased losses to BNZ from customer defaults, and ultimately may have an adverse impact on BNZ's financial performance and position.

Adverse business conditions (including supply chain disruptions, labour constraints and rising input costs, including from volatile commodity and energy prices) and the impact of rapid technological change may also lead to stress in other sectors. Rising household financial pressures (including inflationary pressures) also pose a risk to sectors that are reliant on household expenditure.

Market declines and increased volatility may result in BNZ incurring losses

Some of BNZ's assets and liabilities comprise financial instruments that are carried at fair value, with changes in fair value recognised in BNZ's income statement. Movements in interest rates can affect prepayment assumptions and thus fair value. Market declines and increased volatility could negatively impact the value of such financial instruments and cause BNZ to incur losses.

Other macro-economic, geopolitical, climate, other nature-related or social risks may adversely affect BNZ and pose a credit risk

As BNZ primarily conducts business in NZ, BNZ's performance is dependent principally on the performance of the economy in NZ. Levels of borrowing are heavily dependent on customer confidence, employment trends, market interest rates, and other economic and financial market conditions and forecasts.

Domestic and international economic conditions and forecasts are influenced by a number of macro-economic factors, such as: economic growth rates, environmental and social issues (including emerging issues such as modern slavery and nature-related risks), cost and availability of capital, central bank intervention, inflation and deflation rates, level of interest rates, yield curves, market volatility, and uncertainty.

Deterioration in any of these factors may lead to the following negative impacts on BNZ:

- deterioration in the value and liquidity of assets (including collateral);
- the inability to price certain assets;
- environmental conditions and social and governance issues impacting the risk and return profile and/or value of customers' security or business operations;
- an increase in customer or counterparty default and credit losses;
- higher provisions for credit impairment;
- mark-to-market losses in equity and trading positions, including BNZ's HQLA portfolios;
- a lack of available or suitable derivative instruments for hedging purposes; and
- increased cost of insurance, lack of available or suitable insurance, or failure of the insurance underwriter.

Economic conditions may also be negatively impacted by climate change and major shock events, such as natural disasters, epidemics and pandemics, war and terrorism, cyber-attacks, political and social unrest, banking instability and sovereign debt restructuring and defaults.

The following macro-economic and financial market conditions are, as of the date of this Offering Circular, of most relevance to the credit risk facing BNZ, and may affect revenue growth and/or customer balance sheets:

- Global economic growth has slowed to date in calendar year 2023, consistent with expectations of below average growth in both calendar years 2023 and 2024. Weaker economic conditions reflect the impact of tightening monetary policy and lending standards, particularly in advanced economies, along with energy disruptions in Europe and weak growth rates in China. The risk of recessions in one or more major economies in calendar year 2024 remains.

- Inflationary pressures emerged at the start of calendar year 2021 and have continued through calendar year 2023, increasing the cost of living and reducing disposable income for consumers. The lift in inflation reflected a broad range of factors, including the impact of fiscal stimulus in a range of countries, disruptions to global supply chains, shortages of key inputs, commodities, and labour in various locations and the impact of the Russia-Ukraine conflict. The conflict in Israel-Palestine will also likely impact inflation, particularly through the impact on global commodity prices, most notably oil. Although inflation has slowed in calendar year 2023 to date, it remains above the targets set by most major central banks.

- Persistent inflation and fears that households' inflation expectations could become unanchored from central bank targets (driving increased wage demands) drove global central banks (including in NZ) to rapidly lift policy rates starting in early 2022 and this trend continued in 2023. Market pricing suggests most major central banks are either at or near the peak of the rate cycle, although forward guidance from these banks indicates that they still have a tightening bias (indicating that policy rates could rise further should the current slowing in inflation falter).

- A sustained period of increased policy rates, and/or further increases in rates, accompanied by tighter lending standards in many countries, may expose imbalances or weaknesses in balance sheets, including those of financial institutions and asset markets that have built up over time. This may increase pressure on borrowers, particularly those that are highly geared and/or face reduced income due to weaker economic activity. Where concerns over the viability of financial institutions arise, it can trigger contagion fears, potentially destabilising global markets and, in turn, negatively affecting economic activity. More generally, higher policy rates may adversely affect BNZ's cost of funds, trading income, margins and the value of BNZ's lending and investments.

- Risk of contagion due to financial system instability remains an ongoing concern for BNZ due to the interdependency of financial market participants. Where concerns over the viability of financial institutions arise, it can trigger contagion fears, potentially destabilising global markets and, in turn, negatively affecting economic activity and adversely affecting BNZ's results.

- China is a major trading partner for NZ, with export incomes and business investment exposed to changes in China's economic growth and trade policies. China's economic growth slowed in the June quarter of 2023, pointing to the loss of momentum in China's post-zero-COVID recovery, with domestic demand remaining subdued. There remains considerable uncertainty around household consumption and the property sector in China (including as a result of defaults by major property developers), which could negatively impact the global economy generally, and the NZ economy in particular (including by reducing demand for NZ exports). A range of medium to longer-term risks also continue to be present, including high corporate debt levels and demographic pressures from China's ageing population. Due to its export mix, NZ's economy is exposed to any slowdown in China, which could therefore have a negative impact on BNZ's customers with material exposure to China and its economy, and may give rise to increasing levels of customer defaults.

- As a commodity exporting economy, NZ is exposed to shifts in global commodity prices that can be sudden, sizeable, and difficult to predict. Fluctuations in commodity markets can affect key economic variables like national income tax receipts and exchange rates. Commodity price volatility remains substantial and, given BNZ's sizeable exposures to commodity producing and trading businesses, this volatility poses a credit risk to BNZ.

- Ongoing geopolitical instability, such as that caused by the ongoing conflict between Russia and Ukraine, has negatively impacted, and could in the future negatively impact, the global and NZ economies, including by causing supply chain disruptions, rising prices for oil and other commodities, volatility in capital markets and foreign currency exchange rates, rising interest rates and heightened cyber security risks. In response to the Russia-Ukraine conflict, several countries (including NZ) imposed wide ranging economic sanctions and export controls on individuals and firms closely connected to the Russian Government or conducting economic activity in certain regions of Ukraine. These sanctions, as well as responsive measures, continue to impact the European and global economy, including through volatile energy and commodity prices. Prices may remain elevated for an extended period, which would negatively impact most businesses and households, and may lead to increased credit losses for BNZ.

Other geopolitical risks continue to present uncertainty to the global economic outlook, with negative impacts on consumption and business investment. Tensions between the United States and China, including in relation to Taiwan, the Russia-Ukraine conflict and China's trade and technology policies, continue to persist, which could impact global economic growth and global supply chains. Similarly, geopolitical tensions in the Asia-Pacific region could increase as a result of the AUKUS pact or other similar agreements. The possibility of the war between Israel and Hamas expanding to become a wider regional conflict in the Middle East, poses a fresh threat to the global economy including potential implications for energy prices, inflation and confidence levels.

A slowdown in economic growth in Australia and NZ and any resulting increase in unemployment may negatively impact debt servicing levels, increase customer defaults and negatively impact BNZ's financial performance and position and its profitability.

Market Risk

Market risk is the risk of loss from BNZ's trading activities. BNZ may suffer losses as a result of a change in the value of BNZ's positions in financial instruments, bank assets and liabilities, or their hedges due to adverse movements in market prices. Adverse price movements impacting BNZ may occur in credit spreads, interest rates, foreign exchange rates, and commodity and equity prices, particularly during periods of heightened market volatility or reduced liquidity. Market volatility has increased in response to increased geopolitical risk, rising inflation and central banks lifting interest rates.

The occurrence of any event giving rise to a material trading loss may have a negative impact on BNZ's financial performance and position.

Credit spread risk is the risk of BNZ's market operations and trading activities being exposed to movements in the value of securities and derivatives as a result of changes in the perceived credit quality of the underlying company or issuer. Credit spread risk accumulates in BNZ's market operations and trading activities when it provides risk transfer services to customers seeking to buy or sell fixed income securities (such as corporate bonds). BNZ may also be exposed to credit spread risk when holding an inventory of fixed income securities in anticipation of customer demand or undertaking market-making activity (i.e., quoting buy and sell prices to customers) in fixed income securities. BNZ's trading book is also exposed to credit spread risk through credit valuation adjustments. A widening of credit spreads could negatively impact the value of the credit valuation adjustment book.

Outside the trading book, BNZ's liquidity portfolio is also subject to credit spread risk through changes in spreads on securities held in its liquidity portfolio. BNZ hedges the interest rate risk from its liquidity portfolio. These positions form part of the required holdings of HQLAs used in managing BNZ's liquidity risk, and can give rise to material profit and loss volatility within BNZ's portfolio during periods of adverse credit spread movements.

Interest rate risk is the risk of BNZ's trading activities being exposed to changes in the value of securities and derivatives as a result of changes in interest rates. BNZ's trading activities accumulate interest rate risk when BNZ provides interest rate hedging solutions for customers, holds interest rate risk in anticipation of customer requirements or undertakes market-making activity in fixed income securities or interest rate derivatives. The level of volatility in interest rate markets has increased in the post-pandemic period after a broadening of inflationary pressures saw major central banks unwind stimulus and rapidly tighten monetary policy. Market volatility has increased in response to increased geopolitical risk, rising and sustained inflation, central banks lifting interest rates and other macroeconomic risks.

BNZ may fail to, or be unable to, sell down its underwriting risk

As a financial intermediary, BNZ may underwrite or guarantee different types of transactions, risks and outcomes, including the placement of listed and unlisted securities. The underwriting obligation or guarantee may be over the pricing and placement of these securities, and BNZ may therefore be exposed to potential losses, which may be significant, if it fails to sell down some or all of this risk to other market participants.

Balance Sheet and Liquidity Risk

Balance sheet and liquidity risk comprises key banking book structural risks of BNZ such as liquidity risk, funding risk, interest rate risk, capital risk and foreign exchange risk.

BNZ is exposed to funding and liquidity risk

Liquidity risk is the risk that BNZ is unable to meet its financial obligations as they fall due. These obligations include the repayment of deposits on demand or at their contractual maturity, the repayment of wholesale borrowings and loan capital as they mature, the payment of interest on borrowings and the payment of operational expenses and taxes. BNZ must also comply with APRA prudential and regulatory liquidity obligations as part of the NAB Group. Any significant deterioration in BNZ's liquidity position may lead to an increase in BNZ's funding costs, constrain the volume of new lending or cause BNZ to breach its prudential or regulatory liquidity obligations. This may adversely impact BNZ's reputation and financial performance and position.

Funding risk is the risk that BNZ is unable to raise short and long-term funding to support its ongoing operations, regulatory requirements, strategic plans and objectives. BNZ accesses domestic and global capital markets to help fund its business, along with using customer deposits. BNZ relies on offshore wholesale funding to support its funding and liquidity position. Periods of heightened market volatility may limit BNZ's access to this funding source. Disruption in global capital markets, reduced investor interest in BNZ's securities and/or reduced customer deposits, may adversely affect BNZ's funding and liquidity position. This may increase the cost of obtaining funds, reduce the tenor of available funds or impose unfavourable terms on BNZ's access to funds, constrain the volume of new lending, or adversely affect BNZ's capital position.

BNZ's capital position may be constrained by prudential requirements

Capital risk is the risk that BNZ does not hold sufficient capital and reserves to cover exposures and to protect against unexpected losses. Capital is the cornerstone of BNZ's financial strength. It supports BNZ's operations by providing a buffer to absorb unanticipated losses from its activities.

BNZ is required by its prudential obligations to hold minimum levels of capital relative to the size of its balance sheet and its operational risk profile.

BNZ must comply with prudential requirements in relation to capital in NZ. Compliance with these requirements, and any further changes to these requirements may:

- Limit payment of dividends or distributions on shares and hybrid instruments.
- Require BNZ to raise more capital (in an absolute sense) or raise more capital of higher quality.
- Restrict balance sheet growth.

If the information or the assumptions upon which BNZ's capital requirements are assessed prove to be inaccurate, this may adversely impact BNZ's operations, financial performance and financial position.

A significant downgrade in BNZ's credit ratings or outlook may adversely impact its cost of funds and capital market access

Credit ratings are an assessment of a borrower's creditworthiness and may be used by market participants in evaluating BNZ and its products, services and securities. Credit rating agencies conduct ongoing review activities, which can result in changes to credit rating settings and outlooks for BNZ, or credit ratings of sovereign jurisdictions where BNZ conducts business. Credit ratings may be affected by operational and other market factors (e.g., ESG-related), or changes in a credit rating agency's rating methodologies.

A downgrade in the credit ratings or outlook of BNZ, BNZ's securities, any other member of the NAB Group or their securities, or the sovereign rating of one or more of the countries in which BNZ conducts business, particularly NZ, may increase BNZ's cost of funds or limit its access to capital markets. This may also cause a deterioration of BNZ's liquidity position and trigger additional collateral requirements in derivative contracts and other secured funding arrangements. A significant downgrade to BNZ's credit ratings relative to its peers may also adversely impact BNZ's competitive position and financial performance and position.

BNZ's financial performance and capital position may be adversely impacted by interest rate fluctuations

Interest rate risk is the risk to BNZ's financial performance and capital position caused by changes in interest rates.

Balance sheet and off-balance sheet items can create an interest rate risk exposure within BNZ. As interest rates and yield curves change over time, BNZ may be exposed to a loss in earnings and economic value due to the interest rate profile of its balance sheet. Such exposure may arise from a mismatch between the maturity profile of BNZ's lending portfolio compared to its deposit portfolio (and other funding sources), as well as the extent to which lending and deposit products can be repriced should interest rates change, thereby impacting net interest margins. This may adversely impact BNZ's competitive position and financial performance and position.

When interest rates are increasing, BNZ can generally earn higher net interest income. However, higher interest rates can also lead to fewer originations of loans, less liquidity in the financial markets, and higher funding costs, each of which could adversely affect BNZ's revenues and its liquidity and capital levels. Higher interest rates can also negatively affect the payment performance on loans that are linked to variable interest rates. If borrowers of variable rate loans are unable to afford higher interest payments, those borrowers may reduce or stop making payments, thereby causing BNZ to incur losses and leading to increased operational costs related to servicing a higher volume of delinquent loans.

The value of BNZ's banking book may be adversely impacted by foreign exchange rates

Foreign exchange and translation risks arise from the impact of currency movements on the value of BNZ's cash flows, profits and losses and assets and liabilities due to participation in global financial markets and international operations. As BNZ's business primarily operates in NZ, it is particularly exposed to fluctuations in the value of the New Zealand dollar.

BNZ's financial statements are prepared and presented in New Zealand dollars, and any fluctuations in the New Zealand dollar against other currencies in which BNZ invests or transacts and generates profits (or incurs losses) may adversely impact its financial performance and position.

Operational Risk

Operational risk is the risk of loss resulting from inadequate, ineffective or failed internal processes, actions and systems or external events. This includes legal risk but excludes strategic risk.

There are inherent risks within BNZ's operations due to the range of customers, products and services BNZ provides and the multiple markets and channels these products and services are delivered through.

Disruption to technology may adversely impact BNZ's reputation and operations

Most of BNZ's operations depend on technology, and therefore the reliability, resilience and security of BNZ's (and its third party vendors') information technology systems and infrastructure are essential to the effective operation of its business and consequently to its financial performance and position. The reliability, security and resilience of BNZ's technology may be impacted by the complex technology environment, failure to keep technology systems up-to-date, an inability to restore or recover systems and data in acceptable timeframes, or a physical or cyber-attack against BNZ or its external providers, including suppliers of cloud services to BNZ.

The rapid evolution of technology in the financial services industry and the increased expectations of customers for internet and mobile services on demand expose BNZ to changing operational scenarios.

Any disruption to BNZ's technology (including disruption to the technology systems of BNZ's external providers) may be wholly or partially beyond BNZ's control and may result in operational disruption, regulatory enforcement actions, customer redress, litigation, financial losses, theft or loss of customer data, loss of market share, loss of property or information, or may adversely impact BNZ's speed and agility in the delivery of change and innovation.

In addition, any such disruption may adversely affect the trust that internal and external stakeholders have in BNZ's ability to protect key information (such as customer and employee records) and infrastructure. This may in turn affect BNZ's reputation, which may result in loss of customers, ratings downgrades and regulatory censure or penalties.

Privacy, information security and data breaches may adversely impact BNZ's reputation and operations

BNZ collects, processes, stores and transmits large amounts of personal and confidential information through its people, technology systems and networks and the technology systems and networks of its external service providers. Threats to information security are constantly evolving, with the likelihood of cyber-attacks, scams and fraud increasing in the changing geopolitical environment, and techniques used to perpetrate cyber-attacks, scams and fraud are increasingly sophisticated. In addition, the number, nature and resources of adverse actors that could pose a cyber threat to BNZ is growing, including individual cybercriminals, criminal or terrorist syndicate networks and large sophisticated foreign governments with significant resources and capabilities.

There is a risk that BNZ's efforts to improve its technology systems and networks and its information security policies, procedures and controls may not be adequate to address these threats. While BNZ participates in internal and external reviews and testing and is subject to regulatory oversight, which collectively helps to identify weaknesses and areas for improvement, remediation of weaknesses is sometimes difficult to complete in a timely manner due to the complex technology environment (including third party involvement) and the rapidly evolving nature of the threats, which leads to the continuing emergence of new vulnerabilities.

As cyber threats continue to evolve, BNZ may be required to expend significant additional resources to continue to modify or enhance its layers of defence or to investigate and remediate any information security vulnerabilities. BNZ may also not always be able to anticipate a security threat, or be able to implement effective information security policies, procedures, and controls to prevent or minimise the resulting damage. BNZ may also inadvertently retain information which is not specifically required or is not permitted by legislation, thus increasing the impact of a potential data breach or non-compliance.

A successful cyber-attack could persist for an extended period before being detected, and, following detection, it could take considerable time for BNZ to obtain full and reliable information about the cyber security incident and the extent, amount and type of information compromised. During an investigation, BNZ may not necessarily know the full effects of the incident or how to remediate it, and actions and decisions that are taken or made in an effort to mitigate risk may further increase the costs and other negative consequences of the incident. Moreover, BNZ may be required to disclose information about a cyber security event before it has been resolved or fully investigated. Additionally, BNZ uses select external providers (in NZ and overseas) to process and store confidential data and to develop and provide its technology services, including the increasing use of cloud infrastructure. While BNZ negotiates comprehensive risk-based controls with its service providers, it is limited in its ability to monitor and control the security protocols that service providers implement on a day-to-day basis. BNZ may also submit confidential information to its key regulators under a legal obligation and as part of regulatory reporting.

A breach of security at any of these external providers, regulators or within BNZ may result in operational disruption, theft or loss of customer or employee data, a breach of privacy laws, regulatory enforcement actions, civil penalties, customer or employee redress, litigation, financial losses, or loss of market share, property, or information. This may be wholly or partially beyond the control of BNZ and may adversely impact its financial performance and position. For example, some large NZ organisations have experienced significant cyber-attacks in recent years leading to intense public reactions and increased political and regulatory focus.

In addition, any such event may give rise to increased regulatory scrutiny or adversely affect the view of ratings agencies. Social media commentary, and responses to the relevant event, may exacerbate the impact on BNZ's reputation.

The threat environment has also seen a new vector appear in the form of generative AI, the threat of which is uncertain, but which is a step-change in AI. While generative AI has potential to support significant service advances for customers, it also has potential to assist and enable and enhance existing methods for criminals to perpetrate fraud, scams, and cyber threats against BNZ and its customers.

Complexity of infrastructure, processes and models, gives rise to a significant risk to BNZ's operations

BNZ is reliant on its policies, processes, controls and supporting infrastructure being designed effectively and functioning as designed, and on third parties appropriately managing their own operational risk and delivering services to BNZ as required. A failure in the design or operation of these policies, processes, controls and infrastructure, failure of BNZ to manage external service providers, or the disablement of a supporting system, all pose a significant risk to BNZ's operations and consequently its financial performance, reputation and the timeliness and accuracy of its statutory and prudential reporting.

Reputational damage may adversely impact BNZ, including, among other things, by impacting its ability to pursue new business opportunities, increasing the risk premium being applied to BNZ, and impacting the cost of funding BNZ's operations or its financial condition.

Models are used extensively in the conduct of BNZ's business, for example, in calculating capital requirements or customer compensation payments, and in measuring and stressing exposures. If the models used prove to be inadequate or are based on incorrect or invalid assumptions, judgements or inputs, this may adversely affect BNZ's customers and BNZ's financial performance and position.

BNZ is exposed to the risk of human error

BNZ's business, including the internal processes and systems that support business decisions, relies on appropriate actions and inputs from its customers, employees, agents and external providers. BNZ is exposed to operational risk due to process or human error, including incorrect or incomplete data capture and records maintenance, incorrect or incomplete documentation to support activities, or inadequate design of processes or controls. BNZ uses select external providers (in NZ and overseas) to provide services to BNZ and is exposed to similar risks arising from such failures in the operating environment of its external providers. The materialisation of any of these risks could lead to direct financial loss, loss of customer, employee or commercially sensitive data, regulatory penalties and reputational damage.

BNZ may not be able to attract and retain suitable talent

BNZ is dependent on its ability to attract and retain key executives, employees, and Board members with a deep understanding of banking and technology, who are qualified to execute BNZ's strategy, including the technology transformation BNZ is undertaking to meet the changing needs of its customers. Potential weaknesses in employment practices, including diversity, anti-discrimination, workplace flexibility, payroll compliance, workplace health and safety and employee wellbeing, together with a competitive labour market for critical skills, are sources of operational risk that can impact BNZ's ability to attract and retain qualified personnel with the requisite knowledge, skills and capability. The effective management of psychosocial risk (including relating to workplace factors such as customer aggression, workload issues or poor change management) is an area of focus within BNZ to support colleague wellbeing and retain talent. It is also an area of increasing regulatory scrutiny and reputational risk.

BNZ's capacity to attract and retain key talent, in addition to providing attractive career opportunities, also depends on its ability to design and implement effective remuneration and talent structures. This may be constrained by several factors, including by regulatory requirements (particularly in the highly regulated financial services sector), as well as community expectations. BNZ's ability to employ suitably trained people is also influenced by the NZ Government's immigration settings and strategy.

The unexpected loss of key resources or the inability to attract personnel with suitable experience may adversely impact BNZ's ability to operate effectively and efficiently, or to meet BNZ's strategic objectives. This risk may also impact third party vendors (including offshore vendors) engaged by BNZ, who may be experiencing similar personnel related challenges.

External events may adversely impact BNZ's operations

Operational risk can arise from external events such as biological hazards, climate change, natural disasters, widespread disease or pandemics, or acts of terrorism and geopolitical conflict.

In addition, BNZ has branches and office buildings in NZ, which is prone to geological risk associated with major earthquakes and extreme weather events and has experienced significant flooding and earthquakes in recent years, as well as a severe and damaging tropical cyclone in February 2023, and which may be exposed to the risk of future extreme weather events and earthquakes.

Geopolitical risks continue to present uncertainty to BNZ's operations. Tensions between the United States and China, including in relation to Taiwan, the Russia-Ukraine and Israel-Gaza conflicts and China's trade and technology policies, continue to persist, which could impact BNZ operations adversely, for example, through disruption to global supply chains and availability of talent.

External events, such as extreme weather, natural disasters, biological hazards, and acts of terrorism may cause property damage and business disruption, which may adversely impact BNZ's financial performance. In addition, if BNZ is unable to manage the impacts of such external events, it may compromise BNZ's ability to provide a safe workplace for its personnel and/or lead to reputational damage.

The environment BNZ is operating in has become more complex and more uncertain and could create operational risks that are yet to be identified.

Sustainability Risk

Sustainability risk is the risk that ESG events or conditions negatively impact the risk and return profile, value or reputation of BNZ or its customers and suppliers or its ultimate parent company. Inadequate management of ESG risks by BNZ or its customers may expose BNZ to other potential risks across risk categories such as strategic, credit, compliance, conduct, operational risk and capital, funding and liquidity risk.

Physical and transition risks arising from climate change, other environmental impacts and nature-related risks may lead to increasing customer defaults and decrease the value of collateral

Extreme weather, increasing weather volatility, and longer-term changes in climatic conditions, as well as environmental impacts such as land contamination and other nature-related risks such as deforestation, biodiversity loss and ecosystem degradation, may affect water security, property and asset values or cause customer losses due to damage, crop losses, existing land use ceasing to be viable, and/or interruptions to, or impacts on, business operations and supply chains.

Globally, an increasing number of countries are prone to, and have experienced, acute physical climate events. In NZ, these have included drought conditions, cyclones and flooding which highlight the risk of such physical climate events. NZ also experienced a severe and damaging tropical cyclone in February 2023. Extreme weather events are expected to increase globally and locally in frequency and severity, which may have adverse macroeconomic impacts. The impact of extreme weather events can take time to be fully realised and be widespread, extending beyond residents, businesses, and primary producers in highly impacted areas, to supply chains in other cities and towns relying on agricultural and other products from within these areas. The impact of these losses on BNZ may be exacerbated by a decline in the value and liquidity of assets held as collateral and the extent to which these assets are insured or insurable, which may impact BNZ's ability to recover its funds when loans default.

Climate-related transition risks are increasing as economies, governments and companies seek to transition to low-carbon alternatives and adapt to climate change. Certain customer segments may be adversely impacted as the economy transitions to renewable and low-emissions technology. Decreasing investor appetite and customer demand for carbon intensive products and services, increasing climate-related litigation, and changing regulations and government policies designed to mitigate climate change, may negatively impact revenue and access to capital for some businesses and/or BNZ's products or services that serve those customers. Furthermore, management of transition risk is more challenging given the presence of social risks such as modern slavery in relevant supply chains, e.g., input materials and equipment required to support the low carbon transition.

Nature-related risks (caused by impacts and dependencies on nature), such as deforestation and illegal land clearing, biodiversity loss and ecosystem degradation, may disrupt business activities and supply chains, and may cause business impacts including contributing to raw material and/or commodity price volatility, stranded assets, changes in customer demand and changes in the regulatory environment. Examples include, the decline of bee populations which provide pollination services to agriculture, the collapse of fishing or agricultural yields, and a decrease in air or water quality.

These risks may increase expected and actual levels of customer defaults, thereby increasing the credit risk facing BNZ and adversely impacting BNZ's financial performance and position. Physical and transition risks associated with climate change have led to regulatory change in NZ, such as the Climate Change Response (Zero Carbon) Amendment Act 2019, which commits NZ to a net zero carbon economy by 2050 or sooner. This regulatory change may disrupt the operations of BNZ's customers involved in a wide range of sectors and industries, and may impact the wider NZ economy. As NZ transitions to a net zero carbon economy, there is a risk that an increase in adoption of emission-reducing technology, changes to farming and manufacturing practices, changes to insurance practices, tax changes and revised land use regulation may impact collateral values. Changing physical conditions may also reduce the ability of businesses to service loans. Participants in the agricultural sector are particularly vulnerable including businesses in their supply chains. NZ could also see damage to its natural assets that may reduce tourism income. These risks may lead to changes to BNZ's operations, strategy and risk profile, which may adversely impact BNZ's financial performance and position.

In NZ, the climate-related disclosures regime under the Financial Markets Conduct Act 2013 requires mandatory climate-related reporting by large publicly listed companies, large licensed insurers, large investment managers, large banks, large building societies and large credit unions. It will require BNZ, as a "climate reporting entity", to annually prepare and make public climate statements with disclosures on how BNZ is considering the climate-related risks and opportunities that climate change presents for its activities over the short, medium and long term, in accordance with the Aotearoa New Zealand Climate Standards, issued by the External Reporting Board in December 2022. Climate statements are required to be published for accounting periods that start on or after 1 January 2023. BNZ's first mandatory reporting period commenced on 1 October 2023, with the first climate disclosure statement due in December 2024.

BNZ, its customers, or its suppliers may fail to comply with legal, regulatory or voluntary standards or broader community and stakeholder expectations concerning ESG risk performance

ESG issues have been subject to increasing legal, regulatory, voluntary, and prudential standards and increasing (and sometimes differing) community and stakeholder expectations. These include:

- environmental issues – such as climate change, deforestation and illegal land clearing, biodiversity loss, ecosystem degradation and pollution. Supervisory and regulatory guidance and requirements for banks are increasingly focusing on ESG risks, as regulators seek to understand and manage system-wide impacts such as those arising from climate-related risks. This focus is quickly evolving to broader environmental issues, such as nature-related risks, as the links between nature and economic prosperity and societal wellbeing are becoming better understood. This has been a particular focus of the Task Force on Nature-related Financial Disclosures, whose recommendations were released in September 2023, and the development of which has been supported by the Australian, NZ and UK governments;

- social issues – such as human rights (including modern slavery), compliance with recognised labour standards and fair working conditions (such as NZ's Recognised Seasonal Employer scheme and other immigration requirements), unfair and inequitable treatment of people including discrimination, product responsibility, appropriate remuneration and indigenous land rights and cultural heritage including any such potential impacts on these matters from a customer's operations and/or projects; and

- governance issues – such as bribery and corruption, tax avoidance, greenwashing and other false or misleading environmental or sustainability claims, poor governance, lack of transparency, and not fulfilling accountabilities.

As certain issues become better understood and the associated risks can be more accurately quantified, corporate ESG commitments, and performance against those commitments, are being more closely monitored by external stakeholders. Globally, and particularly in NZ, regulators have strengthened their policy guidance in relation to sustainability-related disclosures and governance practices, with particular emphasis on greenwashing.

ESG due diligence requirements may become mandatory in some jurisdictions in which BNZ conducts business, placing increasing demands on BNZ's processes and capability to manage, monitor and address ESG risks.

The impacts associated with climate change-related legislative and regulatory initiatives, customer requirements and the transition to a low carbon economy, including meeting new regulatory expectations, retrofitting of assets, energy efficient and low carbon investments, purchasing carbon credits or paying carbon taxes, may result in operational changes and additional expenditures that could adversely affect BNZ and/or its customers. BNZ's reputation and business prospects may also be damaged if it does not, or is perceived not to, effectively prepare for the potential business and operational opportunities and risks associated with climate change, including through the development and marketing of effective and competitive products and services designed to address clients' climate risk-related needs. These risks include negative market perception, reduced market share and regulatory and litigation consequences associated with greenwashing claims or driven by association with clients, industries or products that may be inconsistent with BNZ's stated positions on climate change issues.

Failure by BNZ to:

- comply with ESG-related legislation, regulatory requirements or standards, including emerging ESG-related disclosure requirements such as the recent introduction of climate-related disclosure requirements in NZ, and expectations arising globally following the release of the International Sustainability Standards Board's Sustainability and Climate Disclosure Standards;

- meet ESG-related commitments, goals and targets set by BNZ, or its ESG-related policies;
- meet community and stakeholder expectations in relation to ESG;
- apply appropriate ESG standards to its customers, or to entities in BNZ's supply chain; or
- appropriately make representations about its ESG-related products and performance,

may adversely impact BNZ's reputation, and customer and employee sentiment towards BNZ, may increase the risk of ESG-related litigation against BNZ, or may result in regulatory fines or penalties, including litigation or regulatory action related to greenwashing.

BNZ has published decarbonisation targets under the Net Zero Banking Alliance and, in order to achieve these targets, it may need to make commercial decisions that impact the profile of its lending portfolio.

Certain products, services or industries may become subject to heightened public scrutiny, either generally or following a specific adverse event, or because of activism by investors or special interest groups. This could result in a sudden and significant decrease in demand for these products or services and a negative impact on revenue and access to capital for some businesses, and increasing litigation risk. Reputational damage to impacted suppliers, customers or customer sectors may give rise to associated reputational damage to BNZ. In addition, levels of customer defaults in an impacted sector may increase, adversely impacting BNZ's financial performance and position and its profitability.

Conduct Risk

Conduct risk is the risk that a behaviour, or action (or inaction) by either BNZ, or those acting on behalf of BNZ, does not lead to the appropriate outcome for BNZ's colleagues, customers, communities and other stakeholders.

BNZ is reliant on its employees, contractors and external suppliers acting in an appropriate and ethical way

Organisational culture can greatly influence individual and group behaviours. Poor culture can expose an organisation and lead to customer harm, financial loss and detriment. The behaviours that could expose BNZ to conduct risk include:

- Failure to design products and services that are transparent, accessible, and easy for BNZ's customers to understand.
- Unmanaged conflicts of interest that could influence behaviour that is not in the customer's best interest.
- Non-adherence to applicable learning and competency training requirements.
- Selling, providing or unduly influencing customers to purchase or receive, products or services that may not meet their existing needs or that place the customer at risk of future hardship.
- Use of AI that is inappropriate or inconsistent with community and customer expectations, or the overreliance on algorithmic outcomes without adequate human supervision.
- Making representations to customers about products or services of BNZ which are inaccurate, misleading or deceptive, including representations which may mislead customers on the extent to which BNZ's practices are environmentally friendly, sustainable or ethical.
- Being a party to fraud.

- Failure to protect customers from fraud or scams when banking through digital channels or failure to respond adequately to customers impacted by external fraud or scams.

- Non-adherence to applicable requirements or providing financial advice which is not appropriate or in a customer's interests.

- Delays in appropriately escalating regulatory and compliance issues.

- Failure to resolve issues and remediate customers in a timely manner and in accordance with community expectations.

- Failure to deliver on product and service commitments.

- Failure to remediate ineffective business processes and stop re-occurrence of issues in a timely manner.

- Failure to act in accordance with its Code of Conduct.

If BNZ's conduct-related controls were to fail significantly, be designed inappropriately, or not meet legal or regulatory requirements or community expectations, then BNZ may be exposed to, among other things:

- Increased costs of compliance, fines, additional capital requirements, public censure, loss of customer confidence, representative actions and other litigation, settlements, and restitution to customers or communities.

- Increased supervision, oversight or enforcement by regulators or other stakeholders.

- Unenforceability of contracts such as loans, guarantees and other security documents.

- Enforced suspension of operations, amendments to licence conditions or loss of licence to operate all or part of BNZ's businesses.

- Other enforcement or administrative action or agreements, including legal proceedings.

A failure of BNZ's conduct-related controls to accurately reflect relevant legal, regulatory or community expectations may adversely impact BNZ's reputation, financial performance and position, profitability, operations and returns to investors and can result in customer harm, financial loss and detriment.

Compliance Risk

Compliance risk is the risk of failing to understand and comply with relevant laws, regulations, licence conditions, supervisory requirements, self-regulatory industry codes of conduct and voluntary initiatives as well as the internal policies, standards, procedures, and frameworks that support fair and equitable treatment of customers.

BNZ may be involved in a breach or alleged breach of laws governing bribery, corruption and financial crime

Supervision and regulation of financial crime and enforcement of anti-bribery and corruption, anti-money laundering and countering financing of terrorism laws (collectively referred to as **AML/CFT**) continue to increase in recent years.

BNZ has reported a number of potential AML/CFT compliance issues to the RBNZ and has responded to a number of requests from the RBNZ requiring the production of documents and information. BNZ continues to investigate and remediate a number of potential AML/CFT compliance issues. As this work progresses, further compliance issues may be identified and reported to the RBNZ, and additional uplifting and strengthening of BNZ's systems and processes may be required. The potential outcome and total costs associated with the investigation and remediation process remain uncertain.

A negative outcome which may arise from any investigation or remediation process may adversely impact BNZ's reputation, business operations, financial position and results. Further, given the large volume of transactions that BNZ processes, the undetected failure of internal AML/CFT controls, or the ineffective remediation of compliance issues, could result in a significant number of breaches of AML/CFT obligations, and significant civil penalties for BNZ.

As a bank engaged in global finance and trade, BNZ also faces risks relating to compliance with financial sanctions laws across multiple jurisdictions. Undetected failure of internal controls, or the ineffective remediation of compliance issues could lead to breaches of AML/CFT obligations or sanctions violations, resulting in potentially significant monetary and regulatory penalties, which, in turn, may adversely impact BNZ's reputation, financial performance, and position.

The risks of sanctions violations are increased in the context of additional and wide-ranging economic sanctions and export controls imposed in 2022 and 2023 as a result of the Russia-Ukraine conflict and the continued attempts by those subject to sanctions to evade and circumvent their impact. BNZ's sanctions compliance function continues to monitor the sanctions issued as a result of rising tensions in the Middle East. BNZ's sanctions controls remain well equipped to support compliance with new and anticipated sanctions measures imposed by regulators.

Refer to '*Notes to and Forming Part of the Interim Financial Statements—Note 16—Contingent Liabilities and Other Commitments*' on page 23 of BNZ's Disclosure Statement for the six months ended 31 March 2023 (the **March 2023 HY Disclosure Statement**), which is incorporated by reference in this Offering Circular, for more information.

BNZ may fail to comply with applicable laws and regulations which may expose BNZ to increased regulatory intervention, significant compliance and remediation costs, regulatory enforcement action or litigation, including representative actions

BNZ is highly regulated and subject to various regulatory regimes which differ across the jurisdictions in which it conducts its own business or has some connection through being a member of the NAB Group.

Ensuring compliance with all applicable laws is complex. There is a risk BNZ will be unable to implement the processes and controls required by relevant laws and regulations in a timely manner, or that BNZ's internal controls will prove to be inadequate or ineffective in ensuring compliance. There is also a potential risk of misinterpreting new or existing regulations.

There is significant cost associated with the systems, processes, controls and personnel required to comply with applicable laws and regulations. Such costs may negatively impact BNZ's financial performance and position. Any failure to comply with relevant laws and regulations may have a negative impact on BNZ's reputation and financial performance and position, and may give rise to representative actions, litigation, or regulatory enforcement, which may in turn result in the imposition of civil or criminal penalties, or additional regulatory capital requirements, on BNZ.

BNZ may be involved from time to time in regulatory enforcement and other legal proceedings arising from the conduct of its business. There is inherent uncertainty regarding the possible outcome of any legal or regulatory proceedings involving BNZ. It is also possible that representative actions, regulatory investigations, compliance reviews, civil or criminal proceedings, or the imposition of new licence conditions or regulatory capital requirements could arise in relation to known matters or other matters of which BNZ is not yet aware. The aggregate potential liability and costs associated with legal proceedings cannot be estimated with any certainty.

A negative outcome to regulatory investigations or litigation involving BNZ may impact BNZ's reputation, divert management time from operations and affect BNZ's financial performance and position. Refer to '*Notes to and Forming Part of the Interim Financial Statements—Note 16—Contingent Liabilities and Other Commitments*' on page 23 of the March 2023 HY Disclosure Statement, which is incorporated by reference in this Offering Circular, for details in relation to BNZ's contingent liabilities which may impact BNZ.

Extensive regulatory change poses a significant risk to BNZ

Globally, the financial services and banking industries are subject to significant and increasing levels of regulatory change, reviews and political scrutiny, including in NZ. The pace, volume and complexity of change may also expose BNZ to the increased risk of failure to adequately identify all applicable regulatory changes. Changes to laws and regulations or their interpretation and application can be unpredictable, are beyond BNZ's control, and may not be harmonised across the jurisdictions in which BNZ conducts business or has some connection through being a member of the NAB Group.

Regulatory change may result in significant capital and compliance costs, changes to BNZ's corporate structure, and increasing demands on management, colleagues and information technology systems. This may also impact the competitiveness of BNZ in certain parts of its businesses, the viability of BNZ's participation in certain markets or require the divestment of a part of BNZ's business.

Operationalising large volumes of regulatory change presents ongoing risks for BNZ. Extensive work is done to assess proposed design solutions and to test design effectiveness of controls for each regulatory change before the effective date, however, the operating effectiveness of some controls cannot be fully tested until the go-live date for the relevant regulatory change has occurred. There are also inherent risks associated with the dependency on third parties for the effectiveness of some controls.

Ongoing and proposed regulatory changes, reviews and inquiries relevant to BNZ include operational resilience (including cyber security), market risk capital reforms, liquidity reforms, governance, vulnerability (including hardship, domestic violence, accessible and inclusive banking and regional branch closures), financial advice reforms, market abuse or conduct related regulations, changes to financial benchmarks, derivatives reform, modification of legislation applicable to deposit takers in NZ, consumer credit responsible lending and disclosure laws, payments, data quality, protection and privacy law reforms, competition inquiries, financial crime legislation, accounting, disclosure and reporting requirements (financial, sustainability and climate risk, reportable situations, complaints and remuneration), bankruptcy and personal and corporate insolvency, human rights, modern slavery, tax reform and the development of a CDR.

The NZ Government and its agencies, including the RBNZ and the Financial Markets Authority have supervisory oversight of BNZ, as does APRA, indirectly through its supervisory oversight of the NAB Group. BNZ expects a continued increase in regulatory focus on capital and liquidity requirements, macro-prudential tools, customer outcomes and other aspects of its business that may impose increased regulatory burdens. BNZ's failure to comply with applicable laws, regulations or codes of practice could result in the imposition of sanctions by agencies or compensatory action by affected persons, and could damage BNZ's reputation and financial performance and position.

BNZ is a registered bank under the Banking (Prudential Supervision) Act 1989 (**BPS Act**), which was previously named the Reserve Bank of New Zealand Act 1989, and is supervised by the RBNZ. BNZ is subject to conditions of registration imposed by the RBNZ (**Conditions of Registration**). The Conditions of Registration may be changed at any time and any changes may be beyond BNZ's control. If the RBNZ concluded that BNZ did not satisfy the Conditions of Registration, sanctions could be imposed on BNZ. These sanctions could include disclosure of the breach, increases in required levels of capital, fines, additional limitations on the conduct of BNZ's business and, in the case of a material breach or breaches, cancellation of BNZ's registration as a bank or a recommendation that BNZ be placed under statutory management (see also risk factor entitled "*Noteholders may be prevented from enforcing rights in connection with the Notes where*

BNZ and/or BNZ-IF have been placed into statutory management"). In addition, the RBNZ could require BNZ to take additional steps and incur additional expense to comply with the Conditions of Registration.

Further inquiries and regulatory reviews impacting the financial services industry may be commissioned by the NZ Government, which, depending on its scope, findings and recommendations, may adversely impact BNZ.

Examples of specific reviews and regulatory reforms currently relevant to BNZ, and which present a potential material regulatory risk include those set out below:

- The NZ Government has undertaken a comprehensive review of the RBNZ's legislative framework. Changes that relate to the regulation of deposit takers are provided for in the Deposit Takers Act 2023. The Deposit Takers Act will create a single regulatory regime for all banks and NBDT institutions (such as building societies and finance companies). It will also introduce a new depositor compensation scheme funded by industry levies that will protect up to NZ$100,000 per depositor, per institution in the event of a failure and make changes to the NZ bank crisis resolution framework. Until the Deposit Takers Act comes into force, the current regulatory framework for banks will continue under the BPS Act. Measures to implement the depositor compensation scheme will be prioritised to have the scheme operational in late 2024, before the rest of the Act comes into force.

- The CoFI Act will create an oversight and licensing regime for regulating conduct in the banking, NBDT and insurance sectors. The CoFI Act is expected to come into force in early 2025.

- The RBNZ has commenced proof-of-concept design work for the development of a CBDC in NZ and is expected to continue its consultation on the potential form of this currency during the remainder of 2023. Depending on the final form of this digital currency, it may impose additional and significant regulatory and operational requirements on BNZ, and it also has the potential to disintermediate existing payment services.

- The RBNZ has finalised a framework for operationalising debt-to-income restrictions so that restrictions could be introduced in 2024, if required.

- Globally, regulators increasingly expect that the financial services industry, including banks, will play a more substantive role in protecting customers from scams and other fraudulent activity. While recognising the potential for regulatory change to address the impact of scams, BNZ continues to proactively educate its customers about scams and further enhance its systems and processes to detect and protect customers and BNZ from scams and fraud. There are also a number of key industry initiatives underway in the NZ retail banking industry to support a co-ordinated, multi-sector approach to protecting New Zealanders from fraud and scams. In these ways, BNZ seeks to reduce the risk to customers from scam or fraud activity that may be difficult for BNZ to anticipate or control. Although no government policy or position in relation to a contingent reimbursement scheme has been promulgated in NZ, BNZ's strategic planning and enhancement of systems and processes will also prepare it for potential regulatory change in this regard. Given the considerable growth in industry and customer losses from scams and fraud, the potential costs associated with actual or perceived control failures and the transferal of risk from the customer may be significant and may have a material impact on BNZ's reputation which is heightened if BNZ fails to deliver on industry initiatives.

- Proposed and incoming ESG-related regulatory regimes, including increasing obligations relating to modern slavery, human rights, sustainable finance, climate, and other sustainability risk-related prudential guidance, and regulatory and disclosure requirements. These include:

  - the climate-related disclosures regime under the Financial Markets Conduct Act 2013, which requires mandatory climate-related reporting from early 2024;

- changes to international accounting standards on disclosure of sustainability and climate-related financial information published by the International Sustainability Standards Board in 2023 and other reporting standards;

- the final recommendations of the Taskforce on Nature-related Financial Disclosures which were published in September 2023; and

- expansion of modern slavery and sustainability due diligence requirements in NZ. The NZ Government has also announced that it intends to introduce a Modern Slavery Bill in early 2024 that would bring in local reporting requirements.

The full scope, timeline and impact of current and potential inquiries and regulatory reforms such as those mentioned above, or how they will be implemented (if at all in some cases), is not known.

Depending on the specific nature of the regulatory change requirements and how and when they are implemented or enforced, they may have an adverse impact on BNZ's business, operations, structure, compliance costs or capital requirements, and ultimately its competitiveness, reputation, financial performance or financial position.

BNZ may be exposed to losses if critical accounting judgements and estimates are subsequently found to be incorrect

Preparation of BNZ's financial statements requires management to make estimates and assumptions and to exercise judgement in applying relevant accounting policies, each of which may directly impact the reported amounts of assets, liabilities, income and expenses. A higher degree of judgement is required for the recognition and estimates used in the measurement of provisions (including for customer-related remediation and other regulatory matters), the determination of income tax, the valuation of financial assets and liabilities (including fair value and credit impairment of loans and advances), and the valuation of intangible assets. If the judgements, estimates and assumptions used by BNZ in preparing the financial statements are subsequently found to be incorrect, there could be a significant loss to BNZ beyond that anticipated or provided for, which may adversely impact BNZ's reputation, financial performance and financial position.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features, distinguishing between factors which may occur in relation to any Notes and those which might occur in relation to certain types of Exempt Notes:

Risks applicable to certain Notes

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

An optional redemption feature is likely to limit the market value of Notes. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Senior Notes and Guaranteed Senior Notes when its cost of borrowing is lower than the interest rate on those Senior Notes and Guaranteed Senior Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Senior Notes and Guaranteed Senior Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Under certain circumstances, NAB or BNZ (as applicable) will have the right to redeem or repurchase Subordinated Notes issued by it before their stated maturity. However, in the case of Subordinated Notes issued by NAB, NAB may only do so with APRA's approval and, in the case of Subordinated Notes issued by BNZ, BNZ may only do so with the RBNZ's approval. Noteholders should not expect that APRA's approval (in the case of Subordinated Notes issued by NAB) or the RBNZ's approval (in the case of Subordinated Notes issued by BNZ) will be given for any early redemption of Subordinated Notes. The circumstances under which BNZ may redeem Subordinated Notes issued by it for tax reasons under the Terms and Conditions of the Notes are broader than those under which BNZ may redeem Senior Notes for tax reasons. The circumstances under which BNZ may redeem Subordinated Notes for tax reasons include change to NZ laws, regulations, rulings, directives or applications that, in the opinion of BNZ, directly or indirectly, affects the taxation treatment in relation to such Subordinated Notes with the effect that BNZ would be exposed to an increase to its costs in relation to such Subordinated Notes (provided that such event is not minor and could not reasonably have been anticipated by BNZ at the date of issue of such Subordinated Notes). In addition, BNZ has broad discretion to determine when a Regulatory Event has occurred with respect to Subordinated Notes issued by it and, in certain circumstances, there is no requirement for BNZ to obtain an opinion of counsel or other form of assurance to support its determination. Moreover, the terms and conditions governing the redemption of Subordinated Notes issued by NAB and BNZ will differ. For further particulars, please see "*Terms and Conditions of the Notes*".

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

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis, may affect the secondary market in, and the market value of, the Notes as the change of interest basis may result in a lower return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

Holders of Notes issued in the form of global Notes and deposited with a common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg, a sub-custodian for the CMU or with a nominee for DTC will have to rely on their procedures, including for transfer, payment and communications

Notes issued under the Programme will be represented on issue by one or more global Notes that may be deposited with a common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg, a sub-custodian for the CMU or with a nominee for DTC (each as defined under "*Form of the Notes*"). Except in the circumstances described in each global Note, investors will not be entitled to receive Notes in definitive form. Each of DTC, CMU, Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each global Note held through it. While the Notes are represented by a global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants, and investors will have to rely on the procedures of the relevant clearing system and of their respective participants, including for transfer, payment and communications, which may change from time to time.

A holder of a beneficial interest in a global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The relevant Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any global Note.

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

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

The obligations of the relevant Issuer and (in the case of Guaranteed Senior Notes) the Guarantor under the Notes are structurally subordinated to the indebtedness and other obligations, including trade payables, of the subsidiaries of the relevant Issuer and (in the case of Guaranteed Senior Notes) the Guarantor

The obligations of the relevant Issuer and (in the case of Guaranteed Senior Notes) the Guarantor under the Notes are structurally subordinated to all indebtedness and other obligations, including trade payables, of the subsidiaries of the relevant Issuer and (in the case of Guaranteed Senior Notes) the Guarantor. The effect of this structural subordination is that, in the event of a bankruptcy, liquidation, dissolution, reorganisation or similar proceeding involving a subsidiary of the relevant Issuer or (in the case of Guaranteed Senior Notes) the Guarantor, the assets of the affected entity could not be used to pay holders of the relevant Notes until all other claims against that subsidiary, including trade payables, have been fully paid.

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

Interest rates and indices which are deemed to be "benchmarks" (including, amongst others, EURIBOR, BBSW and BKBM, each as defined above or in the Terms and Conditions of the Notes) are the subject of ongoing national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

In Australia, examples of reforms that are already effective include changes to the methodology for calculation of BBSW, and amendments to the Corporations Act made by the Treasury Laws Amendment (2017 Measures No. 5) Act 2018 of Australia which, among other things, enable ASIC to make rules relating to the generation and administration of financial benchmarks. On 6 June 2018, ASIC designated BBSW as a "significant financial benchmark" and made the ASIC Financial Benchmark (Administration) Rules 2018 and the ASIC Financial Benchmarks (Compelled) Rules 2018. On 27 June 2019, ASIC granted ASX Benchmarks Pty Limited a licence to administer BBSW from 1 July 2019.

In Europe, the EU Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

In the UK, Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the **UK Benchmarks Regulation**) among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

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

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

The euro risk-free rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates, and on 4 May 2023 it published further guidance to supplement its earlier recommendations.

It is not possible to predict with certainty whether, and to what extent, EURIBOR, BBSW, BKBM, SONIA, SOFR, CORRA, €STR or any other benchmark will continue to be supported going forwards. This may cause EURIBOR, BBSW, BKBM, SONIA, SOFR, CORRA, €STR or any other such benchmark to perform differently than they have done in the past, and may have other consequences which cannot be predicted. The transition from the London interbank offered rate (**LIBOR**) to SONIA or SOFR, as applicable, from the Canadian Dollar Offered Rate (**CDOR**) to CORRA, from EURIBOR to €STR, from BBSW to AONIA, or from the inter bank offered rate (**IBOR**) for any other currency to a new risk-free rate, or the elimination of EURIBOR, BBSW, BKBM, SONIA, SOFR, CORRA, €STR or any other benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the Terms and Conditions of the Notes, or result in other consequences, in respect of any Notes referencing such benchmark. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark; and/or (iii) leading to the disappearance of the benchmark.

For instance, SOFR is a relatively new rate, and the Federal Reserve Bank of New York (the **New York Federal Reserve**) (or a successor), as administrator of SOFR, may make methodological or other changes that could change the value of SOFR, including changes related to the method by which SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SOFR, or timing related to the publication of SOFR (which may include withdrawing, suspending or discontinuing the calculation or dissemination of SOFR). The New York Federal Reserve may make any or all of these changes in its sole discretion and without notice, and it has no obligation to consider the interests of holders of the Notes in calculating, withdrawing, modifying, amending, suspending or discontinuing SOFR. In respect of any SOFR-referenced Notes for which the Rate of Interest is determined by reference to the SOFR Index, the SOFR Index may be modified or discontinued and such SOFR-referenced Notes may bear interest by reference to a rate other than compounded SOFR, which could adversely affect the value of any such SOFR-referenced Notes. The SOFR Index is published by the New York Federal Reserve based on data received by it from sources other than the Issuers, and the Issuers have no control over the methods of calculation, publication schedule, rate revision practices or availability of the SOFR Index at any time. In addition, the New York Federal Reserve may withdraw, modify or amend the published SOFR Index or SOFR data in its sole discretion and without notice. The interest rate for any interest period will not be adjusted for any modifications or amendments to the SOFR Index or SOFR data that the New York Federal Reserve may publish after the interest rate for that interest period has been determined.

SONIA is a relatively new rate, and the Bank of England (or a successor), as administrator of SONIA, may make methodological or other changes that could change the value of SONIA, including changes related to the method by which SONIA is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, or timing related to the publication of SONIA. If the manner in which SONIA is calculated is changed, that change may result in a reduction of the amount of interest payable on the relevant Notes, which may adversely affect the trading prices of such Notes. The administrator of SONIA may withdraw, modify, amend, suspend or discontinue the calculation or dissemination of SONIA, respectively, in its sole discretion and without notice and has no obligation to consider the interests of holders of the Floating Rate Notes in calculating, withdrawing, modifying, amending, suspending or discontinuing SONIA.

Further, although the provisions of the Terms and Conditions for determining the Rate of Interest by reference to the SONIA Compounded Index are based upon the guidance published by the Bank of England for calculating compounded SONIA rates by reference to the SONIA Compounded Index, there can be no assurance that the Bank of England's methodology for determining the SONIA Compounded Index, or its guidance for calculating compounded SONIA rates by reference to such index, will not change over time.

€STR is also a relatively new rate, and the European Central Bank (or a successor), as administrator of €STR, may make methodological or other changes that could change the value of €STR, including changes related to the method by which €STR is calculated, eligibility criteria applicable to the transactions used to calculate €STR, or timing related to the publication of €STR. If the manner in which €STR is calculated is changed, that change may result in a reduction of the amount of interest payable on the relevant Notes, which may adversely affect the trading prices of such Notes. The administrator of €STR may withdraw, modify, amend, suspend or discontinue the calculation or dissemination of €STR, respectively, in its sole discretion and without notice and has no obligation to consider the interests of holders of the Floating Rate Notes in calculating, withdrawing, modifying, amending, suspending or discontinuing €STR.

Further, although the provisions of the Terms and Conditions for determining the Rate of Interest by reference to the compounded €STR index are based upon the guidance published by the European Central Bank for calculating compounded €STR rates by reference to the compounded €STR index, there can be no assurance that the European Central Bank's methodology for determining the compounded €STR index, or its guidance for calculating compounded €STR rates by reference to such index, will not change over time.

Similarly, the Bank of Canada has only been the administrator of CORRA since June 2020. The Bank of Canada may make methodological or other changes that could change the value of CORRA, including changes related to the method by which CORRA is calculated, eligibility criteria applicable to the transactions used to calculate CORRA or timing related to the publication of CORRA. In addition, CORRA is published by the Bank of Canada based on data received from sources other than the Issuers, and the Issuers have no control over the methods of calculation, publication schedule, rate revision practices or availability of CORRA. If interest payable during a floating rate period of any CORRA-referenced Notes and the manner in which CORRA is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes during such period, which may adversely affect the trading prices on such Notes. The administrator of CORRA may withdraw, modify, amend, suspend or discontinue the calculation or dissemination of CORRA in its sole discretion and without notice and has no obligation to consider the interests of holders of the Floating Rate Notes in calculating, withdrawing, modifying, amending, suspending or discontinuing CORRA.

Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any of the international or national reforms and the possible application of the benchmark discontinuation or benchmark replacement provisions of the Notes in making any investment decision with respect to any Notes referencing a benchmark.

The Terms and Conditions of certain Floating Rate Notes provide for fallback arrangements that may not operate as intended or may result in a Rate of Interest on such Notes that would be less than the original Reference Rate

Investors should be aware that in the case of certain Floating Rate Notes, the Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a published benchmark, including an inter-bank offered rate (such as EURIBOR) or another relevant reference rate (such as the BKBM Rate) ceases to exist or be published, or another Benchmark Event, Benchmark Transition Event (where the original benchmark is SOFR), or Temporary Disruption Trigger or Permanent Discontinuation Trigger (where the original benchmark is the BBSW Rate) (each as defined in the Terms and Conditions of the Notes), occurs. Where the original benchmark is other than SOFR or the BBSW Rate, these fallback arrangements include the possibility that the Rate of Interest could be determined by reference to a Successor Rate or an Alternative Rate and that an Adjustment Spread may be applied to such Successor Rate or Alternative Rate as a result of the replacement of the relevant benchmark or screen rate (as applicable) originally specified with the Successor Rate or the Alternative Rate (as the case may be), together with the making of certain Benchmark Amendments to the Terms and Conditions of such Notes (without the consent of the Noteholders, Receiptholders or Couponholders, as further described under Condition 5.5(iii) "*Benchmark Discontinuation—Benchmark Amendments*" of the Terms and Conditions of the Notes), which in the case of any Alternative Rate, any Adjustment Spread unless formally recommended or provided for and any Benchmark Amendments shall be determined by the relevant Issuer (acting in good faith and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser). An Adjustment Spread that is applied could be positive, negative or zero and may not be effective in reducing or eliminating any economic prejudice to investors arising out of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be). Where the original benchmark is SOFR, these fallback arrangements include the possibility that the Rate of Interest could be determined by reference to a Benchmark Replacement, together with the making of certain Benchmark Replacement Conforming Changes to the Terms and Conditions of such Notes (without the consent of the Noteholders, Receiptholders or Couponholders, as further described under Condition 5.2(b)(ii)(E) of the Terms and Conditions of the Notes). Where the original benchmark is the BBSW Rate, these fallback arrangements include the possibility that the Rate of Interest could be determined by reference to a Fallback Rate (or any other replacement rate determined in accordance with Condition 5.2(b)(vi)(B)) (without the consent of the Noteholders, Receiptholders or Couponholders, as further described under Condition 5.2(b)(vi) of the Terms and Conditions of the Notes). The Rate of Interest on the Notes may therefore cease to be determined by reference to the original Reference Rate, and instead be determined by reference to the Successor Rate, Alternative Rate, Benchmark Replacement or Fallback Rate (or other replacement rate), as applicable, even if the original Reference Rate continues to be published. Such Rate of Interest may be lower than that which would result from the original Reference Rate for so long as the original Reference Rate continues to be published, and the value of and return on the Notes may be adversely affected. The use of a Successor Rate or Alternative Rate (including with the application of an Adjustment Spread), a Benchmark Replacement (including with the application of Benchmark Replacement Conforming Changes) or a Fallback Rate (or other replacement rate) will still result in any Notes referencing an original benchmark performing differently (which may include payment of a lower Rate of Interest) than they would if the original benchmark were to continue to apply in its current form.

In the case of Subordinated Notes issued by NAB, any Successor Rate, Alternative Rate, Adjustment Spread, Benchmark Amendment, Benchmark Replacement, Benchmark Replacement Conforming Changes, Benchmark Replacement Adjustment and/or Fallback Rate (or any other replacement rate determined in accordance with Condition 5.2(b)(vi)(B) on account of a Permanent Discontinuation Trigger) (as applicable) determined in accordance with Condition 5.5, Condition 5.2(b)(ii)(E) or Condition 5.2(b)(vi)(B) (as applicable) will be subject to APRA's prior written approval. Investors should note that APRA's approval may not be given for any Successor Rate, Alternative Rate, Adjustment Spread, Benchmark Amendment, Benchmark Replacement, Benchmark Replacement Conforming Changes, Benchmark Replacement Adjustment or Fallback Rate (or other replacement rate) it considers to have the effect of increasing the Rate of Interest contrary to applicable prudential standards. In the case of Subordinated Notes issued by BNZ, BNZ must give the RBNZ at least five working days' prior notice of any amendment to the terms and conditions of a Subordinated Note. Such notification must be accompanied by, among other things, a signed opinion from BNZ's New Zealand legal counsel confirming that, once the amendments are in effect, the Subordinated Notes will continue to qualify as Tier 2 Capital (as defined in Condition 7.2). BNZ would not be able to comply with the RBNZ notification requirement, and, consequently, no Successor Rate, Alternative Rate, Adjustment Spread, Benchmark Amendment, Benchmark Replacement, Benchmark Replacement Conforming Change, Benchmark Replacement Adjustment or Fallback Rate (or other replacement rate) (as applicable) could be applied, if any such Successor Rate, Alternative Rate, Adjustment Spread, Benchmark Amendment, Benchmark Replacement, Benchmark Replacement Conforming Change, Benchmark Replacement Adjustment and/or Fallback Rate (or other replacement rate) (as applicable) would have the effect of increasing the Rate of Interest contrary to applicable prudential regulatory requirements. By way of example, the prudential standards applicable to the Subordinated Notes issued by NAB and BNZ prohibit the inclusion of any 'step-ups' in interest rates or other incentives to redeem.

Where the original benchmark is SOFR, the Benchmark Replacement provisions in the Terms and Conditions of the Notes specify a "waterfall" of alternative rates that may become the Benchmark Replacement. These alternative rates are uncertain and no market convention currently exists, or may ever exist, for their determination. Uncertainty surrounding the establishment of market conventions related to the calculation of the ISDA Fallback Rate and other alternative rates, and whether any of the alternative rates is a suitable replacement or successor for the original Reference Rate, may adversely affect the value of and return on Notes referencing SOFR as the original Reference Rate.

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

Any such consequences could have a material adverse effect on the value or liquidity of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant rate could affect the ability of the relevant Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, such Floating Rate Notes.

The market continues to develop in relation to risk-free rates (including overnight rates) as reference rates, and such risk-free rates differ from term rates such as LIBOR, EURIBOR, CDOR and BBSW in a number of material respects

Interest on Notes may be determined by reference to a risk-free rate, such as SONIA, SOFR, CORRA, €STR or (in certain circumstances AONIA). SONIA, SOFR, CORRA, €STR and AONIA, whether determined on a compounded daily basis or as a weighted average rate (as applicable) for a specified period, differ from term rates such as LIBOR, EURIBOR, CDOR, any other IBOR and BBSW in a number of material respects, including (without limitation) that SONIA, SOFR, CORRA, €STR and AONIA are backwards-looking, risk-free overnight rates, whereas such term rates are expressed on the basis of a forward-looking term and include a risk-element based on inter-bank lending. While forward-looking term rates based on certain risk-free rates have been or are being developed, it is uncertain whether the capital markets will move to referencing those term rates for public bond issues, or whether regulators would be content to allow such adoption. As such, investors should be aware that risk-free rates such as SONIA, SOFR, CORRA, €STR and AONIA may behave materially differently as interest reference rates, in contrast to an IBOR and/or BBSW, for Notes issued under the Programme. The use of SONIA, SOFR, CORRA, €STR and AONIA, whether on a compounded daily or a weighted average basis (as applicable), as a reference rate for bonds is nascent, and is subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of debt securities referencing SONIA, SOFR, CORRA, €STR or AONIA.

Prospective investors in any Notes referencing SONIA, SOFR, CORRA or €STR or any Notes where the Rate of Interest is originally to be determined by reference to BBSW Rate (and for which AONIA acts as a Fallback Rate) (**AONIA-linked Notes**) should further be aware that the market continues to develop in relation to SONIA, SOFR, CORRA, €STR and AONIA as reference rates in the capital markets and their adoption as an alternative to Sterling LIBOR, U.S. dollar LIBOR, CDOR, EURIBOR and BBSW, respectively. For example, in the context of backwards-looking SOFR, SONIA, CORRA and €STR rates, market participants and relevant working groups have explored different methodologies, such as daily compounding rates and weighted average rates, and forward-looking 'term' SOFR, SONIA, CORRA and €STR reference rates (which seek to measure the market's forward expectation of an average SOFR, SONIA, CORRA or €STR rate over a designated term) have also been or are being, developed. The adoption of SONIA may also see component inputs into swap rates or other composite rates transferring from LIBOR or another reference rate to SONIA.

The market or a significant part thereof may adopt an application of SONIA, SOFR, CORRA, €STR or AONIA that differs significantly from that set out in the Terms and Conditions as applicable to Notes referencing SONIA, SOFR, CORRA or €STR or AONIA-linked Notes, as the case may be, that are issued under this Offering Circular. In addition, the methodology for determining any overnight rate index by reference to which the Rate of Interest in respect of certain Notes may be calculated could change during the life of any Notes. Furthermore, each of the Issuers may in future issue Notes referencing SONIA, SOFR, CORRA, €STR and/or AONIA that differ materially in terms of interest determination when compared with any previous SONIA-, SOFR-, CORRA- or €STR-referenced Notes or AONIA-linked Notes issued by it under the Programme. The nascent development of SONIA, SOFR, CORRA, €STR and AONIA as interest reference rates for the bond markets, as well as continued development of SONIA-, SOFR-, CORRA-, €STR- and AONIA-based rates for such market and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SONIA-, SOFR-, CORRA- or €STR-referenced Notes or AONIA-linked Notes issued under the Programme from time to time.

The manner of adoption or application of SONIA-, SOFR-, CORRA-, €STR- and AONIA-based rates in one market may differ materially compared with the application and adoption of SONIA-, SOFR-, CORRA-, €STR- and AONIA-based rates in other markets, such as the derivatives and loan markets, including the manner of adoption or application by the Issuers. Investors should carefully consider how any mismatch between the adoption of SONIA, SOFR, CORRA, €STR and AONIA reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing SONIA, SOFR, CORRA or €STR or AONIA-linked Notes. If the market adopts a different calculation method, that may adversely affect the market value of such SONIA-, SOFR-, CORRA- or €STR-referenced Notes and/or AONIA-linked Notes.

Since SOFR is a relatively new market index, Notes linked to SOFR may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to SOFR, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of any Notes linked to SOFR may be lower than those of later-issued indexed debt securities as a result. The SOFR-referenced Notes may not be able to be sold or may not be able to be sold at prices that will provide a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

Also, as a rate based on transactions secured by Government of Canada treasury bills and bonds, CORRA does not measure unsecured corporate credit risk and, as a result, is less likely to correlate with the unsecured short-term funding costs of corporations. This may mean that market participants would not consider CORRA a suitable substitute or successor for CDOR, which may, in turn, lead to lessened market acceptance of CORRA. To the extent market acceptance for CORRA as a benchmark for floating-rate debt securities is not robust or declines, the return on and value of the CORRA-referenced Notes and the price at which investors can sell CORRA-referenced Notes in the secondary market could be adversely affected. In addition, investors in CORRA-referenced Notes may not be able to sell such CORRA-referenced Notes at all or may not be able to sell such CORRA-referenced Notes at prices that will provide them with a yield comparable to similar investments that continue to have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. Further, multiple market conventions with respect to the implementation of CORRA as a base rate for floating-rate debt securities or other securities may develop. The manner of calculation and related conventions with respect to the determination of interest rates based on CORRA in floating rate bond markets may differ materially compared with the manner of calculation and related conventions with respect to the determination of interest rates based on CORRA in other markets, such as the derivatives and loan markets. Uncertainty with respect to market conventions related to the implementation of

CORRA and whether CORRA is a suitable replacement or successor for CDOR may adversely affect the value of, return on and trading market for any CORRA-referenced Notes.

SOFR and the SOFR Index may be modified or discontinued by their administrator, which could adversely affect the value of any SOFR-referenced Notes

The New York Federal Reserve notes on its publication page for SOFR that the New York Federal Reserve may alter the methods of calculation, publication schedule, rate revision practices or availability of SOFR and/or the SOFR Index (as defined in Condition 5.2(b)(ii)) at any time without notice. Because SOFR and the SOFR Index are published by the New York Federal Reserve based on data received from other sources, the Issuers have no control over its determination, calculation or publication. The New York Federal Reserve has no obligation to consider the interests of holders of the Notes in calculating, adjusting, converting, revising or discontinuing SOFR or the SOFR Index.

There can be no guarantee that SOFR and/or the SOFR Index will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in relevant Notes linked to SOFR. If the manner in which SOFR and/or the SOFR Index are calculated is changed, such change may result in a reduction in the amount of interest payable on the SOFR-referenced Notes and the trading prices of such Notes. The Rate of Interest for SOFR-referenced Notes for any Interest Period will not be adjusted for any modifications or amendments to SOFR or the SOFR Index that the New York Federal Reserve may publish after the Rate of Interest for that Interest Period has been determined.

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

Historical levels of SOFR are not an indication of its future levels and SOFR may be more volatile than other benchmarks or market rates

The New York Federal Reserve began to publish SOFR in April 2018, and it therefore has a relatively limited history. While some pre-publication hypothetical performance data has been published by the New York Federal Reserve, such data inherently involves assumptions, estimates and approximations. Hypothetical or historical performance data and trends are not indicative of, and have no bearing on, the potential performance of SOFR and therefore investors should not rely on any such data or trends as an indicator of future performance.

Since the initial publication of SOFR, daily changes in SOFR have, on occasion, been more volatile than daily changes in other benchmark or market rates. Although changes in compounded SOFR generally are not expected to be as volatile as changes in daily levels of SOFR, the return on, and value of, SOFR-referenced Notes may fluctuate more than floating rate securities that are linked to less volatile rates. In addition, the volatility of SOFR has reflected the underlying volatility of the overnight U.S. Treasury repo market. The New York Federal Reserve has at times conducted operations in the overnight U.S. Treasury repo market in order to help maintain the federal funds rate within a target range. There can be no assurance that the New York Federal Reserve will continue to conduct such operations in the future, and the duration and extent of any such operations is inherently uncertain. The effect of any such operations, or of the cessation of such operations to the extent they are commenced, is uncertain and could be materially adverse to investors in SOFR-referenced Notes. The future performance of SOFR is impossible to predict, and therefore no future performance of SOFR should be inferred from any hypothetical or historical data or trends.

The Rate of Interest on Notes which reference SONIA, SOFR, CORRA or €STR will be capable of being determined only near the end of the relevant Interest Period

The Rate of Interest on Notes which reference SONIA, SOFR, CORRA or €STR is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference SONIA, SOFR, CORRA or €STR to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of such Notes. Because of the delay between the final day on which SONIA, SOFR, CORRA or €STR, as applicable, is observed in connection with any interest determination and the related Interest Payment Date, increases in the level of SONIA, SOFR, CORRA or €STR, as the case may be, which occur during such period will not be reflected in the interest payable on such Interest Payment Date, and any such increase will (if "Lag", "Lookback" or "Observation Shift" is specified as being the "Observation Method" in the applicable Final Terms) instead be reflected in the following Interest Period. Further, in contrast to IBOR-based Notes, if Notes referencing SONIA, SOFR, CORRA or €STR become due and payable as a result of an Event of Default under Condition 10, or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Notes shall only be determined immediately prior to the date on which the Notes become due and payable, and shall not be reset thereafter.

Risks applicable to Exempt Notes

(a) ***Risks applicable to certain types of Exempt Notes***

There are particular risks associated with an investment in certain types of Exempt Notes, such as Index Linked Notes and Dual Currency Notes. In particular, an investor might receive less interest than expected or no interest in respect of such Notes and may lose some or all of the principal amount invested by it

The relevant Issuer may issue Notes with principal or interest payable in respect of the Notes being determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or to other factors (each, a **Relevant Factor**). In addition, the relevant Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(i) the market price of such Notes may be volatile and may be linked to factors other than the credit of the relevant Issuer;

(ii) they may receive no interest;

(iii) payment of principal or interest may occur at a different time or in a different currency than expected;

(iv) they may lose all or a substantial portion of their principal;

(v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(vi) the effect of any multiplier or leverage factor that is applied to the Relevant Factor is that the impact of any changes in the Relevant Factor on the amounts of principal or interest payable will be magnified; and

(vii) the timing of changes in a Relevant Factor 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 Relevant Factor, the greater the effect on yield.

The historical experience of an index or other Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Notes. Accordingly, potential investors should consult their respective financial and legal advisers about the risk entailed by an investment in any Notes linked to a Relevant Factor and the suitability of such Notes in light of their particular circumstances.

In the case of Notes linked to or referencing a benchmark, potential investors should also refer to the risk factor entitled "*The regulation and reform of benchmarks may adversely affect the value of Notes linked to or referencing such benchmarks*" above.

Where Notes are issued on a partly paid basis, an investor who fails to pay any subsequent instalment of the issue price could lose all of its investment

The relevant Issuer may issue Notes where the issue price is payable in more than one instalment. Any failure by an investor to pay any subsequent instalment of the issue price in respect of its Notes could result in such investor losing all of its investment.

Notes which are issued with variable interest rates or which are structured to include a multiplier or other leverage factor are likely to have more volatile market values than more standard securities

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 will have more volatile market values than conventional 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 EURIBOR. 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.

(b) ***Risks related to the structure of Subordinated Notes issued by NAB***

The following risks in this section (b) relate only to Subordinated Notes issued by NAB and references to "Subordinated Notes" and the defined terms used herein shall be construed accordingly.

NAB's obligations under Subordinated Notes are subordinated to its senior indebtedness, the incurrence of which is not restricted by the terms of the Subordinated Notes

NAB's obligations under Subordinated Notes will be unsecured and subordinated and will rank in a Winding Up of NAB behind all claims of Senior Creditors as defined in Condition 3.2, *pari passu* among themselves and subject to Condition 10A, *pari passu* with Equal Ranking Instruments as defined in Condition 3.2 and ahead of Junior Ranking Instruments as defined in Condition 3.2. As a result, although Subordinated Notes may pay a higher rate of interest than comparable Notes issued by NAB that are not subordinated, there is a risk that an investor in Subordinated Notes will lose all or some of its investment should NAB become insolvent.

The liabilities that are preferred by Australian law to the claims of a holder in respect of a Subordinated Note will be substantial and the terms and conditions of Subordinated Notes do not limit the amount of such liabilities which may be incurred or assumed by NAB or its subsidiaries from time to time. Further, under the terms of the Subordinated Notes, there is no restriction on the amount of debt that NAB may issue that would rank senior to or *pari passu* with the Subordinated Notes. The issue of debt by NAB or its subsidiaries may reduce the amount recoverable by a holder upon any Winding Up (as defined in Condition 3.2) of NAB. NAB’s ability to make payments on a timely basis or at all on its outstanding debt may depend on the amount and terms of NAB’s other obligations.

There are restrictions on the payment of interest, principal and other amounts on Subordinated Notes

Payments of interest, principal or any other amount owing to a Noteholder or the Trustee in connection with Subordinated Notes are conditional upon NAB being Solvent (as defined in Condition 10.2) at the time those payments fall due, and NAB must not pay an amount owing to a Noteholder or the Trustee in connection with any Subordinated Notes issued by NAB except to the extent that NAB may pay such amount and still be Solvent (as defined in Condition 10.2) immediately after doing so, as further described in Condition 3.2.

There are limited remedies available to holders for non-payment of amounts owing under Subordinated Notes

If NAB fails to pay any amount of interest or principal on Subordinated Notes when due to be paid, the Trustee may, either at its own discretion or at the direction of the requisite number of holders but subject in each case to it being indemnified and/or secured and/or pre-funded to its satisfaction, take action to recover the amount unpaid provided that NAB may only be compelled to pay the unpaid amount to the extent that it is, and immediately after the payment is made would remain, Solvent (as defined in Condition 10.2).

There may be a limited right to accelerate amounts owing under Subordinated Notes

The only circumstance where amounts owing under Subordinated Notes may be accelerated by the Trustee or a requisite number of holders is, in summary, upon the making of a court order (which is not successfully appealed or permanently stayed within 60 days of making the order) or the passing of an effective resolution for the Winding Up (as defined in Condition 3.2) of NAB.

Investors in Subordinated Notes shall not have any right to set-off

To the fullest extent permitted by applicable law, a holder of a Subordinated Note shall not have any right to set-off any amounts owing to it by NAB in connection with that Subordinated Note against any amount owing by it to NAB in connection with the Subordinated Notes or otherwise and NAB shall not have any right to set-off any amounts owing by it to the holder in connection with that Subordinated Note against any amount owing by the holder to it in connection with the Subordinated Notes or otherwise.

Subordinated Notes are subject to mandatory Conversion or Write-Off in the event of the non-viability of NAB

Under the Terms and Conditions of the Notes, Subordinated Notes are subject to mandatory Conversion into ordinary shares in the capital of NAB (**Ordinary Shares**) or Write-Off if a Non-Viability Trigger Event occurs. The applicable Final Terms will specify whether the Subordinated Notes are to be Converted upon a Non-Viability Trigger Event (or, in certain limited circumstances, Written-Off) (**Conversion Option**) or are to be Written-Off upon a Non-Viability Trigger Event (**Write-Off Option**). Capitalised terms defined in the Terms and Conditions of the Notes shall have the same meanings in this risk factor unless otherwise stated.

A **Non-Viability Trigger Event** occurs when APRA has provided a written determination to NAB that (i) the conversion or write-off of certain regulatory capital instruments of NAB is necessary because without the conversion or write-off, APRA considers that NAB would become non-viable or (ii) without a public sector injection of capital into, or equivalent support with respect to, NAB, APRA considers that NAB would become non-viable.

On the date on which a Non-Viability Trigger Event occurs (the **Conversion Date**), where the requirements of the determination are not satisfied by the conversion or write-off of Tier 1 Capital Instruments of NAB which, in accordance with their terms or by operation of law, are capable of being written-off or converted in the event of non-viability, NAB will be required:

(i) if the Conversion Option applies:

(a) to Convert immediately and irrevocably all or some of the nominal amount of the Subordinated Notes into Ordinary Shares; or

(b) alternatively, if, for any reason (including if NAB is prevented by applicable law, order or other reason from Converting the Subordinated Notes into Ordinary Shares) Conversion has not been effected within five Business Days (as defined in the Schedule to the Terms and Conditions of the Notes), NAB will be required to Write-Off and immediately and irrevocably terminate all or some of the nominal amount of the Subordinated Notes with effect on and from the Conversion Date; or

(ii) if the Write-Off Option applies, to Write-Off and immediately and irrevocably terminate all or some of the nominal amount of the Subordinated Notes.

For the purposes of paragraph (i) and (ii) above, the Subordinated Notes will be Converted or Written-Off (as applicable) on an approximately proportionate basis with other Tier 2 Capital Instruments (as defined in Condition 10A.16) of NAB, which in accordance with their terms or by operation of law, are capable of being written-off or converted in the event of non-viability.

Noteholders should note that APRA will not approve partial conversion or partial write-off in those exceptional circumstances where a public sector injection of funds is deemed necessary. In circumstances where APRA considers that NAB would be non-viable without a public sector injection of capital, NAB must immediately convert or write-off all Relevant Capital Instruments (as defined in Condition 10A.16). If APRA does not consider that a public sector injection of capital is required, and NAB satisfies APRA that conversion or write-off of a proportion of Relevant Capital Instruments (as defined in Condition 10A.16) will be sufficient to ensure that NAB does not become non-viable, NAB must immediately convert or write-off that proportion.

Noteholders should also be aware that:

- there is no obligation on NAB to issue, or maintain on issue, any Tier 1 Capital Instruments or other Tier 2 Capital Instruments that it has issued or may decide to issue in the future. As a result, if a Non-Viability Trigger Event requiring the Conversion of some but not all Subordinated Notes occurs, the relative impact on the Subordinated Notes will depend on the amount of Relevant Capital Instruments other than the Subordinated Notes (if any) that are on issue at that time; and

- there is no requirement that the rights attaching to Ordinary Shares be cancelled or limited before Relevant Capital Instruments (including Subordinated Notes) are subject to loss absorption.

The circumstances under which APRA would consider NAB non-viable are uncertain

APRA's prudential standards do not define non-viability and APRA has not provided specific guidance on how it would determine non-viability. Non-viability could be expected to include a serious impairment of NAB's financial position. However, it is possible that APRA's view of non-viability may not be confined to solvency or capital measures and APRA's position on these matters may change over time. APRA has indicated that non-viability is likely to arise prior to the insolvency of an ADI. Non-viability may be significantly impacted by a number of factors, including factors which impact the business, operation and financial condition of NAB, such as systemic and non-systemic macro-economic, environmental and operational factors.

Noteholders should be aware that there is no requirement that holders of Subordinated Notes are no worse off than they would be in an insolvency.

A Non-Viability Trigger Event could occur at any time

A Non-Viability Trigger Event could occur on dates not previously contemplated by investors or which may be unfavourable in light of the prevailing market conditions or investors' individual circumstances or timing preferences.

Investors may suffer adverse consequences if Subordinated Notes are Converted into Ordinary Shares as a result of a Non-Viability Trigger Event

Potential investors in Subordinated Notes should understand that, if a Non-Viability Trigger Event occurs and Subordinated Notes are Converted into Ordinary Shares, investors are obliged to accept the Ordinary Shares or a cash amount pursuant to Condition 10A.9(e)(ii) even if they do not consider Ordinary Shares (or cash) to be an appropriate investment for them at the time and despite any change in the financial position of NAB since the issue of the Subordinated Notes or any disruption to the market for those shares or to capital markets generally. Further, investors have no right to elect to have Subordinated Notes Written-Off instead of Converted.

Potential investors in Subordinated Notes should also consider the additional issues outlined below, which may adversely impact them in the event of Conversion.

- The number of Ordinary Shares that a holder will receive on Conversion is calculated in accordance with a formula which provides for a calculation based on a discounted volume weighted average price (**VWAP**) over five Business Days (as defined in the Schedule to the Terms and Conditions of the Notes) (or other period specified in the applicable Final Terms) but cannot be greater than a maximum conversion number based on 20 per cent. of the VWAP during the period of 20 Business Days (as defined in the Schedule to the Terms and Conditions of the Notes) (or other period specified in the applicable Final Terms) preceding the issue date of the Relevant Subordinated Notes (as defined in the Schedule to the Terms and Conditions of the Notes) (the **Issue Date VWAP**). For more information on the conversion mechanics see Condition 10A and the Schedule to the Terms and Conditions of the Notes.

- The Issue Date VWAP is adjusted for only limited corporate actions of NAB, including bonus issues and divisions. Accordingly, a holder of Subordinated Notes may receive Ordinary Shares on Conversion worth significantly less than the nominal amount of the holder's Subordinated Notes.

- The Ordinary Shares may not be able to be sold at prices representing the VWAP used to determine the number of Ordinary Shares to be issued, or at all. In particular, the VWAP will be based wholly or partly on trading days which occurred before the Non-Viability Trigger Event.

- The calculation for the number of Ordinary Shares that a holder may receive upon a Conversion of Subordinated Notes relies upon a conversion of Australian dollar amounts (being the currency in which the Ordinary Shares are denominated and are quoted on the Australian Securities Exchange (the **ASX**)). If the Subordinated Notes are denominated in a Specified Currency other than Australian dollars, there are risks that the exchange rate between Australian dollars and the Specified Currency in which the Subordinated Notes are denominated may be subject to material changes, and the imposition or modification of exchange controls by the applicable governments, which may also affect exchange rates. In recent years, exchange rates between certain currencies, including (but not limited to) the exchange rate between the Australian dollar and U.S. dollar, have been highly volatile. Volatility between these currencies or with other currencies may occur in the future, though fluctuations in exchange rates in the past are not necessarily indicative of fluctuations that may occur in the future. Depending upon the exchange rates prevailing around the time that a Non-Viability Trigger Event occurs, the number of Ordinary Shares that a holder of Subordinated Notes actually receives upon a Conversion relating to a particular Non-Viability Trigger Event may be significantly less than the number of Ordinary Shares the holder may have received had the Conversion taken place on a different date or that the holder otherwise expected to receive. Prospective investors in Subordinated Notes could lose a substantial portion of their investment in these circumstances. No interest or other compensation is payable in the event of a loss by an investor due to foreign currency conversions. See risk factor entitled "*Depreciation of the Australian dollar against the Specified Currency of the Subordinated Notes may make it more likely that the maximum conversion number will apply*" for more detail on the risks associated with changes to exchange rates between Australian dollars and the Specified Currency.

- To enable NAB to issue Ordinary Shares to a holder of Subordinated Notes on Conversion, investors need to have appropriate securities accounts in Australia for the receipt of Ordinary Shares and to provide to NAB, no later than the Conversion Date, their name and address and certain security holder account and other details. Holders of Subordinated Notes should understand that a failure to provide this information to NAB on time, or where the holder is a Foreign Holder (as defined in Condition 10A.9) or notifies NAB that it does not wish to receive Ordinary Shares in connection with a Conversion, or the requirement to make a FATCA Withholding (as defined in Condition 10A.16) in respect of such Ordinary Shares, may result in NAB issuing the Ordinary Shares to a nominee. The nominee may then sell the Ordinary Shares received on Conversion, paying the net proceeds (if any) to the holders. The nominee will have no duty or obligation to seek a fair market price, or to engage in an arm's length transaction in such sale. NAB gives no assurance as to whether a nominee will be able to be appointed in such circumstances. Further, neither NAB nor any nominee gives any assurance as to whether a sale will be achieved or the price at which it may be achieved and each has no liability to holders of Subordinated Notes for any loss suffered as a result of the sale of Ordinary Shares. In this situation, holders of Subordinated Notes will have no further rights against NAB in relation to the Conversion.

- There may be no market in Ordinary Shares received on Conversion and holders may not be able to sell the Ordinary Shares at a price equal to the value of their investment and, as a result, may suffer loss. The sale of Ordinary Shares in NAB may also be restricted by applicable Australian law, including restrictions under the Corporations Act on the sale of Ordinary Shares within 12 months of their issue (except where certain exemptions apply) on account of the Subordinated Notes and the Ordinary Shares being issued without disclosure by NAB as required by the Corporations Act. The restrictions may apply to sales by any nominee for holders as well as sales by holders and, by restricting sales, holders may suffer loss. Holders of Subordinated Notes agree under the Terms and Conditions of the Notes not to trade Ordinary Shares issued on Conversion (except where relevant exemptions apply), until NAB has taken all actions required under the Corporations Act, other applicable laws and the listing rules of the ASX (**ASX Listing Rules**) for the Ordinary Shares to be freely tradeable without further disclosure or other action.

- Potential investors in Subordinated Notes should also understand that if NAB is required to Convert a nominal amount of Subordinated Notes but, for any reason (including if NAB is prevented from doing so by applicable law, court order, government action) the Conversion is not effected within five Business Days (as defined in the Schedule to the Terms and Conditions of the Notes) after the Conversion Date, the Conversion will not occur and the rights of holders in relation to those Subordinated Notes will be Written-Off and immediately and irrevocably terminated. Such holders will have no recourse to NAB if NAB fails to issue Ordinary Shares in respect of any Subordinated Notes, or portions thereof. In this situation also, holders will lose some or all of the value of their investment and will not receive any compensation.

- The rules and regulations of ASX in certain circumstances limit NAB's ability, without shareholder approval, to issue Ordinary Shares and other equity securities (which may include convertible notes) without the approval of holders of Ordinary Shares. If the issue or Conversion of Subordinated Notes would contravene that limit, then NAB may be prevented from Converting Subordinated Notes and such Subordinated Notes may be required to be Written-Off.

- As described further under "*Description of NAB – Major Shareholders*" on pages 263 to 264 of this Offering Circular, there are provisions of Australian law that are relevant to the ability of any person to acquire interests in NAB beyond the limits prescribed by those laws. These provisions could apply to the Conversion of Subordinated Notes into Ordinary Shares and, in some circumstances, could apply to the acquisition of Subordinated Notes.

- Potential investors in Subordinated Notes should take care to ensure that by acquiring any Subordinated Notes which provide for such Subordinated Notes to be Converted to Ordinary Shares as provided in Condition 10A (taking into account any Ordinary Shares into which they may Convert), such holders do not breach any applicable restrictions on the ownership of interests in NAB. Without limiting this, if Conversion of Subordinated Notes into Ordinary Shares (whether in the hands of the Noteholder or a nominee) would breach those restrictions, NAB may be prevented from Converting such Subordinated Notes and, where Conversion is required under Condition 10A, such Subordinated Notes may be required to be Written-Off.

- If NAB were to be acquired by a non-operating holding company (**NOHC**) in the circumstances described in Condition 10A.12(a) or 10A.12(b), NAB and the Trustee will be permitted to make certain amendments to the Terms and Conditions of the Notes and the Schedule to the Terms and Conditions of the Notes in order to substitute an Approved NOHC (as defined in Condition 10A.16) as the issuer of the ordinary shares issued on Conversion without the approval of Noteholders (subject to APRA's prior written approval). In such circumstances, Noteholders will be obliged to accept the Approved NOHC Ordinary Shares (as defined in Condition 10A.12(c)(iii)) and will not receive Ordinary Shares of NAB on Conversion. Noteholders do not have a right to vote on any proposal to approve, implement or give effect to the NOHC structure. As at the date of this Offering Circular, NAB has made no decision to implement a NOHC structure. In the event that a NOHC structure were to be implemented, Noteholders would remain Noteholders of NAB with the same rights to interest and to payment in a Winding Up of NAB. Where the implementation of a NOHC structure is accompanied by a transfer of assets from NAB or its subsidiary to the Approved NOHC or another subsidiary of the Approved NOHC, NAB may as a result have reduced assets which may affect its credit rating and the likelihood that Noteholders will receive their claims in full if NAB is wound up. Noteholders do not have any claim on the assets of the Approved NOHC or any other subsidiary of the Approved NOHC other than following Conversion as a holder of the Approved NOHC Ordinary Shares. NAB is not obliged to amend the Terms and Conditions of the Notes if NAB is acquired by a NOHC or another entity. If NAB is acquired by another entity and delisted, and no amendments have been made to provide for the Conversion into shares of the acquirer, any Conversion would be into Ordinary Shares in NAB that have ceased to be listed (and which may be subject to a holding lock), and on the basis of a VWAP determined before such acquisition took place.

Holders of Subordinated Notes will lose some or all of the value of their investment and will not receive any compensation if their Subordinated Notes are Written-Off

If Subordinated Notes are Written-Off, holders of such Subordinated Notes will lose some or all of the value of their investment and will not receive any compensation. The rights of the holders of such Subordinated Notes or portions thereof (including rights to payment of interest with respect to such principal amount, both in the future or as accrued but unpaid) will be immediately and irrevocably terminated for no consideration in respect of such amount Written-Off and holders of such Subordinated Notes may receive no consideration for their investment. If Subordinated Notes are Written-Off, holders of such Subordinated Notes will likely be worse off than holders of Ordinary Shares. Noteholders have no right to elect to have Subordinated Notes Converted instead of being Written-Off.

Depreciation of the Australian dollar against the Specified Currency of the Subordinated Notes may make it more likely that the maximum conversion number will apply

As the maximum conversion number is calculated based on the market price of Ordinary Shares and the exchange rate in respect of the Australian dollar and the Specified Currency in the 20 Business Days (as defined in the Schedule to the Terms and Conditions of the Notes) (or other period specified in the applicable Final Terms) preceding the issue date of the relevant Subordinated Notes, any depreciation of the Australian dollar against the Specified Currency by the time that the VWAP is calculated for the purpose of determining the Conversion Number (as defined in the Schedule to the Terms and Conditions of the Notes) may make it more likely that the maximum conversion number will apply (especially if accompanied by a deterioration in the market price of Ordinary Shares at the time of a Non-Viability Trigger Event). See the risk factor entitled "*Investors may suffer adverse consequences if Subordinated Notes are Converted into Ordinary Shares as a result of a Non-Viability Trigger Event*" for more detail about the maximum conversion number.

Further, the realisable value in the Specified Currency of Ordinary Shares issued, or the proceeds from any sale of such Ordinary Shares, following a Non-Viability Trigger Event could be substantially lower than that implied by the exchange rate in respect of the Australian dollar and the Specified Currency at the time of a Non-Viability Trigger Event.

(c) ***Risks related to the structure of Subordinated Notes issued by BNZ***

The following risks in this section (c) relate only to Subordinated Notes issued by BNZ and references to "Subordinated Notes" and the defined terms used herein shall be construed accordingly.

BNZ's obligations under Subordinated Notes are subordinated to its senior indebtedness, the incurrence of which is not restricted by the terms of the Subordinated Notes

BNZ's obligations under Subordinated Notes will be unsecured and subordinated and will rank in a Liquidation of BNZ behind all claims of Senior Creditors (as defined in Condition 3.3), *pari passu* among themselves, *pari passu* with Equal Ranking Instruments (as defined in Condition 3.3) and ahead of Junior Ranking Instruments (as defined in Condition 3.3). As a result, although Subordinated Notes may pay a higher rate of interest than comparable Notes issued by BNZ that are not subordinated, there is a risk that an investor in Subordinated Notes will lose all or some of its investment should BNZ become insolvent. The Subordinated Notes issued by BNZ will rank equally with the NZ$500 million subordinated notes issued by BNZ under a deed poll dated 30 April 2018. See "*General Information – Additional Disclosure in relation to the Ranking of Subordinated Notes issued by BNZ*".

The liabilities that are preferred by New Zealand law to the claims of a holder in respect of a Subordinated Note will be substantial and the terms and conditions of Subordinated Notes do not limit the amount of such liabilities which may be incurred or assumed by BNZ or its subsidiaries from time to time. Further, under the terms of the Subordinated Notes, there is no restriction on the amount of debt that BNZ may issue that would rank senior to or *pari passu* with the Subordinated Notes. The issue of debt by BNZ or its subsidiaries may reduce the amount recoverable by a holder upon any Liquidation of BNZ (as defined in Condition 3.3). BNZ’s ability to make payments on a timely basis or at all on its outstanding debt may depend on the amount and terms of BNZ’s other obligations.

There are restrictions on the payment of interest, principal and other amounts on Subordinated Notes any time before their stated maturity or the Liquidation of BNZ

Payments of interest, principal or any other amounts owing to a Noteholder or the Trustee in connection with Subordinated Notes at any time before their stated maturity or the Liquidation of BNZ are conditional upon BNZ being Solvent (as defined in Condition 10.2A) at the time those payments fall due, and BNZ must not pay an amount owing to a Noteholder or the Trustee in connection with Subordinated Notes issued by BNZ at any time before their stated maturity or the Liquidation of BNZ except to the extent that BNZ may pay such amount and still be Solvent (as defined in Condition 10.2A) immediately after doing so, as further described in Condition 3.3. Unlike Subordinated Notes issued by NAB, this restriction does not apply to the payment of any amounts due on Subordinated Notes issued by BNZ at the stated maturity of such Subordinated Notes.

There are limited remedies available to holders for non-payment of amounts owing under Subordinated Notes

If BNZ fails to pay any amount of interest or principal on Subordinated Notes when due to be paid, the Trustee may, either at its own discretion or at the direction of the requisite number of holders but subject in each case to it being indemnified and/or secured and/or pre-funded to its satisfaction, take action to recover the amount unpaid provided that BNZ may only be compelled to pay the unpaid amount on the Subordinated Notes at any time before their stated maturity or the Liquidation of BNZ (as defined in Condition 3.3) to the extent that it is, and immediately after the payment is made would remain, Solvent (as defined in Condition 10.2A).

There may be a limited right to accelerate amounts owing under Subordinated Notes

The only circumstance where amounts owing under Subordinated Notes may be accelerated by the Trustee or a requisite number of holders is upon the Commencement of Liquidation (as defined in Condition 10.2A).

Investors in Subordinated Notes shall not have any right to set-off

To the fullest extent permitted by applicable law, a holder of a Subordinated Note shall not have any right to set-off any amounts owing to it by BNZ in connection with that Subordinated Note against any amount owing by it to BNZ in connection with the Subordinated Notes or otherwise and BNZ shall not have any right to set-off any amounts owing by it to the holder in connection with that Subordinated Note against any amount owing by the holder to it in connection with the Subordinated Notes or otherwise.

(d) ***Risks related to Green Bonds issued by NAB***

In respect of any Notes issued with a specific use of proceeds, such as Exempt Notes issued by NAB as "Green Bonds", there can be no assurance that such use of proceeds will meet investor expectations or be (or remain) suitable for an investor's investment criteria

The applicable Final Terms relating to any specific Tranche of Exempt Notes issued by NAB may describe such Notes as "Green Bonds" or otherwise provide that it will be NAB's intention to apply an amount equivalent to the net proceeds from the issuance of those Notes (such Notes being Green Bonds) specifically towards financing, or refinancing the Portfolio (as defined on page 259 under "*Use of Proceeds—Green Bonds*").

Prospective investors should have regard to the information in Part B of the applicable Final Terms for Exempt Notes regarding the use of an amount equivalent to the net proceeds from the issuance of such Notes and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. In particular, but without limitation to the foregoing, including, in respect of any such Exempt Notes issued by NAB as Green Bonds, investors should make their own assessment of NAB's then-applicable Green Bond Framework (as defined on page 259 under "*Use of Proceeds—Green Bonds*"). Prospective investors should note that the Green Bond Framework may be amended by NAB from time to time.

No representation is made nor any assurance given by NAB or any Dealer as to the suitability of any such Notes issued by NAB as Green Bonds to fulfil any environmental, social and/or sustainability criteria required by any prospective investors or that the use of any amount equivalent to the net proceeds from an issuance of such Notes in accordance with the Green Bond Framework (as further described on page 259 under "*Use of Proceeds—Green Bonds*") will satisfy, in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor and/or its investments are required to comply, whether by any present or future applicable law or regulations (including any standards resulting from the proposal for a European green bond standard (the **EU GBS**) adopted by the European Commission on 6 July 2021, the political agreement reached on 28 February 2023 and the subsequent adoption of the consolidated text in relation to the EU Green Bond Regulation on 10 May 2023 which establishes a voluntary label for European green bonds and lays down uniform requirements for issuers that wish to use the designation European green bond or EuGB), or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses the subject of or related to, any relevant eligible projects, assets or other expenditures included from time to time in the Portfolio.

Furthermore, it should be noted that there is currently no clearly defined universal definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green", "social" or "sustainable" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green", "social" or "sustainable" or such other equivalent label (including as a result of the introduction of the EU Sustainable Finance Taxonomy (as defined below) and similar classification schemes in other jurisdictions) and, if developed in the future, such eligible projects, assets or other expenditures included from time to time in the Portfolio may not reflect these developments. A basis for the determination of what may constitute a "green", "social", "sustainable" or equivalently-labelled project has been established in the EU with the publication in the Official Journal of the EU on 22 June 2020 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the **Sustainable Finance Taxonomy Regulation**) on the establishment of a framework to facilitate sustainable investment (the **EU Sustainable Finance Taxonomy**). The EU Sustainable Finance Taxonomy is subject to further development by way of the implementation by the European Commission through delegated regulations of technical screening criteria for the environmental objectives set out in the Sustainable Finance Taxonomy Regulation (including, for example, through Commission Delegated Regulation (EU) 2021/2139). Alignment with the EU Sustainable Finance Taxonomy or any other sustainability framework is not certain and no assurance is or can be given (whether by NAB, the Dealers or any other person) to any investor that (a) any eligible projects, assets or other expenditures included from time to time in the Portfolio or uses the subject of, or related to, any such eligible projects, assets or other expenditures included from time to time in the Portfolio, will meet any or all of such investor's expectations regarding such "green", "sustainable", "social" or other equivalently-labelled performance objectives or investment criteria (including any future requirements of the EU GBS), or (b) that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any eligible projects, assets or other expenditures included from time to time in the Portfolio.

NAB's Green Bond Framework, as at the date of this Offering Circular, is published on its website at https://capital.nab.com.au/green-and-sri-bonds. Investors should note that the Green Bond Framework may be updated from time to time and that, for any Exempt Notes issued by NAB as Green Bonds, the Green Bond Framework (or version thereof) that will apply to that Tranche of Notes will be the Green Bond Framework published on NAB's website on the issue date of such Notes, and as such framework may be updated from time to time. All references in this Offering Circular to the "Green Bond Framework" are to the Green Bond Framework as available on the issue date of the relevant Tranche of Notes (and as such framework may be updated from time to time), unless the context otherwise requires. For the avoidance of doubt, the Green Bond Framework is not, nor shall it be deemed to be, incorporated in and/or form part of this Offering Circular.

In connection with Exempt Notes issued by NAB as Green Bonds, NAB may obtain a report, assessment, opinion or certification on the Green Bond Framework or other aspects of the use of proceeds of such Notes. No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any report, assessment, opinion or certification of any third party (whether or not solicited by NAB), including (but not limited to) the Climate Bonds Initiative, DNV Business Assurance Australia Pty Ltd (**DNV**, provider of the Second Party Opinion (as defined on page 259 under "*Use of Proceeds—Green Bonds*")) or any other approved external assurance provider, which may or may not be made available in connection with the Green Bond Framework or an issue of Green Bonds by NAB (including the Second Party Opinion and any subsequent or additional second party opinion(s)) and/or any eligible projects, assets or other expenditures included from time to time in the Portfolio, and whether any of them fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such report, assessment, opinion (including, but not limited to, the Second Party Opinion and any subsequent or additional second party opinion(s)) or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Offering Circular. Any such report, assessment, opinion or certification is not, and will not be, nor should be deemed to be, a recommendation by NAB, the Dealers or any other person to buy, sell or hold any Green Bonds issued by NAB from time to time. Any report, assessment, opinion or certification is only, or will only be, current as of the date initially issued and the criteria and/or considerations that underlie such report, assessment, opinion or certification may change at any time. Prospective investors must determine for themselves the relevance of any such report, assessment, opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in Notes issued by NAB as Green Bonds. The providers of such reports, assessments, opinions and certifications may not be subject to any specific regulatory or other regime or oversight.

In addition, NAB does not make any representation or give any assurance with respect to the actual climate, sustainability or development-based impact of Notes it may issue as Green Bonds, of any project, asset or other expenditure included from time to time in the Portfolio, or, in the case of Green Bonds certified as "Climate Bonds" by the Climate Bonds Initiative, of the Climate Bonds Standard or the Climate Bonds Initiative's sector specific criteria. Without limiting this, prospective investors in Green Bonds certified as "Climate Bonds" by the Climate Bonds Initiative, should be aware that certain of the Climate Bonds Initiative's sector specific criteria may use proxies for carbon performance which are subject to limitations in delivering actual carbon outcomes and no assurance can be made or is given as to whether any sector specific criteria of the Climate Bonds Initiative will use such proxies from time to time during the life of any such Green Bonds.

In the event that Notes issued by NAB as Green Bonds are listed or admitted to trading on any dedicated "green", "environmental", "sustainable" or other equivalently-labelled segment of the Luxembourg Stock Exchange or of any other stock exchange, no representation or assurance is given by NAB, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any eligible projects, assets or other expenditures included from time to time in the Portfolio. Furthermore, it should be noted that the criteria for any such listing or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by NAB, the Dealers or any other person that any such admission to trading will be obtained in respect of such Notes or, if obtained, that any such admission to trading will be maintained during the life of such Notes. The criteria for acceptance onto any such market may change from time to time. In the event of any actual or anticipated removal of the Green Bonds from any such market, or if access to any such market is sought and refused, that could have a material adverse effect on the market price of such Green Bonds.

It is the intention of NAB to apply an amount equal to the net proceeds of Notes issued by it as Green Bonds for eligible projects, assets or other expenditures included from time to time in the Portfolio and to obtain and publish the relevant reports, assessments, opinions and certifications in, or substantially in, the manner described in the Green Bond Framework; however, there can be no assurance that the relevant project(s) or use(s) the subject of, or related to, any relevant eligible projects, assets or other expenditures included from time to time in the Portfolio will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such projects, assets or other expenditures. Nor can there be any assurance that such projects, assets or other expenditures included from time to time in the Portfolio will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by NAB. None of the Dealers will verify or monitor the application of the net proceeds (or amounts equal thereto) of such Notes.

Any such event or failure to allocate an amount equal to the net proceeds from an issue of Green Bonds by NAB to such eligible projects, assets or other expenditures included from time to time in the Portfolio, or to obtain and publish any such reports, assessments, opinions and certifications, will not constitute an Event of Default or any other default or breach (howsoever described) under or of the Terms and Conditions of the Notes or give rise to any other claim of a holder of such Notes against NAB. Neither NAB nor any Noteholder will have a right to require redemption of such Notes before the relevant Maturity Date in these circumstances. Subordinated Notes issued by NAB that take the form of Green Bonds may be subject to non-viability loss absorption in the same manner as any other Subordinated Notes issued by NAB. See "*Risks related to the structure of Subordinated Notes issued by NAB*" for further details.

Any such event or failure to apply an amount equal to the net proceeds of any issue of Green Bonds by NAB for any such eligible projects, assets or other expenditures included from time to time in the Portfolio as aforesaid and/or withdrawal of any such report, assessment, opinion or certification or any such report, assessment, opinion or certification attesting that NAB is not complying in whole or in part with any matters for which such opinion or certification is opining on or certifying and/or any such Notes no longer being listed and/or admitted to trading on any stock exchange as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other outstanding green or climate bonds of NAB which are intended to finance, or refinance, the Portfolio, and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose. See also risk factor entitled "*Non-compliance and withdrawal of certification of Green Bonds issued by NAB which have been certified as Climate Bonds*" below.

Investors should make their own assessment of the Green Bond Framework (as further described on page 259 under "*Use of Proceeds—Green Bonds*") for further information. For the avoidance of doubt, neither NAB's website, nor the Green Bond Framework shall be deemed to be, incorporated in and/or form part of this Offering Circular.

Non-compliance and withdrawal of certification of Green Bonds issued by NAB which have been certified as Climate Bonds

NAB may issue Green Bonds from time to time that have been certified as "Climate Bonds" by the Climate Bonds Initiative. NAB may not retain a sufficient interest in the Portfolio to allocate an amount equal to the net proceeds of such an issuance. In such circumstances, unless NAB invests the shortfall amount in investments that are compliant with the Climate Bonds Standard, such Notes may cease to comply with the Climate Bonds Standard and the certification of such Green Bonds as "Climate Bonds" by the Climate Bonds Initiative may be withdrawn. The certification of Green Bonds as "Climate Bonds" may be withdrawn at any time in the Climate Bonds Initiative's sole and absolute discretion and there can be no assurance that such certification will not be withdrawn.

Failure of Green Bonds which have been certified as "Climate Bonds" to comply with the Climate Bonds Standard, or any withdrawal of the certification for any reason, may have a material adverse impact on the value of an investment in such Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a specific purpose. Such non-compliance or withdrawal of certification will not constitute an Event of Default or any other default or breach (howsoever described) under or of the Terms and Conditions of the Notes. Neither NAB nor any Noteholder will have a right to require redemption of such Notes before the relevant Maturity Date in these circumstances. Certification under the Climate Bonds Standard is neither a recommendation to buy, sell or hold such Notes nor a credit rating.

For the avoidance of doubt, the payments of principal, interest or any other amount payable on Notes issued by NAB as Green Bonds, including those that have been certified as "Climate Bonds" by the Climate Bonds Initiative, shall not depend on the performance of any projects, assets or other expenditures in the Portfolio, or the performance of any other environmental targets of NAB, nor will any investors in such Notes have any preferred right, interest or entitlement against such projects, assets or other expenditures.

None of the Dealers makes any representation as to the suitability of the Green Bonds, including any such certification of the Green Bonds as "Climate Bonds" to fulfil any green, social, environmental or sustainability criteria required by any prospective investors. None of the Dealers is responsible for any third party social, environmental or sustainability assessment of the Green Bonds, including any such certification of the Green Bonds as "Climate Bonds".

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Noteholders' ability to enforce certain rights in connection with the Notes may be limited or affected by APRA

APRA has extensive powers to intervene in the operations of NAB, including a power to direct NAB to conduct or not to conduct certain activities or transactions, or not to make payments in certain circumstances. In addition, under the Banking Act 1959 of Australia (the **Banking Act**), APRA may appoint a Banking Act statutory manager to an ADI (of which NAB is one) in certain circumstances, including where APRA considers that the ADI may become unable to meet its obligations or may suspend payment. Under section 15C of the Banking Act, a party to a contract with an ADI may not deny any obligations under that contract, accelerate any debt under that contract, close out any transaction relating to that contract or enforce any security under that contract, on the grounds that a Banking Act statutory manager is in control of the ADI's business. Accordingly, this may prevent Noteholders from accelerating repayment of Notes on the grounds that a Banking Act statutory manager has been appointed. Noteholders may also be subject to similar restrictions on enforcement if APRA otherwise intervenes in the conduct of the ADI's business, including by requiring a compulsory transfer of the ADI's business. Further, an obligation relating to the issue of Ordinary Shares by NAB on Conversion of Subordinated Notes issued by NAB may be cancelled, and any such Ordinary Shares or rights attaching to them may be varied or cancelled by a Banking Act statutory manager under section 14AA of the Banking Act, notwithstanding the constitution of NAB, the Corporations Act, the terms of any contract or arrangement to which NAB is party or the listing rules of any financial market in whose official list NAB is included.

Under the Banking Act, APRA has powers to facilitate the orderly resolution of the entities it regulates (and their subsidiaries) in times of distress. Powers given to APRA under the Banking Act which could impact the NAB Group and potentially the position of Noteholders, include oversight, management and directions powers in relation to NAB and the NAB Group entities and statutory management powers over regulated entities within the NAB Group. The Banking Act also contains provisions which are designed to give statutory recognition to the conversion or write-off of regulatory capital instruments (the **Statutory Conversion and Write-Off Provisions**).

The Statutory Conversion and Write-Off Provisions apply in relation to regulatory capital instruments issued by certain financial sector entities (including ADIs, of which NAB is one) that contain provisions for conversion or write-off for the purposes of APRA's prudential standards. Where the Statutory Conversion and Write-Off Provisions apply to an instrument, that instrument may be converted in accordance with its terms. This is so despite any law (other than specified laws, currently those relating to the ability of a person to acquire interests in an Australian corporation or financial sector entity), the constitution of the issuer, any contract or arrangement to which the issuer is a party, and any listing rules, operating rules or clearing and settlement rules applicable to the instrument. In addition, the Banking Act includes a moratorium on the taking of certain actions on grounds relating to the operation of the Statutory Conversion and Write-Off Provisions.

Notes issued under the Programme are not deposit liabilities of NAB

Division 2AA of Part II of the Banking Act sets out arrangements for the protection of protected account holders of an insolvent ADI under the Financial Claims Scheme. Pursuant to the Financial Claims Scheme, a person who holds a protected account with a net credit balance at an ADI which APRA has applied to be wound up or whose business is under the control of a Banking Act statutory manager and which has been declared by the responsible Australian Government Minister to be covered by the Financial Claims Scheme will be entitled to receive payment from APRA in respect of that balance and certain accrued but uncredited interest, subject to various adjustments and preconditions (including a maximum payment entitlement of A$250,000 per customer). The rights of account-holders with protected accounts will be reduced to the extent protected under the Financial Claims Scheme and, to the extent of that reduction, will become rights of APRA.

A **protected account** is, subject to certain conditions, an account kept with an ADI and recorded in Australian currency:

(i) where the ADI is required to pay the account-holder, on demand or at an agreed time, the net credit balance of the account; or

(ii) otherwise prescribed by regulation.

The Banking Regulation 2016 of Australia prescribes protected accounts for the purposes of the Banking Act and also formally excludes accounts kept at foreign branches of Australian ADIs from the coverage of the Financial Claims Scheme.

Notes issued under the Programme are not deposit liabilities of NAB, are not protected accounts for the purposes of the depositor protection provisions in Division 2 of Part II of the Banking Act or of the Financial Claims Scheme established under Division 2AA of Part II of the Banking Act and are not guaranteed or insured by any government, government agency or compensation scheme of Australia, His Majesty the King in right of New Zealand or any other jurisdiction.

The Terms and Conditions of the Notes contain provisions which may permit their modification (including for principal and interest) with the consent of a defined majority of investors and confer significant discretions on the Trustee which may be exercised without the consent of the Noteholders and without regard to the individual interests of particular Noteholders

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders (including by way of teleconference or video conference) to consider and vote upon matters affecting their interests generally, or to pass resolutions in writing or through the use of electronic consents. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution or give their consent electronically, and including those Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes, or (ii) determine without the consent of the Noteholders that any Event of Default or Potential Event of Default shall not be treated as such, or (iii) the substitution of another company as principal debtor under certain Notes in place of the relevant Issuer, in the circumstances described in Condition 15 of the Terms and Conditions of the Notes. In addition, subject to the rights of the Trustee or relevant Agent (as applicable) set forth in Condition 5.5(iii) or Condition 5.2(b)(ii)(E)(II), as the case may be, the Trustee shall be obliged to concur with the relevant Issuer in effecting any Benchmark Amendments or Benchmark Replacement Conforming Changes, as applicable, in the circumstances and as otherwise set out in Condition 5.5 or Condition 5.2(b)(ii)(E), as the case may be, without the consent of the Noteholders, Receiptholders or Couponholders.

APRA's prior written approval is required for any modifications to the terms and conditions of Subordinated Notes issued by NAB which may affect the eligibility of such Subordinated Notes as Tier 2 Capital (as defined in Condition 10A.16).

The RBNZ must be notified of any modifications or waivers to the terms and conditions of Subordinated Notes issued by BNZ at least five working days prior to the modification or waiver being made. Such notification must be accompanied by, among other things, a signed opinion from BNZ's New Zealand legal counsel confirming that, once the modification or waiver is in effect, the Subordinated Notes will continue to qualify as Tier 2 Capital (as defined in Condition 7.2). BNZ would not be able to comply with the RBNZ notification requirement and, consequently, no such modification or waiver (as applicable) could be made or given, if the effect of such modification or waiver (as applicable) would be that the Subordinated Notes would no longer qualify as Tier 2 Capital (as defined in Condition 7.2).

Investors who hold less than the minimum Specified Denomination may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed or issued) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

The value of the Notes could be adversely affected by a change in English law or administrative practice or other applicable laws

The Terms and Conditions of the Notes (except for the subordination provisions set out in Condition 3.2, Condition 10A and the conversion mechanisms set out in the Schedule to the Conditions (in relation to Subordinated Notes issued by NAB) and for the subordination provisions set out in Condition 3.3 (in relation to Subordinated Notes issued by BNZ)) are based on English law in effect as at the date of this Offering Circular. The subordination provisions set out in Condition 3.2, Condition 10A and the conversion mechanisms set out in the Schedule to the Conditions (in relation to Subordinated Notes issued by NAB) are based on the jurisdiction of incorporation of NAB. The subordination provisions set out in Condition 3.3 (in relation to Subordinated Notes issued by BNZ) are based on the jurisdiction of incorporation of BNZ. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice or the laws of the jurisdiction of incorporation of the relevant Issuer or the Guarantor after the date of this Offering Circular and any such decision or change to English law or administrative practice or the laws of the jurisdiction of incorporation of the relevant Issuer or the Guarantor could materially adversely impact the value of any Notes affected by it.

Noteholders may be prevented from enforcing rights in connection with the Notes where BNZ and/or BNZ-IF have been placed into statutory management

Insolvency proceedings in respect of BNZ and BNZ-IF will generally be governed by NZ law. NZ's voluntary administration and statutory management regimes differ significantly from similar provisions under the insolvency laws of other jurisdictions. The most relevant statutory management regimes in NZ are the regimes under the Corporations (Investigation and Management) Act 1989 (**CIM Act**) and the BPS Act.

Pursuant to the BPS Act, the RBNZ may give a registered bank, such as BNZ, or an associated person a direction in writing and/or place the registered bank under statutory management where, among other things, the RBNZ has reasonable grounds to believe that the registered bank or the associated person is insolvent or is likely to become insolvent. As a corporation, BNZ-IF may be placed into statutory management in similar circumstances under the CIM Act. A registered bank, such as BNZ, can also be placed into statutory management if it fails to comply with a direction given by the RBNZ. Where a registered bank is declared to be subject to statutory management, every subsidiary of that registered bank (which, in the case of the statutory management of BNZ, would include BNZ-IF) is also subject to statutory management. Where a corporation is declared to be subject to statutory management, a moratorium will apply and no person shall commence any action or other proceedings against that corporation. Accordingly, Noteholders may be prevented from enforcing rights in connection with the Notes where BNZ and/or BNZ-IF have been placed into statutory management.

Open Bank Resolution (**OBR**) is also relevant where BNZ is subject to statutory management. OBR is an RBNZ policy option aimed at resolving a bank failure quickly. NZ-incorporated registered banks with retail deposits over NZ$1 billion, which includes BNZ, are required to comply with the OBR Pre-positioning Requirements Policy (BS17), which requires liabilities that represent a range of products and facilities used by customers to access banking services (such as transactional accounts or similar products and term deposit accounts) to be pre-positioned for OBR. Upon a direction from the RBNZ, a bank must:

(i) upon a statutory manager's appointment, close promptly, restrict customer access to accounts and freeze all liabilities in full; and

(ii) reopen by no later than 9 a.m. the next business day to provide customers access to transactional accounts up to a *de minimis* amount (if required) and unfreeze a portion of the pre-positioned liabilities, while maintaining a full freeze on other liabilities.

In addition, to the extent that Noteholders are entitled to any recovery with respect to the Notes in any bankruptcy, insolvency, dissolution or reorganisation relating to the BNZ or BNZ-IF as the relevant Issuer, those holders might be entitled only to a recovery in New Zealand dollars.

Risk factors specific to Notes denominated in Renminbi

Renminbi is not completely freely convertible, and there are significant restrictions on remittance of Renminbi into and out of the PRC

As at the date of this Offering Circular, Renminbi is not completely freely convertible. The PRC government (the **PRC Government**) continues to regulate conversion between Renminbi and foreign currencies despite significant reduction over the years by the PRC Government of control over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. While regulation in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items is developing gradually, remittance of Renminbi by foreign investors into and out of the PRC for the purposes of capital account items, such as capital contributions, is currently generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system.

Although starting from 1 October 2016, the Renminbi has been added to the Special Drawing Rights basket of currencies, in addition to the U.S. dollar, euro, Japanese yen and pound Sterling, created by the International Monetary Fund as an international reserve asset, and policies further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies were implemented by the People's Bank of China (the **PBOC**) in 2018, there is no assurance that the PRC Government will liberalise its control over cross-border Renminbi remittances in the future or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Notes and the relevant Issuer's ability to source Renminbi outside the PRC to make payments under the Notes

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited.

While the PBOC has entered into agreements on the clearing of Renminbi business (the **Settlement Agreements**) with financial institutions that have been permitted to engage in the settlement of current account trade transactions in Renminbi in a number of financial centres and cities (the **Renminbi Clearing Banks**), including but not limited to Hong Kong, the current size of Renminbi-denominated financial assets outside the PRC is limited.

Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC. The relevant Renminbi Clearing Banks only have access to onshore liquidity support from the PBOC for the purpose of squaring open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement, and are not obliged to square for participating banks any open positions as a result of other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

The offshore Renminbi market is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended so as to have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of the Notes. To the extent the relevant Issuer is required to source Renminbi in the offshore market to service the Notes, there is no assurance that the relevant Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in the Notes is subject to exchange rate risks

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions and by many other factors. In August 2015, the PBOC implemented changes to the way it calculates the midpoint against the U.S. dollar to take into account market-maker quotes before announcing the daily midpoint. This change, among others that may be implemented, may increase the volatility in the value of the Renminbi against other currencies. Except in the limited circumstances stipulated in Condition 6.10 of the Terms and Conditions of the Notes, all payments of interest and principal will be made with respect to Renminbi-denominated Notes in Renminbi. As a result, the value of these Renminbi payments in U.S. dollar terms may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other applicable foreign currency between the Issue Date of the relevant Series of Notes and when the relevant Issuer pays back the principal of such Renminbi-denominated Notes in Renminbi at maturity, the value of a Noteholder's investment in U.S. dollar or other applicable foreign currency terms will have declined.

An investment in the Notes is subject to interest rate risks

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

If Renminbi is not available in certain circumstances as described in the Terms and Conditions of the Notes, the relevant Issuer can make payments under the Renminbi-denominated Notes in U.S. dollars

There can be no assurance that access to Renminbi for the purposes of making payments under Renminbi-denominated Notes by the relevant Issuer or generally will remain or that new PRC regulations will not be promulgated which have the effect of restricting availability of Renminbi outside of the PRC.

Although the relevant Issuer's primary obligation is to make all payments with respect to such Notes in Renminbi, in the event access to Renminbi becomes restricted to the extent that, by reason of Inconvertibility, Non-transferability or Illiquidity (each as defined in the Terms and Conditions of the Notes), the relevant Issuer is unable to make any payment in respect of such Notes in Renminbi, the terms of such Notes permit (i) the relevant Issuer to make payment in U.S. dollars at the prevailing spot rate of exchange, and/or (ii) such payments to be made after the original date that, but for the occurrence of the CNY Disruption Event (as defined in the Terms and Conditions of the Notes), would have been the date of such payments, all as provided in the Terms and Conditions of the Notes. The value of these Renminbi payments in U.S. dollars may vary with the prevailing exchange rates in the market place.

Payments in respect of Renminbi-denominated Notes will only be made to investors in the manner specified in such Renminbi-denominated Notes

All payments to investors in respect of Renminbi-denominated Notes will be made solely by (i) when the Renminbi-denominated Notes are represented by global certificates deposited with a sub-custodian for CMU, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures, (ii) when the Renminbi-denominated Notes are represented by global certificates held with the common depositary, for Euroclear and Clearstream, Luxembourg or any alternative clearing system, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing Euroclear and/or Clearstream, Luxembourg rules and procedures or those of such alternative clearing system, or (iii) for so long as the Renminbi-denominated Notes are in definitive form, transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. Other than as described in the Terms and

Conditions of the Notes, the relevant Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

Risks related to the market generally

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

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

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies, are being issued to a single investor or a limited number of investors or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Further, if a Tranche of Notes is issued to a single investor or a limited number of investors, this may result in an even more illiquid or volatile market in such Notes.

Furthermore, the ability of investors and other market participants to make a market in the Notes may be impacted by changes in regulatory requirements applicable to the marketing, holding and trading of, and issuing quotations with respect to, the Notes.

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

The relevant Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

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

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

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

Credit ratings assigned to the relevant Issuer, the Guarantor (if applicable) or any Notes may not reflect all the risks associated with an investment in those Notes

One or more independent credit rating agencies may assign credit ratings to the Notes, the relevant Issuer or the Guarantor. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold any Notes in so far as such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for a given period of time and any rating may be revised, suspended or withdrawn by the relevant rating agency at any time, if, in the judgment of such relevant rating agency, circumstances warrant. The relevant Issuer is under no obligation to update information regarding such ratings should they change over time.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**) from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the EUWA (the **UK CRA Regulation**). As such, UK regulated investors are required to use for UK regulatory purposes, ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out in this Offering Circular, see "*Documents Incorporated by Reference and Credit Ratings*".

DOCUMENTS INCORPORATED BY REFERENCE AND CREDIT RATINGS

(A) *Documents Incorporated by Reference*

The following documents, which have previously been published or are published simultaneously with this Offering Circular shall be incorporated in, and form part of, this Offering Circular:

(a) (i) the information set out on the following pages of NAB's Annual Report for the financial year ended 30 September 2022, including the audit report and the consolidated audited financial statements of the NAB Group and the non-consolidated audited financial statements of NAB for the financial year ended 30 September 2022 (the **2022 NAB Annual Report**), which is published on the website of NAB (*capital.nab.com.au*) and is available via https://www.nabcapital.com.au/content/dam/nab-capital/documents-required-for-10-yrs/2022_NAB_Annual_Report.pdf:

Income Statements	page 148
Statements of Comprehensive Income	page 149
Balance Sheets	page 150
Statements of Cash Flows	pages 151 to 152
Statements of Changes in Equity	pages 153 to 154
Notes to the Financial Statements	pages 155 to 243
Directors' Declaration	page 244
Independent Auditor's Report	pages 245 to 252
Glossary	pages 261 to 263

(ii) the information set out on the following pages of NAB's Annual Report for the financial year ended 30 September 2023, including the audit report and the consolidated audited financial statements of the NAB Group and the non-consolidated audited financial statements of NAB for the financial year ended 30 September 2023 (the **2023 NAB Annual Report**), which is published on the website of NAB (*capital.nab.com.au*) and is available via https://www.nabcapital.com.au/content/dam/nab-capital/documents-required-for-10-yrs/2023_NAB_Annual_Report.pdf:

The section entitled "Group balance sheet review"	page 108
The section entitled "Capital management and funding review"	pages 110 to 112
Income Statements	page 160
Statements of Comprehensive Income	page 161
Balance Sheets	page 162
Statements of Cash Flows	pages 163 to 164
Statements of Changes in Equity	pages 165 to 166

Notes to the Financial Statements	pages 167 to 254
Directors' Declaration	page 255
Independent Auditor's Report	pages 256 to 262
Glossary	pages 271 to 274

(b) (i) the information set out on the following pages of BNZ's Disclosure Statement for the financial year ended 30 September 2021, including the consolidated audited financial statements of BNZ and its subsidiaries (the **2021 Disclosure Statement**), which is published on the website of NAB (*capital.nab.com.au*) and is available via https://www.nabcapital.com.au/content/dam/nab-capital/documents-required-for-10-yrs/BNZ_2021_Disclosure_Statement.pdf:

Bank of New Zealand Corporate Information	pages 2 to 5
Financial Statements	pages 6 to 11
- Historical Summary of Financial Statements	page 7
- Income Statement and Statement of Comprehensive Income	page 8
- Statement of Changes in Equity	page 9
- Balance Sheet	page 10
- Cash Flow Statement	page 11
Notes to and Forming Part of the Financial Statements	pages 12 to 78
Auditor's Report	pages 79 to 84
Credit Ratings	page 85
Conditions of Registration	pages 86 to 91
Directors' Statement	page 92

(ii) the information set out on the following pages of BNZ's Disclosure Statement for the financial year ended 30 September 2022, including the consolidated audited financial statements of BNZ and its subsidiaries (the **2022 Disclosure Statement**), which is published on the website of NAB (*capital.nab.com.au*) and is available via https://www.nabcapital.com.au/content/dam/nab-capital/documents-required-for-10-yrs/BNZ_2022_Disclosure_Statement.pdf:

Bank of New Zealand Corporate Information	pages 2 to 5
Financial Statements	pages 6 to 11
- Historical Summary of Financial Statements	page 7
- Income Statement and Statement of Comprehensive Income	page 8
- Statement of Changes in Equity	page 9

(iii) the information set out on the following pages of BNZ's Disclosure Statement for the six months ended 31 March 2023, including the consolidated unaudited financial statements of BNZ and its subsidiaries (the **March 2023 HY Disclosure Statement** and together with the 2021 Disclosure Statement and the 2022 Disclosure Statement, the **Disclosure Statements**), which is published on the website of NAB (*capital.nab.com.au*) and is available via https://www.nabcapital.com.au/content/dam/nab-capital/documents-required-for-10-yrs/BNZ_March_2023_HY_Disclosure_Statement.pdf:

(c) (i) the information set out on the following pages of BNZ-IF's Financial Statements for the financial year ended 30 September 2021, including the audited financial statements of BNZ-IF (the **2021 BNZ-IF Financial Statements**), which is published on the website of NAB (*capital.nab.com.au*) and is available via https://www.nabcapital.com.au/content/dam/nab-capital/documents-required-for-10-yrs/2021_BNZ-IF_Financial_Statements.pdf:

Balance Sheet	page 3
Cash Flow Statement	pages 4 to 5
Notes to and Forming Part of the Financial Statements	pages 6 to 15
Independent Auditor's Report	Final two pages

(ii) the information set out on the following pages of BNZ-IF's Financial Statements for the financial year ended 30 September 2022, including the audited financial statements of BNZ-IF (the **2022 BNZ-IF Financial Statements**), which is published on the website of NAB (*capital.nab.com.au*) and is available via https://www.nabcapital.com.au/content/dam/nab-capital/documents-required-for-10-yrs/2022_BNZ-IF_Financial_Statements.pdf:

Income Statement and Statement of Comprehensive Income	page 1
Statement of Changes in Equity	page 2
Balance Sheet	page 3
Cash Flow Statement	pages 4 to 5
Notes to and Forming Part of the Financial Statements	pages 6 to 15
Independent Auditor's Report	Final two pages

(d) the following pages of the (i) constitution of NAB (available via https://www.nabcapital.com.au/content/dam/nab-capital/documents-required-for-10-yrs/Constitution_of_NAB.pdf), (ii) constitution of BNZ (available via https://www.nabcapital.com.au/content/dam/nab-capital/documents-required-for-10-yrs/Constitution_of_BNZ.pdf), and (iii) constitution of BNZ-IF (available via https://www.nabcapital.com.au/content/dam/nab-capital/documents-required-for-10-yrs/Constitution_of_BNZ-IF.pdf), each of which is published on the website of NAB (*capital.nab.com.au*):

Constitution of NAB	
- New NAB Constitution Cover Page	first page
- New NAB Constitution Contents	six pages of six
- New NAB Constitution	pages 1 to 63 of 63
Constitution of BNZ	
- New BNZ Constitution Cover Page	first page
- New BNZ Constitution Table of Contents	three pages of three
- New BNZ Constitution	pages 1 to 19 of 19
Constitution of BNZ-IF	pages 1 to 9 of 9

(e) for the purposes of an issue of Notes when the first tranche of Notes which is being increased was issued under an Offering Circular with an earlier date, the Terms and Conditions of the Notes contained within such Offering Circulars, each of which is published on the website of NAB (*capital.nab.com.au*), as set out on the following pages:

Offering Circular dated 15 December 2011 (available via https://www.nabcapital.com.au/content/dam/nab-capital/documents-required-for-10-yrs/Offering_Circular_dated_15_December_2011.pdf)	pages 87 to 133
Offering Circular dated 14 December 2012 (available via https://www.nabcapital.com.au/content/dam/nab-capital/documents-required-for-10-yrs/Offering_Circular_dated_14_December_2012.pdf)	pages 115 to 173
Offering Circular dated 16 December 2013 (available via https://www.nabcapital.com.au/content/dam/nab-capital/documents-required-for-10-yrs/Offering_Circular_dated_16_December_2013.pdf)	pages 123 to 183
Offering Circular dated 15 December 2014 (available via https://www.nabcapital.com.au/content/dam/nab-capital/documents-required-for-10-yrs/Offering_Circular_dated_15_December_2014.pdf)	pages 113 to 171
Offering Circular dated 19 November 2015 (available via https://www.nabcapital.com.au/content/dam/nab-capital/documents-required-for-10-yrs/Offering_Circular_dated_19_November_2015.pdf)	pages 123 to 185
Offering Circular dated 17 November 2016 (available via https://www.nabcapital.com.au/content/dam/nab-capital/documents-required-for-10-yrs/Offering_Circular_dated_17_November_2016.pdf)	pages 122 to 181
Offering Circular dated 17 November 2017 (available via https://www.nabcapital.com.au/content/dam/nab-capital/documents-required-for-10-yrs/Offering_Circular_dated_17_November_2017.pdf)	pages 130 to 188
Offering Circular dated 21 November 2018 (available via https://www.nabcapital.com.au/content/dam/nab-capital/documents-required-for-10-yrs/Offering_Circular_dated_21_November_2018.pdf)	pages 140 to 207
Offering Circular dated 20 November 2019 (available via https://www.nabcapital.com.au/content/dam/nab-capital/documents-required-for-10-yrs/Offering_Circular_dated_20_November_2019.pdf)	pages 112 to 180
Offering Circular dated 16 November 2020 (available via https://www.nabcapital.com.au/content/dam/nab-capital/documents-required-for-10-yrs/Offering_Circular_dated_16_November_2020.pdf)	pages 125 to 205
Offering Circular dated 15 November 2021 (available via https://www.nabcapital.com.au/content/dam/nab-capital/documents-required-for-10-yrs/Offering_Circular_dated_15_November_2021.pdf)	pages 134 to 222

Offering Circular dated 15 November 2022 (available via https://www.nabcapital.com.au/content/dam/nab-capital/documents/funding-programmes/NAB-GMTN-Update-2022-Offering-Circular-Final.pdf)	pages 150 to 243

Copies of all documents incorporated by reference will also be made available on the website of the Luxembourg Stock Exchange (*www.luxse.com*).

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular will not form part of this Offering Circular.

Any non-incorporated parts of a document referred to herein (which, for the avoidance of doubt, means any parts not listed in the cross-reference lists above) are either (i) not considered by the relevant Issuer to be relevant for investors or (ii) covered elsewhere in this Offering Circular.

Any statement contained herein or in a document and/or information which is incorporated by reference herein shall be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document and/or information which is incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise), provided that such modifying or superseding statement is made by way of supplement to this Offering Circular pursuant to Article 23 of the Prospectus Regulation (in the case of PR Notes) or rule 206 of Part 2, Chapter 2 of the rules and regulations of the Luxembourg Stock Exchange (in the case of Exempt Notes).

Other than the URLs for the documents incorporated by reference into this Offering Circular, the content of any other websites or URLs referred to in this Offering Circular do not form part of this Offering Circular.

(B) *Credit Ratings*

Each of the Issuers and the Programme is, as of the date of this Offering Circular, rated as follows:

Issuer credit ratings			
	NAB	BNZ	BNZ-IF
Issuer credit rating (long-term / short-term)	S&P Global Ratings Australia Pty Ltd: AA- / A-1+ Moody's Investors Service Pty Limited: Aa3 / Prime-1 Fitch Australia Pty Ltd: A+ / F1	S&P Global Ratings Australia Pty Ltd: AA- / A-1+ Moody's Investors Service Pty Limited: A1 / Prime-1 Fitch Australia Pty Ltd: A+ / F1	Moody's Investors Service Pty Limited: A1 / Prime-1
Programme credit ratings			
	NAB	BNZ	BNZ-IF

Short-term senior unsecured debt obligations	S&P Global Ratings Australia Pty Ltd: A-1+ Moody's Investors Service Pty Limited: Prime-1	S&P Global Ratings Australia Pty Ltd: A-1+ Moody's Investors Service Pty Limited: Prime-1	S&P Global Ratings Australia Pty Ltd: A-1+ Moody's Investors Service Pty Limited: Prime-1
Long-term senior unsecured debt obligations	S&P Global Ratings Australia Pty Ltd: AA- Moody's Investors Service Pty Limited: Aa3	S&P Global Ratings Australia Pty Ltd: AA- Moody's Investors Service Pty Limited: A1	S&P Global Ratings Australia Pty Ltd: AA- Moody's Investors Service Pty Limited: A1
Subordinated debt obligations	S&P Global Ratings Australia Pty Ltd: BBB+ Moody's Investors Service Pty Limited: Baa1	N/A	N/A

Notes issued under the Programme may be unrated or rated by either of S&P Global Ratings Australia Pty Ltd (**S&P Australia**) and/or Moody's Investors Service Pty Limited (**Moody's Australia**) or by another independent credit rating agency. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Programme by the relevant rating agency (if applicable).

There are credit ratings contained in BNZ's Disclosure Statements, which are assigned by S&P Australia, Moody's Australia and Fitch Australia Pty Ltd (**Fitch Australia**).

S&P Australia, Moody's Australia and Fitch Australia are not established in the EEA or the UK and have not applied for registration under the CRA Regulation or the UK CRA Regulation.

The ratings of S&P Australia, Moody's Australia and Fitch Australia have been endorsed by S&P Global Ratings Europe Limited (**S&P Europe**), Moody's Deutschland GmbH (**Moody's Europe**) and Fitch Ratings Ireland Limited (**Fitch Europe**) respectively in accordance with the CRA Regulation for use in the EEA. Each of S&P Europe, Moody's Europe and Fitch Europe is established in the EEA and registered under the CRA Regulation. As such each of S&P Europe, Moody's Europe and Fitch Europe is included in the list of credit rating agencies published by ESMA on its website at https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation in accordance with the CRA Regulation. ESMA has indicated that ratings issued in Australia, which have been endorsed by S&P Europe, Moody's Europe or Fitch Europe may be used in the EEA by the relevant market participants.

The ratings of S&P Australia, Moody's Australia and Fitch Australia have been endorsed by S&P Global Ratings UK Limited (**S&P UK**), Moody's Investors Service Ltd (**Moody's UK**) and Fitch Ratings Limited

(**Fitch UK**) respectively in accordance with the UK CRA Regulation for use in the UK. Each of S&P UK, Moody's UK and Fitch UK is established in the UK and registered under the UK CRA Regulation.

S&P Global Ratings has, in its publication entitled "S&P Global Ratings Definitions" dated 9 June 2023, described: (i) a long-term issue credit rating of 'AA-' in the following terms: "*An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitments on the obligation is very strong ... Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.*"; (ii) a long-term issue credit rating of 'BBB+' in the following terms: "*An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation ... Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.*"; and (iii) a short-term issue credit rating of 'A-1+' in the following terms: "*A short-term obligation rated 'A-1' is rated in the highest category by S&P Global Ratings. The obligor's capacity to meet its financial commitments on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitments on these obligations is extremely strong*.".

Moody's Investors Service has, in its publication entitled "Rating Symbols and Definitions" dated 9 November 2023, described: (i) a long-term credit rating of 'Aa3' in the following terms: "*Obligations rated Aa are judged to be of high quality and are subject to very low credit risk ... Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa ... The modifier 3 indicates a ranking in the lower end of that generic rating category*."; (ii) a long-term credit rating of 'A1' in the following terms: "*Obligations rated A are judged to be upper-medium grade and are subject to low credit risk ... Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa ... The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category*."; (iii) a long-term credit rating of 'Baa1' in the following terms: "*Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics ... Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa ... The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category*."; and (iv) a short-term credit rating of 'Prime 1' in the following terms: "*Ratings of Prime-1 reflect a superior ability to repay short-term obligations*.".

Any credit rating in respect of any Notes or Issuer is for distribution only to persons who are not a "retail client" within the meaning of section 761G of the Corporations Act 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 and, in all cases, in such circumstances as may be permitted by applicable law in any jurisdiction in which an investor may be located.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States to QIBs (as defined below) in reliance on Rule 144A.

Bearer Notes

Each Tranche of Bearer Notes will initially be issued in the form of either a temporary bearer global note (a **Temporary Bearer Global Note**) or, if so specified in the applicable Final Terms, a permanent bearer global note (a **Permanent Bearer Global Note** and, together with the Temporary Bearer Global Note, the **Bearer Global Notes**) which, in either case, will:

(i) if the Bearer Global Notes are intended to be issued in new global note (**NGN**) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**); and

(ii) if the Bearer Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to (A) a common depositary (the **Common Depositary**) for Euroclear and Clearstream, Luxembourg or (B) a sub-custodian for the Central Moneymarkets Unit Service (the **CMU**), operated by the Hong Kong Monetary Authority (the **HKMA**) (the **CMU Service**).

It is anticipated that all Bearer Notes issued by the Issuers under the Programme will not be issued in NGN form and will be deposited with a sub-custodian for the CMU or a common depositary for Euroclear and Clearstream, Luxembourg. Bearer Notes issued by NAB, BNZ and/or BNZ-IF do not currently satisfy the ECB's Eurosystem eligibility criteria and, accordingly, cannot be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations.

Where the Bearer Global Notes issued in respect of any Tranche of Notes are in NGN form, the applicable Final Terms will also indicate whether or not such Bearer Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Bearer Global Notes are to be so held does not necessarily mean that the Bearer Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life, as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

While any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Bearer Global Note if the Temporary Bearer Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in the Temporary Bearer Global Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and/or the CMU Lodging Agent and Euroclear and/or Clearstream, Luxembourg and/or the CMU Lodging Agent, as applicable, has given a like certification (based on the certification it has received) to the Principal Paying Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The CMU Service may require that any such exchange for a Permanent Bearer Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report (as defined in the rules of the CMU Service) or any other relevant notification supplied to the CMU Lodging Agent by the CMU Service) have so certified. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Bearer Global Note if the Permanent Bearer Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either (i) not less than 60 days' written notice (a), in the case of Notes held by a Common Depositary or Common Safekeeper for Euroclear and/or Clearstream, Luxembourg, from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein and/or (b), in the case of Notes held through the CMU Service, from the relevant person(s) for whose account(s) interests in the relevant Bearer Global Note are credited, as set out in a CMU Instrument Position Report or any other relevant notification supplied to the CMU Lodging Agent by the CMU Service (each, an **Accountholder**) therein to the CMU Lodging Agent as described therein or (ii) only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have and, in the case of Notes held through the CMU Service, the CMU Service has, been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system satisfactory to the Trustee is available or (iii) the relevant Issuer or (in the case of Guaranteed Senior Notes) the Guarantor has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form and a certificate to such effect signed by two Authorised Signatories (as defined in the Trust Deed) of the relevant Issuer or (in the case of Guaranteed Senior Notes) the Guarantor is given to the Trustee. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, (a) in the case of Notes held by a Common Depositary or Common Safekeeper for Euroclear or Clearstream, Luxembourg, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) and/or, (b) in the case of Notes held through a sub-custodian for the CMU Service, the relevant Accountholder therein, and/or (c) the Trustee, may give notice to the Principal Paying Agent or, as the case may be, the CMU Lodging Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Principal Paying Agent or, as the case may be, the CMU Lodging Agent, requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent or, as the case may be, the CMU Lodging Agent.

Tranches of Bearer Notes shall not be physically delivered in Belgium, except to a clearing system, a depositary or other institution for the purpose of their immobilisation in accordance with article 4 of the Belgian Law of 14 December 2005.

A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Bearer Note in respect of such holding and would need to purchase a principal amount of Notes so that it holds an amount equal to one or more Specified Denominations.

The following legend will appear on all Bearer Notes (other than Temporary Bearer Global Notes) that have an original maturity of more than one year and where TEFRA D is specified in the applicable Final Terms, and on all receipts, interest coupons and talons relating to such Notes:

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

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts, interest coupons or talons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of Bearer Notes, receipts, interest coupons or talons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg or the CMU Service, as the case may be.

Registered Notes

Registered Notes will be issued in the form of global Notes in registered form. The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by one or more global Notes in registered form (each, a **Regulation S Global Note**). The Registered Notes of each Tranche sold in the United States or to U.S. persons in private transactions to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act (**QIBs**) will be represented by one or more global Notes in registered form (each, a **Rule 144A Global Note** and, together with a Regulation S Global Note, the **Registered Global Notes**).

Registered Global Notes will (i) when represented by a Rule 144A Global Note or a Regulation S Global Note, be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company (**DTC**); (ii), when represented by a Regulation S Global Note, be deposited with a common depositary or a common safekeeper, for Euroclear and Clearstream, Luxembourg and registered in the name of a common nominee of Euroclear and Clearstream, Luxembourg or in the name of a nominee of the common safekeeper, or (iii), when represented by a Regulation S Global Note, be deposited with a sub-custodian for the HKMA as operator of the CMU Service, as specified in the applicable Final Terms. A holder of a beneficial interest in a Registered Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under such Notes, which may change from time to time.

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

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6.4) as the registered holder of the Registered Global Notes. None of the relevant Issuer, (in the case of Guaranteed Senior Notes) the Guarantor, the Trustee, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of interest in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6.4) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the relevant Issuer that it is unwilling or unable to continue to act as depositary for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act, (iii) in the case of Notes registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg, and in the case of Notes held through the CMU Service, the CMU Service, have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system satisfactory to the Trustee is available or (iv) the relevant Issuer or (in the case of Guaranteed Senior Notes) the Guarantor has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form and a certificate to such effect signed by two Authorised Signatories of the relevant Issuer or (in the case of Guaranteed Senior Notes) the Guarantor is given to the Trustee. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear, Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) and/or in the case of Notes held through the CMU Service, the relevant account holders therein, may give notice to the Registrar or, as the case may be, the CMU Lodging Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the relevant Issuer may also give notice to the Registrar or, as the case may be, the CMU Lodging Agent requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar or, as the case may be, the CMU Lodging Agent.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream, Luxembourg), Euroclear, Clearstream, Luxembourg and the CMU Service, in each case to the extent applicable.

Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions; see "*Subscription and Sale and Transfer and Selling Restrictions*".

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Principal Paying Agent or, as the case may be, the CMU Lodging Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number or, where the CMU Service is able to generate a temporary CMU Instrument Number, a CMU instrument number which are different from the common code, ISIN, CUSIP, CINS and CMU instrument number assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the Distribution Compliance Period applicable to the Notes of such Tranche.

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

So long as DTC or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Trust Deed, the Agency Agreement and such Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the CMU Service shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the relevant Issuer or (in the case of Guaranteed Senior Notes) the Guarantor unless the Trustee, having become bound so to proceed, fails or is unable so to do within a reasonable period and the failure or inability shall be continuing.

FORM OF FINAL TERMS

APPLICABLE FINAL TERMS IN RESPECT OF PR NOTES

Set out below is the form of Final Terms for the purposes of Article 8(2)(a) of the Prospectus Regulation which will be completed for each Tranche of PR Notes issued under the Programme

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

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

[**PROHIBITION OF SALES TO CONSUMERS IN BELGIUM** – The Notes are not intended to be offered, sold or otherwise made available, and will not be offered, sold or otherwise made available, in Belgium to "consumers" (*consommateurs/consumenten*) within the meaning of the Belgian Code of Economic Law (*Code de droit économique/Wetboek van economisch recht*), as amended.][3]

[**MiFID II product governance/Professional investors and eligible counterparties only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)/MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*.] Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market

[1] *Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared in the EEA or the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the item entitled "Prohibition of Sales to EEA Investors" should be specified to be "Applicable".*

[2] *Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared in the UK or the Issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the item entitled "Prohibition of Sales to UK Retail Investors" should be specified to be "Applicable".*

[3] *Legend to be included on the front of the Final Terms if "Prohibition of Sales to Belgian Consumers" is specified as "Applicable".*

assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][4]

[**UK MiFIR product governance/Professional investors and eligible counterparties only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018/EUWA] (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*.] Any person subsequently offering, selling or recommending the Notes (a **UK distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][5]

[In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).][6]

FINAL TERMS

[*Date*]

[National Australia Bank Limited (ABN 12 004 044 937)/Bank of New Zealand/ BNZ International Funding Limited, acting through its London Branch]

Legal Entity Identifier (LEI): [F8SB4JFBSYQFRQEH3Z21/N7LGVZM7X4UQ66T7LT74/ 549300HVMZ89HDMELW08]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
[guaranteed by Bank of New Zealand]
under the U.S.$100,000,000,000

Global Medium Term Note Programme

PART A—CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 15 November 2023 [and the supplement[s] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Offering Circular**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with the Offering Circular in order to obtain

[4] *Legend to be included on front of the Final Terms if transaction involves one or more manufacturer(s) subject to MiFID II and if following the "ICMA 1" approach.*
[5] *Legend to be included on front of the Final Terms if transaction involves one or more manufacturer(s) subject to UK MiFIR and if following the "ICMA 1" approach.*
[6] *To amend notification if the Notes are "capital markets products other than prescribed capital markets products" pursuant to Section 309B of the SFA or Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products). Relevant Manager(s)/Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.*

all the relevant information. The Offering Circular is available on the website of the Luxembourg Stock Exchange (*www.luxse.com*).]

(*The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular 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 Offering Circular dated [*15 December 2011/14 December 2012/16 December 2013/15 December 2014/19 November 2015/17 November 2016/17 November 2017/21 November 2018/20 November 2019/16 November 2020/15 November 2021/15 November 2022*]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with the Offering Circular dated 15 November 2023 [and the supplement[s] to it dated [*date*] [and [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the **Offering Circular**), save in respect of the Conditions which are extracted from the Offering Circular dated [*15 December 2011/14 December 2012/16 December 2013/15 December 2014/19 November 2015/17 November 2016/17 November 2017/21 November 2018/20 November 2019/16 November 2020/15 November 2021/15 November 2022*], in order to obtain all the relevant information. The Offering Circular is available on the website of the Luxembourg Stock Exchange (*www.luxse.com*).]

(*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote directions for completing the Final Terms.*)

(*If the Notes issued by Bank of New Zealand or BNZ International Funding Limited, acting through its London Branch have a maturity of less than one year from the date of their issue, the minimum denomination must be £100,000 or its equivalent in any other currency.*)

1.	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ]
	(c)	Date on which the Notes will be consolidated and form a single Series:	The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Bearer Global Note for interests in the Permanent Bearer Global Note, as referred to in Paragraph 22 below, which is expected to occur on or about [*date*]][Not Applicable]
2.	Specified Currency or Currencies:		[ ]
3.	Aggregate Nominal Amount		
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
4.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*]] *(include in the case of fungible issues only, if applicable)*
5.	(a)	Specified Denominations:	[ ]

(*N.B. Notes must have a minimum denomination of €100,000 (or equivalent).*)

(*Note – where Bearer multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:*

"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].")

	(b)	Calculation Amount (in relation to calculation of interest for Notes in global form see Conditions):	[ ]
			(*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.*)
6.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[*Specify*/Issue Date/Not Applicable]
			(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
7.	Maturity Date:		[*Fixed rate—specify date/undated/*Interest Payment Date falling in or nearest to [*specify month and year*]]
			[*Floating rate*—Interest Payment Date falling in [or nearest to] [*specify month and year*]]/[Undated]
			(*N.B. for certain Fixed Rate Notes, including Notes denominated in Renminbi or Hong Kong dollars, or Fixed Rate Notes which apply a Business Day Convention other than Following Business Day Convention specified in Paragraph 14(f) below, where the Interest Payment Dates are subject to modification it will be necessary to use the "Interest Payment Date falling in or nearest to [specify month and year]" formulation*)
			(*N.B. for Zero Coupon Notes, include relevant Business Day Convention language if the Maturity Date is to be postponed or brought forward (as applicable) in accordance with a Business Day Convention. For a Zero Coupon Note with a Maturity Date that is to be postponed or brought forward (as applicable) in accordance with the Modified Following Business Day*

Convention consider including: "[date] [month] [year], unless [date] [month] [year] is not a [specify applicable financial centres, as appropriate] Business Day, in which case the Maturity Date shall be postponed to the next day which is a [specify applicable financial centres, as appropriate] Business Day unless it would thereby fall into the next calendar month, in which event the Maturity Date shall be brought forward to the immediately preceding [specify applicable financial centres, as appropriate] Business Day. [Specify applicable financial centres, as appropriate] Business Day means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [specify applicable financial centres, as appropriate].")

8.	Interest Basis:	[[ ] per cent. per annum Fixed Rate] [[EURIBOR/HIBOR/CNH HIBOR/NIBOR] [Compounded Daily [SONIA/SOFR/CORRA/€STR]] [Average [SONIA/SOFR/CORRA/€STR]] [BBSW Rate/BKBM Rate] +/- [ ] per cent. per annum Floating Rate] [Zero Coupon] (further particulars specified below) (*N.B. It is expected that BBSW Rate or BKBM Rate will only be selected where "BBSW Determination" or "BKBM Determination", respectively, are marked as "Applicable" below*)
9.	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [ ] per cent. of their nominal amount
10.	Change of Interest Basis:	[*Specify details of any provision for change of Notes into another Interest Basis or cross refer Paragraphs 14 and 15 below if details are included there*] [Not Applicable]
11.	U.S. Dollar Equivalent:	[Applicable/Not Applicable] (*N.B. Where Notes are denominated in Renminbi, it is expected that this Paragraph 11 will be marked "Applicable".*)
12.	Put/Call Options:	[Issuer Call] [Investor Put] [Not Applicable] [(further particulars specified below)]
13.	(a) Status of the Notes:	[Senior]/[Subordinated]/[Guaranteed Senior]

	(b)	Date of [Board] approval for issuance of Notes [and Guarantee] obtained:	[ ] [and [ ], respectively][Not Applicable] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee*)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this Paragraph 14*)
	(a)	Rate(s) of Interest:	[ ] per cent. per annum payable in arrear on each Interest Payment Date
	(b)	Interest Payment Date(s):	[[ ] in each year, commencing on [ ], up to (and including) the Maturity Date (*Amend appropriately in the case of irregular coupons*)]/[Maturity Date (*N.B. 'Maturity Date' should be specified where there is a single Interest Payment Date*)]
	(c)	Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form, see Conditions):	[[ ] per Calculation Amount][Not Applicable] (*'Not Applicable' should be specified where 'Business Day Convention – Adjusted' is specified as being 'Applicable'*)
	(d)	Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form, see Conditions):	[ ] per Calculation Amount payable on the Interest Payment Date falling [in/on] [ ] [Not Applicable]
	(e)	Day Count Fraction:	[30/360] [Actual/Actual (ICMA)] [RBA Bond Basis/Australian Bond Basis] [Actual/Actual (ISDA)][Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual Canadian Compound Method]
	(f)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
		(i) Adjusted:	[Applicable/Not Applicable]
		(ii) Non-Adjusted:	[Applicable/Not Applicable]
	(g)	Additional Business Centre(s):	[ ] [Not Applicable]
	(h)	Determination Date(s):	[[ ] in each year] [Not Applicable]

		(*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*)
15.	Floating Rate Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this Paragraph 15*)
	(a) Specified Period(s)/Specified Interest Payment Dates:	[ ] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below /, not subject to adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
	(b) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][Not Applicable]
	(c) Additional Business Centre(s):	[ ] [Not Applicable]
	(d) Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination – Term Rate/Screen Rate Determination – SOFR/Screen Rate Determination – SONIA/Screen Rate Determination – CORRA/Screen Rate Determination – €STR/BBSW Determination/BKBM Determination]
	(e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	[ ][Not Applicable]
	(f) Screen Rate Determination:	[Applicable – Term Rate/Applicable – SOFR/Applicable – SONIA/Applicable – CORRA/Applicable – €STR/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this Paragraph 15(f)*)
	(i) Reference Rate and Relevant Financial Centre:	Reference Rate: [[ ] month [EURIBOR/HIBOR/CNH HIBOR/NIBOR]] [SONIA] [SOFR] [CORRA] [€STR] Relevant Time: [ ][Not Applicable] (*Where (i) Reference Rate is SONIA and Calculation Method is <u>not</u> SONIA Index Determination, (ii) Reference Rate is CORRA and Calculation Method is <u>not</u> CORRA Index Determination, (iii) Reference Rate is €STR and Calculation Method is <u>not</u> €STR Index Determination, or (iv) Reference Rate is SOFR, Relevant Time will be 'Not Applicable'*)

			Relevant Financial Centre: [Brussels/Hong Kong/Oslo] [Not Applicable] (*Where Reference Rate is SONIA, SOFR, CORRA or €STR, Relevant Financial Centre will be 'Not Applicable'*)
(ii)	Interest Determination Date(s):		[the first day of each Interest Period][the second/[*specify*] business day prior to the start of each Interest Period][the second day on which T2 is open prior to the start of each Interest Period][The [first/[*specify*]] [U.S. Government Securities Business Day/London Banking Day/Toronto Business Day/T2 Business Day] falling after the last day of the relevant Observation Period][The day falling [*specify*] [U.S. Government Securities Business Day[s]/London Banking Day[s]/Toronto Business Day[s]/T2 Business Day[s]] prior to each Interest Payment Date (or the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date)][*specify other*]
(iii)	Relevant Screen Page:		[ ][Not Applicable] (*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately. Where Reference Rate is SOFR, CORRA or €STR, Relevant Screen Page will be 'Not Applicable'.*)
(iv)	SOFR Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this Paragraph 15(f)(iv)*)
	(A)	Calculation Method:	[Compounded Daily SOFR Formula/SOFR Index Determination/Average SOFR]
	(B)	Observation Method:	[Lookback/Observation Shift/Not Applicable]
	(C)	Lookback Period (*p*):	[5/[*specify other*] U.S. Government Securities Business Days][Not Applicable]
	(D)	Observation Shift Period:	[5/[*specify other*] U.S. Government Securities Business Days][Not Applicable] (*N.B. When setting the Lookback Period (p) or the Observation Shift Period, the practicalities of this period should be discussed with the Principal Paying Agent or, if applicable, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms. It is anticipated that '(p)' will be no fewer than 5 U.S. Government Securities Business Days unless otherwise agreed with the Principal Paying Agent or, if applicable/required, such other party*

responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, in relation to the relevant issuance)

(E)	Relevant Number:	[5/[*specify other*] U.S. Government Securities Business Days][Not Applicable] (*Not applicable unless Calculation Method is SOFR Index Determination*) (*N.B. When setting the Relevant Number, the practicalities of this period should be discussed with the Principal Paying Agent or, if applicable, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms. It is anticipated that the Relevant Number will be no fewer than 5 U.S. Government Securities Business Days unless otherwise agreed with the Principal Paying Agent or, if applicable/required, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, in relation to the relevant issuance*)

(v)	SONIA Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this Paragraph 15(f)(v)*)
(A)	Calculation Method:	[Compounded Daily SONIA Formula/SONIA Index Determination/Average SONIA]
(B)	Observation Method:	[Lag/Observation Shift/Not Applicable]
(C)	Lag Lookback Period (*p*):	[5/[*specify other*] London Banking Days][Not Applicable]
(D)	Observation Shift Period:	[5/[*specify other*] London Banking Days][Not Applicable] (*N.B. When setting the Lag Lookback Period (p) or the Observation Shift Period, the practicalities of this period should be discussed with the Principal Paying Agent or, if applicable, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms. It is anticipated that '(p)' will be no fewer than 5 London Banking Days unless otherwise agreed with the Principal Paying Agent or, if applicable/required, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, in relation to the relevant issuance*)

	(E)	Relevant Number:	[5/[*specify other*] London Banking Days][Not Applicable] (*Not applicable unless Calculation Method is SONIA Index Determination*) (*N.B. When setting the Relevant Number, the practicalities of this period should be discussed with the Principal Paying Agent or, if applicable, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms. It is anticipated that the Relevant Number will be no fewer than 5 London Banking Days unless otherwise agreed with the Principal Paying Agent or, if applicable/required, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, in relation to the relevant issuance*)
(vi)	CORRA Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this Paragraph 15(f)(vi)*)
	(A)	Calculation Method:	[Compounded Daily CORRA Formula/CORRA Index Determination/Average CORRA]
	(B)	Observation Method:	[Lag/Observation Shift/Not Applicable]
	(C)	Lag Lookback Period (*p*):	[5/[*specify other*] Toronto Business Days][Not Applicable]
	(D)	Observation Shift Period:	[5/[*specify other*] Toronto Business Days][Not Applicable] (*N.B. When setting the Lag Lookback Period (p) or the Observation Shift Period, the practicalities of this period should be discussed with the Principal Paying Agent or, if applicable, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms. It is anticipated that '(p)' will be no fewer than 5 Toronto Business Days unless otherwise agreed with the Principal Paying Agent or, if applicable/required, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, in relation to the relevant issuance*)
	(E)	Relevant Number:	[5/[*specify other*] Toronto Business Days][Not Applicable] (*Not applicable unless Calculation Method is CORRA Index Determination*)

(*N.B. When setting the Relevant Number, the practicalities of this period should be discussed with the Principal Paying Agent or, if applicable, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms. It is anticipated that the Relevant Number will be no fewer than 5 Toronto Business Days unless otherwise agreed with the Principal Paying Agent or, if applicable/required, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, in relation to the relevant issuance*)

(vii)	€STR Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this Paragraph 15(f)(vii)*)
	(A)	Calculation Method:	[Compounded Daily €STR Formula/€STR Index Determination/Average €STR]
	(B)	Observation Method:	[Lag/Observation Shift/Not Applicable]
	(C)	Lag Lookback Period (*p*):	[5/[*specify other*] T2 Business Days][Not Applicable]
	(D)	Observation Shift Period:	[5/[*specify other*] T2 Business Days][Not Applicable]

(*N.B. When setting the Lag Lookback Period (p) or the Observation Shift Period, the practicalities of this period should be discussed with the Principal Paying Agent or, if applicable, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms. It is anticipated that '(p)' will be no fewer than 5 T2 Business Days unless otherwise agreed with the Principal Paying Agent or, if applicable/required, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, in relation to the relevant issuance*)

	(E)	Relevant Number:	[5/[*specify other*] T2 Business Days][Not Applicable]

(*Not applicable unless Calculation Method is €STR Index Determination*)

(*N.B. When setting the Relevant Number, the practicalities of this period should be discussed with the Principal Paying Agent or, if applicable, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms. It is anticipated that the Relevant Number will be no fewer* *than 5 T2 Business Days unless otherwise agreed with the Principal Paying Agent or, if applicable/required, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, in relation to the relevant issuance*)

(*It is anticipated that Screen Rate Determination will be used on an issue by issue basis, unless otherwise agreed between the Issuer and the relevant dealer or the relevant managers on the launch of a particular issue*.)

(g)	BBSW Determination:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this Paragraph 15(g)*)
	(i)	Interest Determination Date(s) for BBSW Rate:	[As specified in Condition 5.2(b)(vi)(C)/*specify other*]
	(ii)	Interest Determination Date(s) for Fallback Rates:	[As specified in Condition 5.2(b)(vi)(C)/*specify other*]
(h)	BKBM Determination:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this Paragraph 15(h)*)
	(i)	Relevant Financial Centre:	[Auckland and Wellington]
	(ii)	Interest Determination Date(s):	[ ]
(i)	Linear Interpolation:		[Not Applicable][Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
(j)	Margin(s):		[+/-] [ ] per cent. per annum
(k)	Minimum Rate of Interest:		[[ ] per cent. per annum][Not Applicable]
(l)	Maximum Rate of Interest:		[[ ] per cent. per annum][Not Applicable]
(m)	Day Count Fraction:		[[Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis]

		[30E/360 (ISDA)] [RBA Bond Basis] [Australian Bond Basis] [Actual/Actual Canadian Compound Method]] (*See Condition 5.7 for alternatives*)
	(n) Interest Amounts Non-Adjusted:	[Applicable/Not Applicable]
16.	Zero Coupon Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this Paragraph 16*)
	(a) Accrual Yield:	[ ] per cent. per annum
	(b) Reference Price:	[ ]
	(c) Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]

PROVISIONS RELATING TO REDEMPTION

17.	Notice periods for Condition 7.2:	Minimum period: [30/[ ]] days Maximum period: [[60/[ ]] days] [Not Applicable]
18.	Issuer Call:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this Paragraph 18*)
	(a) Optional Redemption Date(s):	[ ]
	(b) Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount] / [In accordance with the table below]

Optional Redemption Date	Optional Redemption Amount (as a percentage of the Calculation Amount)
[ ]	[ ]

(*NB: If the Optional Redemption Amount is other than a specified amount per Calculation Amount, the Notes will need to be Exempt Notes*)

(c)	If redeemable in part:	
	(i) Minimum Redemption Amount:	[ ]

	(ii)	Maximum Redemption Amount:	[ ]
(d)		Notice periods:	Minimum period: [5/[ ]] days Maximum period: [10/[ ]] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call)* and *custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee*)

19. Investor Put: [Applicable/Not Applicable]

(If not applicable, delete the remaining subparagraphs of this Paragraph 19)

(a) Optional Redemption Date(s): [ ]

(b) Optional Redemption Amount: [[ ] per Calculation Amount] / [In accordance with the table below]

Optional Redemption Date	Optional Redemption Amount (as a percentage of the Calculation Amount)
[ ]	[ ]

(*NB: If the Optional Redemption Amount is other than a specified amount per Calculation Amount, the Notes will need to be Exempt Notes*)

(c) Notice periods: Minimum period: [15/[ ]] days

Maximum period: [30/[ ]] days

(*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee*)

20. Final Redemption Amount: [ ] per Calculation Amount

21. Early Redemption Amount payable on redemption for taxation reasons or on event of default: [[ ] per Calculation Amount] / [Condition 7.5 applies]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. (a) Form of Notes: [Bearer Notes:

[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event].]

[Temporary Bearer Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date.]

[Permanent Bearer Global Note exchangeable for Definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event].]
(*Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in Paragraph 5(a) includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Bearer Global Note exchangeable for Definitive Bearer Notes.)*

[Registered Notes:

Regulation S Global Note (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/a sub-custodian for the CMU/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (and held under the NSS)]/Rule 144A Global Note (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (and held under the NSS)] (*specify nominal amounts*)]

(*It is anticipated that all Registered Notes issued by NAB, BNZ or BNZ-IF under the Programme will be registered in the name of a common depositary for Euroclear and Clearstream, Luxembourg and/or in the name of a nominee for DTC and/or a sub-custodian for the CMU, because Registered Notes issued by NAB, BNZ or BNZ-IF do not currently satisfy the ECB's Eurosystem eligibility criteria and, accordingly, cannot be*

			recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations.) *(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves. NB: The exchange event upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in Paragraph 5(a) includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Bearer Global Note exchangeable for a Definitive Bearer Note.)*
	(b)	New Global Note:	[Yes] [No] [*It is anticipated that all Bearer Notes issued by NAB, BNZ or BNZ-IF under the Programme will not be issued in NGN form and will be deposited with a sub-custodian for the CMU or a common depositary for Euroclear and Clearstream, Luxembourg. Bearer Notes issued by NAB, BNZ or BNZ-IF do not currently satisfy the ECB's Eurosystem eligibility criteria and, accordingly, cannot be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations.*]
23.	Additional Financial Centre(s):		[ ] [Not Applicable] (*Note that this Paragraph 23 relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest to which sub-paragraph 15(c) relates.*)
24.	Talons for future Coupons to be attached to Definitive Bearer Notes:		[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

[THIRD PARTY INFORMATION

[*Relevant third party information (for example: "The description[s] of the ['AA-'] and ['Aa3'] credit rating[s] in Item [2] of Part B of these Final Terms")*] [has/have] been extracted from [*specify source(s)*] [respectively]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from such information published by [*specify source(s)*], no facts have been omitted which would render the reproduced information inaccurate or misleading. [*Complete/amend as appropriate*]]

Signed on behalf of [*insert name of Issuer*]:

By: ....

Duly authorised

[Signed on behalf of Bank of New Zealand:

By: ....

Duly authorised

By:

Duly authorised]

PART B—OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(a)	Listing and Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and listed on the official list of the Luxembourg Stock Exchange] [*other*] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and listed on the official list of the Luxembourg Stock Exchange] [*other*] with effect from [ ].] [Not Applicable.] (*When documenting a fungible issue, need to indicate that original Notes are already admitted to trading.*)
(b)	Estimate of total expenses related to admission to trading:	[ ]

2. RATINGS

Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated [ ] by [ ].] [Not Applicable] [The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally: [*specify rating(s) and rating agencies*]]

[*Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider. Consider including the following (to be completed at the time of the relevant issuance):*

[[S&P Global Ratings] has, in its [month, year] publication "[S&P Global Ratings Definitions]", described a [long-term issue] credit rating of ['AA-'] in the following terms: ["An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitments on the obligation is very strong ... Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.".]] [Complete as applicable]

[[Moody's Investors Service] has, in its [month, year] publication "[Rating Symbols and Definitions]", described a credit rating of ['Aa3'] in the following terms: ["Obligations rated Aa are judged to be of high quality and are subject to very low credit risk ... Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the

higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.".]] [Complete as applicable].

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

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

(*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 Offering Circular under Article 23 of the Prospectus Regulation.*)

4. **REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS**

(i)	Reasons for the offer:	[See "*Use of Proceeds*" in the Offering Circular/*Give details*] (*See "Use of Proceeds" wording in Offering Circular – if reasons for offer different from what is disclosed in the Offering Circular, give details.*)
(ii)	Estimated net proceeds:	[ ]

5. **YIELD** (*Fixed Rate Notes only*)

Indication of yield:	[[ ] per cent. [per annum]]/[Not Applicable]

6. **OPERATIONAL INFORMATION**

(a)	ISIN:	[ ]
(b)	Common Code:	[ ]
(c)	CFI:	[[*include code*], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN][Not Applicable][Not Available]
(d)	FISN:	[[*include code*], as updated, as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN][Not Applicable][Not Available]
(e)	[CMU Instrument Number:]	[ ] (*Only applicable for Notes held through the CMU Service*)

(f)	[CUSIP/CINS/Other securities code(s):]	[*Insert here any other relevant codes such as CUSIP and CINS codes and renumber accordingly*]
(g)	Any clearing system(s) other than [Euroclear and Clearstream, Luxembourg,] [CMU Service] [and DTC] [*delete as applicable*] and the relevant address(es) and identification number(s):	[Not Applicable/*give name(s), address(es) and number(s)*]
(h)	Delivery:	Delivery [against/free of] payment
(i)	If syndicated, names of Managers:	[Not Applicable/*give names*]
(j)	Name(s) and address(es) of additional Paying Agent(s) (if any):	[ ][Not Applicable]
(k)	Deemed delivery of clearing system notices for the purposes of Condition 14:	[Any notice delivered to Noteholders through [Euroclear and/or Clearstream, Luxembourg] [and/or DTC] [and/or the persons shown in a CMU Instrument Position Report issued by the CMU Service] will be deemed to have been given on the [day]/[[second] day after the day] on which it was given to [Euroclear and Clearstream, Luxembourg,] [DTC] [or the persons shown in a CMU Instrument Position Report issued by the CMU Service,] [as applicable].]
(l)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as a common safekeeper)] [*include this text for Registered Notes*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)][*include this text for Registered Notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time

during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]] [*include this text if "no" selected*]

7. SELLING RESTRICTIONS

(a)	U.S. Selling Restrictions:	Reg. S Compliance Category [1/2/3]; [TEFRA D/TEFRA C/TEFRA not applicable]
(b)	The Republic of Korea [(**Korea**)] Selling Restrictions:	[Not Applicable/The Notes have not been and will not be registered for public offering under the Financial Investments Services and Capital Markets Act of Korea (the **FSCMA**). Accordingly, (i) the number of residents in Korea (as defined in the Foreign Exchange Transactions Law of Korea (**FETL**) and its Enforcement Decree) and persons in Korea to whom the Notes have been and will be offered shall be fewer than 50 (as calculated in accordance with the Enforcement Decree of the FSCMA), and (ii) the number of Notes (where, for this purpose, the minimum Specified Denomination specified in these Final Terms shall constitute one Note) offered in Korea or to a resident in Korea shall be fewer than 50. Furthermore, the Notes shall not be divided or redenominated within 1 year from the issuance. Except for the Notes offered in Korea or to a resident in Korea in accordance with the aforementioned restriction, none of the Notes may be offered, sold and delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea within 1 year from the issuance of the Notes, except pursuant to the applicable laws and regulations of Korea. Furthermore, by purchasing the Notes, each Noteholder will be deemed to represent, warrant and agree that it shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Notes.[7]]
(c)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the EEA, "Applicable" should be specified.*)
(d)	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable]

[7] *Only applicable for Notes offered into Korea otherwise state 'Not Applicable'.*

(*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the UK, "Applicable" should be specified.*)

(e)	Prohibition of Sales to Belgian Consumers:	[Applicable/Not Applicable] (*N.B. advice should be taken from Belgian counsel before disapplying this selling restriction*)
(f)	Singapore Sales to Institutional Investors and Accredited Investors only:	[Applicable/Not Applicable] (*If the Notes are offered to Institutional Investors and Accredited Investors in Singapore only, "Applicable" should be specified. If the Notes are **also** offered to investors other than Institutional Investors and Accredited Investors in Singapore, "Not Applicable" should be specified.* *Parties to consider the Monetary Authority of Singapore's Notice on Business Conduct Requirements for Corporate Finance Advisers on 23 February 2023 and the related due diligence requirements. "Not Applicable" should only be specified if no corporate finance advice is given by any Manager or Dealer.*)
(g)	Japanese QII Private Placement Exemption:	[Not Applicable/In respect of the solicitation relating to the Notes in Japan, no securities registration statement under Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948 of Japan, as amended, the **FIEL**) has been or will be filed, since the solicitation constitutes a "Solicitation Targeting QIIs" as defined in Article 23-13, Paragraph 1 of the FIEL. By purchasing the Notes, each Noteholder will be deemed to represent, warrant and agree that it will not Transfer the Notes to any other person in Japan unless such person is a QII. As used herein, **QII** means a qualified institutional investor as defined in the Cabinet Ordinance Concerning Definitions under Article 2 of the Financial Instruments and Exchange Law of Japan (Ordinance No. 14 of 1993 of the Ministry of Finance of Japan, as amended) and **Transfer** means a sale, exchange, transfer, assignment, pledge, hypothecation, encumbrance or other disposition of all or any portion of Notes, either directly or indirectly, to another person.] (*N.B. it is expected that this Paragraph 7(g) will be applicable where any of the Notes may be offered into Japan or to any resident of Japan, otherwise state "Not Applicable". Checks should be made with the Issuer and*

the relevant Dealer or the relevant managers before disapplying this selling restriction.)

APPLICABLE FINAL TERMS IN RESPECT OF EXEMPT NOTES

Set out below is the form of Final Terms which will be completed for each Tranche of Exempt Notes.

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

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

[**PROHIBITION OF SALES TO CONSUMERS IN BELGIUM** – The Notes are not intended to be offered, sold or otherwise made available, and will not be offered, sold or otherwise made available, in Belgium to "consumers" (*consommateurs/consumenten*) within the meaning of the Belgian Code of Economic Law (*Code de droit économique/Wetboek van economisch recht*), as amended.][3]

[**MiFID II product governance/[Professional investors and eligible counterparties only] target market** [– Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, **MiFID II**)/MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*.] Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market

[1] *Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared in the EEA or the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the item entitled "Prohibition of Sales to EEA Retail Investors" should be specified to be "Applicable".*

[2] *Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared in the UK or the Issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the item entitled "Prohibition of Sales to UK Retail Investors" should be specified to be "Applicable".*

[3] *Legend to be included on the front of the Final Terms if "Prohibition of Sales to Belgian Consumers" is specified as "Applicable".*

assessment) and determining appropriate distribution channels.][4]/[*appropriate target market legend to be included.*] [*complete/amend as appropriate*]]

[**UK MiFIR product governance/[Professional investors and eligible counterparties only] target market** [– Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018/EUWA] (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Notes (a **UK distributor**) should take into consideration the manufacturer['s/s'] target market assessment; however, a UK distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][5]/[*appropriate target market legend to be included.*] [*complete/amend as appropriate*]]

[In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined the classification of the Notes as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).][6]

THE CSSF HAS NEITHER APPROVED NOR REVIEWED INFORMATION CONTAINED IN THESE FINAL TERMS IN RESPECT OF EXEMPT NOTES

FINAL TERMS

[*Date*]

[National Australia Bank Limited (ABN 12 004 044 937)/Bank of New Zealand/ BNZ International Funding Limited, acting through its London Branch]

Legal Entity Identifier (LEI): [F8SB4JFBSYQFRQEH3Z21/N7LGVZM7X4UQ66T7LT74/ 549300HVMZ89HDMELW08]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
[guaranteed by Bank of New Zealand]
under the U.S.$100,000,000,000

Global Medium Term Note Programme

[***As at the date of these Final Terms, the Notes have been certified by the Climate Bonds Initiative as "Climate Bonds" under the Climate Bonds Standard [Version [3.0]/[   ]]. Certification under the Climate Bonds Standard is neither a recommendation to buy, sell or hold the Notes nor a credit rating***][7]

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[4] *This version of the legend to be included on front of the Final Terms if transaction involves one or more manufacturer(s) subject to MiFID II and if following the "ICMA 1" approach.*

[5] *Legend to be included on front of the Final Terms if transaction involves one or more manufacturer(s) subject to UK MiFIR and if following the "ICMA 1" approach.*

[6] *To amend notification if the Notes are "capital markets products other than prescribed capital markets products" pursuant to Section 309B of the SFA or Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products). Relevant Manager(s)/Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.*

[7] *To be included, if applicable, upon an issue of Notes by NAB as Green Bonds which have been certified as "Climate Bonds".*

PART A—CONTRACTUAL TERMS

[**Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any [Dealer/Manager] to publish a prospectus pursuant to either Article 3 of Regulation (EU) 2017/1129 (**the **Prospectus Regulation) or section 85 of the Financial Services and Markets Act 2000 (**the **FSMA) or to supplement a prospectus pursuant to either Article 23 of the Prospectus Regulation or Article 23 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, in each case, in relation to such offer.**][8]

This document constitutes the Final Terms of the Notes described herein. This document must be read in conjunction with the Offering Circular dated 15 November 2023 [as supplemented by the supplement[s] to it dated [*date[s]*]] (the **Offering Circular**). Full information on the Issuer [and the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. [The Offering Circular is available on the website of the Luxembourg Stock Exchange (*www.luxse.com*).][9]/[Copies of the Offering Circular may be obtained free of charge, from the registered office of the [Principal Paying Agent/Deutsche Bank AG, London Branch, as the Issuer's Paying Agent in the United Kingdom,][10] at Winchester House, 1 Great Winchester Street, London EC2N 2DB.][11]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular [dated [*15 December 2011/14 December 2012/16 December 2013/15 December 2014/19 November 2015/17 November 2016/17 November 2017/21 November 2018/20 November 2019/16 November 2020/15 November 2021/15 November 2022*] and attached hereto].] (*Only include this language where it is a fungible issue and the original Tranche was issued under an Offering Circular with a different date.*)

(*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.*)

(*If the Notes issued by Bank of New Zealand or BNZ International Funding Limited, acting through its London Branch have a maturity of less than one year from the date of their issue, the minimum denomination must be £100,000 or its equivalent in any other currency*.)

1.	(a)	Issuer:	[National Australia Bank Limited (ABN 12 004 044 937) /Bank of New Zealand/BNZ International Funding Limited, acting through its London Branch]
	[(b)]	[Guarantor:	Bank of New Zealand The Notes described herein are not guaranteed by any government, government agency or compensation scheme of the Commonwealth of Australia, His Majesty the King in right of New Zealand or any other jurisdiction.]
2.	(a)	Series Number:	[ ]
	(b)	Tranche Number:	[ ]

[8] *Include relevant legend wording here for the EEA and/or UK, as applicable, if the "Prohibition of Sales" legend and related selling restriction for that regime are not included/not specified to be "Applicable" (because the Notes do not constitute "packaged" products, or a key information document will be prepared, under that regime).*

[9] *Include this option only if the Notes are listed on the Luxembourg Stock Exchange's Euro MTF Market.*

[10] *If Deutsche Bank Trust Company Americas is specified as the Principal Paying Agent in these Final Terms, use the second alternative.*

[11] *Include this option if the Notes are not listed on the Luxembourg Stock Exchange's Euro MTF Market.*

	(c)	Date on which the Notes will be consolidated and form a single Series:	[The Notes will be consolidated and form a single Series with [*identify earlier Tranches*] on [the Issue Date/the date that is 40 days after the Issue Date/exchange of the Temporary Bearer Global Note for interests in the Permanent Bearer Global Note, as referred to in Paragraph 29 below, which is expected to occur on or about [*date*]][Not Applicable]
3.	Specified Currency or Currencies:		[ ]
4.	Aggregate Nominal Amount		
	(a)	Series:	[ ]
	(b)	Tranche:	[ ]
5.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*]] (*include in the case of fungible issues only, if applicable*)
6.	(a)	Specified Denominations:	[ ] [(subject to Condition 10A.2A) (*only include in the case of Subordinated Notes where the Issuer is NAB, if applicable*)] (*N.B. Subordinated Notes shall have a minimum denomination of <u>€100,000 (or equivalent)</u>*) (*Note – where Bearer multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:* *"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]."*) (*N.B. If an issue of Notes is (i) NOT admitted to trading on a European Economic Area or United Kingdom exchange; and (ii) only offered in the European Economic Area or United Kingdom in circumstances where a prospectus is not required to be published under the Prospectus Regulation or the FSMA, as the case may be, the [€100,000] minimum denomination is not required. It is anticipated that Notes to be admitted to trading on the Euro MTF Market will be issued in minimum denominations of at least €100,000.*)
	(b)	Calculation Amount (in relation to calculation of interest for Notes in global form see Conditions):	[ ] [(subject to Condition 10A.2A) (*only include in the case of Subordinated Notes where the Issuer is NAB, if applicable*)] (*If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a*

common factor in the case of two or more Specified Denominations.)

7.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[*Specify*/Issue Date/Not Applicable] (*N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes*.)
8.	Maturity Date:		[*Fixed rate*—[*Specify date*]/[Interest Payment Date falling in [or nearest to] [*specify month and year*]/[Undated]] [*Floating rate*—Interest Payment Date falling in or nearest to [*specify month and year*]/[Undated]] (*N.B. for certain Fixed Rate Notes, including Notes denominated in Renminbi or Hong Kong dollars, or Fixed Rate Notes which apply a Business Day Convention other than Following Business Day Convention specified in Paragraph 16(f) below, where the Interest Payment Dates are subject to modification it will be necessary to use the "Interest Payment Date falling in or nearest to [specify month and year]" formulation*) (*N.B. for Zero Coupon Notes, include relevant Business Day Convention language if the Maturity Date is to be postponed or brought forward (as applicable) in accordance with a Business Day Convention. For a Zero Coupon Note with a Maturity Date that is to be postponed or brought forward (as applicable) in accordance with the Modified Following Business Day Convention consider including: "[date] [month] [year], unless [date] [month] [year] is not a [specify applicable financial centres, as appropriate] Business Day, in which case the Maturity Date shall be postponed to the next day which is a [[specify applicable financial centres, as appropriate Business Day unless it would thereby fall into the next calendar month, in which event the Maturity Date shall be brought forward to the immediately preceding [specify applicable financial centres, as appropriate] Business Day. [Specify applicable financial centres, as appropriate] Business Day means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in [specify applicable financial centres, as appropriate]."*)
9.	Interest Basis:		[[ ] per cent. per annum Fixed Rate] [[EURIBOR/HIBOR/CNH HIBOR/NIBOR] [Compounded Daily [SONIA/SOFR/CORRA/€STR]]

		[Average [SONIA/SOFR/CORRA/€STR]] [BBSW Rate/BKBM Rate] +/- [ ] per cent. per annum Floating Rate] (*N.B. It is expected that BBSW Rate or BKBM Rate will only be selected where 'BBSW Determination" or "BKBM Determination", respectively, are marked as "Applicable" below*) [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [*Specify other*] (further particulars specified below)
10.	Redemption/Payment Basis:	[Redemption at par] [(subject to Condition 10A.2A) (*only include in the case of Subordinated Notes where the Issuer is NAB, if applicable*)] [Index Linked Redemption] [Dual Currency Redemption] [Partly Paid] [Instalment] [*Specify other*]
11.	Change of Interest Basis or Redemption/Payment Basis:	[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*] [Not Applicable]
12.	U.S. Dollar Equivalent:	[Applicable/Not Applicable] (*N.B. Where Notes are denominated in Renminbi, it is expected that this Paragraph 12 will be marked "Applicable".*)
13.	Put/Call Options:	[Issuer Call] [Regulatory Event Call] [Investor Put] [(further particulars specified below)] [Not Applicable]
14.	(a) Status of the Notes:	[Senior]/[Subordinated]/[Guaranteed Senior] [(see further particulars in Paragraph [15(b) below])] (*N.B. Further particulars statement only relevant where the Issuer is NAB and "Subordinated" is selected*)
	(b) [Date of [Board] approval for issuance of Notes [and Guarantee] obtained:	[ ] [and [ ], respectively]] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee*)

PROVISIONS RELATING TO SUBORDINATED NOTES

15.	(a) Subordinated Notes:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this Paragraph 15*)

(b)	Further provisions relating to Subordinated Notes:	[Applicable/Not Applicable] (*N.B. only relevant where the Issuer is NAB and "Subordinated" is selected*) (*If not applicable delete the remaining subparagraphs of this Paragraph 15.*)
(A)	Write-Off:	[Applicable/Not Applicable]
(B)	Conversion:	[Applicable/Not Applicable]
(i)	CD:	[ ]
(ii)	VWAP Period:	[As specified in the Schedule to the Conditions]/[[ ] Business Days]
(iii)	Issue Date VWAP:	[As specified in the Schedule to the Conditions]/[[ ] Business Days]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	Fixed Rate Note Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this Paragraph 16*)
(a)	Rate(s) of Interest:	[ ] per cent. per annum [payable [annually/semi-annually/quarterly/other (*specify*)] in arrear on each Interest Payment Date] (*If payable other than annually, consider amending Condition 5*)
(b)	Interest Payment Date(s):	[[ ] in each year, commencing on [ ], up to (and including) the Maturity Date (*Amend appropriately in the case of irregular coupons*)]/[Maturity Date (*N.B. 'Maturity Date' should be specified where there is a single Interest Payment Date*)]
(c)	Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form, see Conditions):	[[ ] per Calculation Amount [(subject to Condition 10A.2A) (*only include in the case of Subordinated Notes where the Issuer is NAB, if applicable*)][Not Applicable] (*'Not Applicable' should be specified where 'Business Day Convention – Adjusted' is specified as being 'Applicable'*)
(d)	Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form, see Conditions):	[ ] per Calculation Amount payable on the Interest Payment Date falling [in/on] [ ] [Not Applicable]
(e)	Day Count Fraction:	[30/360] [Actual/Actual (ICMA)] [RBA Bond Basis][Australian Bond Basis] [Actual/Actual (ISDA)][Actual/Actual]

			[Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual Canadian Compound Method] [*Specify other*] (*See Condition 5.7 for alternatives*)
	(f)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[*Specify other*]]
		(i) Adjusted:	[Applicable/Not Applicable]
		(ii) Non-Adjusted:	[Applicable/Not Applicable]
	(g)	Additional Business Centre(s):	[[*Specify Additional Business Centre(s)*] For the avoidance of doubt, in accordance with the Conditions, [this/these] Additional Business Centre[s] [is/are] in addition to London and [*specify any other centre(s) which apply under the definition of "Business Day" in Condition 5.7*]]/[Not Applicable]
	(h)	Determination Date(s):	[[ ] in each year] [Not Applicable] (*Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*)
	(i)	Other terms relating to the method of calculating interest for Fixed Rate Notes which are Exempt Notes:	[None/*Give details*]
17.	Floating Rate Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this Paragraph 17*)
	(a)	Specified Period(s)/Specified Interest Payment Dates:	[ ] [, subject to adjustment in accordance with the Business Day Convention set out in (b) below /, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]
	(b)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[*Specify other*]][Not Applicable]
	(c)	Additional Business Centre(s):	[[*Specify Additional Business Centre(s)*]

For the avoidance of doubt, in accordance with the Conditions, [this/these] Additional Business Centre[s] [is/are] in addition to London and [*specify any other centre(s) which apply under the definition of "Business Day" in Condition 5.7*]]/[Not Applicable]

(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination – Term Rate/Screen Rate Determination – SOFR/Screen Rate Determination – SONIA/Screen Rate Determination – CORRA/ Screen Rate Determination – €STR/BBSW Determination/BKBM Determination/*Specify other*]
(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	[ ] [Not Applicable]
(f)	Screen Rate Determination:	[Applicable – Term Rate/Applicable – SOFR/Applicable – SONIA/Applicable – CORRA/ Applicable – €STR/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this Paragraph 17(f)*)
(i)	Reference Rate and Relevant Financial Centre:	Reference Rate: [[ ] month [EURIBOR/HIBOR/CNH HIBOR/NIBOR]] [SONIA] [SOFR] [CORRA] [€STR] [*Specify other Reference Rate*] Relevant Time: [ ] [Not Applicable] (*Where (i) Reference Rate is SONIA and Calculation Method is <u>not</u> SONIA Index Determination, (ii) Reference Rate is CORRA and Calculation Method is <u>not</u> CORRA Index Determination, (iii) Reference Rate is €STR and Calculation Method is <u>not</u> €STR Index Determination, or (iv) Reference Rate is SOFR, Relevant Time will be 'Not Applicable'*) Relevant Financial Centre: [Brussels/Hong Kong/Oslo/*Specify other Relevant Financial Centre*] [Not Applicable] (*Where Reference Rate is SONIA, SOFR, CORRA or €STR, Relevant Financial Centre will be 'Not Applicable'*)
(ii)	Interest Determination Date(s):	[the first day of each Interest Period][the second/[*specify*] business day prior to the start of each Interest Period][the second day on which T2 is open prior to the start of each Interest Period][The [first/[*specify*]] [U.S. Government Securities Business Day/London Banking Day/Toronto Business Day/T2 Business Day] falling after the last day of the relevant Observation Period][The day falling [*specify*] [U.S. Government Securities Business

Day[s]/London Banking Day[s]/Toronto Business Day[s]/T2 Business Day[s]] prior to each Interest Payment Date (or the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date)][*specify other*]

(iii)	Relevant Screen Page:	[ ][Not Applicable]
		(*In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately. Where Reference Rate is SOFR, CORRA or €STR, Relevant Screen Page will be 'Not Applicable'.*)
(iv)	SOFR Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this Paragraph 17(f)(iv)*)
(A)	Calculation Method:	[Compounded Daily SOFR Formula/SOFR Index Determination/Average SOFR]
(B)	Observation Method:	[Lookback/Observation Shift/Not Applicable]
(C)	Lookback Period (*p*):	[5/[*specify other*] U.S. Government Securities Business Days][Not Applicable]
(D)	Observation Shift Period:	[5/[*specify other*] U.S. Government Securities Business Days][Not Applicable]
		(*N.B. When setting the Lookback Period (p) or the Observation Shift Period, the practicalities of this period should be discussed with the Principal Paying Agent or, if applicable, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms. It is anticipated that '(p)' will be no fewer than 5 U.S. Government Securities Business Days unless otherwise agreed with the Principal Paying Agent or, if applicable/required, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, in relation to the relevant issuance*)
(E)	Relevant Number:	[5/[*specify other*] U.S. Government Securities Business Days][Not Applicable]
		(*Not applicable unless Calculation Method is SOFR Index Determination*)
		(*N.B. When setting the Relevant Number, the practicalities of this period should be discussed with the Principal Paying Agent or, if applicable, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms. It is anticipated that the Relevant Number will be no fewer than 5 U.S.*

Government Securities Business Days unless otherwise agreed with the Principal Paying Agent or, if applicable/required, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, in relation to the relevant issuance)

(v)	SONIA Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this Paragraph 17(f)(v)*)
	(A)	Calculation Method:	[Compounded Daily SONIA Formula/SONIA Index Determination/Average SONIA]
	(B)	Observation Method:	[Lag/Observation Shift/Not Applicable]
	(C)	Lag Lookback Period (*p*):	[5/[*specify other*] London Banking Days][Not Applicable]
	(D)	Observation Shift Period:	[5/[*specify other*] London Banking Days][Not Applicable] (*N.B. When setting the Lag Lookback Period (p) or the Observation Shift Period, the practicalities of this period should be discussed with the Principal Paying Agent or, if applicable, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms. It is anticipated that '(p)' will be no fewer than 5 London Banking Days unless otherwise agreed with the Principal Paying Agent or, if applicable/required, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, in relation to the relevant issuance*)
	(E)	Relevant Number:	[5/[*specify other*] London Banking Days][Not Applicable] (*Not applicable unless Calculation Method is SONIA Index Determination*) (*N.B. When setting the Relevant Number, the practicalities of this period should be discussed with the Principal Paying Agent or, if applicable, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms. It is anticipated that the Relevant Number will be no fewer than 5 London Banking Days unless otherwise agreed with the Principal Paying Agent or, if applicable/required, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, in relation to the relevant issuance*)
(vi)	CORRA Provisions:		[Applicable/Not Applicable]

(*If not applicable, delete the remaining subparagraphs of this Paragraph 17(f)(vi)*)

(A)	Calculation Method:	[Compounded Daily CORRA Formula/CORRA Index Determination/Average CORRA]
(B)	Observation Method:	[Lag/Observation Shift/Not Applicable]
(C)	Lag Lookback Period (*p*):	[5/[*specify other*] Toronto Business Days][Not Applicable]
(D)	Observation Shift Period:	[5/[*specify other*] Toronto Business Days][Not Applicable] (*N.B. When setting the Lag Lookback Period (p) or the Observation Shift Period, the practicalities of this period should be discussed with the Principal Paying Agent or, if applicable, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms. It is anticipated that '(p)' will be no fewer than 5 Toronto Business Days unless otherwise agreed with the Principal Paying Agent or, if applicable/required, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, in relation to the relevant issuance*)
(E)	Relevant Number:	[5/[*specify other*] Toronto Business Days][Not Applicable] (*Not applicable unless Calculation Method is CORRA Index Determination*) (*N.B. When setting the Relevant Number, the practicalities of this period should be discussed with the Principal Paying Agent or, if applicable, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms. It is anticipated that the Relevant Number will be no fewer than 5 Toronto Business Days unless otherwise agreed with the Principal Paying Agent or, if applicable/required, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, in relation to the relevant issuance*)

(vii)	€STR Provisions:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this Paragraph 17(f)(vii)*)
(A)	Calculation Method:	[Compounded Daily €STR Formula/€STR Index Determination/Average €STR]
(B)	Observation Method:	[Lag/Observation Shift/Not Applicable]

(C)	Lag Lookback Period (*p*):	[5/[*specify other*] T2 Business Days][Not Applicable]
(D)	Observation Shift Period:	[5/[*specify other*] T2 Business Days][Not Applicable] (*N.B. When setting the Lag Lookback Period (p) or the Observation Shift Period, the practicalities of this period should be discussed with the Principal Paying Agent or, if applicable, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms. It is anticipated that '(p)' will be no fewer than 5 T2 Business Days unless otherwise agreed with the Principal Paying Agent or, if applicable/required, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, in relation to the relevant issuance*)
(E)	Relevant Number:	[5/[*specify other*] T2 Business Days][Not Applicable] (*Not applicable unless Calculation Method is €STR Index Determination*) (*N.B. When setting the Relevant Number, the practicalities of this period should be discussed with the Principal Paying Agent or, if applicable, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms. It is anticipated that the Relevant Number will be no fewer than 5 T2 Business Days unless otherwise agreed with the Principal Paying Agent or, if applicable/required, such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, in relation to the relevant issuance*) (*It is anticipated that Screen Rate Determination will be used on an issue by issue basis, unless otherwise agreed between the Issuer and the relevant dealer or the relevant managers on the launch of a particular issue*.)

(g)	BBSW Determination:	[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this Paragraph 17(g)*)
(i)	Interest Determination Date(s) for BBSW Rate:	[As specified in Condition 5.2(b)(vi)(C)/*specify other*]
(ii)	Interest Determination Date(s) for Fallback Rates:	[As specified in Condition 5.2(b)(vi)(C)/*specify other*]
(h)	BKBM Determination:	[Applicable/Not Applicable]

			(*If not applicable, delete the remaining subparagraphs of this Paragraph 17(h)*)
		(i) Relevant Financial Centre:	[Auckland and Wellington]
		(ii) Interest Determination Date(s):	[ ]
	(i)	Linear Interpolation:	[Not Applicable][Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
	(j)	Margin(s):	[+/-] [ ] per cent. per annum
	(k)	Minimum Rate of Interest:	[[ ] per cent. per annum][Not Applicable]
	(l)	Maximum Rate of Interest:	[[ ] per cent. per annum][Not Applicable]
	(m)	Day Count Fraction:	[[Actual/Actual (ISDA)] [Actual/Actual] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [RBA Bond Basis] [Australian Bond Basis] [Actual/Actual Canadian Compound Method] [*Other*]] (*See Condition 5.7 for alternatives*)
	(n)	Interest Amounts Non-Adjusted:	[Applicable/Not Applicable]
	(o)	Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes which are Exempt Notes, if different from those set out in the Conditions:	[ ]
18.	Zero Coupon Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this Paragraph 18*)
	(a)	Accrual Yield:	[ ] per cent. per annum
	(b)	Reference Price:	[ ]
	(c)	Any other formula/basis of determining amount payable for Zero Coupon Notes which are Exempt Notes:	[ ]

	(d)	Day Count Fraction in relation to Early Redemption Amounts:	[30/360] [Actual/360] [Actual/365]
19.	Index Linked Interest Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this Paragraph 19*)
	(a)	Index/Formula:	[*give or annex details*]
	(b)	Calculation Agent:	[*give name*]
	(c)	Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Principal Paying Agent):	[ ]
	(d)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
	(e)	Specified Period(s)/Specified Interest Payment Dates:	[ ]
	(f)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*Specify other*]
	(g)	Additional Business Centre(s):	[[*Specify Additional Business Centre(s)*] For the avoidance of doubt, in accordance with the Conditions, [this/these] Additional Business Centre[s] [is/are] in addition to London and [*specify any other centre(s) which apply under the definition of "Business Day" in Condition 5.7*]]/[Not Applicable]
	(h)	Minimum Rate of Interest:	[ ] per cent. per annum
	(i)	Maximum Rate of Interest:	[ ] per cent. per annum
	(j)	Day Count Fraction:	[ ]
	(k)	Interest Amounts Non-Adjusted:	[Applicable/Not Applicable]
20.	Dual Currency Interest Note Provisions:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this Paragraph 20*)

	(a)	Rate of Exchange/method of calculating Rate of Exchange:	[*give or annex details*]
	(b)	Party, if any, responsible for calculating the principal and/or interest due (if not the Principal Paying Agent):	[ ]
	(c)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
	(d)	Person at whose option Specified Currency(ies) is/are payable:	[ ]

PROVISIONS RELATING TO REDEMPTION

21.	Notice periods for Condition 7.2:		Minimum period: [30/[ ]] days Maximum period: [[60/[ ]] days] [Not Applicable]
22.	Issuer Call:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this Paragraph 22*)
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount/*Specify other*/see Appendix] [(subject to Condition 10A.2A) (*only include in the case of Subordinated Notes where the Issuer is NAB, if applicable*)]
	(c)	If redeemable in part:	
		(i) Minimum Redemption Amount:	[ ]
		(ii) Maximum Redemption Amount:	[ ]
	(d)	Notice periods:	Minimum period: [5/[ ]] days Maximum period: [10/[ ]] days (*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee*)

23.	Regulatory Event Call in respect of Subordinated Notes:		[Applicable/Not Applicable]
			(*If not applicable, delete the remaining subparagraph of this Paragraph 23*)
	Notice periods:		Minimum period: [*specify*] days
			Maximum period: [*specify*] days
24.	Investor Put:		[Applicable/Not Applicable]
			(*If not applicable, delete the remaining subparagraphs of this Paragraph 24*)
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[ ] per Calculation Amount/*Specify other*/see Appendix]
	(c)	Notice periods:	Minimum period: [15/[ ]] days
			Maximum period: [30/[ ]] days
			(*N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent or Trustee*)
25.	Final Redemption Amount:		[[ ] per Calculation Amount/*Specify other*/see Appendix] [(subject to Condition 10A.2A) (*only include in the case of Subordinated Notes where the Issuer is NAB, if applicable*)]
26.	Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7.5):		[[ ] per Calculation Amount/Condition 7.5 applies/*Specify other*/see Appendix] [(subject to Condition 10A.2A) (*only include in the case of Subordinated Notes where the Issuer is NAB, if applicable*)]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

27.	Principal Paying Agent (if not Deutsche Bank AG, London Branch):		[Deutsche Bank Trust Company Americas/Not Applicable]
28.	Any applicable Tax Jurisdiction:		[*Give details*][Not Applicable] (*N.B. See Condition 8*)
29.	(a)	Form of Notes:	[Bearer Notes:

[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event].]

[Temporary Bearer Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date.]

[Permanent Bearer Global Note exchangeable for Definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer].]

(*Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves*.)

[Registered Notes:

Regulation S Global Note (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/a sub-custodian for the CMU/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (and held under the NSS)]/Rule 144A Global Note (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg/a common safekeeper for Euroclear and Clearstream, Luxembourg (and held under the NSS)] (*specify nominal amounts*)]

(*It is anticipated that all Registered Notes issued by NAB, BNZ or BNZ-IF under the Programme will be registered in the name of a common depositary for Euroclear and Clearstream, Luxembourg and/or in the name of a nominee for DTC and/or a sub-custodian for the CMU, because Registered Notes issued by NAB, BNZ or BNZ-IF do not currently satisfy the ECB's Eurosystem eligibility criteria and, accordingly, cannot be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations.*)

(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves. NB: The exchange event upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in Paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary

			Bearer Global Note exchangeable for a Definitive Bearer Note.)
	(b)	New Global Note:	[Yes] [No] [*It is anticipated that all Bearer Notes issued by NAB, BNZ or BNZ-IF under the Programme will not be issued in NGN form and will be deposited with a sub-custodian for the CMU or a common depositary for Euroclear and Clearstream, Luxembourg. Bearer Notes issued by NAB, BNZ or BNZ-IF do not currently satisfy the ECB's Eurosystem eligibility criteria and, accordingly, cannot be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations.*]
30.	Additional Financial Centre(s):		[[*Specify Additional Financial Centre(s)*] For the avoidance of doubt, in accordance with the Conditions, [this/these] Additional Financial Centre[s] [is/are] in addition to [*specify centre(s) which apply under the definition of "Payment Day" in Condition 6.7*]]/ [Not Applicable] (*Note that this Paragraph 30 relates to the date of payment and not the end dates of Interest Periods for the purposes of calculating the amount of interest, to which sub-paragraph 17(c) relates.*)
31.	Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes:		[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]
32.	Details relating to Partly Paid Notes: 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:		[Not Applicable/*give details. N.B. A new form of Temporary Bearer Global Note and/or Permanent Bearer Global Note may be required for Partly Paid issues*]
33.	Details relating to Instalment Notes:		[Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this Paragraph 33*)
	(a)	Instalment Amount(s):	[*give details*]
	(b)	Instalment Date(s):	[*give details*]
34.	Additional United States Federal Income Tax Disclosure:		[Not Applicable/*provide additional disclosure if necessary or desired, e.g., in the case of a reopening of Notes*.]

35. Other terms or special conditions: [Not Applicable/*give details*]

[THIRD PARTY INFORMATION

[*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 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.]

Signed on behalf of [*insert name of Issuer*]:

By: ....

Duly authorised

[Signed on behalf of Bank of New Zealand:

By:..

Duly authorised

By:

Duly authorised]

PART B—OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the Luxembourg Stock Exchange's Euro MTF Market and listed on the official list of the Luxembourg Stock Exchange] [*other*] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF Market and listed on the official list of the [Luxembourg Stock Exchange] [*other*] with effect from [ ].] [Not Applicable.]

(*When documenting a fungible issue, need to indicate that original Notes are already admitted to trading.*)

2. **RATINGS**

Ratings:	[The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert the legal name of the relevant credit rating agency entity(ies)*] [Not Applicable] [The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally: [*specify ratings and rating agencies*]]

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

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

4. **[YIELD** (*Fixed Rate Notes only*)

Indication of yield:	[[ ] per cent. [per annum]
	[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. *(Amend as applicable if required, for example if the yield has been calculated in respect of a particular period)*]/[Not Applicable]]

5. **USE OF PROCEEDS**

Use of Proceeds:	[See "*Use of Proceeds*" in the Offering Circular]/[*Give details*]/[The Issuer intends to issue the Notes as Green Bonds (as defined in the Offering Circular) and to apply an amount equal to the net proceeds from this issue of Notes towards financing or re-financing the Portfolio as described in "*Use of Proceeds—Green Bonds*" in the Offering Circular and in these Final Terms)]]

[As at the date of these Final Terms, the Portfolio includes projects, assets and other expenditures within the following sectors recognised by the Climate Bonds Initiative: [ ]] *(Amend as appropriate, if required, to provide additional information about the Portfolio as at the issue date of Notes issued as Green Bonds)*

[As at the date of these Final Terms, the Green Bonds have been certified by the Climate Bonds Initiative as "Climate Bonds" under the Climate Bonds Standard [Version [3.0]/[ ]]). Certification under the Climate Bonds Standard is neither a recommendation to buy, sell or hold the Notes nor a credit rating.] *(If not applicable, delete this paragraph)*

(*It is currently envisaged that the only issuer of Notes issued as Green Bonds will be NAB and such Green Bonds will be issued as Exempt Notes only*.)

6. **OPERATIONAL INFORMATION**

(a)	ISIN:	[ ]
(b)	Common Code:	[ ]
(c)	CFI:	[[See/[[include code], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(d)	FISN:	[[See/[[include code], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]
(e)	[CMU Instrument Number:]	[ ] (*Only applicable for Notes held through the CMU Service*)
(f)	[CUSIP/CINS/ Other securities number:]	[*Insert here any other relevant codes such as CUSIP and CINS codes and renumber accordingly*]
(g)	Any clearing system(s) other than [Euroclear and Clearstream, Luxembourg,] [CMU Service] [and DTC] [*delete as applicable*] and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
(h)	Delivery:	Delivery [against/free of] payment

(i)	Name(s) and address(es) of additional Paying Agent(s) (if any):	[ ][Not Applicable]
(j)	Deemed delivery of clearing system notices for the purposes of Condition 14:	[Any notice delivered to Noteholders through [Euroclear and/or Clearstream, Luxembourg] [and/or DTC] [and/or the persons shown in a CMU Instrument Position Report issued by the CMU Service] will be deemed to have been given on the [day]/[[second] day after the day] on which it was given to [Euroclear and Clearstream, Luxembourg,] [DTC] [or the persons shown in a CMU Instrument Position Report issued by the CMU Service,] [as applicable].]
(k)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as a common safekeeper)] [*include this text for Registered Notes*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)][*include this text for Registered Notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]] [*include this text if "no" selected*]

7. **DISTRIBUTION**

(a)	Method of distribution:	[Syndicated/Non-syndicated]
(b)	If syndicated, names of Managers:	[Not Applicable/*give names*]
(c)	Stabilisation Manager(s) (if any):	[Not Applicable/*give name*]

(d)	If non-syndicated, name of relevant Dealer:	[Not Applicable/*give name*]
(e)	U.S. Selling Restrictions:	Reg. S Compliance Category [1/2/3]; [TEFRA D/TEFRA C/TEFRA not applicable]
(f)	The Republic of Korea [(**Korea**)] Selling Restrictions:	[Not Applicable/The Notes have not been and will not be registered for public offering under the Financial Investments Services and Capital Markets Act of Korea (the **FSCMA**). Accordingly, (i) the number of residents in Korea (as defined in the Foreign Exchange Transactions Law of Korea (**FETL**) and its Enforcement Decree) and persons in Korea to whom the Notes have been and will be offered shall be fewer than 50 (as calculated in accordance with the Enforcement Decree of the FSCMA), and (ii) the number of Notes (where, for this purpose, the minimum Specified Denomination specified in these Final Terms shall constitute one Note) offered in Korea or to a resident in Korea shall be fewer than 50. Furthermore, the Notes shall not be divided or redenominated within 1 year from the issuance. Except for the Notes offered in Korea or to a resident in Korea in accordance with the aforementioned restriction, none of the Notes may be offered, sold and delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea within 1 year from the issuance of the Notes, except pursuant to the applicable laws and regulations of Korea. Furthermore, by purchasing the Notes, each Noteholder will be deemed to represent, warrant and agree that it shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Notes.[12]]
(g)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the EEA, "Applicable" should be specified.*)
(h)	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes*

[12] *Only applicable for Notes offered into Korea otherwise state 'Not Applicable'.*

		may constitute "packaged" products and no key information document will be prepared in the UK, "Applicable" should be specified.)
(i)	Singapore Sales to Institutional Investors and Accredited Investors only:	[Applicable/Not Applicable] (*If the Notes are offered to Institutional Investors and Accredited Investors in Singapore only, "Applicable" should be specified. If the Notes are **also** offered to investors other than Institutional Investors and Accredited Investors in Singapore, "Not Applicable" should be specified.* *Parties to consider the Monetary Authority of Singapore's Notice on Business Conduct Requirements for Corporate Finance Advisers on 23 February 2023 and the related due diligence requirements. "Not Applicable" should only be specified if no corporate finance advice is given by any Manager or Dealer.*)
(j)	Japanese QII Private Placement Exemption:	[Not Applicable/In respect of the solicitation relating to the Notes in Japan, no securities registration statement under Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948 of Japan, as amended, the **FIEL**) has been or will be filed, since the solicitation constitutes a "Solicitation Targeting QIIs" as defined in Article 23-13, Paragraph 1 of the FIEL. By purchasing the Notes, each Noteholder will be deemed to represent, warrant and agree that it will not Transfer the Notes to any other person in Japan unless such person is a QII. As used herein, **QII** means a qualified institutional investor as defined in the Cabinet Ordinance Concerning Definitions under Article 2 of the Financial Instruments and Exchange Law of Japan (Ordinance No. 14 of 1993 of the Ministry of Finance of Japan, as amended) and **Transfer** means a sale, exchange, transfer, assignment, pledge, hypothecation, encumbrance or other disposition of all or any portion of Notes, either directly or indirectly, to another person.] (*N.B. it is expected that this Paragraph 7(j) will be applicable where any of the Notes may be offered into Japan or to any resident of Japan, otherwise state "Not Applicable". Checks should be made with the Issuer and the relevant Dealer or the relevant managers before disapplying this selling restriction.*)
(k)	Additional selling restrictions:	[Not Applicable/*give details*] (*Additional selling restrictions are only likely to be relevant for certain structured Notes, such as commodity-linked Notes*)
(l)	Prohibition of Sales to Belgian Consumers:	[Applicable/Not Applicable]

(*N.B. advice should be taken from Belgian counsel before disapplying this selling restriction*)

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer, the Guarantor (in the case of Guaranteed Senior Notes) and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may, in respect of an Exempt Note, specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "applicable Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by National Australia Bank Limited (ABN 12 004 044 937) (**NAB**), Bank of New Zealand (**BNZ**) or BNZ International Funding Limited, acting through its London Branch (**BNZ-IF**) (each an **Issuer** and together, the **Issuers**) constituted by a trust deed (such trust deed as modified and/or supplemented and/or restated from time to time, the **Trust Deed**) dated 17 March 2005 made between NAB as Issuer and Deutsche Trustee Company Limited (the **Trustee**, which expression shall include any successor as Trustee). By a First Supplemental Trust Deed dated 17 October 2005 and made between, amongst others, NAB, BNZ-IF, BNZ as guarantor of Notes issued by BNZ-IF (the **Guarantor**) and the Trustee, BNZ-IF became an Issuer under the Programme (as defined in the Trust Deed) and, by a Twentieth Supplemental Trust Deed dated 21 November 2018 and made between NAB, BNZ-IF, BNZ (as an Issuer and as the Guarantor) and the Trustee, BNZ became an Issuer under the Programme. Notes issued by BNZ-IF (**Guaranteed Senior Notes**) will be unconditionally and irrevocably guaranteed by the Guarantor under a guarantee set out in the Trust Deed (the **Guarantee**).

References herein to the **Issuer** shall be references to the party specified as Issuer in the applicable Final Terms for this Note.

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

(a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;

(b) any Global Note;

(c) any definitive Notes in bearer form (**Bearer Notes**) issued in exchange for a Global Note in bearer form; and

(d) any definitive Notes in registered form (**Registered Notes)** (whether or not issued in exchange for a Global Note in registered form).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated agency agreement (as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 15 November 2021 and made between NAB, BNZ-IF, BNZ (as an Issuer and as the Guarantor), the Trustee, Deutsche Bank AG, London Branch as issuing and principal paying agent and agent bank (except as otherwise described below, the **Principal Paying Agent**, which expression shall include any successor agent) and as exchange agent (the **Exchange Agent**, which expression shall include any successor exchange agent), Deutsche Bank Trust Company Americas as issuing and principal paying agent and agent bank with respect to certain Series of Exempt Notes where specified as "Principal Paying Agent" in the applicable Final Terms and the other paying agents named therein (together with Deutsche Bank Trust Company Americas and the Principal Paying Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents), Deutsche Bank AG, Hong Kong Branch as CMU lodging agent (the **CMU Lodging Agent**, which expression shall include any successor CMU lodging agent), Deutsche Bank

Trust Company Americas as registrar (together with the other registrars named therein, the **Registrar**, which expression shall include any additional or successor registrars) and as transfer agent and the other transfer agents named therein (together with the Registrar, the **Transfer Agents**, which expression shall include any additional or successor transfer agents).

For the purposes of these Terms and Conditions, all references to the Principal Paying Agent shall, (i) with respect to a Series of Exempt Notes (as defined below) where Deutsche Bank Trust Company Americas is specified as "Principal Paying Agent" in the applicable Final Terms, be deemed to be references to Deutsche Bank Trust Company Americas (or its successors under the Agency Agreement), and (ii) (other than in relation to the determination of interest and other amounts payable in respect of the Notes) with respect to a Series of Notes to be held in the CMU Service (as defined below), be deemed to be a reference to the CMU Lodging Agent to the extent necessary for enabling the CMU Lodging Agent to fully observe and perform its obligations under the CMU Rules (as defined in the Trust Deed) and all such references shall be construed accordingly.

Interest bearing definitive Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts (**Receipts**) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Final Terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Terms and Conditions (the **Conditions**) and, in the case of a Note which is neither admitted to trading on (i) a regulated market in the European Economic Area or (ii) a UK regulated market as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, nor offered in (i) the European Economic Area or (ii) the United Kingdom in circumstances where a prospectus is required to be published under the Prospectus Regulation or the Financial Services and Markets Act 2000, as the case may be (an **Exempt Note**), may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the **applicable Final Terms** are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The Final Terms for each Tranche of Notes (other than Notes issued with a minimum denomination of less than Euro 100,000 (or its equivalent in any other currency)) will state in particular whether the Notes of that Tranche are (i) in the case of Notes issued by NAB or BNZ, senior Notes (**Senior Notes**), or (ii) in the case of Notes issued by NAB or BNZ, term subordinated Notes (**Subordinated Notes**), or (iii) in the case of Notes issued by BNZ-IF only, Guaranteed Senior Notes. Each Tranche of Notes issued with a minimum denomination of less than Euro 100,000 (or its equivalent in any other currency) will be issued as Senior Notes or Guaranteed Senior Notes.

The expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

Any reference to **Noteholders** or **holders** in relation to any Notes shall mean (in the case of Bearer Notes) the bearers for the time being of the Notes and (in the case of Registered Notes) the persons in whose name the Notes for the time being are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to **Receiptholders** shall mean the bearers for the time being of the Receipts and any reference herein to **Couponholders** shall mean the bearers for the time being of the Coupons and shall, unless the context otherwise requires, include the bearers for the time being of the Talons. The Trustee acts for the benefit of the Noteholders, the Receiptholders and the Couponholders in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing or admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the Issue Date, the Issue Price, the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Trust Deed and the Agency Agreement (i) are available for inspection or collection by appointment during normal business hours at the registered office for the time being of the Trustee being at Winchester House, 1 Great Winchester Street, London EC2N 2DB and at the specified office of each of the Principal Paying Agent, the Registrar, the Exchange Agent and the other Paying Agents and Transfer Agents (such Agents and the Registrar being together referred to as the **Agents**) and the Trustee, or (ii) may be provided to a Noteholder for inspection by electronic means following their prior written request to the Trustee or the relevant Agent, as the case may be, and provision of proof of holding and identity (in a form satisfactory to the Trustee or the relevant Agent, as the case may be). If the Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange pursuant to the Prospectus Regulation or on the Luxembourg Stock Exchange's Euro MTF Market, the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange (*www.luxse.com*). If this Note is an Exempt Note, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer or (in the case of Guaranteed Senior Notes) the Guarantor and the Trustee or, as the case may be, the relevant Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement, the Guarantee (in the case of Guaranteed Senior Notes) and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed and the Agency Agreement.

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

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

This Note may be a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

If this Note is an Exempt Note, this Note may also be an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

If this Note is an Exempt Note, this Note may also be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Notes issued as Subordinated Notes must not be Zero Coupon Notes, Index Linked Interest Notes, Dual Currency Interest Notes, Index Linked Redemption Notes, Partly Paid Notes, Instalment Notes, Dual Currency Redemption Notes or any combination of any of the foregoing.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes, in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Guarantor (in the case of Guaranteed Senior Notes), the Agents and the Trustee will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**) and/or a sub-custodian for the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (the **CMU Service**), each person (other than Euroclear, Clearstream, Luxembourg or the CMU Service) who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg or the CMU Service as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg or the CMU Service as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor (in the case of Guaranteed Senior Notes), the Agents and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Guarantor (in the case of Guaranteed Senior Notes), any Agent and the Trustee as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. Notwithstanding the above, if a Note is held through the CMU Service, any payment that is made in respect of such Note shall be made at the direction of the bearer or at the direction of the registered holder (to whose order such payments are to be made) to the person(s) for whose account(s) interests in such Note are credited as being held through the CMU Service in accordance with the CMU Rules at the relevant time as notified to the CMU Lodging Agent by the CMU Service in a relevant CMU Instrument Position Report or any other relevant notification by the CMU Service (which notification, in either case, shall be conclusive evidence of the records of the CMU Service as to the identity of any accountholder and the principal amount of any Note credited to its account, save in the case of manifest error) (**CMU Accountholders**) and such payments shall discharge the obligation of the Issuer in respect of that payment under such Note. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

For so long as The Depository Trust Company (**DTC**) or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Trust Deed and the Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear, Clearstream, Luxembourg and the CMU Service, as the case may be. References to DTC, Euroclear, Clearstream, Luxembourg and/or the CMU Service shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Issuer, the Guarantor (in the case of Guaranteed Senior Notes), the Principal Paying Agent and the Trustee.

2. TRANSFERS OF REGISTERED NOTES

(a) Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear, Clearstream, Luxembourg or the CMU Service, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the Specified Denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC and its direct and indirect participants (including, if applicable, Euroclear and Clearstream, Luxembourg), Euroclear, Clearstream, Luxembourg or the CMU Service, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

(b) Transfers of Registered Notes in definitive form

Subject as provided in paragraphs (c), (e) and (f) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the Specified Denominations set out in the applicable Final Terms). In order to effect any such transfer (i) the holder or holders must (A) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or its or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 4 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(c) Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(d) Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(e) Transfers of interests in Regulation S Global Notes

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made upon receipt by the Registrar of a written certification substantially in the form set out in the Agency

Agreement, amended as appropriate (a **Transfer Certificate**), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

In the circumstances set out in this Condition 2(e), such transferee may take delivery through a Legended Note in global or definitive form. After expiry of the applicable Distribution Compliance Period (i) beneficial interests in Regulation S Global Notes registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (ii) such certification requirements will no longer apply to such transfers.

(f) Transfers of interests in Legended Notes

Transfers of Legended Notes or beneficial interests therein may be made:

(i) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that in the case of a Regulation S Global Note registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or

(ii) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

(iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Notes or refuse to remove the Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

(g) Definitions

In this Condition, the following expressions shall have the following meanings:

Distribution Compliance Period means the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

Legended Note means Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A;

QIB means a **qualified institutional buyer** within the meaning of Rule 144A;

Regulation S means Regulation S under the Securities Act;

Regulation S Global Note means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

Rule 144A means Rule 144A under the Securities Act;

Rule 144A Global Note means a Registered Global Note representing Notes sold in the United States to QIBs; and

Securities Act means the United States Securities Act of 1933, as amended.

3. STATUS OF THE SENIOR NOTES AND GUARANTEED SENIOR NOTES AND SUBORDINATION

The applicable Final Terms (other than Notes issued with a minimum denomination of less than Euro 100,000 (or its equivalent in any other currency)) will indicate whether the Notes are, in the case of Notes issued by NAB or BNZ, Senior Notes or Subordinated Notes or, in the case of Notes issued by BNZ-IF, Guaranteed Senior Notes. The applicable Final Terms for Notes issued with a minimum denomination of less than Euro 100,000 (or its equivalent in any other currency) will indicate whether the Notes are to be issued by NAB or BNZ as Senior Notes or, in the case of Notes issued by BNZ-IF, as Guaranteed Senior Notes.

*NAB is an "authorised deposit-taking institution" (**ADI**) for the purposes of the Banking Act 1959 of Australia (**Banking Act**) in Australia. Accordingly, but without limitation to the other mandatory priority provisions of the Banking Act or the Reserve Bank Act 1959 of Australia or to other applicable laws, section 13A of Division 2 of Part II of the Banking Act provides that, in the event NAB becomes unable to meet its obligations or suspends payment, its assets in Australia are available to meet specified liabilities in Australia in priority to all other liabilities of NAB (including Notes issued by NAB). These specified liabilities include obligations of NAB in respect of protected accounts (as defined in the Banking Act), debts due to the Reserve Bank of Australia (the **RBA**) and certain debts due to the Australian Prudential Regulation Authority (**APRA**). Certain assets, such as the assets of NAB in a cover pool for a covered bond issued by NAB, 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 holders of such covered bonds and certain other secured creditors in respect of the covered bonds.*

The claims which are preferred by law to the claims of a Noteholder in respect of a Note issued by NAB, including without limitation under the Banking Act provisions referred to above, will include most deposits, will be substantial and are not limited by these Conditions. NAB's assets which are excluded from constituting assets in Australia and which are subject to prior claims in connection with covered bonds as described above may also be substantial. In addition, future changes to applicable law may extend the debts required to be preferred by law or the assets to be excluded.

The Notes are not deposit liabilities or protected accounts of NAB for the purposes of the Banking Act. The Notes are not insured by any government, government agency or compensation scheme of Australia, His Majesty the King in right of New Zealand or any other jurisdiction or by any other party. Notes issued by NAB and BNZ are not guaranteed by any person.

3.1 Status of the Senior Notes and Guaranteed Senior Notes

The Senior Notes and Guaranteed Senior Notes and any relative Receipts and Coupons are unsubordinated, direct and unsecured obligations of the Issuer and rank *pari passu* with all other unsecured and unsubordinated obligations of the Issuer (other than any obligation preferred by mandatory provisions of applicable law including (in respect of NAB only) but not limited to those referred in Division 2 of Part II of the Banking Act 1959 of Australia (**Banking Act**) and section 86 of the Reserve Bank Act 1959 of Australia).

3.2 Subordination—NAB

The provisions of, and the defined terms contained within, this Condition 3.2 apply only to Subordinated Notes issued by NAB and references to "Subordinated Notes" in this Condition 3.2 shall be construed accordingly.

(a) Subordinated Notes are direct, unsecured obligations of NAB and are subordinated to the claims of all Senior Creditors (as defined below) of NAB in right of payment of principal of and interest on such Subordinated Notes with respect to the assets of NAB in the event of a Winding Up of NAB.

(b) At any time prior to the Winding Up of NAB in Australia:

  (i) payments by NAB of principal and interest or any other amount owing to a Noteholder or the Trustee in connection with the Subordinated Notes are conditional upon NAB being Solvent (as defined in Condition 10.2) at the time those payments fall due; and

  (ii) NAB must not pay an amount owing to a Noteholder or the Trustee in connection with the Subordinated Notes except to the extent that NAB may pay such amount and still be Solvent (as defined in Condition 10.2) immediately after doing so,

provided that this provision shall not affect or prejudice the payment of costs, charges, expenses, liabilities, indemnities or remuneration of or to the Trustee or the rights and remedies of the Trustee in respect thereof.

Subordinated Notes rank in a Winding Up of NAB behind all claims of Senior Creditors, *pari passu* among themselves, and subject to Condition 10A, *pari passu* with Equal Ranking Instruments and ahead of Junior Ranking Instruments.

In a Winding Up of NAB a Noteholder's claim for an amount owing by NAB in connection with a Subordinated Note is subordinated to the claims of Senior Creditors of NAB, in that:

(x) all claims of Senior Creditors must be paid in full before the Noteholder's claim is paid; and

(y) until the Senior Creditors have been paid in full, the Noteholder must not claim in the Winding Up of NAB in competition with the Senior Creditors so as to diminish any distribution, dividend or payment which, but for that claim, the Senior Creditors would have been entitled to receive.

The Subordinated Notes will not contain any limitations on the amount of senior debt, deposits or other obligations that may be hereafter incurred or assumed by NAB.

Each Noteholder irrevocably acknowledges and agrees that this Condition 3.2 is a debt subordination for the purposes of section 563C of the Corporations Act 2001 of Australia (the **Corporations Act**). Each Noteholder irrevocably acknowledges and agrees that the debt subordination effected by this Condition 3.2 is not affected by any act or omission of NAB or a Senior Creditor which might otherwise affect it at law or in equity.

To the fullest extent permitted by applicable law, a holder of a Subordinated Note and any related Receipts and Coupons shall not have any right to set-off any amounts owing to it by NAB in connection with that Subordinated Note against any amount owing by it to NAB in connection with the Subordinated Notes or otherwise and NAB shall not have any right to set-off any amounts owing by it to the holder in connection with that Subordinated Note against any amount owing by the holder to it in connection with the Subordinated Notes or otherwise.

Each Noteholder must not exercise its voting rights as an unsecured creditor in the Winding Up or administration of NAB to defeat the subordination in this Condition 3.2. In addition, each Noteholder irrevocably acknowledges and agrees that it must pay or deliver to the liquidator any amount or asset received on account of its claim in the Winding Up of NAB in connection with a Subordinated Note in excess of its entitlement under this Condition 3.2.

Nothing in this Condition 3.2 shall be taken to require the consent of any Senior Creditor to any amendment of this Condition 3.2.

Equal Ranking Instruments means any instrument that ranks in a Winding Up of NAB as the most junior claim in the Winding Up of NAB ranking senior to Junior Ranking Instruments and includes any instruments issued as Relevant Tier 2 Capital Instruments (as defined in Condition 10A.16).

Junior Ranking Instruments means:

(i) any instrument issued as Tier 1 Capital (whether or not constituting Tier 1 Capital at the Issue Date or at the time of commencement of the Winding Up of NAB); and

(ii) any shares (including Ordinary Shares) in the capital of NAB (other than shares issued as Tier 2 Capital),

or any claims in respect of a shareholding including claims described in sections 563AA and 563A of the Corporations Act.

Senior Creditors means, in respect of NAB, all present and future creditors of NAB (including but not limited to depositors of NAB) whose claims:

(i) would be entitled to be admitted in the Winding Up of NAB; and

(ii) are not in respect of Equal Ranking Instruments or Junior Ranking Instruments.

Winding Up means, in relation to NAB, a winding up by a court of competent jurisdiction or otherwise under applicable law (which, in the case of Australia, includes the Corporations Act).

The Trust Deed contains further provisions to give effect to the subordination contemplated by this Condition 3.2.

3.3 Subordination—BNZ

The provisions of, and the defined terms contained within, this Condition 3.3 apply only to Subordinated Notes issued by BNZ and references to "Subordinated Notes" in this Condition 3.3 shall be construed accordingly.

(a) Subordinated Notes are direct, unsecured obligations of BNZ and are subordinated to the claims of all Senior Creditors (as defined below) of BNZ in right of payment of principal of and interest on such Subordinated Notes with respect to the assets of BNZ in the event of a Liquidation of BNZ.

(b) At any time prior to the Maturity Date or Liquidation of BNZ:

    (i) payments by BNZ of principal and interest or any other amount owing to a Noteholder or the Trustee in connection with a Subordinated Note is conditional upon BNZ being Solvent (as defined in Condition 10.2A) at the time those payments fall due; and

    (ii) BNZ must not pay an amount owing to a Noteholder or the Trustee in connection with a Subordinated Note except to the extent that BNZ may pay such amount and still be Solvent (as defined in Condition 10.2A) immediately after doing so,

provided that this provision shall not affect or prejudice the payment of costs, charges, expenses, liabilities, indemnities or remuneration of or to the Trustee or the rights and remedies of the Trustee in respect thereof.

Subordinated Notes rank in a Liquidation of BNZ behind all claims of Senior Creditors, *pari passu* among themselves and with Equal Ranking Instruments, and ahead of Junior Ranking Instruments.

In a Liquidation of BNZ a Noteholder's claim for an amount owing by BNZ in connection with a Subordinated Note is subordinated to the claims of Senior Creditors of BNZ, in that:

(x) all claims of Senior Creditors must be paid in full before the Noteholder's claim is paid; and

(y) until the Senior Creditors have been paid in full, the Noteholder must not claim in the Liquidation of BNZ in competition with the Senior Creditors so as to diminish any distribution, dividend or payment which, but for that claim, the Senior Creditors would have been entitled to receive.

The Subordinated Notes will not contain any limitations on the amount of senior debt, deposits or other obligations that may be hereafter incurred or assumed by BNZ.

Each Noteholder irrevocably acknowledges and agrees that:

(a) in accordance with section 313(3) of the Companies Act 1993 (New Zealand) (the **New Zealand Companies Act**), it is accepting a lower priority in relation to the debt represented by each Subordinated Note than that which it would otherwise have under section 313 of the New Zealand Companies Act; and

(b) nothing in sections 310 or 313 of the New Zealand Companies Act will prevent these Conditions from having effect in accordance with their terms.

Each Noteholder must not exercise its voting rights as an unsecured creditor in the Liquidation of BNZ to defeat the subordination in this Condition 3.3.

Each Noteholder irrevocably acknowledges and agrees that the subordination effected by this Condition 3.3 is not affected by any act or omission of BNZ or a Senior Creditor which might otherwise affect it at law or in equity.

In addition, each Noteholder irrevocably acknowledges and agrees that it must pay or deliver to the liquidator any amount or asset received on account of its claim in the Liquidation of BNZ in connection with a Subordinated Note in excess of its entitlement under this Condition 3.3.

Nothing in this Condition 3.3 shall be taken to require the consent of any Senior Creditor to any amendment of this Condition 3.3.

To the fullest extent permitted by applicable law, a holder of a Subordinated Note and any related Receipts and Coupons shall not have any right to set-off any amounts owing to it by BNZ in connection with that Subordinated Note against any amount owing by it to BNZ in connection with the Subordinated Notes or otherwise and BNZ shall not have any right to set-off any amounts owing by it to the holder in connection with that Subordinated Note against any amount owing by the holder to it in connection with the Subordinated Notes or otherwise.

Equal Ranking Instruments means all securities, instruments and other obligations that qualify as Tier 2 Capital (as defined in Condition 7.2) or are expressed to rank equally with such securities, instruments or other obligations in a Liquidation of BNZ, present and future, and includes the NZ$500 million subordinated notes issued by BNZ under a deed poll dated 30 April 2018.

Junior Ranking Instruments means:

(i) all fully paid securities and other instruments that qualify as Tier 1 Capital (as defined in Condition 7.2, including ordinary shares and perpetual preference shares), present and future; and

(ii) all other securities and other instruments which rank or are expressed to rank behind Equal Ranking Instruments, present and future.

Senior Creditors means, in respect of BNZ, creditors (including depositors) of BNZ to whom BNZ is indebted in respect of all deposits and other liabilities, securities, instruments and other obligations of BNZ other than Equal Ranking Instruments or Junior Ranking Instruments, present and future.

Liquidation of BNZ means, in respect of BNZ, the liquidation of BNZ under:

(i) Part 16 of the New Zealand Companies Act; or

(ii) any other legislation under which BNZ will irrevocably cease to be duly incorporated or to validly exist in New Zealand.

The Trust Deed contains further provisions to give effect to the subordination contemplated by this Condition 3.3.

3.4 Status of the Senior Guarantee

The Guarantor has in the Trust Deed unconditionally and irrevocably guaranteed the due and punctual payment by BNZ-IF of the principal of, and interest on, the Guaranteed Senior Notes and all other amounts payable under or pursuant to the Trust Deed. The obligations of the Guarantor under the Guarantee constitute unsubordinated, direct and unsecured obligations of the Guarantor and will rank *pari passu* with all other unsecured and unsubordinated obligations of the Guarantor (other than any obligation preferred by mandatory provisions of applicable law).

4. [*This paragraph is no longer applicable*]

5. INTEREST

The applicable Final Terms will indicate whether the Notes are Fixed Rate Notes, Floating Rate Notes or Zero Coupon Notes or, in the case of Exempt Notes, whether a different interest basis applies.

5.1 Interest on Fixed Rate Notes

This Condition 5.1 applies to Fixed Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of fixed rate interest and must be read in conjunction with this Condition 5.1 for full information on the manner in which interest is calculated on Fixed Rate Notes. In particular, the applicable Final Terms will specify the Interest Commencement Date, the Rate(s) of Interest, the Interest Payment Date(s), the Maturity Date, any applicable Fixed Coupon Amount, any applicable Broken Amount, the Calculation Amount, the Day Count Fraction and any applicable Determination Date.

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, and subject to the immediately succeeding paragraph, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

If "Business Day Convention—Adjusted" is specified in the applicable Final Terms, (a) any Interest Payment Date otherwise falling on a day which is not a Business Day (as defined in Condition 5.7 below) will be postponed or brought forward (as applicable) in accordance with the Business Day Convention set out in the applicable Final Terms (as described below) and (b) the amount of interest payable on such Interest Payment Date will be adjusted accordingly and the provisions of subparagraph (d) of Condition 5.2 (excluding the determination of the Rate of Interest) and (f) of Condition 5.2 below (excluding the notification of the Rate of

Interest) shall apply, *mutatis mutandis*, as though references to "Floating Rate Notes" were to "Fixed Rate Notes" and references to "Interest Amounts" were to amounts of interest payable in respect of Fixed Rate Notes.

If "Business Day Convention—Non-Adjusted" is specified in the applicable Final Terms, any Interest Payment Date otherwise falling on a day which is not a Business Day will be postponed or brought forward (as applicable) in accordance with the Business Day Convention set out in the applicable Final Terms (as described below) and there will be no corresponding adjustment of the amount of interest or, if applicable, principal, payable on such Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(A) in the case of Fixed Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Fixed Rate Notes represented by such Global Note or (B) such Registered Notes (or, in each case, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Fixed Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

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

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

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

5.2 Interest on Floating Rate Notes

This Condition 5.2 applies to Floating Rate Notes only. The applicable Final Terms contains provisions applicable to the determination of floating rate interest and must be read in conjunction with this Condition 5.2 for full information on the manner in which interest is calculated on Floating Rate Notes. In particular, the applicable Final Terms will identify any Specified Interest Payment Dates, any Specified Period, the Interest Commencement Date, the Business Day Convention, any Additional Business Centres, whether Screen Rate Determination, BBSW Determination or BKBM Determination applies to the calculation of interest, the party who will calculate the amount of interest due if it is not the Principal Paying Agent, the Margin, any maximum or minimum interest rates and the Day Count Fraction. Where Screen Rate Determination applies to the calculation of interest, the applicable Final Terms will also specify, *inter alia*, the applicable Reference Rate, Relevant Financial Centre, Interest Determination Date(s) and Relevant Screen Page. Where BKBM Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Relevant Financial Centre and Interest Determination Date(s). Where BBSW Determination applies to the calculation of interest, the applicable Final Terms will also specify the applicable Interest Determination Date(s).

(a) **Interest Payment Dates**

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

(i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

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

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

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(A) in any case where Specified Periods are specified in accordance with Condition 5.2 above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

(b) **Rate of Interest**

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

(i) Screen Rate Determination for Floating Rate Notes referencing a Term Rate

(1) Where "Screen Rate Determination – Term Rate" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject to Condition 5.5 and subject as provided below, be either:

(A) the offered quotation; or

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

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at the Relevant Time in the Relevant Financial Centre on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or other party responsible for the calculation of the Rate of Interest as specified in the applicable Final Terms (and references in this Condition 5.2(b)(i) to "Principal Paying Agent" shall be construed accordingly). If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

(2) If, other than in the circumstances described in Condition 5.5 below, the Relevant Screen Page is not available or if, in the case of Condition 5.2(b)(i)(1)(A), no such offered quotation appears or, in the case of Condition 5.2(b)(i)(1)(B), fewer than three of the offered quotations appear, in each case as at the Relevant Time, the Issuer shall request each of the Reference Banks to provide the Principal Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of such offered quotations plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent.

(3) If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent with such an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent determines as being the arithmetic mean (rounded as provided above) of the rates, as communicated to (at the request of the Issuer) the Principal Paying Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Relevant Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Hong Kong inter-bank market (if the Reference Rate is HIBOR or CNH HIBOR) or the Oslo inter-bank market (if the Reference Rate is NIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent with such offered rates, either (as directed by the Issuer) the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Relevant Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Principal Paying Agent it is quoting to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the Hong Kong inter-bank market (if the Reference Rate is HIBOR or CNH HIBOR) or the Oslo inter-bank market (if the Reference Rate is NIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 5.2(b)(i), the Rate of Interest shall be that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period).

In this Condition 5.2(b)(i):

Interest Determination Date shall mean the date specified as such in the applicable Final Terms or if none is so specified:

(i) if the Reference Rate is the Euro-zone interbank offered rate (**EURIBOR**), the second day on which T2 (as defined in Condition 5.7) is open prior to the start of each Interest Period;

(ii) if the Reference Rate is the Hong Kong interbank offered rate (**HIBOR**), the first day of each Interest Period;

(iii) if the Reference Rate is the CNH Hong Kong interbank offered rate (**CNH HIBOR**), the second Hong Kong business day (excluding Saturdays) prior to the start of each Interest Period; and

(iv) if the Reference Rate is the Norwegian interbank offered rate (**NIBOR**), the second Oslo business day prior to the start of each Interest Period.

Reference Banks shall mean (i) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market; (ii) in the case of a determination of HIBOR, four major banks in the Hong Kong inter-bank market; (iii) in the case of a determination of CNH HIBOR, the principal Hong Kong office of four major banks dealing in Renminbi in the Hong Kong inter-bank market; and (iv) in the case of a determination of NIBOR, four major banks in the Oslo inter-bank market; in each case selected by the Issuer or as specified in the applicable Final Terms.

Reference Rate has the meaning given in Condition 5.7.

Relevant Financial Centre shall mean Brussels, in the case of a determination of EURIBOR, Hong Kong, in the case of a determination of HIBOR or CNH HIBOR and Oslo, in the case of a determination of NIBOR, as specified in the applicable Final Terms.

Relevant Time shall mean (i) in the case of EURIBOR, 11.00 a.m., (ii) in the case of HIBOR, 11.00 a.m., (iii) in the case of CNH HIBOR, 11.15 a.m., or if, at or around that time it is notified that the fixing will be published at 2:30 p.m., then as of 2:30 p.m., and (iv) in the case of NIBOR, 12.00 noon, each as specified in the applicable Final Terms.

In the case of Exempt Notes, if the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than EURIBOR, HIBOR, CNH HIBOR, NIBOR, SONIA, SOFR, CORRA, €STR, BBSW Rate or BKBM Rate, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(ii) Screen Rate Determination for Floating Rate Notes referencing SOFR

(A) Where "Screen Rate Determination – SOFR" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Final Terms as being "Compounded Daily SOFR Formula", the Rate of Interest for an Interest Period will, subject as provided below, be the Compounded Daily SOFR Formula Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

Compounded Daily SOFR Formula Rate means, with respect to an Interest Period, the rate of return of a daily compound interest investment in U.S. dollars (with the Secured Overnight Financing Rate as the reference rate for the calculation of interest) as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards):

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

where:

d is the number of calendar days in:

(a) where "Lookback" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

$\mathbf{d_o}$ is the number of U.S. Government Securities Business Days in:

(a) where "Lookback" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

i is a series of whole numbers from one to d_o, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

(a) where "Lookback" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

$\mathbf{n_i}$, for any U.S. Government Securities Business Day "i", means the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to (but excluding) the following U.S. Government Securities Business Day;

Observation Period means, in respect of an Interest Period, the period from (and including) the date falling "*p*" U.S. Government Securities Business Days prior to the first day of the relevant Interest Period to (but excluding) the date falling "*p*" U.S. Government Securities Business Days prior to (I) the Interest Payment Date for such Interest Period or (II) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date;

p means:

(a) where "Lookback" is specified as the Observation Method in the applicable Final Terms, the number of U.S. Government Securities Business Days included in the "Lookback Period (*p*)" in the applicable Final Terms (or, if no such number is so specified, five U.S. Government Securities Business Days); or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the number of U.S. Government Securities Business Days included in the "Observation Shift Period" in the applicable Final Terms (or, if no such number is so specified, five U.S. Government Securities Business Days);

SOFR means, in respect of any U.S. Government Securities Business Day, a rate determined in accordance with the following provisions:

(I) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day that appears on the SOFR Administrator's Website at or about 3.00 p.m. (New York City time) on the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day; and

(II) if the rate specified in paragraph (I) above does not so appear, unless both a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, then the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall use the Secured Overnight Financing Rate published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day on which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website;

$SOFR_i$ means, in respect of any U.S. Government Securities Business Day "i":

(a) where "Lookback" is specified as the Observation Method in the applicable Final Terms, SOFR in respect of the U.S. Government Securities Business Day falling "*p*" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "i"; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, SOFR in respect of such U.S. Government Securities Business Day "i"; and

U.S. Government Securities Business Day means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

Certain other capitalised terms used in the foregoing terms and provisions relating to determination of the Compounded Daily SOFR Formula Rate have the meanings set forth under Condition 5.2(b)(ii)(E) below.

Notwithstanding anything to the contrary, if both a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to determining the Compounded Daily SOFR Formula Rate, the benchmark replacement provisions set forth in Condition 5.2(b)(ii)(E) below shall apply for the purposes of all determinations of the Rate of Interest in respect of the Notes.

(B) Where "Screen Rate Determination – SOFR" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Final Terms as being "SOFR Index Determination", the Rate of Interest for an Interest Period will, subject as provided below, be the Compounded SOFR Index Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

Compounded SOFR Index Rate means, with respect to an Interest Period, the rate of return of a daily compound interest investment in U.S. dollars as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards):

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

where:

d is the number of calendar days from (and including) the day in relation to which "SOFR $Index_{Start}$" is determined to (but excluding) the day in relation to which "SOFR $Index_{End}$" is determined (being the number of calendar days in the applicable reference period);

Relevant Number is as specified in the applicable Final Terms;

SOFR $Index_{End}$ means the SOFR Index value relating to the U.S. Government Securities Business Day falling the Relevant Number of U.S. Government Securities Business Days prior to (I) the Interest Payment Date for the relevant Interest Period or (II) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date;

SOFR $Index_{Start}$ means the SOFR Index value relating to the U.S. Government Securities Business Day falling the Relevant Number of U.S. Government Securities Business Days prior to the first date of the relevant Interest Period;

the **SOFR Index** means, with respect to any U.S. Government Securities Business Day, prior to a Benchmark Replacement Date:

(I) the SOFR Index published for such U.S. Government Securities Business Day as such value appears on the SOFR Administrator's Website at 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day; provided that

(II) if the SOFR $Index_{Start}$ or the SOFR $Index_{End}$ does not appear on the SOFR Administrator's Website on the relevant Interest Determination Date and a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to the Compounded SOFR Index Rate, the Compounded SOFR Index Rate for the applicable Interest Period for which such SOFR Index is not available shall be the "Compounded Daily SOFR Formula Rate" determined in accordance with Condition 5.2(b)(ii)(A) above as if the Calculation Method specified in the applicable Final Terms were "Compounded Daily SOFR Formula" (and not "SOFR Index Determination"), and for these purposes: (i) the "Observation Method" shall be deemed to be "Observation Shift", and (ii) the "Observation Shift Period" shall be deemed to be equal to the Relevant Number of U.S. Government Securities Business Days, as if those alternative elections had been made in the applicable Final Terms; and

U.S. Government Securities Business Day has the meaning set out in Condition 5.2(b)(ii)(A) above.

Certain other capitalised terms used in the foregoing terms and provisions relating to determination of the Compounded SOFR Index Rate have the meanings set forth under Condition 5.2(b)(ii)(E) below.

Notwithstanding anything to the contrary, if both a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to determining the Compounded SOFR Index Rate, the benchmark replacement provisions set forth in Condition 5.2(b)(ii)(E) below shall apply for the purposes of all determinations of the Rate of Interest in respect of the Notes.

(C) Where "Screen Rate Determination - SOFR" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Final Terms as being "Average SOFR", the Rate of Interest for an Interest Period will, subject as provided below, be the Average SOFR Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

Average SOFR Rate means, with respect to an Interest Period, the arithmetic mean of SOFR in effect during such Interest Period as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\frac{\sum_{i=1}^{d_o} SOFR_i \times n_i}{d}$$

where **d**, $\mathbf{d_o}$, **i**, $\mathbf{n_i}$, **SOFR** and $\mathbf{SOFR_i}$ have the meanings set out in Condition 5.2(b)(ii)(A) above.

Notwithstanding anything to the contrary, if both a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to determining the Average SOFR Rate, the benchmark replacement provisions set forth in Condition 5.2(b)(ii)(E) below shall apply for the purposes of all determinations of the Rate of Interest in respect of the Notes.

(D) If the relevant Series of Notes becomes due and payable in accordance with Condition 10, the final Rate of Interest shall be calculated for the period from (and including) the previous Interest Payment Date to (but excluding) the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 5.6 and the Trust Deed.

(E) Notwithstanding any other provisions in these Conditions, if:

(x) the Benchmark is SOFR; and

(y) any Rate of Interest (or any component part thereof) remains to be determined by reference to the Benchmark,

then the following provisions of this Condition 5.2(b)(ii)(E) shall apply subject, in the case of Subordinated Notes issued by NAB, to the prior written approval of APRA and, in the case of Subordinated Notes issued by BNZ, to BNZ giving the Reserve Bank of New Zealand (the **RBNZ**) at least five working days' prior notice of any amendment to these Conditions, such notice to be accompanied by any information and supporting documentation required by the RBNZ's prudential regulatory requirements including a signed opinion from BNZ's New Zealand legal counsel confirming that, once the amendment is in effect, the Subordinated Notes will continue to qualify as Tier 2 Capital (as defined in Condition 7.2).

Holders of Subordinated Notes issued by NAB should note that APRA's approval may not be given for any Benchmark Replacement, Benchmark Replacement Conforming Change or Benchmark Replacement Adjustment it considers to have the effect of increasing the Rate of Interest contrary to applicable prudential standards. Holders of Subordinated Notes issued by BNZ should note that BNZ *would not be able to comply with the RBNZ notification requirement and that, consequently, no Benchmark Replacement, Benchmark Replacement Conforming Change or Benchmark Replacement Adjustment (as applicable) could be applied, if the effect of any such Benchmark Replacement, Benchmark Replacement Conforming Change or Benchmark Replacement Adjustment (as applicable) would be that such Subordinated Notes would no longer qualify as Tier 2 Capital (as defined in Condition 7.2) because, for example, the Benchmark Replacement, Benchmark Replacement Conforming Change or Benchmark Replacement Adjustment (as applicable) would have the effect of increasing the Rate of Interest contrary to applicable prudential regulatory requirements*.

(I) Benchmark Replacement

If the Issuer or its designee determines prior to the Reference Time on the relevant Interest Determination Date that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and all determinations on all subsequent dates (subject to any subsequent application of this Condition 5.2(b)(ii)(E) with respect to such Benchmark Replacement).

In the event that the Issuer or its designee is unable to, or does not, determine a Benchmark Replacement, or a Benchmark Replacement is not implemented in accordance with this Condition 5.2(b)(ii)(E), prior to 5:00 p.m. (New York City time) on the relevant Interest Determination Date, the Rate of Interest for the relevant Interest Period shall be:

(1) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period); or

(2) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first scheduled Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (and applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period).

(II) Benchmark Replacement Conforming Changes

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time.

At the request of the Issuer, but subject to receipt by the Trustee and the Principal Paying Agent of the certificate referred to in Condition 5.2(b)(ii)(E)(IV) below and subject as provided below, the Trustee and the Agents (as applicable) shall (at the expense of the Issuer), without any requirement for the consent or approval of Noteholders, Receiptholders or Couponholders and without liability to the Noteholders or any other person, be obliged to concur with the Issuer in effecting any Benchmark Replacement Conforming Changes (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed) with effect from the date specified in the notice referred to in Condition 5.2(b)(ii)(E)(IV) below.

Notwithstanding any other provision of this Condition 5.2(b)(ii)(E)(II), neither the Trustee nor the Agents (as applicable) shall be obliged to concur with the Issuer in respect of any Benchmark Replacement Conforming Changes which, in the sole opinion of the Trustee or the relevant Agent (as applicable), would (i) expose the Trustee or the relevant Agent (as applicable) to any additional liability or (ii) increase the obligations or duties, or decrease the rights or protections, afforded to the Trustee or the relevant Agent (as applicable) in the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed), the Agency Agreement and/or these Conditions.

(III) Decisions and Determinations

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 5.2(b)(ii)(E), including (without limitation) any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, may be made in the Issuer's or its designee's sole discretion (as applicable), and, notwithstanding anything to the contrary in these Conditions or the Trust Deed, shall become effective without any requirement for the consent or approval of Noteholders, Receiptholders, Couponholders or any other party.

In connection with any Benchmark Replacement Conforming Changes in accordance with this Condition 5.2(b)(ii)(E), if and for so long as the Notes are admitted to trading and listed on the official list of a stock exchange, the Issuer shall comply with the rules of that stock exchange.

Notwithstanding any other provision of this Condition 5.2(b)(ii)(E), no Benchmark Replacement will be adopted, nor will any Benchmark Replacement Conforming Changes be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the treatment of any relevant Series of Subordinated Notes as Tier 2 Capital (as defined in Condition 7.2 in the case of Subordinated Notes issued by BNZ, and as defined in Condition 10A.16 in the case of Subordinated Notes issued by NAB).

(IV) Notice and Certification

Any Benchmark Replacement Conforming Changes determined under this Condition 5.2(b)(ii)(E) shall be notified promptly (in any case, not less than five Business Days prior to the relevant Interest Determination Date) by the Issuer to the Trustee, the party responsible for determining the Rate of Interest (being the Principal Paying Agent or other such party specified in the applicable Final Terms, as applicable) and, in accordance with Condition 14, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of such Benchmark Replacement Conforming Changes.

No later than notifying the Trustee and the party responsible for determining the Rate of Interest (being the Principal Paying Agent or such other party specified in the applicable Final Terms, as applicable) of the same, the Issuer shall deliver to each of the Trustee and the Principal Paying Agent a certificate (on which each of the Trustee and the Principal Paying Agent shall be entitled to rely without further enquiry or liability) signed by two Authorised Signatories (as defined in the Trust Deed) of the Issuer or, as the case may be, the Guarantor, confirming (i) that a Benchmark Transition Event has occurred, (ii) the Benchmark Replacement, and (iii) the specific terms of any Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 5.2(b)(ii)(E).

If, following the occurrence of a Benchmark Transition Event and its related Benchmark Replacement Date, any Benchmark Replacement is notified to the Principal Paying Agent or any other party specified in the applicable Final Terms as being responsible for determining the Rate of Interest pursuant to this Condition 5.2(b)(ii)(E)(IV), and the Principal Paying Agent or such other responsible party (as applicable) is in any way uncertain as to the application of such Benchmark Replacement in the calculation or determination of any Rate of Interest, it shall promptly notify the Issuer thereof and the Issuer or its designee shall direct the Principal Paying Agent or such other party (as applicable) in writing as to which course of action to adopt in the application of such Benchmark Replacement in the determination of such Rate of Interest. If the Principal Paying Agent or such other party specified in the applicable Final Terms as being responsible for determining the Rate of Interest is not promptly provided with such direction, it shall notify the Issuer thereof, and the Principal Paying Agent or such other party (as applicable) shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so. For the avoidance of doubt, for the period that the Principal Paying Agent or such other party (as applicable) remains uncertain of the application of the Benchmark Replacement in the calculation or determination of any Rate of Interest, the original Benchmark and any other applicable fallback provisions provided for in this Condition 5.2 and/or the applicable Final Terms, as the case may be, will continue to apply.

(V) Definitions

In this Condition 5.2(b)(ii)(E):

Benchmark means, initially, SOFR (provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR (or the published daily SOFR used in the calculation thereof) or any Benchmark which has replaced it in accordance with this Condition 5.2(b)(ii)(E), then the term "**Benchmark**" means the applicable Benchmark Replacement);

Benchmark Replacement means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(A) the sum of: (1) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (2) the Benchmark Replacement Adjustment;

(B) the sum of: (1) the ISDA Fallback Rate and (2) the Benchmark Replacement Adjustment; or

(C) the sum of: (1) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar denominated floating rate notes at such time and (2) the Benchmark Replacement Adjustment;

Benchmark Replacement Adjustment means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(A) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(B) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; or

(C) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar denominated floating rate notes at such time;

Benchmark Replacement Conforming Changes means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of Interest Period, timing and frequency of determining rates and making payments of interest, rounding amounts or tenors, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

Benchmark Replacement Date means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(A) in the case of paragraph (A) or (B) of the definition of "Benchmark Transition Event", the later of (1) the date of the public statement or publication of information referenced therein and (2) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(B) in the case of paragraph (C) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time on the relevant Interest Determination Date, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

Benchmark Transition Event means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(A) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component);

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

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

designee means an affiliate or any other agent of the Issuer;

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

ISDA Fallback Adjustment means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

ISDA Fallback Rate means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

Reference Time with respect to any determination of the Benchmark means (A) if the Benchmark is SOFR, 3:00 p.m. (New York City time) or such other time as is reasonably agreed between the Issuer or its designee and the Principal Paying Agent, and (B) if the Benchmark is not SOFR, the time determined by the Issuer or its designee in accordance with the Benchmark Replacement Conforming Changes;

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

SOFR with respect to any day means the Secured Overnight Financing Rate published for such day by the SOFR Administrator on the SOFR Administrator's Website;

SOFR Administrator means the Federal Reserve Bank of New York (or a successor administrator of SOFR);

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

Unadjusted Benchmark Replacement means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(iii) Screen Rate Determination for Floating Rate Notes referencing SONIA

(A) Where "Screen Rate Determination – SONIA" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Final Terms as being "Compounded Daily SONIA Formula", the Rate of Interest for an Interest Period will, subject as provided below, be the Compounded Daily SONIA Formula Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

Compounded Daily SONIA Formula Rate means, with respect to an Interest Period, the rate of return of a daily compound interest investment in Sterling (with the Sterling Overnight Index Average (**SONIA**) as the reference rate for the calculation of interest) as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fourth decimal place, with 0.00005 being rounded upwards):

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

where:

d is the number of calendar days in:

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

d_o is the number of London Banking Days in:

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

i is a series of whole numbers from one to d_o, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

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

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

Observation Period means, in respect of an Interest Period, the period from (and including) the date falling "*p*" London Banking Days prior to the first day of the relevant Interest Period to (but excluding) the date falling "*p*" London Banking Days prior to (I) the Interest Payment Date for such Interest Period or (II) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date;

p means:

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the number of London Banking Days included in the "Lag Lookback Period (*p*)" in the applicable Final Terms (or, if no such number is so specified, five London Banking Days); or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the number of London Banking Days included in the "Observation Shift Period" in the applicable Final Terms (or, if no such number is so specified, five London Banking Days);

the **SONIA reference rate** means, in respect of any London Banking Day, a reference rate equal to the daily SONIA rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

$SONIA_i$ means, in respect of any London Banking Day "i":

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the SONIA reference rate in respect of the London Banking Day falling "p" London Banking Days prior to the relevant London Banking Day "i"; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the SONIA reference rate in respect of the relevant London Banking Day "i".

(B) Where "Screen Rate Determination – SONIA" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Final Terms as being "SONIA Index Determination", the Rate of Interest for an Interest Period will, subject as provided below, be the SONIA Compounded Index Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

SONIA Compounded Index Rate means, with respect to an Interest Period, the rate of return of a daily compound interest investment in Sterling as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fourth decimal place, with 0.00005 being rounded upwards):

$$\left(\frac{SONIA\ Compounded\ Index_{End}}{SONIA\ Compounded\ Index_{Start}} - 1\right) \times \frac{365}{d}$$

where:

d is the number of calendar days from (and including) the day in relation to which "SONIA Compounded $Index_{Start}$" is determined to (but excluding) the day in relation to which "SONIA Compounded $Index_{End}$" is determined (being the number of calendar days in the applicable reference period);

London Banking Day has the meaning set out in Condition 5.2(b)(iii)(A) above;

Relevant Number is as specified in the applicable Final Terms;

SONIA Compounded Index$_{\mathbf{End}}$ means the SONIA Compounded Index value relating to the London Banking Day falling the Relevant Number of London Banking Days prior to (I) the Interest Payment Date for the relevant Interest Period or (II) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date;

SONIA Compounded Index$_{\mathbf{Start}}$ means the SONIA Compounded Index value relating to the London Banking Day falling the Relevant Number of London Banking Days prior to the first day of the relevant Interest Period; and

the **SONIA Compounded Index** means, with respect to any London Banking Day, the value of the SONIA Compounded Index that is provided by the administrator of the SONIA reference rate to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) in respect of such London Banking Day.

If the relevant SONIA Compounded Index required to determine SONIA Compounded Index$_{\text{Start}}$ or SONIA Compounded Index$_{\text{End}}$ is not published by the administrator of the SONIA reference rate or other information service at the Relevant Time specified in the applicable Final Terms (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the SONIA reference rate or such other information service, as the case may be) on the relevant Interest Determination Date, the SONIA Compounded Index Rate for the applicable Interest Period for which the SONIA Compounded Index is not available shall be the "Compounded Daily SONIA Formula Rate" determined in accordance with Condition 5.2(b)(iii)(A) above as if the Calculation Method specified in the applicable Final Terms were "Compounded Daily SONIA Formula" (and not "SONIA Index Determination"), and for these purposes: (i) the "Observation Method" shall be deemed to be "Observation Shift", and (ii) the "Observation Shift Period" shall be deemed to be equal to the Relevant Number of London Banking Days, as if those alternative elections had been made in the applicable Final Terms.

(C) Where "Screen Rate Determination - SONIA" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Final Terms as being "Average SONIA", the Rate of Interest for an Interest Period will, subject as provided below, be the Average SONIA Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

Average SONIA Rate means, with respect to an Interest Period, the arithmetic mean of the SONIA reference rate in effect during such Interest Period as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fourth decimal place, with 0.00005 being rounded upwards):

$$\frac{\sum_{i=1}^{d_o} SONIA_i \times n_i}{d}$$

where **d**, **d$_\mathbf{o}$**, **i**, **n$_\mathbf{i}$**, **SONIA reference rate** and **SONIA$_\mathbf{i}$** have the meanings set out in Condition 5.2(b)(iii)(A) above.

(D) For the purposes of Conditions 5.2(b)(iii)(A) and 5.2(b)(iii)(C) above, and subject to Condition 5.5 below, if, in respect of any London Banking Day in the relevant Observation Period or the relevant Interest Period, as applicable, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) determines that the applicable SONIA reference rate has not been made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, as applicable) shall determine the SONIA reference rate in respect of such London Banking Day as being:

(I) (i) the Bank of England's Bank Rate (the **Bank Rate**) prevailing at 5.00 p.m. (London time) (or, if earlier, close of business) on such London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days in respect of which the SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and the lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or

(II) if the Bank Rate under (I)(i) above is not available at the relevant time, either (A) the SONIA reference rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day in respect of which the SONIA reference rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) or (B) if this is more recent, the latest rate determined under (I) above,

and in each case "**SONIA reference rate**" shall be interpreted accordingly.

(E) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall be:

(i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period); or

(ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first scheduled Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (and applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period),

in each case as determined by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, as applicable).

(F) If the relevant Series of Notes becomes due and payable in accordance with Condition 10, the final Rate of Interest shall be calculated for the period from (and including) the previous Interest Payment Date to (but excluding) the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 5.6 and the Trust Deed.

(iv) Screen Rate Determination for Floating Rate Notes referencing CORRA

(A) Where "Screen Rate Determination – CORRA" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Final Terms as being "Compounded Daily CORRA Formula", the Rate of Interest for an Interest Period will, subject as provided below, be the Compounded Daily CORRA Formula Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

Compounded Daily CORRA Formula Rate means, with respect to an Interest Period, the rate of return of a daily compound interest investment in Canadian Dollars (with the Canadian Overnight Repo Rate Average (**CORRA**) as the reference rate for the calculation of interest) as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fourth decimal place, with 0.00005 being rounded upwards):

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

where:

the **CORRA reference rate** means, in respect of any Toronto Business Day, a reference rate equal to the daily CORRA rate for such Toronto Business Day, as published by the Bank of Canada as the administrator of the CORRA reference rate (or any successor administrator of such rate) on the website of the Bank of Canada or any successor website, in each case as it appears on such website on the Toronto Business Day immediately following that day;

$CORRA_i$ means, in respect of any Toronto Business Day "i":

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the CORRA reference rate in respect of the Toronto Business Day falling "*p*" Toronto Business Days prior to the relevant Toronto Business Day "i"; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the CORRA reference rate in respect of the relevant Toronto Business Day "i";

d is the number of calendar days in:

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

d_o is the number of Toronto Business Days in:

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

i is a series of whole numbers from one to d_o, each representing the relevant Toronto Business Day in chronological order from, and including, the first Toronto Business Day in:

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

n_i, for any Toronto Business Day "i", means the number of calendar days from (and including) such Toronto Business Day "i" up to (but excluding) the following Toronto Business Day;

Observation Period means, in respect of an Interest Period, the period from (and including) the date falling "*p*" Toronto Business Days prior to the first day of the relevant Interest Period to (but excluding) the date falling "*p*" Toronto Business Days prior to (I) the Interest Payment Date for such Interest Period or (II) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date;

p means:

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the number of Toronto Business Days included in the "Lag Lookback Period (*p*)" in the applicable Final Terms (or, if no such number is so specified, five Toronto Business Days); or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the number of Toronto Business Days included in the "Observation Shift Period" in the applicable Final Terms (or, if no such number is so specified, five Toronto Business Days); and

Toronto Business Day means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in the city of Toronto, Canada.

(B) Where "Screen Rate Determination – CORRA" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Final Terms as being "CORRA Index Determination", the Rate of Interest for an Interest Period will, subject as provided below, be the CORRA Compounded Index Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

CORRA Compounded Index Rate means, with respect to an Interest Period, the rate of return of a daily compound interest investment in Canadian Dollars as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fourth decimal place, with 0.00005 being rounded upwards):

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

where:

CORRA Compounded Index$_{\mathbf{End}}$ means the CORRA Compounded Index value relating to the Toronto Business Day falling the Relevant Number of Toronto Business Days prior to (I) the Interest Payment Date for the relevant Interest Period or (II) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date;

CORRA Compounded Index$_{\mathbf{Start}}$ means the CORRA Compounded Index value relating to the Toronto Business Day falling the Relevant Number of Toronto Business Days prior to the first day of the relevant Interest Period;

the **CORRA Compounded Index** means, with respect to any Toronto Business Day, the value of the CORRA Compounded Index that is published by the Bank of Canada as the administrator of such rate (or any successor administrator of such rate), on the website of the Bank of Canada or any successor website, in respect of such Toronto Business Day;

d is the number of calendar days from (and including) the day in relation to which "CORRA Compounded $\text{Index}_{\text{Start}}$" is determined to (but excluding) the day in relation to which "CORRA Compounded $\text{Index}_{\text{End}}$" is determined (being the number of calendar days in the applicable reference period);

Toronto Business Day has the meaning set out in Condition 5.2(b)(iv)(A) above; and

Relevant Number is as specified in the applicable Final Terms.

If the relevant CORRA Compounded Index required to determine CORRA Compounded $\text{Index}_{\text{Start}}$ or CORRA Compounded $\text{Index}_{\text{End}}$ is not published by the Bank of Canada as the administrator of the CORRA reference rate (or any successor administrator of such rate) on the website of the Bank of Canada or any successor website at the Relevant Time specified in the applicable Final Terms on the relevant Interest Determination Date (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of the CORRA reference rate or such other information service, as the case may be), the CORRA Compounded Index Rate for the applicable Interest Period for which the CORRA Compounded Index is not available shall be the "Compounded Daily CORRA Formula Rate" determined in accordance with Condition 5.2(b)(iv)(A) above as if the Calculation Method specified in the applicable Final Terms were "Compounded Daily CORRA Formula" (and not "CORRA Index Determination"), and for these purposes: (i) the "Observation Method" shall be deemed to be "Observation Shift", and (ii) the "Observation Shift Period" shall be deemed to be equal to the Relevant Number of Toronto Business Days, as if those alternative elections had been made in the applicable Final Terms.

(C) Where "Screen Rate Determination - CORRA" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Final Terms as being "Average CORRA", the Rate of Interest for an Interest Period will, subject as provided below, be the Average CORRA Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

Average CORRA Rate means, with respect to an Interest Period, the arithmetic mean of the CORRA reference rate in effect during such Interest Period as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fourth decimal place, with 0.00005 being rounded upwards):

$$\frac{\sum_{i=1}^{d_o} CORRA_i \times n_i}{d}$$

where **CORRA reference rate**, **$CORRA_i$**, **d**, **d_o**, **i** and **n_i** have the meanings set out in Condition 5.2(b)(iv)(A) above.

(D) For the purposes of Conditions 5.2(b)(iv)(A) and 5.2(b)(iv)(C) above, and subject to Condition 5.5 below, if, in respect of any Toronto Business Day in the relevant Observation Period or the relevant Interest Period, as applicable, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) determines that the applicable CORRA reference rate has not been published by the Bank of Canada as the administrator of such rate (or any successor administrator of the CORRA reference rate) on the website of the Bank of Canada or any successor website, then the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, as applicable) shall determine the CORRA reference rate in respect of such Toronto Business Day as being:

(I) the prevailing Bank of Canada Target for the Overnight Rate as displayed on the Bank of Canada website (or any successor website or official publication of the Bank of Canada) as at the close of business in Toronto on such Toronto Business Day or, if the Bank of Canada does not target a single rate, the mid-point of the target range set by the Bank of Canada and so published (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range, rounded, if necessary, to the nearest second decimal place, 0.005 being rounded upwards); or

(II) if the overnight rate under (I) above is not available at the relevant time, the CORRA reference rate published by the Bank of Canada as the administrator of the CORRA reference rate (or any successor administrator of such rate), on the website of the Bank of Canada or any successor website, for the first preceding Toronto Business Day in respect of which the CORRA reference rate was published by the Bank of Canada as the administrator of the CORRA reference rate (or any successor administrator of such rate) on the website of the Bank of Canada or any successor website,

and in each case "**CORRA reference rate**" shall be interpreted accordingly.

(E) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, and subject to Condition 5.5 below, the Rate of Interest shall be:

(i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period); or

(ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first scheduled Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (and applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period),

in each case as determined by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, as applicable).

(F) If the relevant Series of Notes becomes due and payable in accordance with Condition 10, the final Rate of Interest shall be calculated for the period from (and including) the previous Interest Payment Date to (but excluding) the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 5.6 and the Trust Deed.

(v) Screen Rate Determination for Floating Rate Notes referencing €STR

(A) Where "Screen Rate Determination – €STR" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Final Terms as being "Compounded Daily €STR Formula", the Rate of Interest for an Interest Period will, subject as provided below, be the Compounded Daily €STR Formula Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

Compounded Daily €STR Formula Rate means, with respect to an Interest Period, the rate of return of a daily compound interest investment in euro (with the daily euro short-term rate (**€STR**) as the reference rate for the calculation of interest) as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards):

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

where:

the **€STR reference rate** means, in respect of any T2 Business Day, a reference rate equal to the daily €STR for such T2 Business Day, as provided by the European Central Bank as the administrator of €STR (or any successor administrator of such rate) on the website of the European Central Bank (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors, or as otherwise published by such authorised distributors) on the T2 Business Day immediately following such T2 Business Day (in each case at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the European Central Bank or the successor administrator of €STR);

€STR$_i$ means, in respect of any T2 Business Day "i":

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the €STR reference rate in respect of the T2 Business Day falling "*p*" T2 Business Days prior to the relevant T2 Business Day "i"; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the €STR reference rate in respect of the relevant T2 Business Day "i";

d is the number of calendar days in:

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

d_o is the number of T2 Business Days in:

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

i is a series of whole numbers from one to d_o, each representing the relevant T2 Business Day in chronological order from, and including, the first T2 Business Day in:

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the relevant Interest Period; or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the relevant Observation Period;

n_i, for any T2 Business Day "i", means the number of calendar days from (and including) such T2 Business Day "i" up to (but excluding) the following T2 Business Day;

Observation Period means, in respect of an Interest Period, the period from (and including) the date falling "*p*" T2 Business Days prior to the first day of the relevant Interest Period to (but excluding) the date falling "*p*" T2 Business Days prior to (I) the Interest Payment Date for such Interest Period or (II) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date;

p means:

(a) where "Lag" is specified as the Observation Method in the applicable Final Terms, the number of T2 Business Days included in the "Lag Lookback Period (*p*)" in the applicable Final Terms (or, if no such number is so specified, five T2 Business Days); or

(b) where "Observation Shift" is specified as the Observation Method in the applicable Final Terms, the number of T2 Business Days included in the "Observation Shift Period" in the applicable Final Terms (or, if no such number is so specified, five T2 Business Days); and

T2 Business Day means any day on which T2 (as defined in Condition 5.7) is open.

(B) Where "Screen Rate Determination – €STR" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Final Terms as being "€STR Index Determination", the Rate of Interest for an Interest Period will, subject as provided below, be the €STR Compounded Index Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

€STR Compounded Index Rate means, with respect to an Interest Period, the rate of return of a daily compound interest investment in euro as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards):

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

where:

€STR Compounded Index$_{End}$ means the €STR Compounded Index value relating to the T2 Business Day falling the Relevant Number of T2 Business Days prior to (I) the Interest Payment Date for the relevant Interest Period or (II) if applicable, the relevant payment date if the Notes become due and payable on a date other than an Interest Payment Date;

€STR Compounded Index$_{Start}$ means the €STR Compounded Index value relating to the T2 Business Day falling the Relevant Number of T2 Business Days prior to the first day of the relevant Interest Period;

the **€STR Compounded Index** means, with respect to any T2 Business Day, the value of the €STR Compounded Index that is published by the European Central Bank as the administrator of such rate (or any successor administrator of such rate), on the website of the European Central Bank or any successor website, in respect of such T2 Business Day;

d is the number of calendar days from (and including) the day in relation to which "€STR Compounded $\text{Index}_{\text{Start}}$" is determined to (but excluding) the day in relation to which "€STR Compounded $\text{Index}_{\text{End}}$" is determined (being the number of calendar days in the applicable reference period);

Relevant Number is as specified in the applicable Final Terms; and

T2 Business Day has the meaning set out in Condition 5.2(b)(v)(A) above.

If the relevant €STR Compounded Index required to determine €STR Compounded $\text{Index}_{\text{Start}}$ or €STR Compounded $\text{Index}_{\text{End}}$ is not published or displayed by the European Central Bank as the administrator of the €STR reference rate (or any successor administrator of such rate) on the website of the European Central Bank or any successor website at the Relevant Time specified in the applicable Final Terms (or, if later, by the time falling one hour after the customary or scheduled time for publication thereof in accordance with the then-prevailing operational procedures of the administrator of €STR) on the relevant Interest Determination Date, the €STR Compounded Index Rate for the applicable Interest Period for which the €STR Compounded Index is not available shall be the "Compounded Daily €STR Formula Rate" determined in accordance with Condition 5.2(b)(v)(A) above as if the Calculation Method specified in the applicable Final Terms were "Compounded Daily €STR Formula" (and not "€STR Index Determination"), and for these purposes: (i) the "Observation Method" shall be deemed to be "Observation Shift", and (ii) the "Observation Shift Period" shall be deemed to be equal to the Relevant Number of T2 Business Days, as if those alternative elections had been made in the applicable Final Terms.

(C) Where "Screen Rate Determination - €STR" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and the Calculation Method is specified in the applicable Final Terms as being "Average €STR", the Rate of Interest for an Interest Period will, subject as provided below, be the Average €STR Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

Average €STR Rate means, with respect to an Interest Period, the arithmetic mean of the €STR reference rate in effect during such Interest Period as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) on the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\frac{\sum_{i=1}^{d_o} €STR_i \times n_i}{d}$$

where **€STR reference rate**, **$€STR_i$**, **d, d_o**, **i**, and **n_i** have the meanings set out in Condition 5.2(b)(v)(A) above.

(D) For the purposes of Conditions 5.2(b)(v)(A) and 5.2(b)(v)(C) above, and subject to Condition 5.5 below, if, in respect of any T2 Business Day in the relevant Observation Period or the relevant Interest Period, as applicable, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) determines that the applicable €STR reference rate has not been published by the European Central Bank as the administrator of such rate (or any successor administrator of the €STR reference rate) on the website of the European Central Bank or any successor website, then the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, as applicable) shall determine the €STR reference rate in respect of such T2 Business Day as being the €STR reference rate published by the European Central Bank as the administrator of the €STR reference rate (or any successor administrator of such rate), on the website of the European Central Bank or any successor website, for the first preceding T2 Business Day in respect of which the €STR reference rate was published by the European Central Bank as the administrator of the €STR reference rate (or any successor administrator of such rate) on the website of the European Central Bank or any successor website, and "**€STR reference rate**" shall be interpreted accordingly.

(E) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, and subject to Condition 5.5 below, the Rate of Interest shall be:

(i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period, in place of the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period); or

(ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first scheduled Interest Period had the Notes been in issue for a period equal in duration to the first scheduled Interest Period but ending on (and excluding) the Interest Commencement Date (and applying the Margin and, if applicable, any Maximum Rate of Interest and/or Minimum Rate of Interest, applicable to the first scheduled Interest Period),

in each case as determined by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms, as applicable).

(F) If the relevant Series of Notes becomes due and payable in accordance with Condition 10, the final Rate of Interest shall be calculated for the period from (and including) the previous Interest Payment Date to (but excluding) the date on which the Notes become so due and payable, and such Rate of Interest shall continue to apply to the Notes for so long as interest continues to accrue thereon as provided in Condition 5.6 and the Trust Deed.

(vi) BBSW Determination for Floating Rate Notes

(A) *BBSW Rate Determination*

(a) Where "BBSW Determination" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for an Interest Period will, subject as provided in Condition 5.2(b)(vi)(B) below, be the BBSW Rate with respect to such Interest Period plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms (and references in this Condition 5.2(b)(vi) to "Principal Paying Agent" shall be construed accordingly).

(b) The determination of, substitution for and any adjustments made to the BBSW Rate as described in this Condition 5.2(b)(vi)(A) and in Condition 5.2(b)(vi)(B) below shall be binding on all Noteholders, Receiptholders and Couponholders (in all cases without any requirement for the consent or approval of Noteholders, Receiptholders or Couponholders). Any determination, decision or election (including a decision to take or refrain from taking any action or as to the occurrence or non-occurrence of any event or circumstance), and any substitution for and adjustments made to the BBSW Rate, and in each case made in accordance with this Condition 5.2(b)(vi)(A) and Condition 5.2(b)(vi)(B), will, in the absence of manifest or proven error, be conclusive and binding on the Issuer, the Trustee, all Noteholders, Receiptholders and Couponholders, the Principal Paying Agent and each other Agent and, notwithstanding anything to the contrary in these Conditions or other documentation relating to the Floating Rate Notes, shall become effective without the consent of any person (except as expressly provided in Condition 5.2(b)(vi)(B) in the case of Subordinated Notes issued by NAB or BNZ).

(c) If the Principal Paying Agent is unwilling or unable to determine a necessary rate, adjustment, quantum, formula, methodology or other variable in order to calculate the applicable Rate of Interest in accordance with this Condition 5.2(b)(vi), such rate, adjustment, quantum, formula, methodology or other variable will be determined by the Issuer (acting in good faith and in a commercially reasonable manner) or an alternate financial institution (acting in good faith and in a commercially reasonable manner) appointed by the Issuer (in its sole discretion) to so determine.

(B) *BBSW Rate Fallback*

If:

(a) a Temporary Disruption Trigger has occurred; or

(b) a Permanent Discontinuation Trigger has occurred,

then (subject, in the case of a Permanent Discontinuation Trigger in respect of any Subordinated Notes issued by NAB, to APRA’s prior written approval and, in the case of Subordinated Notes issued by BNZ, BNZ giving the RBNZ at least five working days' notice prior to those provisions applying, such notice to be accompanied by any information and supporting documentation required by the RBNZ's prudential regulatory requirements including a signed opinion from BNZ's New Zealand legal counsel confirming that, once the amendment is in effect, the Subordinated Notes will continue to qualify as Tier 2 Capital (as defined in Condition 7.2)) the BBSW Rate for an Interest Period, where such Temporary Disruption Trigger is continuing as at the applicable Interest Determination Date or where the applicable Interest Determination Date falls after the occurrence of a Permanent Discontinuation Trigger, will be determined by the Principal Paying Agent as follows (in the following order of application and precedence):

(i) where a Temporary Disruption Trigger has occurred with respect to the original BBSW Rate, the BBSW Rate for such Interest Period will be equal to, in the following order of precedence:

(A) first, the Administrator Recommended Rate;

(B) then, the Supervisor Recommended Rate; and

(C) lastly, the Final Fallback Rate;

(ii) where a determination of the AONIA Rate is required for the purposes of paragraph (i) above, if a Temporary Disruption Trigger has occurred with respect to AONIA, the rate for any day for which AONIA is required will be the last provided or published level of AONIA;

(iii) where a determination of the RBA Recommended Rate is required for the purposes of paragraph (i) or (ii) above, if a Temporary Disruption Trigger has occurred with respect to the RBA Recommended Rate, the rate for any day for which the RBA Recommended Rate is required will be the last rate provided or published by the Administrator of the RBA Recommended Rate (or if no such rate has been so provided or published, the last provided or published level of AONIA);

(iv) if a Permanent Discontinuation Trigger has occurred with respect to the original BBSW Rate, the BBSW Rate for any day on which the BBSW Rate is required to be determined on or after the Permanent Fallback Effective Date will be the first rate available in the following order of precedence:

(A) first, if at the time of the BBSW Rate Permanent Fallback Effective Date, no AONIA Permanent Fallback Effective Date has occurred, the AONIA Rate;

(B) then, if at the time of the BBSW Rate Permanent Fallback Effective Date, an AONIA Permanent Fallback Effective Date has occurred and an RBA Recommended Rate has been created but no RBA Recommended Rate Permanent Fallback Effective Date has occurred, the RBA Recommended Fallback Rate; and

(C) lastly, if neither paragraph (A) nor paragraph (B) above applies, the Final Fallback Rate;

(v) where a determination of the AONIA Rate is required for the purposes of paragraph (iv)(A) above, if a Permanent Discontinuation Trigger has occurred with respect to AONIA, the rate for any day for which AONIA is required on or after the AONIA Permanent Fallback Effective Date will be the first rate available in the following order of precedence:

(A) first, if at the time of the AONIA Permanent Fallback Effective Date, an RBA Recommended Rate has been created but no RBA Recommended Rate Permanent Fallback Effective Date has occurred, the RBA Recommended Rate; and

(B) lastly, if paragraph (A) above does not apply, the Final Fallback Rate; and

(vi) where a determination of the RBA Recommended Rate is required for the purposes of paragraph (iv) or (v) above, respectively, if a Permanent Discontinuation Trigger has occurred with respect to the RBA Recommended Rate, the rate for any day for which the RBA Recommended Rate is required on or after that Permanent Fallback Effective Date will be the Final Fallback Rate.

When calculating a Rate of Interest in circumstances where a Fallback Rate other than the Final Fallback Rate applies, that Rate of Interest will be calculated as if references to the BBSW Rate were references to that Fallback Rate. When calculating a Rate of Interest in circumstances where the Final Fallback Rate applies, the Rate of Interest will be calculated on the same basis as if the Applicable Benchmark Rate in effect immediately prior to the application of that Final Fallback Rate remained in effect but with necessary adjustments to substitute all references to that Applicable Benchmark Rate with corresponding references to the Final Fallback Rate (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

Holders of Subordinated Notes issued by NAB should note that APRA's approval may not be given for any Fallback Rate (or any other replacement rate determined in accordance with the above provisions) it considers to have the effect of increasing the Rate of Interest contrary to applicable prudential standards. Holders of Subordinated Notes issued by BNZ should note that BNZ would not be able to comply with the RBNZ notification requirement and that, consequently, no Fallback Rate (or other replacement rate) could be applied, if the effect of any such Fallback Rate (or other replacement rate) would be that such Subordinated Notes would no longer qualify as Tier 2 Capital (as defined in Condition 7.2) because, for example, the Fallback Rate (or other replacement rate) would have the effect of increasing the Rate of Interest contrary to applicable prudential regulatory requirements.

(C) *Definitions*

In this Condition 5.2(b)(vi):

Adjustment Spread means the adjustment spread as at the Adjustment Spread Fixing Date (which may be a positive or negative value or zero and determined pursuant to a formula or methodology) that is:

(a) determined as the median of the historical differences between the BBSW Rate and AONIA over a five calendar year period prior to the Adjustment Spread Fixing Date using practices based on those used for the determination of the Bloomberg Adjustment Spread as at 1 December 2022, provided that for so long as the Bloomberg Adjustment Spread is published and determined based on the five year median of the historical differences between the BBSW Rate and AONIA, that adjustment spread will be deemed to be acceptable for the purposes of this paragraph (a); or

(b) if no such median can be determined in accordance with paragraph (a), set using the method for calculating or determining such adjustment spread determined by the Issuer (acting in good faith and in a commercially reasonable manner) to be appropriate and communicated to the Principal Paying Agent;

Adjustment Spread Fixing Date means the first date on which a Permanent Discontinuation Trigger occurs with respect to the BBSW Rate;

Administrator means:

(a) in respect of the BBSW Rate, ASX Benchmarks Pty Limited (ABN 38 616 075 417);

(b) in respect of AONIA, the Reserve Bank of Australia; and

(c) in respect of any other Applicable Benchmark Rate, the administrator for that rate or benchmark or, if there is no administrator, the provider of that rate or benchmark,

and, in each case, any successor administrator or, as applicable, any successor administrator or provider;

Administrator Recommended Rate means the rate formally recommended for use as the temporary replacement for the BBSW Rate by the Administrator of the BBSW Rate;

AONIA means the Australian dollar interbank overnight cash rate (known as AONIA);

AONIA Observation Period means the period from (and including) the date falling five Sydney Business Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on (but excluding) the date falling five Sydney Business Days prior to the end of such Interest Period (or the date falling five Sydney Business Days prior to such earlier date, if any, on which the Notes become due and payable);

AONIA Rate means, for an Interest Period and in respect of an Interest Determination Date, the rate determined by the Principal Paying Agent to be Compounded Daily AONIA for that Interest Period and Interest Determination Date plus the Adjustment Spread (if any);

Applicable Benchmark Rate means the BBSW Rate or, if a Permanent Fallback Effective Date has occurred with respect to the BBSW Rate, AONIA or the RBA Recommended Rate, then the rate determined in accordance with Condition 5.2(b)(vi)(B);

BBSW Rate means, for an Interest Period, the rate (expressed as a percentage rate per annum) for prime bank eligible securities having a tenor closest to the Interest Period, which is designated on the Refinitiv "BBSW" Page, or such other Refinitiv screen page (or page of a successor service) as may replace such page (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards), at the Publication Time on the relevant Interest Determination Date;

Bloomberg Adjustment Spread means the term adjusted AONIA spread relating to the BBSW Rate provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time as the provider of term adjusted AONIA and the spread) (**BISL**) on the Fallback Rate (AONIA) Screen (or by other means), or provided to, and published by, authorised distributors, where **Fallback Rate (AONIA) Screen** means the Bloomberg Screen corresponding to the Bloomberg ticker for the fallback for the BBSW Rate accessed via the Bloomberg Screen <FBAK> <GO> Page (or, if applicable, accessed via the Bloomberg Screen <HP> <GO>) or any other published source designated by BISL;

Compounded Daily AONIA means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the AONIA Observation Period corresponding to such Interest Period (with AONIA as the reference rate for the calculation of interest) as calculated by the Principal Paying Agent on the fourth Sydney Business Day prior to the last day of the relevant Interest Period, as follows:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{AONIA_{i-5\,SBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

$\mathbf{AONIA_{i-5SBD}}$ means the per annum rate expressed as a decimal which is the level of AONIA provided by the Administrator and published as of the Publication Time for the Sydney Business Day falling five Sydney Business Days prior to such Sydney Business Day "i";

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

$\mathbf{d_0}$ is the number of Sydney Business Days in the relevant Interest Period;

i is a series of whole numbers from 1 to d_0, each representing the relevant Sydney Business Day in chronological order from (and including) the first Sydney Business Day in the relevant Interest Period to (and including) the last Sydney Business Day in such Interest Period;

$\mathbf{n_i}$, for any Sydney Business Day "i", means the number of calendar days from (and including) such Sydney Business Day "i" up to (but excluding) the following Sydney Business Day; and

SBD or **Sydney Business Day** means any day on which commercial banks are open for general business in Sydney.

If, for any reason, Compounded Daily AONIA needs to be determined for a period other than an Interest Period, Compounded Daily AONIA is to be determined as if that period were an Interest Period starting on (and including) the first day of that period and ending on (but excluding) the last day of that period;

Fallback Rate means, where a Permanent Discontinuation Trigger for an Applicable Benchmark Rate has occurred, the rate that applies to replace that Applicable Benchmark Rate in accordance with Condition 5.2(b)(vi)(B);

Final Fallback Rate means, in respect of an Applicable Benchmark Rate, (a) the rate determined by the Principal Paying Agent as a commercially reasonable alternative for the Applicable Benchmark Rate taking into account all available information that, in good faith, it considers relevant, provided that any rate (inclusive of any spreads or adjustments) implemented by central counterparties and/or futures exchanges with representative trade volumes in derivatives or futures referencing the Applicable Benchmark Rate will be deemed to be acceptable for the purposes of this sub-paragraph (a), together with (without double counting) such adjustment spread (which may be a positive or negative value or zero) that is customarily applied to the relevant successor rate or alternative rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for Applicable Benchmark Rate-linked floating rate notes at such time (together with such other adjustments to the Business Day Convention, interest determination dates and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such successor rate or alternative rate for Applicable Benchmark Rate-linked floating rate notes at such time), or, if no such industry standard adjustment spread is recognised or acknowledged, an adjustment spread calculated or determined by the Principal Paying Agent in such method as is determined by the Principal Paying Agent (in consultation with the Issuer) to be appropriate, provided that (b) if and for so long as no such successor rate or alternative rate can be determined in accordance with sub-paragraph (a), the Final Fallback Rate will be the last provided or published level of that Applicable Benchmark Rate;

Interest Determination Date means:

(a) in respect of an Interest Period for which the Rate of Interest is to be determined by reference to the BBSW Rate or to which the Final Fallback Rate applies under Condition 5.2(b)(vi)(B)(iv)(C), the first Sydney Business Day of the relevant Interest Period (or such other date as is specified as the applicable Interest Determination Date for such Interest Period in the applicable Final Terms); and

(b) in respect of an Interest Period for which the Rate of Interest is to be determined by reference to AONIA or another Fallback Rate, the day falling four Sydney Business Days prior to the last day of the relevant Interest Period (or such other date as is specified as the applicable Interest Determination Date for such Interest Period in the applicable Final Terms);

Non-Representative means, in respect of an Applicable Benchmark Rate, that the Supervisor of that Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is AONIA or the RBA Recommended Rate:

(a) has determined that such Applicable Benchmark Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Applicable Benchmark Rate is intended to measure and that representativeness will not be restored; and

(b) is aware that such determination will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such Supervisor or Administrator, as the case may be, (howsoever described) in contracts;

Permanent Discontinuation Trigger means, in respect of an Applicable Benchmark Rate:

(a) a public statement or publication of information by or on behalf of the Administrator of the Applicable Benchmark Rate announcing that it has ceased or that it will cease to provide the Applicable Benchmark Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide the Applicable Benchmark Rate and, in the case of the BBSW Rate, a public statement or publication of information by or on behalf of the Supervisor of the BBSW Rate has confirmed that cessation;

(b) a public statement or publication of information by the Supervisor of the Applicable Benchmark Rate, the Reserve Bank of Australia (or any successor central bank for Australian dollars), an insolvency official or resolution authority with jurisdiction over the Administrator of the Applicable Benchmark Rate or a court or an entity with similar insolvency or resolution authority over the Administrator of the Applicable Benchmark Rate which states that the Administrator of the Applicable Benchmark Rate has ceased or will cease to provide the Applicable Benchmark Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Applicable Benchmark Rate and, in the case of the BBSW Rate and a public statement or publication of information other than by the Supervisor, a public statement or publication of information by or on behalf of the Supervisor of the BBSW Rate has confirmed that cessation;

(c) a public statement by the Supervisor of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is AONIA or the RBA Recommended Rate, as a consequence of which the Applicable Benchmark Rate will be prohibited from being used either generally, or in respect of the Notes, or that its use will be subject to restrictions or adverse consequences to the Issuer or a Noteholder, Receiptholder or Couponholder;

(d) as a consequence of a change in law or directive arising after the Issue Date of the first Tranche of the Notes, it has become unlawful for the Principal Paying Agent or any other party responsible for calculations of interest under the Conditions to calculate any payments due to be made to any Noteholder using the Applicable Benchmark Rate;

(e) a public statement or publication of information by the Supervisor of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is AONIA or the RBA Recommended Rate, stating that the Applicable Benchmark Rate is Non-Representative; or

(f) the Applicable Benchmark Rate has otherwise ceased to exist or be administered on a permanent or indefinite basis;

Permanent Fallback Effective Date means, in respect of a Permanent Discontinuation Trigger for an Applicable Benchmark Rate:

(a) in the case of paragraphs (a) and (b) of the definition of "Permanent Discontinuation Trigger", the first date on which the Applicable Benchmark Rate would ordinarily have been published or provided and is no longer published or provided;

(b) in the case of paragraphs (c) and (d) of the definition of "Permanent Discontinuation Trigger", the date from which use of the Applicable Benchmark Rate is prohibited or becomes subject to restrictions or adverse consequences or the calculation becomes unlawful (as applicable);

(c) in the case of paragraph (e) of the definition of "Permanent Discontinuation Trigger", the first date on which the Applicable Benchmark Rate would ordinarily have been published or provided but is Non-Representative by reference to the most recent statement or publication contemplated in that paragraph and even if such Applicable Benchmark Rate continues to be published or provided on such date; or

(d) in the case of paragraph (f) of the definition of "Permanent Discontinuation Trigger", the date that event occurs;

Publication Time means:

(a) in respect of the BBSW Rate, approximately 10:30 a.m. (Sydney time) (or such other time at which such rate is accustomed to be published by the Administrator for the BBSW Rate in its benchmark methodology), provided that, if such rate is re-published by such Administrator between such time and 12:00 noon (Sydney time) (or any amended publication time for the final intraday refix of such rate specified by the Administrator for the BBSW Rate in its benchmark methodology) (the **Publication Time Cut-Off Time**), the Publication Time shall be taken to be such Publication Time Cut-Off Time; and

(b) in respect of AONIA, 4.00 p.m. (Sydney time) or any amended publication time for the final intraday refix of such rate specified by the Administrator for AONIA in its benchmark methodology;

RBA Recommended Fallback Rate has the same meaning given to AONIA Rate but with necessary adjustments to substitute all references to AONIA with corresponding references to the RBA Recommended Rate;

RBA Recommended Rate means, in respect of any relevant day (including any day "*i*"), the rate (inclusive of any spreads or adjustments) recommended as the replacement for AONIA by the Reserve Bank of Australia (which rate may be produced by the Reserve Bank of Australia or another administrator) and as provided by the Administrator of that rate or, if that rate is not provided by the Administrator thereof, published by an authorised distributor in respect of that day;

Supervisor means, in respect of an Applicable Benchmark Rate, the supervisor or competent authority that is responsible for supervising that Applicable Benchmark Rate or the Administrator of that Applicable Benchmark Rate, or any committee officially endorsed or convened by any such supervisor or competent authority that is responsible for supervising that Applicable Benchmark Rate or the Administrator of that Applicable Benchmark Rate;

Supervisor Recommended Rate means the rate formally recommended for use as the temporary replacement for the BBSW Rate by the Supervisor of the BBSW Rate; and

Temporary Disruption Trigger means, in respect of any Applicable Benchmark Rate which is required for any determination:

(a) the Applicable Benchmark Rate has not been published by the applicable Administrator or an authorised distributor and is not otherwise provided by the Administrator, in respect of, on, for or by the time and date on which that Applicable Benchmark Rate is required; or

(b) the Applicable Benchmark Rate is published or provided but the Principal Paying Agent determines that there is an obvious or proven error in that rate.

(vii) BKBM Determination for Floating Rate Notes

Where "BKBM Determination" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be the "Bank Bill Benchmark Rate (FRA)" (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) administered by the New Zealand Financial Benchmark Facility (**NZFBF**) (or any other person that takes over the administration of that rate), having a tenor closest to the relevant Interest Period (the **BKBM Rate**), as set forth on the display page designated on the BKBM Page at or about the BKBM Publication Time in the Relevant Financial Centre on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or other party responsible for the calculation of the Rate of Interest as specified in the applicable Final

Terms (and references in this Condition 5.2(b)(vii) to "Principal Paying Agent" shall be construed accordingly).

If the BKBM Page is not available, or if the BKBM Rate does not appear on the BKBM Page by 11.00 a.m. in the Relevant Financial Centre (or such other time that is 15 minutes after the then prevailing BKBM Publication Time in the Relevant Financial Centre), then (unless the Principal Paying Agent has been notified of any Successor Rate or Alternative Rate (and any related Adjustment Spread and/or Benchmark Amendments) pursuant to Condition 5.5 below, if applicable) the Rate of Interest shall be the equivalent rate provided by the NZFBF (or any person that takes over the administration of that rate) (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) at or around 11.00 a.m. in the Relevant Financial Centre (or such other time that is 15 minutes after the then prevailing BKBM Publication Time in the Relevant Financial Centre) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any) as determined by the Issuer. Any such Rate of Interest shall be notified to the Principal Paying Agent by the Issuer as soon as practicable after its determination.

If the Issuer does not notify the Principal Paying Agent of the Rate of Interest in accordance with the preceding paragraph, the Rate of Interest shall be that determined by the Principal Paying Agent as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the Margin relating to that last preceding Interest Period).

In this Condition 5.2(b)(vii):

BKBM Page means Bloomberg BKBM Page “GDCO 2805 1”, or such other page as may replace such page for the purpose of displaying the New Zealand Bank Bill Benchmark Rate;

BKBM Publication Time means 10.45 a.m. (or such other time at which the BKBM Rate customarily appears on the BKBM Page);

Interest Determination Date shall mean the date specified as such in the applicable Final Terms or if none is so specified, the first day of each Interest Period; and

Relevant Financial Centre shall mean Auckland and Wellington, as specified in the applicable Final Terms.

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

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

The applicable Final Terms in respect of any Notes issued as Subordinated Notes may not specify a Minimum Rate of Interest and/or a Maximum Rate of Interest.

(d) **Determination of Rate of Interest and calculation of Interest Amounts**

The Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent (or such other party as aforesaid) will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes which are (i) represented by a Global Note or (ii) Registered Notes in definitive form, the aggregate outstanding nominal amount of (A) the Notes represented by such Global Note or (B) such Registered Notes (or, in each case, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Floating Rate Notes which are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note which is a Bearer Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

If "Interest Amounts Non-Adjusted" is specified in the applicable Final Terms then notwithstanding the bringing forward or postponement (as applicable) of an Interest Payment Date as a result of the application of the Business Day Convention set out in the applicable Final Terms, the Interest Amount in respect of the relevant Interest Period and each subsequent Interest Period shall be calculated as aforesaid on the basis of the original Interest Payment Dates without adjustment in accordance with the applicable Business Day Convention.

(e) **Linear Interpolation**

Where "Linear Interpolation" is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where "Screen Rate Determination" is specified as applicable in the applicable Final Terms) or the relevant BKBM Rate (where "BKBM Determination" is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent (or such other party as aforesaid) shall determine such rate at such time and by reference to such sources as the Issuer determines appropriate.

Designated Maturity means the period of time designated in the relevant Reference Rate (where "Screen Rate Determination" is specified as applicable in the applicable Final Terms) or the relevant BKBM Rate (where "BKBM Determination" is specified as applicable in the applicable Final Terms).

(f) **Notification of Rate of Interest and Interest Amounts**

(A) Except where "Screen Rate Determination – SOFR", "Screen Rate Determination – SONIA", "Screen Rate Determination – CORRA" or "Screen Rate Determination – €STR" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified as soon as possible after their determination but in no event later than (i) in the case of notification to any stock exchange on which the relevant Floating Rate Notes are for the time being listed, the first day of the relevant Interest

Period or, to the extent the nature of such Notes makes this impossible, the relevant Interest Payment Date; and (ii) in the case of notification to the Issuer and the Trustee and publication of a notice thereof in accordance with Condition 14, the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(B) Where "Screen Rate Determination – SOFR", "Screen Rate Determination – SONIA", "Screen Rate Determination – CORRA" or "Screen Rate Determination – €STR" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to (i) the Issuer and the Trustee, and (ii) to any stock exchange on which the relevant Floating Rate Notes are for the time being listed and, in each case, to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than (I) where "Screen Rate Determination – SOFR" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the second U.S. Government Securities Business Day (as defined in Condition 5.2(b)(ii)(A) above) thereafter, (II) where "Screen Rate Determination – SONIA" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the second London Banking Day (as defined in Condition 5.2(b)(iii)(A)) thereafter, (III) where "Screen Rate Determination – CORRA" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the second Toronto Business Day (as defined in Condition 5.2(b)(iv)(A)) thereafter or (IV) where "Screen Rate Determination – €STR" is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the second T2 Business Day (as defined in Condition 5.2(b)(v)(A)) thereafter. Each Rate of Interest, Interest Amount and Interest Payment Date so notified 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 relevant Interest Period. Any such amendment or alternative arrangements will promptly be notified to any stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14.

(g) **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 5.2 by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in these Conditions or the applicable Final Terms, as applicable) shall (in the absence of wilful default, fraud or manifest error) be binding on the Issuer, the Guarantor, the Principal Paying Agent, the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or fraud) no liability to the Issuer, the Guarantor, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent (or such other party as aforesaid) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3 Exempt Notes

In the case of Exempt Notes which are also Floating Rate Notes where the applicable Final Terms identifies that Screen Rate Determination applies to the calculation of interest, if the Reference Rate from time to time is specified in the applicable Final Terms as being other than EURIBOR, HIBOR, CNH HIBOR, NIBOR, SONIA, SOFR, CORRA, €STR, BBSW Rate or BKBM Rate, the Rate of Interest in respect of such Exempt Notes will be determined as provided in the applicable Final Terms.

The rate or amount of interest payable in respect of Exempt Notes which are not also Fixed Rate Notes or Floating Rate Notes shall be determined in the manner specified in the applicable Final Terms, provided that where such Notes are Index Linked Interest Notes the provisions of Condition 5.2 shall, save to the extent amended in the applicable Final Terms, apply as if the references therein to Floating Rate Notes and to the Principal Paying Agent were references to Index Linked Interest Notes and the Calculation Agent, respectively, and provided further that the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

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 applicable Final Terms.

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

5.4 Interest on 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 applicable Final Terms.

5.5 Benchmark Discontinuation

Notwithstanding the provisions in Condition 5.2 above, if:

(x) the Original Reference Rate is not SOFR or BBSW Rate; and

(y) the Issuer, acting in good faith and in a commercially reasonable manner, determines that a Benchmark Event has occurred in relation to the Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to that Original Reference Rate,

then the following provisions of this Condition 5.5 shall apply subject, in the case of Subordinated Notes issued by NAB, to the prior written approval of APRA and, in the case of Subordinated Notes issued by BNZ, BNZ giving the RBNZ at least five working days' notice prior to those provisions applying, such notice to be accompanied by any information and supporting documentation required by the RBNZ's prudential regulatory requirements including a signed opinion from BNZ's New Zealand legal counsel confirming that, once the amendment is in effect, the Subordinated Notes will continue to qualify as Tier 2 Capital (as defined in Condition 7.2).

Holders of Subordinated Notes issued by NAB should note that APRA's approval may not be given for any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendment it considers to have the effect of increasing the Rate of Interest contrary to applicable prudential standards. Holders of Subordinated Notes issued by BNZ should note that BNZ would not be able to comply with the RBNZ notification requirement and that, consequently, no Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendment (as applicable) could be applied, if the effect of any such Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendment (as applicable) would be that such Subordinated Notes would no longer qualify as Tier 2 Capital (as defined in Condition 7.2) because, for example, the Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendment (as applicable) would have the effect of increasing the Rate of Interest contrary to applicable prudential regulatory requirements.

(i) **Successor Rate or Alternative Rate**

If there is a Successor Rate, then the Issuer shall promptly notify the Trustee, the party responsible for determining the Rate of Interest (being the Principal Paying Agent or other such party specified in the applicable Final Terms, as applicable) and, in accordance with Condition 14, the Noteholders of such Successor Rate and that Successor Rate shall (subject to adjustment as provided in Condition 5.5(ii)) subsequently be used by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.5).

If there is no Successor Rate but the Issuer, acting in good faith, in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, determines that there is an Alternative Rate, then the Issuer shall promptly notify the Trustee, the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) and, in accordance with Condition 14, the Noteholders of such Alternative Rate and that Alternative Rate shall (subject to adjustment as provided in Condition 5.5(ii)) subsequently be used in place of the Original Reference Rate to determine the relevant Rate(s) of Interest (or the relevant component part(s) thereof) for all relevant future payments of interest on the Notes (subject to the further operation of this Condition 5.5).

(ii) **Adjustment Spread**

If, in the case of a Successor Rate, an Adjustment Spread is formally recommended, or provided as an option for parties to adopt in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body, then the Issuer shall promptly notify the Trustee, the party responsible for determining the Rate of Interest (being the Principal Paying Agent or other such party specified in the applicable Final Terms, as applicable) and, in accordance with Condition 14, the Noteholders of such Adjustment Spread and the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall, subject to the receipt (not less than five Business Days prior to the relevant Interest Determination Date) of, and in accordance with, the Issuer's written instructions, apply such Adjustment Spread to the Successor Rate for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate.

If, in the case of a Successor Rate where no such Adjustment Spread is formally recommended or provided as an option by any Relevant Nominating Body, or in the case of an Alternative Rate, the Issuer, acting in good faith and in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, determines that there is an Adjustment Spread in customary market usage in the international debt capital markets for transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be), then the Issuer shall promptly notify the Trustee, the party responsible for determining the Rate of Interest (being the Principal Paying Agent or other such party specified in the applicable Final Terms, as applicable) and, in accordance with Condition 14, the Noteholders of such Adjustment Spread and the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall, subject to the receipt (not less than five Business Days prior to the relevant Interest Determination Date) of, and in accordance with, the Issuer's written instructions, apply such Adjustment Spread to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

If no such recommendation or option has been made (or made available) by any Relevant Nominating Body, or the Issuer so determines, acting in good faith and in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, that there is no such Adjustment Spread in customary market usage in the international debt capital markets and the Issuer further determines, acting in good faith and in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be), then the Adjustment Spread shall be:

(A) the Adjustment Spread determined by the Issuer, acting in good faith and in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, as being the Adjustment Spread recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(B) if there is no such industry standard recognised or acknowledged, such Adjustment Spread as the Issuer, acting in good faith and in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, determines to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances, of reducing or eliminating any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

Following any such determination of the Adjustment Spread, the Issuer shall promptly notify the Trustee, the party responsible for determining the Rate of Interest (being the Principal Paying Agent or other such party specified in the applicable Final Terms, as applicable) and, in accordance with Condition 14, the Noteholders of such Adjustment Spread and the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) shall, subject to the receipt (not less than five Business Days prior to the relevant Interest Determination Date) of, and in accordance with, the Issuer's written instructions, apply such Adjustment Spread to the Successor Rate or the Alternative Rate (as the case may be) for each subsequent determination of a relevant Rate of Interest (or a component part thereof) by reference to such Successor Rate or Alternative Rate (as applicable).

(iii) **Benchmark Amendments**

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5.5 and the Issuer, acting in good faith and in a commercially reasonable manner and by reference to such sources as it deems appropriate, which may include consultation with an Independent Adviser, determines in its discretion (A) that amendments to these Conditions and/or the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the **Benchmark Amendments**) and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to the following paragraphs of this Condition 5.5(iii) and subject to the Issuer having to give notice thereof to the Noteholders in accordance with Condition 14, and to the Trustee and the party responsible for determining the Rate of Interest (being the Principal Paying Agent or other such party specified in the applicable Final Terms as applicable) in accordance with this Condition 5.5(iii), without any requirement for the consent or approval of Noteholders, Receiptholders or Couponholders make the necessary modifications to these Conditions and/or Trust Deed and/or the Agency

Agreement to give effect to such Benchmark Amendments. At the request of the Issuer, but subject to receipt by the Trustee and the Principal Paying Agent of the certificate referred to in the final paragraph of this Condition 5.5(iii), and subject as provided below, the Trustee and the Agents (as applicable) shall (at the expense of the Issuer), without any requirement for the consent or approval of Noteholders, Receiptholders or Couponholders and without liability to the Noteholders or any other person, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed) with effect from the date specified in such notice.

In connection with any such modifications in accordance with this Condition 5.5(iii), if and for so long as the Notes are admitted to trading and listed on the official list of a stock exchange, the Issuer shall comply with the rules of that stock exchange. Notwithstanding any other provision of this Condition 5.5, no Successor Rate, Alternative Rate or Adjustment Spread will be adopted, nor will any other amendment to the terms and conditions of any Series of Notes be made to effect the Benchmark Amendments, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the treatment of any relevant Series of Subordinated Notes as Tier 2 Capital (as defined in Condition 7.2 in the case of Subordinated Notes issued by BNZ, and as defined in Condition 10A.16 in the case of Subordinated Notes issued by NAB).

Notwithstanding any other provision of this Condition 5.5(iii), neither the Trustee nor the Agents (as applicable) shall be obliged to concur with the Issuer in respect of any Benchmark Amendments which, in the sole opinion of the Trustee or the relevant Agent (as applicable), would (i) expose the Trustee or the relevant Agent (as applicable) to any additional liability or (ii) increase the obligations or duties, or decrease the rights or protections, afforded to the Trustee or the relevant Agent (as applicable) in the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed), the Agency Agreement and/or these Conditions.

Any Benchmark Amendments determined under this Condition 5.5(iii) shall be notified promptly (in any case, not less than five Business Days prior to the relevant Interest Determination Date) by the Issuer to the Trustee, the party responsible for determining the Rate of Interest (being the Principal Paying Agent or other such party specified in the applicable Final Terms as applicable) and, in accordance with Condition 14, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of such Benchmark Amendments.

No later than notifying the Trustee and the party responsible for determining the Rate of Interest (being the Principal Paying Agent or such other party specified in the applicable Final Terms, as applicable) of the same, the Issuer shall deliver to each of the Trustee and the Principal Paying Agent a certificate (on which each of the Trustee and the Principal Paying Agent shall be entitled to rely without further enquiry or liability) signed by two Authorised Signatories (as defined in the Trust Deed) of the Issuer or, as the case may be, the Guarantor:

(A) confirming (i) that a Benchmark Event has occurred, (ii) whether or not the Issuer has consulted with an Independent Adviser, (iii) the Successor Rate or, as the case may be, the Alternative Rate, (iv) where applicable, any Adjustment Spread, and/or (v) the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5.5; and

(B) certifying that the Benchmark Amendments are (in accordance with the provisions of Condition 5.5(iii)) necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's and the Principal Paying Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Trustee, the party responsible for determining the Rate of Interest (being the Principal Paying Agent or other such party specified in the applicable Final Terms, as applicable), the Agents and the Noteholders, Receiptholders and Couponholders.

(iv) **Independent Adviser**

In the event the Issuer is to consult with an Independent Adviser in connection with any determination to be made by the Issuer pursuant to this Condition 5.5, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, for the purposes of any such consultation.

An Independent Adviser appointed pursuant to this Condition 5.5 shall act in good faith and in a commercially reasonable manner and (in the absence of fraud or wilful default) shall have no liability whatsoever to the Issuer, (in the case of Guaranteed Senior Notes) the Guarantor, the Trustee or the Noteholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 5.5 or otherwise in connection with the Notes.

If the Issuer consults with an Independent Adviser as to whether there is a Successor Rate, an Alternative Rate and/or whether any Adjustment Spread is required to be applied and/or in relation to the quantum of, or any formula or methodology for determining such Adjustment Spread and/or whether any Benchmark Amendments are necessary and/or in relation to the terms of any such Benchmark Amendments, a written determination of an Independent Adviser in respect thereof shall be conclusive and binding on all parties, save in the case of manifest error, and (in the absence of fraud or wilful default) neither the Issuer nor (in the case of Guaranteed Senior Notes) the Guarantor, shall have any liability whatsoever to the Noteholders in respect of anything done, or omitted to be done, in relation to that matter in accordance with any such written determination.

No Independent Adviser appointed in connection with the Notes (acting in such capacity), shall have any relationship of agency or trust with the Noteholders.

(v) **Survival of Original Reference Rate Provisions**

Without prejudice to the obligations of the Issuer under this Condition 5.5, the Original Reference Rate and the fallback provisions provided for in Condition 5.2 and/or the applicable Final Terms, as the case may be, will continue to apply unless and until the Issuer has determined the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with the relevant provisions of this Condition 5.5.

If, in the case of any Benchmark Event, any Successor Rate, Alternative Rate and/or Adjustment Spread is notified to the Principal Paying Agent or any other party specified in the applicable Final Terms as being responsible for determining the Rate of Interest pursuant to Condition 5.5(iii), and the Principal Paying Agent or such other responsible party (as applicable) is in any way uncertain as to the application of such Successor Rate, Alternative Rate and/or Adjustment Spread in the calculation or determination of any Rate of Interest, it shall promptly notify the Issuer thereof and the Issuer shall direct the Principal Paying Agent or such other party (as applicable) in writing (which direction may be by way of a written determination of an Independent Adviser) as to which course of action to adopt in the application of such Successor Rate, Alternative Rate and/or Adjustment Spread in the determination of such Rate of Interest. If the Principal Paying Agent or such other party specified in the applicable Final Terms as being responsible for determining the Rate of Interest is not promptly provided with such direction, it shall notify the Issuer thereof, and the Principal Paying Agent or such other party (as applicable) shall be under no obligation to make such calculation or determination and shall not incur any liability for not doing so. For the avoidance of doubt, for the period that the Principal Paying Agent or such other party (as applicable) remains uncertain of the application of the Successor Rate, Alternative Rate and/or Adjustment Spread in the calculation or determination of any Rate of Interest, the Original Reference Rate and the fallback provisions provided for in Condition 5.2 and/or the applicable Final Terms, as the case may be, will continue to apply.

(vi) **Definitions**

In this Condition 5.5:

Adjustment Spread means either a spread, or the formula or methodology for calculating a spread and the spread resulting from such calculation, which spread may in either case be positive or negative or zero and is to be applied to the Successor Rate or the Alternative Rate (as the case may be) where the Original Reference Rate is replaced with the Successor Rate or the Alternative Rate (as the case may be);

Alternative Rate means an alternative benchmark or screen rate which the Issuer determines in accordance with this Condition 5.5 is used in place of the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for a commensurate interest period and in the same Specified Currency as the Notes;

Benchmark Amendments has the meaning given to it in Condition 5.5(iii);

Benchmark Event means, with respect to an Original Reference Rate, the earlier to occur of:

(A) the Original Reference Rate ceasing to be published for at least five Business Days or ceasing to exist or be administered;

(B) the later of (i) the making of a public statement by or on behalf of the administrator of the Original Reference Rate that it will, on or before a specified date, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (ii) the date falling six months prior to the specified date referred to in (B)(i);

(C) the making of a public statement by or on behalf of the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been permanently or indefinitely discontinued;

(D) the later of (i) the making of a public statement by or on behalf of the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, on or before a specified date, be permanently or indefinitely discontinued and (ii) the date falling six months prior to the specified date referred to in (D)(i);

(E) the later of (i) the making of a public statement by or on behalf of the supervisor of the administrator of the Original Reference Rate that means the Original Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in (E)(i);

(F) it has or will prior to the next Interest Determination Date become unlawful for the Principal Paying Agent, any Paying Agent, (if specified in the applicable Final Terms) such other party responsible for the calculation of the Rate of Interest, or the Issuer to determine any Rate of Interest and/or calculate any Interest Amount using the Original Reference Rate (including, without limitation, under Regulation (EU) No. 2016/1011 as that Regulation applies in the European Union and/or as it applies in the United Kingdom in the form retained as domestic law in the United Kingdom under the European Union (Withdrawal) Act 2018 as amended, if applicable);

(G) the making of a public statement by or on behalf of the supervisor of the administrator of the Original Reference Rate announcing that such Original Reference Rate is no longer representative or may no longer be used; and

(H) the later of (i) the making of a public statement by or on behalf of the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will no longer be representative or may no longer be used, in each case on or before a specified date and (ii) the date falling six months prior to the specified date referred to in (H)(i);

Independent Adviser means an independent financial institution of international repute or other independent adviser of recognised standing with appropriate expertise appointed by the Issuer at its own expense;

Original Reference Rate means the benchmark or screen rate (as applicable) originally specified in the applicable Final Terms for the purposes of determining the relevant Rate of Interest (or any component part thereof) in respect of the Notes (provided that if, following one or more Benchmark Events, such originally specified Reference Rate (or any Successor Rate or Alternative Rate which has replaced it) has been replaced by a (or a further) Successor Rate or Alternative Rate and a Benchmark Event subsequently occurs in respect of such Successor Rate or Alternative Rate, the term "Original Reference Rate" shall include any such Successor Rate or Alternative Rate);

Relevant Nominating Body means, in respect of an Original Reference Rate:

(A) the central bank for the currency to which the Original Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate; or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the Original Reference Rate relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the Original Reference Rate, (iii) a group of the aforementioned central banks or other supervisory authorities, or (iv) the Financial Stability Board or any part thereof; and

Successor Rate means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

5.6 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent or the Registrar or the Trustee, as the case may be, and notice to that effect has been given to the Noteholders as provided in the Trust Deed.

5.7 Definitions

In these Conditions, except in Condition 10A and in the Schedule to these Conditions:

Accrual Period means, for the purposes of the definition of the applicable Day Count Fraction, the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date.

Business Day means:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre (other than T2) specified in the applicable Final Terms;

(b) if T2 is specified as an Additional Business Centre in the applicable Final Terms, a day on which T2 is open; and

(c) either (i) in relation to any sum payable in a Specified Currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively), (ii) in relation to any sum payable in euro, a day on which T2 is open or (iii) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 5:

(a) if "Actual/Actual (ICMA)" is specified in the applicable Final Terms in the case of Fixed Rate Notes:

(i) in the case of Notes where the number of days in the Accrual Period is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(b) if "30/360" is specified in the applicable Final Terms in the case of Fixed Rate Notes, 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;

(c) if "Actual/Actual (ISDA)" or "Actual/Actual" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(d) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(e) if "Actual/365 (Sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(f) if "Actual/360" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(g) if "30/360", "360/360" or "Bond Basis" is specified in the applicable Final Terms in the case of Floating Rate Notes or Index Linked Interest Notes, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

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

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

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

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

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

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

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

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

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

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

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

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

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

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

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

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

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

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

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

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

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

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

(j) if "RBA Bond Basis" or "Australian Bond Basis" is specified in the applicable Final Terms:

(A) for amounts paid and/or calculated in respect of Interest Payment Dates, one divided by the number of Interest Payment Dates in a year; and

(B) for amounts paid and/or calculated in respect of dates other than Interest Payment Dates, Actual/Actual (ICMA); and

(k) if "Actual/Actual Canadian Compound Method" is specified in the applicable Final Terms, (i) where the relevant calculation relates to a full semi-annual Interest Period, if applicable, "30/360" as described in paragraph (g) above and (ii) in respect of an Interest Period other than where (i) applies, the actual number of days in such Interest Period divided by 365 (fixed).

In respect of Fixed Rate Notes only, references in the Day Count Fractions specified above to "Interest Period" or "Interest Periods", as the case may be, shall be deemed to be references to "Fixed Interest Period" or "Fixed Interest Periods", as the context requires.

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

Fixed Interest Period means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date;

Reference Rate means (i) EURIBOR, (ii) HIBOR, (iii) CNH HIBOR, (iv) NIBOR, (v) SONIA, (vi) SOFR, (vii) CORRA or (viii) €STR, as specified in the applicable Final Terms, in each case for the relevant period or in respect of the relevant date;

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent; and

T2 means the Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor to or replacement for that system.

6. PAYMENTS

6.1 Method and Conditions of Payment

Subject as provided below:

(a) payments in a Specified Currency other than euro or Renminbi will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be (i) Sydney or (ii) Auckland and Wellington, respectively);

(b) 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; and

(c) payments in Renminbi will be made in accordance with Condition 6.9.

Payments will be subject:

(i) in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment or other laws and regulations to which the Issuer, (in the case of Guaranteed Senior Notes) the Guarantor or (in either case) the Agents are subject;

(ii) in the case of Subordinated Notes issued by NAB, to Condition 3.2 and Condition 10A; and

(iii) in the case of Subordinated Notes issued by BNZ, to Condition 3.3,

but without prejudice to the provisions of Condition 8.

For the avoidance of doubt, any amounts to be paid on the Notes will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, as amended (the **Code**), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, and no additional amounts will be required to be paid on account of any such deduction or withholding.

6.2 Presentation of definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below) and save as provided in Condition 6.4) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

6.3 Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note, (i) in the case of a Global Note in bearer form lodged with the CMU Service, to the CMU Accountholder, which notification from the CMU Service shall be conclusive and binding evidence (save in the case of manifest error) of (a) the identity of any Accountholder and, (b) the instruction of the bearer of the Global Note to make such payments of principal and interest (if any) to such Accountholders, or (ii) in the case of a Global Note in bearer form not lodged with the CMU Service, against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment distinguishing between any payment of principal and any payment of interest, will be made (in the case of a Global Note not lodged with the CMU Service) on such Global Note by the Paying Agent to which it was presented, (in the case of a Global Note lodged with the CMU Service) on withdrawal of the Global Note by the CMU Lodging Agent or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

6.4 Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the **Register**) (i) where in global form, at the close of the business day (being for this purpose, in respect of Notes held through Euroclear and Clearstream, Luxembourg, a day on which Euroclear and Clearstream, Luxembourg are open for business and, in respect of Notes held through the CMU Service, a day on which the CMU Service is open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Notes held by a holder is less than U.S.$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, **Designated Account** means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non- resident account) maintained by a holder with a Designated Bank and identified as such in the Register and **Designated Bank** means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be (i) Sydney or (ii) Auckland or Wellington, respectively) and (in the case of a payment in euro) any bank which processes payments in euro. In the case of any Notes denominated in Renminbi, the meaning of Designated Account and Designated Bank should be construed in accordance with Condition 6.9.

Payments of interest in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**) at its address shown in the Register on the Record Date and at its risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption will be made in the same manner as payment of the principal amount of such Registered Note. In the case of each Registered Note held through the CMU Service, payment will be made at the direction of the registered holder to the CMU Accountholders and such payment shall discharge the obligations of the Issuer or, as the case may be, the Guarantor, in respect of that payment.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

6.5 Specific provisions in relation to payments in respect of certain types of Exempt Notes

Payments of instalments of principal (if any) in respect of definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business and in respect of Notes held through the CMU Service, a day on which the CMU Service is open for business) before the relevant due date, and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the **Record Date**) at its address shown in the Register on the Record Date and at its risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Upon the date on which any Dual Currency Note or Index Linked Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

6.6 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments (or, in the case of a Global Note lodged with the CMU Service, to direct to whom payment should be made) in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor, will be discharged by payment to, or to the order of, the holder of such Global Note or such person(s) for whose account(s) interests in such Global Note are credited as being held in the CMU Service (as the case may be) in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg or DTC or the CMU Service as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC or the CMU Service, as the case may be, for its share of each payment so made by the Issuer or, as the case may be, the Guarantor, to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(a) the Issuer and (if applicable) the Guarantor 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 in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

(b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(c) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

6.7 Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 9) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):

  (i) in the case of Notes in definitive form only, in the relevant place of presentation; and

  (ii) in each Additional Financial Centre (other than T2) specified in the applicable Final Terms;

(b) if T2 is specified as an Additional Financial Centre in the applicable Final Terms, a day on which T2 is open;

(c) either (A) in relation to any sum payable in a Specified Currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be (i) Sydney or (ii) Auckland and Wellington, respectively), (B) in relation to any sum payable in euro, a day on which T2 is open or (C) in relation to any sum payable in Renminbi, a day on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong; and

(d) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

6.8 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(a) any additional amounts which may be payable with respect to principal under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;

(b) the Final Redemption Amount of the Notes;

(c) the Early Redemption Amount of the Notes;

(d) the Optional Redemption Amount(s) (if any) of the Notes;

(e) in relation to Exempt Notes redeemable in instalments, the Instalment Amounts; and

(f) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

6.9 Payment in Renminbi

Notwithstanding any other provision in this Condition 6, in case of any payment in Renminbi, payment shall be made by transfer to a Renminbi account maintained by or on behalf of a holder with a bank in Hong Kong.

6.10 Payment of U.S. Dollar Equivalent

In respect of Notes denominated in Renminbi, notwithstanding Condition 6.9, where "U.S. Dollar Equivalent" is specified in the applicable Final Terms as being applicable to a Series of Notes, if by reason of Inconvertibility, Non-transferability or Illiquidity (each, a **CNY Disruption Event**), the Issuer or the Guarantor (as the case may be), is not able or it would be impracticable for it to satisfy payments of principal or interest (in whole or part) in respect of the Notes or the Coupons when due in Renminbi in Hong Kong:

(a) payment of such amount shall be postponed to two Business Days after the date on which the CNY Disruption Event ceases to exist, unless it continues to exist for 14 consecutive calendar days from the original date that, but for the occurrence of the CNY Disruption Event, would have been the date of such payments; or

(b) if the CNY Disruption Event continues to exist for 14 consecutive calendar days from the original date that, but for the occurrence of the CNY Disruption Event, would have been the date of such payments, the Issuer or the Guarantor (as the case may be) may, on giving five Business Days' irrevocable notice to the Paying Agent, Noteholders and the Trustee, settle any such payment (in whole or in part) in U.S. dollars on the date that is three Business Days after the expiration of the aforementioned 14 calendar day period at the U.S. Dollar Equivalent of any such Renminbi-denominated amount.

In the case of (b) above, any payment of U.S. dollars will be made by transfer to a U.S. dollar denominated account maintained by the payee with, or by a U.S. dollar denominated cheque drawn on, a bank in New York City; and the definition of Payment Day in Condition 6.7 shall mean any day (subject to Condition 9) which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in: (A) in the case of Notes in definitive form only, the relevant place of presentation; (B); London, Sydney and New York; and (C) each Additional Financial Centre specified in the applicable Final Terms.

For the purposes of these Conditions, **U.S. Dollar Equivalent** means the Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Determination Date.

Any payment made under such circumstances in U.S. dollars will constitute valid payment, and will not constitute a default in respect of the Notes.

For these purposes:

Calculation Agent means Deutsche Bank AG, London Branch;

CNY means the lawful currency of the PRC;

Determination Business Day means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong, London and in New York City;

Determination Date means the day which is two Determination Business Days before the due date for any payment of the relevant amount under these Conditions;

Governmental Authority means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

Hong Kong means the Hong Kong Special Administrative Region of the PRC;

Illiquidity means that the general Renminbi exchange market in Hong Kong has become illiquid and, as a result of which, the Issuer or the Guarantor (as the case may be) cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest and/or principal (in whole or in part) in respect of the Notes, as determined by the Issuer or the Guarantor (as the case may be) in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers;

Inconvertibility means the occurrence of any event that makes it impossible for the Issuer or the Guarantor (as the case may be) to convert any amount due in respect of the Notes in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer or the Guarantor (as the case may be) to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation becomes effective after the Issue Date of the first tranche of the Notes and it is impossible for the Issuer or the Guarantor (as the case may be), due to an event beyond its control, to comply with such law, rule or regulation);

Non-transferability means the occurrence of any event that makes it impossible for the Issuer to transfer Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong or from an account outside Hong Kong to an account inside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer or the Guarantor (as the case may be) to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation becomes effective after the Issue Date of the first tranche of the Notes and it is impossible for the Issuer or the Guarantor (as the case may be), due to an event beyond its control, to comply with such law, rule or regulation);

PRC means the People's Republic of China which, for the purpose of these Conditions, shall exclude Hong Kong, the Macao Special Administrative Region of the People's Republic of China and Taiwan;

Renminbi means the lawful currency of the PRC;

Renminbi Dealer means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong; and

Spot Rate means the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11.15 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page <CNHFIX> after that rate has been set on that day, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent will determine the Spot Rate at or around 11.15 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Determination Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

6.11 Determinations are binding

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6 by the Calculation Agent, will (in the absence of wilful default, fraud or manifest error) be binding on the Issuer, the Guarantor (in the case of Guaranteed Senior Notes), the Paying Agents and all Noteholders.

7. REDEMPTION AND PURCHASE

7.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled (or, in the case of Subordinated Notes issued by NAB, Converted or Written-Off) as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

7.2 Redemption for tax reasons

(A) Subject to Condition 7.5, the Notes may be redeemed (subject, in the case of Subordinated Notes issued by NAB, to the prior written approval of APRA and, in the case of Subordinated Notes issued by BNZ, to the prior written approval of the RBNZ) at the option of the Issuer in whole or in part at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Trustee and the Principal Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable, subject, in the case of Subordinated Notes issued by NAB, to Condition 10A), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

(a) (except in the case of Subordinated Notes issued by BNZ) on the occasion of the next payment due under the Notes (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 or (ii) (in the case of Guaranteed Senior Notes) the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to (A) the laws or regulations of Australia (if the Issuer is NAB) or New Zealand (if the Issuer is BNZ or BNZ-IF) or in all cases any political sub-division thereof or any authority thereof or therein or (in all cases) any Tax Jurisdiction (as defined in Condition 8) or (B) any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes and such obligation cannot be avoided by the Issuer (if the Issuer is BNZ or BNZ-IF) or, as the case may be, the Guarantor, paying (if it is not already doing so) New Zealand approved issuer levy at a rate not exceeding 2 per cent. of the relevant payment; or

(b) (in the case of Subordinated Notes issued by NAB only) any payment due under such Notes is not or may not be, in each case in the opinion of counsel of international repute appointed by the Issuer and approved by the Trustee, allowed as a deduction for Australian income tax purposes as a result of a change in or amendment to the laws or regulations of Australia or any political sub-division thereof or any authority thereof or therein or any change in the application or official interpretation of such laws or regulations which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; or

(c) (in the case of Subordinated Notes issued by BNZ only) BNZ has determined, in its absolute discretion, that:

(i) there has been, or there will be, a change in any New Zealand law, regulation, ruling or directive (including by way of the imposition of, or any change to, any New Zealand law, regulation, ruling or directive);

(ii) there has been, or there will be, a change in the application, interpretation or administration of any New Zealand law, regulation, ruling or directive by any authority (including the New Zealand Inland Revenue Department); or

(iii) BNZ is or will be required to comply with a change in any New Zealand law, regulation, ruling or directive or changed application, interpretation or administration,

in each case which change applies, or is to apply, on or after the date of issue of the first Tranche of the Subordinated Notes and which directly or indirectly affects the taxation treatment in relation to the Notes with the effect that BNZ would be exposed to an increase to its costs in relation to the Notes; and

(d) (in the case of each of (a), (b) and (c) above) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor taking any other reasonable measures available to it,

provided that (i) no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts or suffer such other adverse consequences were a payment in respect of the Notes then due; (ii) (in the case of Subordinated Notes issued by NAB only) NAB does not as at the date of issue of the Subordinated Notes (including where Subordinated Notes are issued as a Tranche consolidated with an existing Series, as at the date of issue of that Tranche) expect that an event described in this Condition 7.2(A) will occur; and (iii) (in the case of Subordinated Notes issued by BNZ only) such event is not minor and could not reasonably have been anticipated by BNZ as at the date of issue of the Subordinated Notes.

(B) Prior to the publication of any notice of redemption pursuant to this Condition 7.2, the Issuer shall deliver to the Trustee to make available at its specified office to the Noteholders (i) a certificate signed by two Directors of the Issuer or, as the case may be, the Guarantor, stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Guarantor has or will become obliged to pay such additional amounts or, as the case may be, that it has suffered or will suffer such other adverse consequences, in either case as a result of such change or amendment and the Trustee shall be entitled to accept the certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders, the Receiptholders and the Couponholders.

(C) Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.5 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(D) In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in normal amount, at their discretion) and/or DTC and/or the CMU Service, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the **Selection Date**). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 7.2 and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least five days prior to the Selection Date.

(E) NAB may elect to redeem any Subordinated Notes issued by it under this Condition 7.2 only if either (i) such Subordinated Notes the subject of the redemption are replaced concurrently or beforehand with Regulatory Capital (as defined in Condition 10A.16) of the same or better quality and the replacement of the instrument is done under conditions that are sustainable for NAB’s income capacity, or (ii) NAB obtains confirmation from APRA that APRA is satisfied that the capital position of the NAB Level 1 Group and the NAB Level 2 Group will remain adequate after NAB elects to redeem such Subordinated Notes.

(F) BNZ may elect to redeem any Subordinated Notes issued by it under this Condition 7.2 only if

(a) either:

(i) the Subordinated Notes the subject of the redemption are replaced concurrently or beforehand with Regulatory Capital (as defined in this Condition 7.2) of the same or better quality and contributing at least the same regulatory capital amount (for the purposes of the RBNZ's capital adequacy requirements applying to BNZ at the time of the redemption of the relevant Subordinated Notes) and the replacement of the instrument is done under terms and conditions that are sustainable for the income capacity of BNZ Group; or

(ii) if BNZ does not intend to replace the Subordinated Notes the subject of the redemption, BNZ has demonstrated to the RBNZ's satisfaction that, after the redemption, the BNZ Group's capital ratios would be sufficiently above their respective minimums and the prudential capital buffer ratio would be sufficiently above its respective buffer trigger ratio; and

(b) BNZ has provided any information and supporting documentation required by the RBNZ's prudential regulatory requirements to the RBNZ.

In these Conditions:

BNZ Group means BNZ (as reporting entity) and all other entities included in its group (as defined in section 5(1) of the Financial Reporting Act 2013 (New Zealand)).

Level 1 and **Level 2** have the meanings given by APRA from time to time.

NAB Level 1 Group means NAB and those of its Related Entities included by APRA from time to time in the calculation of NAB’s capital ratios on a Level 1 basis.

NAB Level 2 Group means NAB and those of its Related Entities included by APRA from time to time in the calculation of NAB’s capital ratios on a Level 2 basis.

Regulatory Capital means, in respect of BNZ, a Tier 1 Capital Instrument or a Tier 2 Capital Instrument (each as defined in this Condition 7.2 in respect of BNZ).

Tier 1 Capital means, in respect of BNZ, the Tier 1 Capital of BNZ as defined by the RBNZ from time to time.

Tier 1 Capital Instrument means, in respect of BNZ, a share, note or other security or instrument constituting Tier 1 Capital (as defined in this Condition 7.2 in respect of BNZ).

Tier 2 Capital means, in respect of BNZ, the Tier 2 Capital of BNZ as defined by the RBNZ from time to time.

Tier 2 Capital Instrument means, in respect of BNZ, a share, note or other security or instrument constituting Tier 2 Capital (as defined in this Condition 7.2 in respect of BNZ).

Noteholders should not expect that (i) APRA's approval will be given for any redemption under this Condition 7.2 of Subordinated Notes issued by NAB, or (ii) the RBNZ’s approval will be given for any redemption under this Condition 7.2 of Subordinated Notes issued by BNZ.

7.2A Redemption for a Regulatory Event—NAB

The provisions of, and the defined terms contained within, this Condition 7.2A apply only to Subordinated Notes issued by NAB and references to "Subordinated Notes" in this Condition 7.2A shall be construed accordingly.

If a Regulatory Event Call is specified in the applicable Final Terms, subject to the prior written approval of APRA, Subordinated Notes may be redeemed, at the option of NAB, in whole or in part at any time, on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Trustee and the Principal Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable, subject to Condition 10A), if a Regulatory Event occurs.

For the purpose of this Condition 7.2A, **Regulatory Event** means a determination by the Directors of NAB, having received:

(a) an opinion from a reputable legal counsel that as a result of any amendment to, clarification of or change (including any announcement of a change that will be introduced) in, any law or regulation of the Commonwealth of Australia or any political sub-division thereof or any authority thereof or therein, or any official administrative pronouncement or action or judicial decision interpreting such laws or regulations, or any direction, order, standard, requirement, guideline or statement of APRA (whether or not having the force of law), in each case which amendment, clarification or change is effective, or pronouncement, action or decision is announced, after the Issue Date; or

(b) a written statement from APRA after the Issue Date,

that, in each case, NAB is not or will not be entitled to treat all of the Subordinated Notes as Tier 2 Capital (as defined in Condition 10A.16), provided that, in each case, NAB does not expect the matters giving rise to the Regulatory Event will occur at the time of issue of Subordinated Notes.

Subordinated Notes redeemed pursuant to this Condition 7.2A will be redeemed at their Early Redemption Amount referred to in Condition 7.5 together (if appropriate) with interest accrued to (but excluding) the date of redemption.

In the case of a partial redemption of Subordinated Notes pursuant to this Condition 7.2A, the provisions of subparagraph (D) of Condition 7.2 above shall apply, *mutatis mutandis*, as though references to "Redeemed Notes" were to Subordinated Notes subject to partial redemption under this Condition 7.2A.

NAB may elect to redeem any Subordinated Notes under this Condition 7.2A only if either (i) the Subordinated Notes the subject of the redemption are replaced concurrently or beforehand with Regulatory Capital (as defined in Condition 10A.16) of the same or better quality and the replacement of the instrument is done under conditions that are sustainable for NAB's income capacity, or (ii) NAB obtains confirmation from APRA that APRA is satisfied that the capital position of the NAB Level 1 Group and the NAB Level 2 Group will remain adequate after NAB elects to redeem the Subordinated Notes.

Noteholders should not expect that APRA's approval will be given for any redemption under this Condition 7.2A of Subordinated Notes.

7.2B Redemption for a Regulatory Event—BNZ

The provisions of, and the defined terms contained within, this Condition 7.2B apply only to Subordinated Notes issued by BNZ and references to "Subordinated Notes" in this Condition 7.2B shall be construed accordingly.

If a Regulatory Event Call is specified in the applicable Final Terms, subject to the prior written approval of the RBNZ, Subordinated Notes may be redeemed, at the option of BNZ, in whole or in part at any time, on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Trustee and the Principal Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if a Regulatory Event occurs.

For the purpose of this Condition 7.2B, **Regulatory Event** means:

(a) the receipt by the Directors of BNZ of an opinion from a reputable legal counsel that, as a result of a Regulatory Change, additional requirements would be imposed on BNZ in relation to or in connection with the regulatory treatment of the Subordinated Notes, which additional requirements the Directors of BNZ determine, in their absolute discretion, have, or would have, an unacceptable adverse effect; or

(b) the determination by the Directors of BNZ that, as a result of a Regulatory Change, BNZ is not or will not be entitled to treat some or all Subordinated Notes as Tier 2 Capital (as defined in Condition 7.2).

For the purpose of this Condition 7.2B, **Regulatory Change** means any amendment to, clarification of or change (including any announcement of a change that will be introduced) in or to:

(a) any law or regulation in New Zealand;

(b) any official administrative pronouncement or action or judicial decision interpreting or applying any law or regulation in New Zealand; or

(c) any order, direction, standard, requirement, guideline or statement of the RBNZ (whether or not having the force of law),

in each case provided that such event is not minor and could not reasonably have been anticipated by BNZ as at the Issue Date.

Subordinated Notes redeemed pursuant to this Condition 7.2B will be redeemed at their Early Redemption Amount referred to in Condition 7.5 together (if appropriate) with interest accrued to (but excluding) the date of redemption.

In the case of a partial redemption of Subordinated Notes pursuant to this Condition 7.2B, the provisions of subparagraph (D) of Condition 7.2 above shall apply, *mutatis mutandis*, as though references to "Redeemed Notes" were to Subordinated Notes subject to partial redemption under this Condition 7.2B.

BNZ may elect to redeem any Subordinated Notes under this Condition 7.2B only if:

(a) either:

(i) the Subordinated Notes the subject of the redemption are replaced concurrently or beforehand with Regulatory Capital (as defined in Condition 7.2 in respect of BNZ) of the same or better quality and contributing at least the same regulatory capital amount (for the purposes of the RBNZ's capital adequacy requirements applying to BNZ at the time of the redemption of the relevant Subordinated Notes and the replacement of the instrument is done under terms and conditions that are sustainable for the income capacity of the BNZ Group (as defined in Condition 7.2); or

(ii) if BNZ does not intend to replace the Subordinated Notes the subject of the redemption, BNZ has demonstrated to the RBNZ's satisfaction that, after the redemption, the BNZ Group's capital ratios would be sufficiently above their respective minimums and the prudential capital buffer ratio would be sufficiently above its respective buffer trigger ratio;

(b) BNZ has provided any information and supporting documentation required by the RBNZ's prudential regulatory requirements to the RBNZ; and

(c) the RBNZ has given its prior written approval to the redemption.

Noteholders should not expect that the RBNZ's approval will be given for any redemption of Subordinated Notes issued by it under this Condition 7.2B.

7.3 Redemption at the option of the Issuer (Issuer Call)

This Condition 7.3 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Issuer (other than for taxation reasons or, in the case of Subordinated Notes, on account of a Regulatory Event as defined in Condition 7.2A or Condition 7.2B in respect of Subordinated Notes issued by NAB or BNZ respectively), such option being referred to as an Issuer Call. The applicable Final Terms contains provisions applicable to any Issuer Call and must be read in conjunction with this Condition 7.3 for full information on any Issuer Call. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount, any minimum or maximum amount of Notes which can be redeemed and the applicable notice periods.

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may (subject, in the case of Subordinated Notes issued by NAB, to the prior written approval of APRA and, in the case of Subordinated

Notes issued by BNZ, to the prior written approval of the RBNZ), having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 14 (which notices shall be irrevocable, subject, in the case of Subordinated Notes issued by NAB, to Condition 10A, and shall specify the date fixed for redemption), redeem, in whole or in part, the Notes then outstanding on any Optional Redemption Date (in the case of Subordinated Notes, such date being at least five years after the Issue Date) and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. The Optional Redemption Amount will be stated in the applicable Final Terms.

In the case of a partial redemption of Notes pursuant to this Condition 7.3 and the provisions of subparagraph (D) of Condition 7.2 shall apply, *mutatis mutandis*, as though references to "Redeemed Notes" were to Notes subject to partial redemption under this Condition 7.3.

NAB may elect to redeem any Subordinated Notes issued by it under this Condition 7.3 only if either (i) the Subordinated Notes the subject of the redemption are replaced concurrently or beforehand with Regulatory Capital (as defined in Condition 10A.16) of the same or better quality and the replacement of the instrument is done under conditions that are sustainable for NAB's income capacity, or (ii) NAB obtains confirmation from APRA that APRA is satisfied that the capital position of the NAB Level 1 Group and the NAB Level 2 Group will remain adequate after NAB elects to redeem the Subordinated Notes.

BNZ may elect to redeem any Subordinated Notes issued by it under this Condition 7.3 only if:

(a) either:

(i) the Subordinated Notes the subject of the redemption are replaced concurrently or beforehand with Regulatory Capital (as defined in Condition 7.2 in respect of BNZ) of the same or better quality and contributing at least the same regulatory capital amount (for the purposes of the RBNZ's capital adequacy requirements applying to BNZ at the time of the election to redeem the relevant Subordinated Notes and the replacement of the instrument is done under terms and conditions that are sustainable for the income capacity of the BNZ Group (as defined in Condition 7.2); or

(ii) if BNZ does not intend to replace the Subordinated Notes the subject of the redemption, BNZ has demonstrated to the RBNZ's satisfaction that, after the redemption, the BNZ Group's capital ratios would be sufficiently above their respective minimums and the prudential capital buffer ratio would be sufficiently above its respective buffer trigger ratio; and

(b) BNZ has provided any information and supporting documentation required by the RBNZ's prudential regulatory requirements to the RBNZ.

Noteholders should not expect that (i) APRA's approval will be given for any redemption under this Condition 7.3 of Subordinated Notes issued by NAB, or (ii) the RBNZ's approval will be given for any redemption under this Condition 7.3 of Subordinated Notes issued by BNZ.

7.4 Redemption at the option of the Noteholders (Investor Put)

This Condition 7.4 applies to Notes which are subject to redemption prior to the Maturity Date at the option of the Noteholder, such option being referred to as an **Investor Put**. The applicable Final Terms contains provisions applicable to any Investor Put and must be read in conjunction with this Condition 7.4 for full information on any Investor Put. In particular, the applicable Final Terms will identify the Optional Redemption Date(s), the Optional Redemption Amount and the applicable notice periods.

This Condition 7.4 shall apply only to Senior Notes and Guaranteed Senior Notes and references to "Notes" shall be construed accordingly.

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than the minimum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 7.4 in any multiple of their lowest Specified Denomination.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent, or as the case may be, the Registrar (a **Put Notice**) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b). If this Note is in definitive form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

If this Note is represented by a Global Note or is in definitive form and held through Euroclear, Clearstream, Luxembourg or the CMU Service, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear, Clearstream, Luxembourg and the CMU Service (as appropriate) (which may include notice being given on such holder's instruction by Euroclear or Clearstream, Luxembourg or any common depositary or common safekeeper, as the case may be, for them to the Principal Paying Agent by electronic means or notice being given to the CMU Lodging Agent) in a form acceptable to Euroclear, Clearstream, Luxembourg, the CMU Service and the CMU Lodging Agent from time to time.

Any Put Notice given by a holder of any Note pursuant to this Condition 7.4 shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and the Trustee has declared the Notes to be due and payable pursuant to Condition 10 in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 7.4 and instead to declare such Note forthwith due and payable pursuant to Condition 10.

7.5 Early Redemption Amounts

For the purpose of Conditions 7.2, 7.2A and 7.2B above and Condition 10, each Note will be redeemed at its Early Redemption Amount calculated by the Principal Paying Agent as follows subject, in the case of Subordinated Notes issued by NAB, to Condition 10A:

(a) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(b) in the case of a Note (other than a Zero Coupon Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or

(c) in the case of a Zero Coupon Note, at its Early Redemption Amount calculated in accordance with the following formula:

Early Redemption Amount = RP x $(1+AY)^y$

where:

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360 or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 365).

7.6 Specific redemption provisions applicable to certain types of Exempt Notes

The Final Redemption Amount, any Optional Redemption Amount and the Early Redemption Amount in respect of Index Linked Redemption Notes and Dual Currency Redemption Notes may be specified in, or determined in the manner specified in, the applicable Final Terms. For the purposes of Condition 7.6, Index Linked Interest Notes and Dual Currency Interest Notes may be redeemed only on an Interest Payment Date.

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms. In the case of early redemption, the Early Redemption Amount of Instalment Notes will be determined in the manner specified in the applicable Final Terms.

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

7.7 Purchases

The Issuer, the Guarantor, any subsidiary or any other Related Entity (as defined in Condition 10A.16) of the Issuer or the Guarantor may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise (subject, in the case of Subordinated Notes issued by NAB, to the prior written approval of APRA and, in the case of Subordinated Notes issued by BNZ, to the prior written approval of the RBNZ).

Such Notes may be held, reissued (except in the case of Subordinated Notes), resold or, at the option of the Issuer or (in the case of Guaranteed Senior Notes) the Guarantor, surrendered to the Paying Agent for cancellation.

Noteholders should not expect that (i) APRA's approval will be given for any purchase under this Condition 7.7 of Subordinated Notes issued by NAB, or (ii) the RBNZ's approval will be given for any purchase under this Condition 7.7 of Subordinated Notes issued by BNZ.

7.8 Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and Notes purchased and cancelled pursuant to Condition 7.7 above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

7.9 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7.1, 7.2, 7.3 or 7.4 above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.5(c) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent or the Trustee or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 14.

8. TAXATION

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer or by the Guarantor (in the case of Guaranteed Senior Notes) will be made without withholding or deduction for or on account of any present or future taxes, assessments, other governmental charges or duties of whatever nature imposed or levied by or on behalf of Australia (if the Issuer is NAB) or New Zealand (in the case of Guaranteed Senior Notes or if the Issuer is BNZ) or any political sub-division thereof or any authority thereof or therein and any Tax Jurisdiction having power to tax unless such withholding or deduction is required by law. In such event, the Issuer or the Guarantor (as the case may be) will pay such additional amounts as shall be necessary in order that the amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that the foregoing obligation to pay additional amounts shall not apply to any such tax, assessment, governmental charge or duty:

(a) which is payable otherwise than by deduction or withholding from payments of principal of and interest on such Note, Receipt or Coupon;

(b) which is payable (other than in respect of New Zealand resident withholding tax) by reason of the Noteholder, Receiptholder or Couponholder or beneficial owner having, or having had, some personal or business connection with Australia (if the Issuer is NAB), New Zealand (in the case of Guaranteed Senior Notes or if the Issuer is BNZ) or (in all cases) a Tax Jurisdiction (other than mere ownership of or receipt of payment under the Notes, Receipts or Coupons or the fact that payments are, or for the purposes of taxation are deemed to be, from sources in, or secured in, Australia (if the Issuer is NAB), New Zealand (in the case of Guaranteed Senior Notes or if the Issuer is BNZ), or (in all cases) a Tax Jurisdiction);

(c) which could lawfully be avoided if the Noteholder, Receiptholder or Couponholder or beneficial owner had provided the Issuer or a Paying Agent or any tax authority with any certification, tax identification number, name and address details or had complied with another reporting requirement including the provision of information concerning nationality, tax residence, identity, and/or other tax exemption status (but has not been so avoided solely by reason of such Noteholder's, Receiptholder's, Couponholder's or beneficial owner's failure to do so);

(d) which is payable by reason of a change in law that becomes effective more than thirty days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.7);

(e) which is an estate, inheritance, gift, sales, transfer, personal property or similar tax, assessment or other charge;

(f) which is payable, if the Issuer is NAB, by reason of the Noteholder, Receiptholder or Couponholder or beneficial owner of such Note being an associate of the Issuer for the purposes of section 128F of the Income Tax Assessment Act 1936 of Australia (the **Australian Tax Act**);

(g) which is payable, in the case of Guaranteed Senior Notes or if the Issuer is BNZ, by reason of the Noteholder, Receiptholder or Couponholder or beneficial owner of such Note, Receipt or Coupon being associated with the Issuer or the Guarantor (as the case may be), or deriving interest jointly with a New Zealand resident, for the purposes of the approved issuer levy and non-resident withholding tax rules in the Income Tax Act 2007 of New Zealand or any modification or equivalent thereof;

(h) which, if the Issuer is BNZ or BNZ-IF, is payable solely by reason of the relevant Note, Receipt or Coupon being presented for payment in New Zealand;

(i) which, if the Issuer is NAB, is imposed or withheld as a consequence of a determination having been made under Part IVA of the Australian Tax Act (or any modification thereof or provision substituted therefor) by the Commissioner of Taxation of the Commonwealth of Australia that withholding tax is payable in respect of a payment in circumstances where the payment would not have been subject to withholding tax in the absence of the scheme which was the subject of that determination;

(j) which, in the case of Guaranteed Senior Notes or if the Issuer is BNZ, is imposed or withheld as a consequence of the New Zealand Inland Revenue Department applying section BG 1 of the Income Tax Act 2007 of New Zealand (or any modification or equivalent thereof) with the consequence that withholding tax is payable in respect of a payment in circumstances where the payment would not have been subject to withholding tax in the absence of the application of such provision;

(k) (in the case of Guaranteed Senior Notes or if the Issuer is BNZ) where such withholding or deduction is for or on account of New Zealand resident withholding tax;

(l) with respect to any payment of principal of or interest (including original issue discount) on the Notes, Receipts and Coupons by the Issuer (or the Guarantor, as the case may be) to any Noteholder, Receiptholder or Couponholder who is a fiduciary or partnership or other than the sole beneficial owner of any such payment to the extent that a beneficiary or settlor with respect to such fiduciary, a member of such a partnership or any other beneficial owner would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the holder of such Notes, Receipts and Coupons; or

(m) any combination of (a) through (l) above.

As used herein:

(i) **Tax Jurisdiction** means (a) in relation to any Tranche of Notes issued by BNZ-IF, the United Kingdom and (b) in relation to any Tranche of Notes issued by a borrowing office of NAB which is not located in Australia, the jurisdiction in which such borrowing office is located; and

(ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the

Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

For the avoidance of doubt, any amounts to be paid on the Notes, Receipts and Coupons will be paid net of any deduction or withholding imposed or required pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code, and no additional amounts will be required to be paid on account of any such deduction or withholding.

The remaining provisions of this Condition 8 only apply if the Issuer is BNZ or BNZ-IF (and, where BNZ-IF is the Issuer, to the Guarantor). Where used in the remaining provisions of this Condition 8, **interest** means interest (as defined under the Income Tax Act 2007 of New Zealand or any modification or equivalent thereof) for withholding tax purposes, which currently includes the excess of the redemption amount over the issue price of any Note, as well as interest paid on such Note.

BNZ, BNZ-IF and the Guarantor may be required by law to deduct New Zealand resident withholding tax from the payment of interest to a Noteholder, Receiptholder or Couponholder, if:

(a) the person deriving the interest is a resident of New Zealand for income tax purposes or is otherwise subject to the New Zealand resident withholding tax rules (a **New Zealand Noteholder**); and

(b) at the time of such payment, the New Zealand Noteholder does not have RWT-exempt status (as defined in the Income Tax Act 2007 of New Zealand).

Prior to any date on which interest is payable or the Maturity Date, any New Zealand Noteholder:

(A) must notify the Issuer or, as the case may be, the Guarantor or any Paying Agent, that the New Zealand Noteholder is the holder of a Note, Receipt or Coupon; and

(B) must notify the Issuer or, as the case may be, the Guarantor or a Paying Agent, of any circumstances, and provide the Issuer or, as the case may be, the Guarantor or the relevant Paying Agent, with any information (including, in the case of a New Zealand Noteholder that is not resident in New Zealand for income tax purposes, whether the Note is held for the purposes of a business they carry on in New Zealand through a fixed establishment in New Zealand) that may enable the Issuer or, as the case may be, the Guarantor, to make payment of interest to the New Zealand Noteholder without deduction on account of New Zealand resident withholding tax.

The New Zealand Noteholder must notify the Issuer or, as the case may be, the Guarantor, prior to any date on which interest is payable, of any change in the New Zealand Noteholder's circumstances from those previously notified that could affect the payment or withholding obligations of the Issuer or, as the case may be, the Guarantor, in respect of this Note, Receipt or Coupon. By accepting payment of the full face amount of a Note, Receipt or Coupon, as the case may be or any interest thereon, the New Zealand Noteholder indemnifies the Issuer or, as the case may be, the Guarantor, for all purposes in respect of any liability the Issuer or, as the case may be, the Guarantor may incur for not deducting any amount from such payment on account of New Zealand resident withholding tax.

Only a New Zealand Noteholder 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 Noteholder.

9. PRESCRIPTION

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 or any Talon which would be void pursuant to Condition 6.2.

10. EVENTS OF DEFAULT AND ENFORCEMENT

10.1 Events of Default relating to Senior Notes and Guaranteed Senior Notes

This Condition 10.1 shall apply only to Senior Notes and Guaranteed Senior Notes and references to "Notes" in this Condition 10.1 shall be construed accordingly.

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), (but in the case of the happening of any of the events described in paragraphs (c), (d), (e), (f), (h), (i), (j), (k) or (l) inclusive below, only if the Trustee shall have certified in writing to the Issuer and the Guarantor (in the case of Guaranteed Senior Notes) that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice in writing to the Issuer and the Guarantor (in the case of Guaranteed Senior Notes), that the Notes are, and the Notes shall, unless such event shall have been cured by the Issuer or the Guarantor (in the case of Guaranteed Senior Notes) prior to the Issuer's and, in the case of Guaranteed Senior Notes, the Guarantor's receipt of the notice in writing from the Trustee, thereupon immediately become, due and repayable at their Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an **Event of Default**) shall occur:

(a) default by the Issuer and (in the case of Guaranteed Senior Notes) the Guarantor, in any payment when due of principal on the Notes or any of them and the default continues for a period of seven days;

(b) default by the Issuer and (in the case of Guaranteed Senior Notes) the Guarantor, in payment when due of any instalment of interest on the Notes or any of them and the default continues for a period of 30 days;

(c) a failure by the Issuer or (in the case of Guaranteed Senior Notes) the Guarantor to perform or observe any of its other obligations under the Conditions or the Trust Deed and the failure continues for the period of 30 days next following the service by the Trustee on the Issuer or the Guarantor, as the case may be, of notice requiring the same to be remedied;

(d) a distress or execution or other legal process is levied or enforced upon or sued out or put in force against any part of the property, assets or revenues of the Issuer or the Guarantor (in the case of Guaranteed Senior Notes) and such distress or execution or other legal process, as the case may be, is not discharged or stayed within 14 days of having been so levied, enforced or sued out;

(e) an encumbrancer takes possession or a receiver or administrator is appointed of the whole or any part of the undertaking, property, assets or revenues of the Issuer or the Guarantor (in the case of Guaranteed Senior Notes) (other than in respect of monies borrowed or raised on a non-recourse basis);

(f) the Issuer or the Guarantor (in the case of Guaranteed Senior Notes) (i) becomes insolvent or is unable to pay its debts as they mature; or (ii) applies for or consents to or suffers the appointment of a liquidator or receiver or administrator of the Issuer or the Guarantor (in the case of Guaranteed Senior Notes) or of the whole or any part of the undertaking, property, assets or revenues of the Issuer or the

Guarantor (in the case of Guaranteed Senior Notes) (other than in respect of monies borrowed or raised on a non-recourse basis); or (iii) takes any proceeding under any law for a readjustment or deferment of its obligations or any part thereof or makes or enters into a general assignment or any arrangement or composition with or for the benefit of creditors;

(g) an order is made or an effective resolution passed for (in the case of Senior Notes issued by NAB) a Winding Up (as defined in Condition 3.2) of NAB, or (in the case of Senior Notes issued by BNZ or Guaranteed Senior Notes) a Liquidation of BNZ (as defined in Condition 3.3, including for this purpose BNZ in its capacity as Guarantor in the case of Guaranteed Senior Notes), or (in the case of Guaranteed Senior Notes) a Liquidation of BNZ-IF (as defined in this Condition 10.1), in any such case other than under or in connection with a scheme of amalgamation or reconstruction not involving a bankruptcy or insolvency;

(h) a moratorium shall be agreed or declared in respect of any indebtedness of the Issuer or the Guarantor (in the case of Guaranteed Senior Notes), or any governmental authority or agency shall have condemned, seized or compulsorily purchased or expropriated all or a substantial part of the assets of or capital of the Issuer or the Guarantor (in the case of Guaranteed Senior Notes);

(i) (where the Issuer is NAB) the Issuer (i) ceases to carry on a banking business in Australia, or the Issuer's authority under the Banking Act or any amendment or re-enactment thereof to carry on banking business in Australia is revoked; or (ii) enters into an arrangement or agreement for any sale or disposal of the whole of its business by amalgamation or otherwise other than, in the case of (ii) only, (a) under or in connection with a scheme of amalgamation or reconstruction not involving a bankruptcy or insolvency which results in a substitution of the principal debtor under the Notes, Receipts and Coupons pursuant to Condition 15; or (b) with the consent of the Noteholders by Extraordinary Resolution;

(j) (where the Issuer is BNZ) the Issuer (i) ceases to carry on general banking business in New Zealand; or (ii) ceases to be registered as a bank in New Zealand; or (iii) enters into any arrangement or agreement for any sale or disposal of the whole of its business by amalgamation or otherwise other than, in the case of (iii) only, (a) under or in connection with a scheme of amalgamation or reconstruction not involving a bankruptcy or insolvency which results in a substitution of the principal debtor under the Notes, Receipts and Coupons pursuant to Condition 15; or (b) with the consent of the Noteholders by Extraordinary Resolution;

(k) (where the Issuer is BNZ-IF), (i) the Guarantor ceases to carry on general banking business in New Zealand; or (ii) the Guarantor ceases to be registered as a bank in New Zealand; or (iii) the Issuer or the Guarantor enters into any arrangement or agreement for any sale or disposal of the whole of its respective business by amalgamation or otherwise other than, in the case of (iii) only, (a) under or in connection with a scheme of amalgamation or reconstruction not involving a bankruptcy or insolvency which, in the case of BNZ-IF, results in a substitution of the principal debtor under the Notes, Receipts and Coupons or, in the case of the Guarantor, results in a substitution of the guarantor of Notes issued by BNZ-IF under the Trust Deed, in each case pursuant to Condition 15; or (b) with the consent of the Noteholders by Extraordinary Resolution; or

(l) (where the Issuer is BNZ-IF) the Guarantee is terminated or shall cease to be in full force and effect.

Notwithstanding any other provision of this Condition 10.1, no Event of Default (other than Condition 10.1(g)) in respect of the Notes shall occur solely on account of any failure by the Issuer or the Guarantor (in the case of Guaranteed Senior Notes) to perform or observe any of its obligations in relation to, or the agreement or declaration of any moratorium with respect to, or the taking of any proceeding in respect of, any share, note or other security or instrument constituting Tier 1 Capital (as defined in Condition 10A.16 in respect of Notes issued by NAB and as defined in Condition 7.2 in respect of Notes issued by BNZ) or Tier 2 Capital (as defined in Condition 10A.16 in respect of Notes issued by NAB and as defined in Condition 7.2 in respect of Notes issued by BNZ).

In this Condition 10.1, **Liquidation of BNZ-IF** means, in respect of BNZ-IF, the liquidation of BNZ-IF under (i) Part 16 of the New Zealand Companies Act (as defined in Condition 3.3), or (ii) any other legislation under which BNZ-IF will irrevocably cease to be duly incorporated or to validly exist in New Zealand.

10.2 Events of Default relating to Subordinated Notes issued by NAB

The provisions of, and the defined terms contained within, this Condition 10.2 apply only to Subordinated Notes issued by NAB and references to "Notes" and "Subordinated Notes" in this Condition 10.2 shall be construed accordingly.

The following are Events of Default in relation to Notes:

(a) a Winding Up Default (as defined below) occurs and is continuing other than, in any case, for the purposes of a consolidation, amalgamation, merger or reconstruction (the terms of which have been approved by the shareholders of NAB or by a court of competent jurisdiction) under which the continuing or resulting corporation effectively assumes the entire obligations of NAB under the Notes; and

(b) NAB fails to pay any amount of principal or interest in respect of the Notes when scheduled to be paid and the default continues for a period of seven days (in respect of a payment of principal) or 30 days (in respect of a payment of interest) unless the failure is the result of NAB not being Solvent (as defined in this Condition 10.2) at the time of that payment or NAB would not be Solvent as a result of making that payment (except to the extent that NAB can make such payment and remain Solvent thereafter).

To the extent that a payment is not required to be made due to Condition 3.2, the amount is not due and payable and failure to pay such amount does not give rise to an Event of Default.

Solvent means, in the case of NAB, that each of the following is the case:

(a) that NAB can pay its debts as they fall due; and

(b) its Assets exceed its Liabilities.

A certificate as to whether NAB is Solvent (at any particular time or throughout any particular period) signed by two Directors of NAB or the auditors of NAB or, in a Winding Up of NAB, its liquidator, will, in the absence of manifest error, be conclusive evidence against and binding on NAB, the Trustee, the Noteholders, Couponholders and Receiptholders in respect of the matters certified. In the absence of such certificate, the Trustee and any holder of Subordinated Notes is entitled to assume (unless the contrary is proved) that NAB is, and will be after any payment, Solvent, and the Trustee shall incur no liability by reason of acting or refraining from acting in reliance upon such assumption.

Assets means, in respect of NAB, its total non-consolidated gross assets as shown by its latest published audited financial statements but adjusted for events subsequent to the date of such financial statements in such manner and to such extent as its Directors, its auditors or its liquidator may determine to be appropriate.

Liabilities means, in respect of NAB, its total non-consolidated gross liabilities as shown by its latest published audited financial statements but adjusted for events subsequent to the date of such financial statements in such manner and to such extent as its Directors, its auditors or its liquidator may determine to be appropriate.

Winding Up Default means, in relation to NAB:

(i) an order is made by a court of competent jurisdiction in Australia for the Winding Up of NAB which order is not successfully appealed or permanently stayed within 60 days of the making of the order; or

(ii) an effective resolution is passed by shareholders or members for the Winding Up of NAB in Australia.

No events other than those outlined at Condition 10.2(a) and Condition 10.2(b) above shall constitute Events of Default in relation to Subordinated Notes.

10.2A Events of Default relating to Subordinated Notes issued by BNZ

The provisions of, and the defined terms contained within, this Condition 10.2A shall apply only to Subordinated Notes issued by BNZ and references to "Notes" and "Subordinated Notes" in this Condition 10.2A shall be construed accordingly.

The following are Events of Default in relation to Notes:

(a) the Commencement of Liquidation (as defined in this Condition 10.2A); and

(b) BNZ fails to pay any amount of principal or interest in respect of the Notes when scheduled to be paid and the default continues for a period of seven days (in respect of a payment of principal) or 30 days (in respect of a payment of interest) unless the failure is the result of BNZ not being Solvent (as defined in this Condition 10.2A) at the time that payment falls due or BNZ would not be Solvent as a result of making that payment (except to the extent that BNZ can make such payment and remain Solvent thereafter).

To the extent that a payment is not required to be made due to Condition 3.3, the amount is not due and payable and failure to pay such amount does not give rise to an Event of Default.

Commencement of Liquidation means the commencement of Liquidation of BNZ (being, where the Liquidation of BNZ (as defined in Condition 3.3) is under the New Zealand Companies Act (as defined in Condition 3.3), the time at which a liquidator is appointed).

Solvent means, in the case of BNZ, that BNZ is able to satisfy the solvency test contained in section 4 of the New Zealand Companies Act (as defined in Condition 3.3).

A certificate as to whether BNZ is Solvent (at any particular time or throughout any particular period) signed by two Directors of BNZ or the auditors of BNZ or, in a Liquidation of BNZ, its liquidator, will, in the absence of manifest error, be conclusive evidence against and binding on BNZ, the Trustee, the Noteholders, Couponholders and Receiptholders in respect of the matters certified. In the absence of such certificate, the Trustee and any holder of Subordinated Notes is entitled to assume (unless the contrary is proved) that BNZ is, and will be after any payment, Solvent, and the Trustee shall incur no liability by reason of acting or refraining from acting in reliance upon such assumption.

No events other than those outlined at Condition 10.2A(a) and Condition 10.2A(b) above shall constitute Events of Default in relation to Subordinated Notes.

10.3 Consequences of an Event of Default relating to Subordinated Notes issued by NAB

This Condition 10.3 shall apply only to Subordinated Notes issued by NAB and references to "Notes" in this Condition 10.3 shall be construed accordingly.

(a) Only in the case of the occurrence of the Event of Default specified in Condition 10.2(a) above, the Trustee at its discretion may (in addition to taking any of the actions specified in Condition 10.3(b) below), and if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction) (i) give notice in writing to NAB that each Note is, and each Note shall thereupon immediately become, due and repayable at its

Early Redemption Amount together with accrued interest as provided in the Trust Deed and/or (ii) (subject to Condition 3.2 and the provisions of the Trust Deed) prove in the Winding Up of NAB.

(b) In the case of the occurrence of an Event of Default specified in Condition 10.2(b), the Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), take action:

(i) to recover the amount that NAB has so failed to pay, provided that the Issuer may only be compelled to pay that amount to the extent that it is, and after the payment would remain, Solvent (as defined in Condition 10.2); or

(ii) to obtain an order for specific performance of any other obligation in respect of the Notes; or

(iii) for the Winding Up of NAB.

Any amount not paid due to Condition 3.2, Condition 10.3(b)(i) or because, under Condition 10.2(b), the failure to pay that amount does not give rise to an Event of Default, remains a debt owing to the holder by the Issuer until it is paid and shall be payable on the first date on which the relevant Condition would no longer apply (whether or not such date is otherwise a payment date).

Neither holders of Notes nor the Trustee on their behalf has any right to accelerate payment or any other remedy (including any right to sue for damages which has the same economic effect as acceleration) as a consequence of an Event of Default other than as set out in this Condition 10.3.

10.3A Consequences of an Event of Default relating to Subordinated Notes issued by BNZ

This Condition 10.3A shall apply only to Subordinated Notes issued by BNZ and references to "Notes" in this Condition 10.3A shall be construed accordingly.

(a) Only in the case of the occurrence of the Event of Default specified in Condition 10.2A(a) above, the Trustee at its discretion may (in addition to taking any of the actions specified in Condition 10.3A(b) below), and if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction) (i) give notice in writing to BNZ that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed and/or (ii) (subject to Condition 3.3 and the provisions of the Trust Deed) prove in the Liquidation of BNZ.

(b) In the case of the occurrence of an Event of Default specified in Condition 10.2A(b), the Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction), take action:

(i) to recover the amount that BNZ has so failed to pay, provided that BNZ may only be compelled to pay an amount at any time before the Maturity Date or the Liquidation of BNZ to the extent that it is, and after the payment would remain, Solvent (as defined in Condition 10.2A); or

(ii) to obtain an order for specific performance of any other obligation in respect of the Notes; or

(iii) for the Liquidation of BNZ.

Any amount not paid due to Condition 3.3, Condition 10.3A(b)(i) or because, under Condition 10.2A(b), the failure to pay that amount does not give rise to an Event of Default, remains a debt owing to the holder by

BNZ until it is paid and shall be payable on the first date on which the relevant Condition would no longer apply (whether or not such date is otherwise a payment date).

Neither holders of Notes nor the Trustee on their behalf has any right to accelerate payment or any other remedy (including any right to sue for damages which has the same economic effect as acceleration) as a consequence of an Event of Default other than as set out in this Condition 10.3A.

10.4 Enforcement

(a) **Senior Notes and Guaranteed Senior Notes**

This Condition 10.4(a) shall apply only to Senior Notes and Guaranteed Senior Notes and references to "Notes" in this Condition 10.4(a) shall be construed accordingly.

The Trustee may at any time, at its discretion and without notice, take such proceedings or any action against the Issuer and/or the Guarantor (in the case of Guaranteed Senior Notes) as it may think fit to enforce the provisions of the Trust Deed, the Notes, the Receipts and the Coupons, but it shall not be bound to take any such proceedings or any other action under or in relation to the Trust Deed, the Notes, the Receipts or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-quarter in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction.

(b) **Subordinated Notes**

(i) This Condition 10.4(b)(i) shall apply only to Subordinated Notes issued by NAB and references to "Notes" in this Condition 10.4(b)(i) shall be construed accordingly.

The Trustee may at its discretion and shall if so requested in writing by the holders of at least one quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction) institute such proceedings or take any action against NAB as it may think fit to enforce any obligation, condition or provision binding on NAB under the Trust Deed or the Notes (other than any obligation for payment of any principal or interest in respect of the Notes) provided that NAB shall not by virtue of any such proceedings or such action (save for any proceedings for the Winding Up (as defined in Condition 3.2) of NAB) be obliged to pay (i) any sum or sums representing or measured by reference to principal or interest in respect of the Notes sooner than the same would otherwise have been payable by it or (ii) any damages (save in respect of the Trustee's fees and expenses incurred by it in its personal capacity).

(ii) This Condition 10.4(b)(ii) shall apply only to Subordinated Notes issued by BNZ and references to "Notes" in this Condition 10.4(b)(ii) shall be construed accordingly.

The Trustee may at its discretion and shall if so requested in writing by the holders of at least one quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution (subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction) institute such proceedings or take any action against BNZ as it may think fit to enforce any obligation, condition or provision binding on BNZ under the Trust Deed or the Notes (other than any obligation for payment of any principal or interest in respect of the Notes) provided that BNZ shall not by virtue of any such proceedings or such action (save for any proceedings for the Liquidation of BNZ (as defined in Condition 3.3)) be obliged to pay (i) any sum or sums representing or measured by reference to principal or interest in respect of the Notes sooner than the same would otherwise have been payable by it or (ii) any damages (save in respect of the Trustee's fees and expenses incurred by it in its personal capacity).

(c) **General**

No Noteholder, Receiptholder or Couponholder shall be entitled to institute proceedings directly against the Issuer or the Guarantor (in the case of Guaranteed Senior Notes) or prove in (i) (in the case of Notes issued by NAB) the Winding Up (as defined in Condition 3.2) of NAB, or (ii) (in the case of Notes issued by BNZ or Guaranteed Senior Notes) the Liquidation of BNZ (as defined in Condition 3.3, including for this purpose BNZ in its capacity as Guarantor in the case of Guaranteed Senior Notes), or (iii) (in the case of Guaranteed Senior Notes) the Liquidation of BNZ-IF (as defined in Condition 10.1), in each case, unless the Trustee, having become bound so to do fails or is unable to do so within a reasonable period and such failure or inability is continuing, in which event any Noteholder, Receiptholder or Couponholder may, on giving an indemnity and/or security satisfactory to the Trustee, in the name of the Trustee (but not otherwise) himself institute such proceedings and/or prove in (i) (in the case of Notes issued by NAB) the Winding Up (as defined in Condition 3.2) of NAB, or (ii) (in the case of Notes issued by BNZ or Guaranteed Senior Notes) the Liquidation of BNZ (as defined in Condition 3.3, including for this purpose BNZ in its capacity as Guarantor), or (iii) (in the case of Guaranteed Senior Notes) the Liquidation of BNZ-IF (as defined in Condition 10.1), to the same extent and in the same jurisdiction (but not further or otherwise than the Trustee would have been entitled to do so in respect of the Notes, Receipts and Coupons and/or the Trust Deed).

10A. CONVERSION OR WRITE-OFF OF SUBORDINATED NOTES ISSUED BY NAB ON NON-VIABILITY OF NAB

The provisions of, and the defined terms contained within, this Condition 10A apply only to Subordinated Notes issued by NAB and references to "Notes" and "Subordinated Notes" in this Condition 10A shall be construed accordingly. The Schedule to these Conditions (including the defined terms therein) shall be deemed to form part of, and be incorporated in, this Condition 10A.

10A.1 Non-Viability Trigger Event

A **Non-Viability Trigger Event** occurs when APRA has provided a written determination (**Non-Viability Determination**) to NAB that:

(a) the conversion or write-off of Relevant Capital Instruments of NAB is necessary because without the conversion or write-off, APRA considers that NAB would become non-viable; or

(b) without a public sector injection of capital into, or equivalent support with respect to, NAB, APRA considers that NAB would become non-viable.

The date on which a Non-Viability Trigger Event occurs under Condition 10A.1(a) or 10A.1(b) is a **Conversion Date**.

10A.2 Relevant Tier 1 Capital Instruments to be converted or written-off first where permitted

(a) Where, on the Conversion Date, a Non-Viability Trigger Event occurs under Condition 10A.1(a), NAB must immediately convert or write-off:

  (i) all Relevant Capital Instruments then outstanding (including the Subordinated Notes in accordance with this Condition 10A.2); or

  (ii) where the Issuer satisfies APRA that the conversion or write-off of a proportion of Relevant Capital Instruments will be sufficient to ensure that NAB does not become non-viable, that proportion.

(b) Where Condition 10A.2(a)(ii) applies, NAB must immediately Convert or Write-Off an aggregate nominal amount of Subordinated Notes in accordance with Condition 10A.3 or Condition 10A.10 (whichever is applicable) and the aggregate nominal amount of other Relevant Tier 2 Capital

Instruments which will be converted or be written-off, such amount to be determined on the following basis:

(i) first, NAB must convert or write-off all Relevant Tier 1 Capital Instruments; and

(ii) second, to the extent the amount of Relevant Capital Instruments required to be converted or written-off exceeds the aggregate nominal amount of Relevant Tier 1 Capital Instruments (and unless APRA has withdrawn the Non-Viability Determination), NAB must convert or write-off Relevant Tier 2 Capital Instruments (including Subordinated Notes in accordance with either Condition 10A.3 or Condition 10A.10 (whichever is applicable)), in an aggregate nominal amount equal to the amount of that excess and, in doing so:

(A) NAB will endeavour to treat Noteholders on an approximately proportionate basis but may discriminate to take account of logistical considerations and the need to effect the Conversion or Write-Off of Subordinated Notes and conversion or write-off of other Relevant Tier 2 Capital Instruments immediately; and

(B) where the Specified Currency of Relevant Tier 2 Capital Instruments is not the same for all Relevant Tier 2 Capital Instruments, may treat them as if converted into a single currency of NAB's choice at such rate of exchange as NAB considers reasonable but may make adjustments among Noteholders and holders of other Relevant Tier 2 Capital Instruments having regard to the need to effect Conversion immediately.

(c) Where, on the Conversion Date, a Non-Viability Trigger Event occurs under Condition 10A.1(b), NAB must immediately convert or write-off all Relevant Capital Instruments then outstanding (including the Subordinated Notes) in accordance with this Condition 10A.2.

10A.2A General provisions relating to Conversion and Write-Off

(a) A Non-Viability Determination takes effect, and NAB must perform the obligations in respect of the determination, immediately on the day it is received by NAB, whether or not such day is a Business Day (as defined in the Schedule to these Conditions).

(b) To the extent that a Subordinated Note has been Converted or Written-Off in part then:

(i) the Early Redemption Amount, the Final Redemption Amount, the Optional Redemption Amount, the Specified Denomination and any related amount shall be reduced in the same proportion as the nominal amount Converted or Written-Off in respect of that Subordinated Note bears to the nominal amount of that Subordinated Note before such Conversion or Write-Off;

(ii) for the purposes of any interest calculation, the Calculation Amount of such Subordinated Note and, in the case of a Fixed Rate Note, any applicable Fixed Coupon Amount and any related amount shall be reduced in the same proportion as the nominal amount Converted or Written-Off in respect of that Subordinated Note bears to the nominal amount of that Subordinated Note before such Conversion or Write-Off; and

(iii) where the Conversion Date is not an Interest Payment Date, then the amount of interest payable in respect of that Subordinated Note on each Interest Payment Date falling after that Conversion Date will be reduced and calculated on the nominal amount of that Subordinated Note as reduced on the date of the Conversion or Write-Off.

(c) In Converting or Writing-Off Subordinated Notes, NAB may make any decisions with respect to the identity of Noteholders at that time as may be necessary or desirable to ensure Conversion or Write-

Off occurs in an orderly manner, including disregarding any transfers of Subordinated Notes that have not been settled or registered at that time.

(d) If a Subordinated Note is Converted or Written-Off, the Noteholder must immediately present and surrender that Subordinated Note (together, in the case of a Subordinated Note that is a Definitive Bearer Note, with such Receipts, Coupons and Talons as are attached thereto) to the specified office of, in the case of a Subordinated Note that is a Definitive Bearer Note, any Paying Agent, or, in the case of a Subordinated Note that is a Registered Note, the Registrar and:

(i) (where such Subordinated Note is Converted or Written-Off in full, the Paying Agent or Registrar (as the case may be) shall cancel or arrange for the cancellation of such Subordinated Note; and

(ii) where such Subordinated Note is Converted or Written-Off in part, the Paying Agent or Registrar (as the case may be) shall:

(A) where such Subordinated Note is a Global Note, endorse or arrange for the endorsement of the Global Note to reflect the reduction in the nominal amount represented by the Global Note on account of the Conversion or Write-Off; and

(B) where such Subordinated Note is a Definitive Note, cancel or arrange for the cancellation of the Definitive Note and deliver or arrange for the delivery of a new Definitive Note reflecting the nominal amount of such Subordinated Note remaining following that Conversion or Write-Off,

but no failure or delay in such presentation and surrender, cancellation, endorsement or issue shall prevent, impede or delay the Conversion or Write-Off of any Subordinated Notes required by Condition 10A.

(e) **Written-Off** means, with respect to a nominal amount of Subordinated Notes, the rights of the Noteholder in relation to such nominal amount of Subordinated Notes are written-off and immediately and irrevocably terminated (and Write-Off when used herein has a corresponding meaning).

10A.3 Conversion of Subordinated Notes

Subject to Condition 10A.10 where "Write-Off – Applicable" is specified in the applicable Final Terms applying to Subordinated Notes, but notwithstanding any other provision in these Conditions, on the Conversion Date, in respect of a Subordinated Note, the relevant nominal amount (as determined under Condition 10A.2) of that Subordinated Note will convert immediately and irrevocably into Ordinary Shares (in a number determined under clause 1.1(a) of the Schedule to these Conditions) and where only a portion of a Subordinated Note is converted, the nominal amount of that Subordinated Note shall be reduced by the amount converted accordingly. The conversion will occur in accordance with the terms set out in the Schedule to these Conditions (the **Conversion** and **Convert**, **Converted** and **Converting** when used herein have corresponding meanings).

10A.4 Noteholder acknowledgements relating to Conversion and Write-Off

Each Holder irrevocably:

(a) consents to becoming a member of NAB upon the Conversion of Subordinated Notes as required by Condition 10A.3 and agrees to be bound by the constitution of NAB, in each case in respect of the Ordinary Shares issued on Conversion;

(b) acknowledges and agrees that it is obliged to accept Ordinary Shares upon a Conversion notwithstanding anything that might otherwise affect a Conversion of the Subordinated Notes including:

(i) any change in the financial position of NAB since the issue of the Subordinated Notes;

(ii) any disruption to the market or potential market for the Ordinary Shares or to capital markets generally; or

(iii) any breach by NAB of any obligation in connection with the Subordinated Notes;

(c) acknowledges and agrees that where Condition 10A.2 applies:

(i) there are no other conditions to a Non-Viability Trigger Event occurring as and when provided in Condition 10A.1;

(ii) Conversion must occur immediately on the Non-Viability Trigger Event and that may result in disruption or failures in trading or dealings in the Subordinated Notes;

(iii) it will not have any rights to vote in respect of any Conversion; and

(iv) the Ordinary Shares issued on Conversion may not be quoted at the time of issue, or at all;

(d) acknowledges and agrees that where Condition 10A.5 or Condition 10A.10 applies, no other conditions or events will affect the operation of that Condition and the Noteholder will not have any rights to vote in respect of any Write-Off under that Condition and has no claim against NAB arising in connection with the application of that Condition;

(e) acknowledges and agrees that a Noteholder has no right to request a Conversion of any nominal amount of any Subordinated Notes or to determine whether (or in what circumstances) the Subordinated Notes are Converted; and

(f) acknowledges and agrees that none of the following shall prevent, impede or delay the Conversion or (where relevant) Write-Off of the nominal amount of Subordinated Notes:

(i) any failure to or delay in the conversion or write-off of other Relevant Capital Instruments;

(ii) any failure or delay in giving a Non-Viability Trigger Event Notice;

(iii) any failure or delay in quotation of the Ordinary Shares to be issued on Conversion;

(iv) any obligation to treat Noteholders proportionally or to make the determinations or adjustments in accordance with Condition 10A.2(b); and

(v) any decision as to the identity of Noteholders whose Subordinated Notes are to be Converted or Written-Off in accordance with Conditions 10A.2 and 10A.2A(c).

10A.5 Write-Off due to failure to Convert

If a nominal amount of Subordinated Notes held by a Noteholder is required to Convert under Condition 10A.3 and, for any reason (including an Inability Event) Conversion has not been effected within five Business Days (as defined in the Schedule to these Conditions) after the Conversion Date, to the extent NAB has not Converted that nominal amount then, notwithstanding any other provisions of these Conditions or the applicable Final Terms:

(a) Conversion of that nominal amount of Subordinated Notes on account of the Non-Viability Trigger Event will not occur on that date or on any future date;

(b) the rights of the Noteholder (including to payment of any principal or interest) in relation to such nominal amount of Subordinated Notes are Written-Off with effect on and from the Conversion Date; and

(c) where only a portion of a Subordinated Note is Written-Off under this Condition 10A.5, the nominal amount of that Subordinated Note shall be reduced by the amount Written-Off accordingly.

10A.6 Non-Viability Trigger Event Notice

As soon as practicable after the occurrence of a Non-Viability Trigger Event and no later than five Business Days (as defined in the Schedule to these Conditions) after the occurrence of the Non-Viability Trigger Event, NAB must give notice of the Non-Viability Trigger Event (a **Non-Viability Trigger Event Notice**) to the Trustee and the Noteholders which states the Conversion Date, the aggregate nominal amount of Subordinated Notes Converted or Written-Off and the aggregate nominal amount of Relevant Tier 2 Capital Instruments converted or written-off.

10A.7 Provision of information

Where a nominal amount of Subordinated Notes held by a Noteholder is required to be Converted under Condition 10A.3, a Noteholder of such Subordinated Notes wishing to receive Ordinary Shares must, no later than the Conversion Date, have provided to NAB (i) its name and address (or the name and address of any person in whose name it directs the Ordinary Shares to be issued) for entry into any register of title and receipt of any certificate or holding statement in respect of any Ordinary Shares (ii) the Noteholder's security account details in CHESS (being the Clearing House Electronic Subregister System operated by ASX or its affiliates or any system that replaces it relevant to the Subordinated Notes) or such other account to which the Ordinary Shares may be credited and (iii) such other information as is reasonably requested by NAB for the purposes of enabling it to issue the Conversion Number of Ordinary Shares to the Noteholder. NAB has no duty to seek or obtain such information.

If for any reason (whether or not due to the fault of a Noteholder) NAB has not received any information required to be provided by the Noteholder under this Condition 10A.7 by the time such information is required in order for Ordinary Shares to be issued on the Conversion Date, NAB will issue the Ordinary Shares in respect of that Noteholder to a nominee in accordance with Condition 10A.9 and the provisions of Condition 10A.9 shall apply, *mutatis mutandis*, to such Ordinary Shares.

10A.8 Failure to convert

Subject to Condition 10A.5 and Condition 10A.9, if, in respect of a Conversion of a Subordinated Note, NAB fails to issue the Conversion Number of Ordinary Shares in respect of the nominal amount of that Subordinated Note to, or in accordance with the instructions of, the relevant Noteholder or a nominee where Condition 10A.9 applies, the nominal amount of that Subordinated Note which would otherwise be subject to Conversion remains, for the purposes of these Conditions, on issue until:

(i) the Ordinary Shares are issued to, or in accordance with the instructions of, the Noteholder; or

(ii) the Subordinated Note is Written-Off in accordance with these Conditions,

provided, however, that the sole right of the Noteholder in respect of such nominal amount of such Subordinated Note is its right to be issued the Ordinary Shares upon Conversion (subject to its compliance with Condition 10A.7 or to receive proceeds from their sale pursuant to Condition 10A.9, as applicable) and the remedy of a Noteholder in respect of NAB's failure to issue the Ordinary Shares is limited (subject always to Condition 10A.5) to seeking an order for specific performance of NAB's obligation to issue the Ordinary

Shares to the Noteholder or where Condition 10A.9 applies to the nominee and to receive such proceeds of sale, in each case, in accordance with the conditions of the Subordinated Notes.

This Condition 10A.8 does not affect the obligation of NAB to issue the Ordinary Shares when required in accordance with these Conditions.

10A.9 Issue to nominee

If any Subordinated Notes are required to be Converted under Condition 10A.3 and:

(a) the Noteholder has notified the Issuer that it does not wish to receive Ordinary Shares as a result of the Conversion (whether entirely or to the extent specified in the notice), which notice may be given at any time prior to the Conversion Date;

(b) the Subordinated Notes are held by a person NAB believes in good faith may not be a resident of Australia (a **Foreign Holder**); or

(c) if for any reason (whether or not due to the fault of a Noteholder):

  (i) NAB has not received any information required by it in accordance with Condition 10A.7 so as to impede NAB issuing the Ordinary Shares to a Noteholder on the Conversion Date; or

  (ii) a FATCA Withholding is required to be made in respect of Ordinary Shares issued on the Conversion of such Subordinated Notes,

then, on the Conversion Date,

(d) where subparagraph (a), (b) or (c)(ii) applies, NAB is obliged to issue the Ordinary Shares to the Noteholder only to the extent (if at all) that:

  (i) where subparagraph (a) applies, the Noteholder has notified NAB that it wishes to receive them; or

  (ii) where subparagraph (b) applies, NAB is satisfied that the laws of both Australia and the Foreign Holder's country of residence permit the issue of the Ordinary Shares to the Foreign Holder (but as to which NAB is not bound to enquire), either unconditionally or after compliance with conditions which NAB, in its absolute discretion, regards as acceptable and not unduly onerous; or

  (iii) where subparagraph (c)(ii) applies, the issue is net of the FATCA Withholding,

  and to the extent NAB is not obliged to issue Ordinary Shares to the Noteholder, NAB will issue the balance of the Ordinary Shares to the nominee in accordance with subparagraph (e) of this Condition 10A.9;

(e) otherwise, subject to applicable law, NAB will issue the balance of Ordinary Shares in respect of that Noteholder to a nominee appointed by NAB (which nominee may not be NAB or a Related Entity (as defined in Condition 10A.16) of NAB) and, subject to applicable law:

  (i) where sub-paragraph (c)(i) applies, the nominee will hold Ordinary Shares in an aggregate amount equal to the aggregate number to be issued in respect of those Noteholders and will transfer Ordinary Shares to a Noteholder who, within 30 days of the Conversion Date, provides the nominee with the information required to be provided by the Noteholder under Condition 10A.7 (as if a reference in sub-paragraph (iii) of Condition 10A.7 to NAB is a reference to the nominee and a reference to the issue of Ordinary Shares is a reference to the transfer of Ordinary Shares);

(ii) the nominee will as soon as reasonably possible (or, where paragraph (c)(i) applies, to the extent that the nominee has not already transferred Ordinary Shares to the relevant Noteholder under Condition 10A.9(e)(i) above at the end of the period of 30 days referred to in paragraph 10A.9(e)(i) above, as soon as reasonably possible after the expiration of that period), sell the Ordinary Shares it receives and pay a cash amount equal to the net proceeds received, after deducting any applicable brokerage, stamp duty and other taxes and charges, to the Noteholder; and

(iii) where Condition 10A.9(c)(ii) applies, the nominee shall deal with Ordinary Shares the subject of a FATCA Withholding and any proceeds of their disposal in accordance with FATCA.

The issue of Ordinary Shares to such nominee will satisfy all obligations of NAB in connection with the Conversion, the Subordinated Notes will be deemed Converted and on and from the issue of Ordinary Shares the rights of a Noteholder the subject of this Condition 10A.9 are limited to its rights in respect of the Ordinary Shares or their net cash proceeds as provided in this Condition;

(f) nothing in this Condition 10A.9 shall affect the Conversion of the Subordinated Notes of a Noteholder which is not a person to which any of subparagraphs (a) to (c) (inclusive) applies; and

(g) for the purposes of this Condition 10A.9, without prejudice to the obligations of NAB and the nominee under this Condition 10A.9, neither NAB nor the nominee owes any obligations or duties to the Noteholders in relation to the price at which Ordinary Shares are sold or has any liability for any loss suffered by a Noteholder as a result of the sale of Ordinary Shares.

10A.10 Write-Off of Subordinated Notes

If "Write-Off – Applicable" is specified in the applicable Final Terms, then this Condition 10A.10 shall apply to the Subordinated Notes and, for the avoidance of doubt, Condition 10A.3 and Conditions 10A.4(a), (b), (c)(ii), (c)(iii), (c)(iv), (e) and (f)(iii), 10A.5, 10A.7, 10A.8 and 10A.9 shall not apply to the Subordinated Notes.

On the Conversion Date the rights of Noteholders (including to payment of any principal or interest) in relation to the relevant nominal amount (as determined under Condition 10A.2) of the Subordinated Notes will be Written-Off.

Where only a portion of a Subordinated Note is Written-Off, the nominal amount of that Subordinated Note shall be reduced by the amount Written-Off accordingly.

10A.11 Ordinary Shares issued upon Conversion

Each Ordinary Share issued to a relevant Noteholder upon Conversion will rank equally with all other fully paid Ordinary Shares from the date of such issue.

10A.12 Substitution of Approved NOHC as issuer of Ordinary Shares

Where:

(a) either of the following occurs:

(i) a takeover bid is made to acquire all or some of the Ordinary Shares and such offer is, or becomes, unconditional, all regulatory approvals necessary for the acquisition to occur have been obtained and either:

(A) the bidder has at any time during the offer period, a relevant interest in more than 50 per cent. of the Ordinary Shares on issue; or

(B) the Directors of NAB, acting as a board, issue a statement that at least a majority of its Directors who are eligible to do so have recommended acceptance of such offer (in the absence of a higher offer); or

(ii) a court orders the holding of meeting(s) to approve a scheme of arrangement under Part 5.1 of the Corporations Act, which scheme would result in a person having a relevant interest in more than 50 per cent. of the Ordinary Shares that will be on issue after the scheme is implemented and:

(A) all classes of members of NAB pass all resolutions required to approve the scheme by the majorities required under the Corporations Act to approve the scheme; and

(B) all conditions to the implementation of the scheme, including any necessary regulatory approval (but not including approval of the scheme by the court) have been satisfied or waived; and

(b) the bidder or the person having a relevant interest in the Ordinary Shares in NAB after the scheme is implemented (or any entity that Controls the bidder or the person having the relevant interest) is (or on completion in respect of the bid, or on implementation of the scheme, will be) an Approved NOHC,

then NAB and the Trustee may without the further authority, assent or approval of Noteholders (but with the prior written approval of APRA):

(c) amend these Conditions and the Schedule such that, unless APRA otherwise agrees, on the date the nominal amount of a Subordinated Note is to be Converted:

(i) each Subordinated Note that is being Converted in whole will be automatically transferred by each Noteholder free from encumbrance to the Approved NOHC (or another member of the company which is a holding company (as defined in the Corporations Act) of NAB) (the **Transferee**) on the date the Conversion is to occur;

(ii) in respect of each Subordinated Note that is being Converted only in part, on the date the Conversion is to occur:

(A) the nominal amount of the Subordinated Note that is being Converted shall be reduced to an amount equal to the non-Converted portion of the nominal amount of such Subordinated Note; and

(B) the Approved NOHC will be taken to hold a new Subordinated Note with a nominal amount equal to the Converted portion of the nominal amount of the Subordinated Note being Converted,

provided that any failure or delay by a Noteholder or any other party in complying with the provisions of Condition 10A.12(c) shall not prevent, impede or delay the Conversion or Write-Off of Subordinated Notes;

(iii) each Noteholder (or in the circumstances contemplated in Condition 10A.9, the nominee) of a Subordinated Note or portion thereof being Converted will be issued a number of ordinary shares in the capital of the Approved NOHC determined as if references in these Conditions and the Schedule to NAB were references to the Approved NOHC and the Ordinary Shares were to ordinary shares in the capital of NOHC (**Approved NOHC Ordinary Shares**); and

(iv) as between NAB and the Approved NOHC, each Subordinated Note held or taken to be held by the Approved NOHC as a result of the transfer will be automatically Converted into a number of Ordinary Shares such that the issued ordinary share capital of the Issuer held by the Transferee by reason of this Condition 10A.12(c)(iv) increases by the amount by which the issued ordinary share capital of the Approved NOHC increases on Conversion; and

(d) make such other amendments as in NAB's reasonable opinion are necessary and appropriate to effect the substitution of an Approved NOHC as the issuer of the ordinary shares on Conversion in the manner contemplated by these Conditions, including, where the terms upon which the Approved NOHC acquires NAB are such that the number of ordinary shares in the capital of the Approved NOHC on issue immediately after the substitution differs from the number of Ordinary Shares on issue immediately before the substitution (not involving any cash payment or other distribution to or by the holders of any such shares), an adjustment to any relevant VWAP or Issue Date VWAP consistent with the principles of adjustment set out in the Schedule.

10A.13 Further substitutions

After a substitution under Condition 10A.12, the Approved NOHC and the Trustee may, without the authority, approval or assent of the Noteholders, effect a further substitution in accordance with Condition 10A.12 (with necessary changes).

10A.14 Notice to Noteholders

NAB or the Approved NOHC must notify the Noteholders of the particulars of any substitution according to Condition 10A.12 or Condition 10A.13 in writing as soon as practicable after the substitution.

10A.15 Acknowledgement of Noteholders

Each Noteholder irrevocably acknowledges and agrees that an Approved NOHC may in accordance with these Conditions be substituted for NAB as issuer of the Ordinary Shares on Conversion and that if such a substitution is effected, the Noteholder is obliged to accept ordinary shares in that Approved NOHC on a Conversion, and will not receive Ordinary Shares in NAB.

10A.16 Definitions

In these Conditions insofar as they relate to Notes issued by NAB:

Approved NOHC means an entity which:

(a) is a non-operating holding company within the meaning of the Banking Act; and

(b) has agreed for the benefit of Noteholders:

(i) to issue fully paid ordinary shares in its capital under all circumstances when NAB would otherwise have been required to Convert a nominal amount of Subordinated Notes, subject to the same terms and conditions as set out in these Conditions (with all necessary modifications); and

(ii) to use all reasonable endeavours to procure quotation of Approved NOHC Ordinary Shares issued upon Conversion of Relevant Subordinated Notes on ASX.

Control has the meaning given in the Corporations Act.

FATCA means sections 1471 through 1474 of the Code (as defined in Condition 6.1 above) (or any consolidation, amendment, re-enactment or replacement of those sections) and including any current or future regulations or official interpretations issued, agreements entered into pursuant to section 1471(b) of the Code or non-US laws enacted or regulations or practices adopted pursuant to any intergovernmental agreement in connection with the implementation of those sections.

FATCA Withholding means any withholding or deduction imposed or required pursuant to Sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of such Sections of the Code.

Inability Event means NAB is prevented by applicable law or order of any court or action of any government authority (including regarding the insolvency, winding up or other external administration of NAB) or any other reason from Converting Subordinated Notes.

Issuer Group means NAB and its Controlled entities.

Ordinary Shares has the meaning given to it in the Schedule to these Conditions.

Regulatory Capital means a Tier 1 Capital Instrument or a Tier 2 Capital Instrument.

Related Entity has the meaning given by APRA from time to time.

Relevant Capital Instruments means each of:

(a) Relevant Tier 1 Capital Instruments; and

(b) Relevant Tier 2 Capital Instruments.

Relevant Tier 1 Capital Instrument means a Tier 1 Capital Instrument that in accordance with its terms or by operation of law is capable of being written-off or converted into Ordinary Shares when a Non-Viability Determination is made.

Relevant Tier 2 Capital Instrument means a Tier 2 Capital Instrument that in accordance with its terms or by operation of law is capable of being written-off or converted into Ordinary Shares when a Non-Viability Determination is made.

Tier 1 Capital means the Tier 1 Capital of NAB (on a Level 1 basis) or the Issuer Group (on a Level 2 basis) as defined by APRA from time to time.

Tier 1 Capital Instrument means a share, note or other security or instrument constituting Tier 1 Capital (as defined in this Condition 10A.16).

Tier 2 Capital means the Tier 2 Capital of NAB (on a Level 1 basis) or the Issuer Group (on a Level 2 basis) as defined by APRA from time to time.

Tier 2 Capital Instrument means a share, note or other security or instrument constituting Tier 2 Capital (as defined in this Condition 10A.16).

11. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. AGENTS

The names of the initial Agents and their initial specified offices are set out below. If any additional Agents are appointed in connection with any Series, the names of such Agents will be specified in Part B of the applicable Final Terms.

The Issuer and (in the case of Guaranteed Senior Notes) the Guarantor are entitled, with the prior written approval of the Trustee (not to be unreasonably withheld), to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be a Principal Paying Agent and a Registrar;

(b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;

(c) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in London; and

(d) BNZ and BNZ-IF and (in the case of Guaranteed Senior Notes) the Guarantor each undertakes that it will ensure that it maintains a Paying Agent in a jurisdiction other than the jurisdiction in which it is incorporated.

In addition, the Issuer and (in the case of Guaranteed Senior Notes) the Guarantor shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.6. Notice of any variation, termination, appointment or change in Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 14.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and the Guarantor and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

13. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

14. NOTICES

All notices regarding the Bearer Notes will be deemed to be validly given if published (a) in a leading English language daily newspaper of general circulation in London, and (b) if and for so long as the Bearer Notes are admitted to trading on, and listed on the Regulated Market of the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg and/or the Luxembourg Stock Exchange's website, *www.luxse.com*. It is expected that any such newspaper publication will be made in the *Financial Times* in London and the *Luxemburger Wort* or the *Tageblatt* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are admitted to trading on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the CMU Service, be substituted for such publication in such newspaper(s), the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes and/or the persons shown in a CMU Instrument Position Report issued by the CMU Service on the second business day preceding the date of despatch of such notice as holding interests in the relevant Global Note. Notwithstanding the foregoing provisions of this paragraph, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice or notices will be published in a daily newspaper of general circulation in the place or places required by those rules. Any notice delivered to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the persons shown in the relevant CMU Instrument Position Report shall be deemed to have been given to the holders of the Notes on such day as is specified in the applicable Final Terms. If no day is specified, such notices will be deemed to have been delivered on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the persons shown in the relevant CMU Instrument Position Report.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg and/or DTC and/or, in the case of Notes lodged with the CMU Service, by delivery by such holder of such notice to the CMU Lodging Agent in Hong Kong, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg and/or DTC and/or the CMU Lodging Agent and/or the CMU Service, as the case may be, may approve for this purpose.

15. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER, DETERMINATION AND SUBSTITUTION

The Trust Deed contains provisions for convening meetings of the Noteholders (including by way of teleconference or video conference) to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of, or waiver with respect to, the Notes, the Receipts, the Coupons or any of the provisions of the Trust Deed (A) subject, in the case of modifications of, or waivers with respect to, Subordinated Notes issued by NAB and the relative Receipts and Coupons, to any required prior written approval of APRA which may be required, (B) provided that no Extraordinary Resolution or any other resolution that may affect the eligibility of Subordinated Notes issued by NAB to continue to be treated as Tier 2 Capital (as defined in Condition 10A.16) shall be of any effect unless the prior written approval of APRA has been obtained, and (C) provided that, in the case of Subordinated Notes issued by BNZ, no Extraordinary Resolution or any other resolution that may modify or waive compliance with the terms of such Subordinated Notes shall be of any effect unless the RBNZ has been given at least five working days' prior notice of such modification or waiver by BNZ and BNZ has provided any information and supporting documentation required by the RBNZ's prudential regulatory requirements to the RBNZ including a signed opinion from BNZ's New Zealand legal counsel confirming that, once the modification or waiver is in effect, such Subordinated Notes will continue to qualify as Tier 2 Capital (as defined in Condition 7.2).

Subject to the above, such a meeting may be convened by the Issuer, the Guarantor (in the case of Guaranteed Senior Notes) or the Trustee and shall be convened by the Issuer if required in writing by Noteholders holding not less than ten per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed by the Noteholders will be binding on all the Noteholders, whether or not they are present at any meeting and whether or not they voted on the resolution, and on all Receiptholders and Couponholders.

The Trust Deed provides that (i) a resolution passed at a meeting duly convened and held by or on behalf of the Noteholder(s) of not less than three-fourths of the persons eligible to vote at such meeting, (ii) a resolution in writing signed by or on behalf of the Noteholders of not less than three-fourths in principal amount of the Notes for the time being outstanding or (iii) consents given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the Noteholder(s) of not less than three-fourths in principal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders.

Subject (a) in the case of Subordinated Notes issued by NAB, to any required prior written approval of APRA, and (b) in the case of Subordinated Notes issued by BNZ, to any requirement for BNZ to notify the RBNZ, the Trustee may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error or an error which in the opinion of the Trustee is proven.

In addition, the Trustee shall be obliged to concur with the Issuer in effecting any Benchmark Amendments or Benchmark Replacement Conforming Changes (as applicable) in the circumstances and as otherwise set out in Condition 5.5 or Condition 5.2(b)(ii)(E) (as applicable) without the consent of the Noteholders, Receiptholders and Couponholders and the reference in the first paragraph of this Condition 15 to meetings of the Noteholders shall not apply to any Benchmark Amendments made pursuant to Condition 5.5(iii) or Benchmark Replacement Conforming Changes made pursuant to Condition 5.2(b)(ii)(E) (as applicable), which, in each case, shall be made without Noteholder consent as specified therein. Any such modification, waiver, authorisation or determination shall be binding on the Noteholders, the Receiptholders and the Couponholders and (unless the Trustee otherwise agrees) shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter. In relation to any amendments to be made to these Conditions pursuant to Condition 10A.12, the Trustee may act or rely on the advice or opinion of NAB or any certificate, report or information (whether addressed to the Trustee or not) obtained from NAB and shall not be responsible for any liability occasioned by so acting or relying.

In connection with the exercise by it of any of its trusts, powers, authorities or discretions (including, without limitation, any modification, waiver, authorisation or determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders, Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Guarantor (in the case of Guaranteed Senior Notes), the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders, Receiptholders or Couponholders except to the extent already provided for in Condition 8 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

The Trust Deed provides that, in respect of Senior Notes and Guaranteed Senior Notes only, the Trustee may, without the consent of the Noteholders, Receiptholders or Couponholders agree with the Issuer and (where applicable) the Guarantor, to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Senior Notes or Guaranteed Senior Notes, as applicable, and the relative Receipts, any Coupons and the Trust Deed of another company, being a subsidiary of the Issuer or, in the case of Guaranteed Senior Notes, the Guarantor, subject to (a) the Senior Notes being unconditionally and irrevocably guaranteed by NAB (in the case of Notes issued by NAB) or BNZ (in the case of Notes issued by BNZ) or the Guaranteed Senior Notes continuing to be guaranteed by the Guarantor, (b) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (c) certain other conditions set out in the Trust Deed being complied with.

The Trust Deed provides that in connection with any scheme of amalgamation or reconstruction of the Issuer or, as the case may be, the Guarantor not involving the bankruptcy or insolvency of the Issuer or, as the case may be, the Guarantor and (A) where the Issuer or, as the case may be, the Guarantor does not survive the amalgamation or reconstruction or (B) where all or substantially all of the assets and business of the Issuer or the Guarantor, as the case may be, will be disposed of or succeeded to by another entity (whether by operation of law or otherwise), the Trustee shall, in the case of Senior Notes and Guaranteed Senior Notes only if requested by the Issuer and (where applicable) the Guarantor (in each case in its sole discretion), without the consent of the Noteholders, the Receiptholders or the Couponholders, agree with the Issuer and (where applicable) the Guarantor to (i) the substitution in place of the Issuer as the principal debtor under the Senior Notes or Guaranteed Senior Notes, as applicable, and the relative Receipts, any Coupons and the Trust Deed; or (ii) the substitution in place of the Guarantor (in the case of Guaranteed Senior Notes) as guarantor of Guaranteed Senior Notes, of another company (the **Substituted Debtor**) being the entity with and into which the Issuer or the Guarantor, as the case may be, amalgamates or the entity to which all or substantially all of the business and assets of the Issuer or the Guarantor is transferred, or succeeded to, pursuant to such scheme of amalgamation or reconstruction (whether by operation of law or otherwise), subject to:

(i) the Substituted Debtor entering into a supplemental trust deed in form and manner satisfactory to the Trustee agreeing to be bound by the Trust Deed with any consequential amendments which the Trustee may deem appropriate as fully as if the Substituted Debtor had been named in the Trust Deed as principal debtor or guarantor of the Senior Notes or Guaranteed Senior Notes in place of the Issuer or the Guarantor, as the case may be;

(ii) the Substituted Debtor acquiring or succeeding to pursuant to such scheme of amalgamation or reconstruction all or substantially all of the assets and business of the Issuer or the Guarantor, as the case may be;

(iii) (in the case of the substitution of BNZ-IF) the obligations of the Substituted Debtor being or remaining guaranteed by the Guarantor on the terms set out in the Trust Deed;

(iv) confirmations being received by the Trustee from each of Moody's Investors Service Limited (**Moody's**) and S&P Global Ratings, a division of S&P Global Inc. (**Standard and Poor's**) that the substitution will not adversely affect the rating of the Senior Notes or Guaranteed Senior Notes, as applicable; and

(v) the Issuer, the Guarantor (where relevant) and the Substituted Debtor complying with such other requirements as the Trustee may reasonably require in order to give effect to the mandatory substitution envisaged in this Condition 15.

For the purposes of this Condition 15, a modification or waiver of the Notes will require APRA's prior written approval only if the modification or waiver may affect the eligibility of the Notes to continue to be treated as Tier 2 Capital (as defined in Condition 10A.16). Any provisions in these Conditions of the Notes requiring APRA approval for a particular course of action do not and should not imply that APRA has given its consent or approval as at the Issue Date.

The RBNZ must be notified by BNZ of any modifications or waivers of the Subordinated Notes issued by BNZ at least five working days prior to the modification or waiver being made. Such notification must be accompanied by any information and supporting documentation required by the RBNZ's prudential regulatory requirements including a signed opinion from BNZ's New Zealand legal counsel confirming that, once the modification or waiver is in effect, such Subordinated Notes will continue to qualify as Tier 2 Capital (as defined in Condition 7.2).

Holders of Subordinated Notes issued by BNZ should note that BNZ would not be able to comply with the RBNZ notification requirement as required in the circumstances described in this Condition 15 and that, consequently, no such modification or waiver (as applicable) could be made or given, if the effect of any such modification or waiver (as applicable) would be that the Subordinated Notes would no longer qualify as Tier 2 Capital (as defined in Condition 7.2).

16. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER AND/OR THE GUARANTOR

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking any action unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with each Issuer, the Guarantor and/or any of their respective subsidiaries and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, any Issuer, the Guarantor and/or any of their respective subsidiaries, (b) to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders, Receiptholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

17. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further securities (the **Fungible Notes**) having terms and conditions the same as the Notes or the same in all respects save for the amount, the Issue Date, the Issue Price and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes; provided, however, that (a) such Fungible Notes are, for purposes of U.S. federal income taxation (regardless of whether any holders of Fungible Notes are subject to the U.S. federal income tax laws), either (i) not issued with original issue discount or are issued with a *de minimis* amount of original issue discount as defined in U.S. Treasury Regulations Section 1.1273-1(d) or (ii) issued in a "qualified reopening" or are otherwise considered part of the same issue for U.S. federal tax purposes, (b) the consolidation of the Fungible Notes into a single series with the outstanding Notes would not cause the holders of the Notes to become subject to any certification requirements or information reporting to which they would not be subject absent such consolidation and (c) in the case of Subordinated Notes issued by NAB, the Fungible Notes meet the requirements of APRA to be eligible to be treated as Tier 2 Capital (as defined in Condition 10A.16) and, in the case of Subordinated Notes issued by BNZ, the Fungible Notes meet the requirements of the RBNZ to be eligible to be treated as Tier 2 Capital (as defined in Condition 7.2).

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

19.1 Governing law

The Trust Deed, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with them shall be governed by and construed in accordance with, English law, except for (A) Clause 19.1 of the Trust Deed, Conditions 3.2 and 10A and the conversion mechanisms set out in the Schedule to these Conditions, which are governed by, and shall be construed in accordance with, the laws of the State of Victoria and the Commonwealth of Australia and (B) Clause 19.2 of the Trust Deed and Condition 3.3, which are governed by, and shall be construed in accordance with, the laws of New Zealand. The Agency Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

19.2 Submission to jurisdiction

Each Issuer and the Guarantor irrevocably agrees, for the benefit of the Trustee, the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have exclusive jurisdiction to settle any disputes (including a dispute relating to any non-contractual obligations) which may arise out of or in connection with the Trust Deed, the Notes, the Receipts and/or the Coupons and accordingly submits to the exclusive jurisdiction of the English courts.

Each Issuer and the Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. To the extent allowed by law, the Trustee, the Noteholders, the Receiptholders and the Couponholders, may take any suit, action or proceedings arising out of or in connection with the Trust Deed, the Notes, the Receipts and the Coupons (including any proceedings relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes, the Receipts and the Coupons) (together referred to as **Proceedings**), in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

19.3 Appointment of Process Agent

NAB appoints National Australia Bank Limited, London Branch, at (i) unless an alternative address has been notified to Noteholders in accordance with Condition 14, its office at The Scalpel, 52 Lime Street, London EC3M 7AF, or (ii) if an alternative address has been notified to Noteholders in accordance with Condition 14, such other address as has been so notified, as its agent for service of process and BNZ, BNZ-IF and the Guarantor appoint BNZ International Funding Limited, acting through its London Branch, at (i) unless an alternative address has been notified to Noteholders in accordance with Condition 14, its office at The Scalpel, 52 Lime Street, London EC3M 7AF, or (ii) if an alternative address has been notified to Noteholders in accordance with Condition 14, such other address as has been so notified, as their respective agent for service of process. Each of NAB, BNZ, BNZ-IF and the Guarantor undertakes that, in the event of National Australia Bank Limited, London Branch or BNZ International Funding Limited, acting through its London Branch, as the case may be, ceasing so to act or ceasing to be registered in England, NAB, BNZ-IF and the Guarantor as the case may be will appoint another person approved by the Trustee as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

19.4 Other documents

Each Issuer and (in the case of Guaranteed Senior Notes) the Guarantor has in the Trust Deed, the Agency Agreement and the Guarantee (as applicable) submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

SCHEDULE

SUBORDINATED NOTE CONVERSION MECHANISMS

1.1 Conversion

If NAB must Convert a nominal amount of a Subordinated Note in accordance with Condition 10A (a **Relevant Subordinated Note**), then the following provisions shall apply:

(a) on the Conversion Date, NAB will, for the Nominal Amount of the Relevant Subordinated Note held by the Noteholder, allot and issue that number of fully paid ordinary shares in the capital of NAB (**Ordinary Shares**) which is the lesser of the number calculated according to the following formula and the Maximum Conversion Number:

$$\frac{\text{Nominal Amount}}{(1 - \text{CD}) \times \text{VWAP during the VWAP Period}}$$

(the **Conversion Number**)

where:

Nominal Amount means, in respect of a Relevant Subordinated Note, all or such lesser nominal amount of that Relevant Subordinated Note determined by NAB in accordance with Condition 10A.2 to be the proportionate allocation of the aggregate nominal amount required to be Converted to that Relevant Subordinated Note;

CD means the Conversion Discount specified in the applicable Final Terms;

Maximum Conversion Number means in respect of the Nominal Amount of a Relevant Subordinated Note the number calculated according to the following formula:

$$\text{Maximum Conversion Number} = \frac{\text{Nominal Amount}}{(\text{Issue Date VWAP} \times \text{Relevant Fraction})} \;;$$

VWAP means, subject to any adjustments under clause 1.2 of this Schedule, the average of the daily volume weighted average sale prices (such average being rounded to the nearest full cent) of Ordinary Shares sold on ASX during the VWAP Period or on the relevant days (and, where the Specified Currency of the Nominal Amount in respect of the Relevant Subordinated Note is not Australian dollars, with each such daily price converted into the Specified Currency on the basis of the closing spot price on each day of calculation in the VWAP Period for the sale of the Australian dollar against the purchase of such Specified Currency as published by Bloomberg (or a replacement or equivalent information vendor) or otherwise determined by NAB (acting in good faith and in a commercially reasonable manner)) but does not include any "Crossing" transacted outside the "Open Session State" or any "Special Crossing" transacted at any time, each as defined in the ASX Operating Rules, or any overseas trades or trades pursuant to the exercise of options over Ordinary Shares;

VWAP Period means the latest period of five Business Days (or such other period specified in the applicable Final Terms) on which trading in Ordinary Shares took place immediately preceding (but not including) the Conversion Date;

Relevant Fraction means 0.2;

Issue Date VWAP means the VWAP during the period of 20 Business Days or such other period specified in the applicable Final Terms on which trading in Ordinary Shares took place immediately preceding (but not including) the first date on which Notes of the Series of which the Relevant Subordinated Notes forms part were issued (the **Issue Date VWAP Date**), as adjusted in accordance with clauses 1.4 to 1.7 (inclusive) of this Schedule;

(b) any calculation under paragraph (a) shall be rounded to four decimal places provided that if the total number of additional Ordinary Shares to be allotted to a Noteholder in respect of the aggregate Nominal Amount of its holding of Relevant Subordinated Notes upon Conversion includes a fraction of an Ordinary Share, that fraction of an Ordinary Share will be disregarded; and

(c) on the Conversion Date NAB will:

(i) redeem the Nominal Amount of each Relevant Subordinated Note held by the Noteholder;

(ii) apply the proceeds of the redemption of the Nominal Amount of each Relevant Subordinated Note on behalf of the Noteholder in subscription for the Conversion Number of Ordinary Shares; and

(iii) issue to the relevant Noteholder, in respect of the Nominal Amount of each Relevant Subordinated Note held by that Noteholder, a number of Ordinary Shares that is equal to the Conversion Number,

and the rights of the Noteholder (including to payment of interest with respect to such Nominal Amount, both in the future and as accrued but unpaid as at the Conversion Date) in relation to the Nominal Amount that is being Converted will be immediately and irrevocably terminated.

The Noteholder irrevocably directs NAB to take all such action in accordance with the above provisions as is necessary to immediately effect Conversion accordingly and NAB will take all steps, including updating any register, required to record the Conversion.

Nothing in this clause creates any obligation to pay any amount in respect of the redemption of the Nominal Amount of any Relevant Subordinated Note except by way of the application of the proceeds of that redemption in subscription for the Conversion Number of Ordinary Shares.

1.2 Adjustments to VWAP

For the purposes of calculating the VWAP in this Schedule:

(a) where, on some or all of the Business Days in the relevant VWAP Period, Ordinary Shares have been quoted on ASX as cum dividend or cum any other distribution or entitlement and a Nominal Amount of Relevant Subordinated Notes will Convert into Ordinary Shares after the date those Ordinary Shares no longer carry that dividend or any other distribution or entitlement, then the VWAP on the Business Days on which those Ordinary Shares have been quoted cum dividend or cum any other distribution or entitlement shall be reduced by an amount (the **Cum Value**) equal to:

(i) (in case of a dividend or other distribution), the amount of that dividend or other distribution including, if the dividend or other distribution is franked, the amount that would be included in the assessable income of a recipient of the dividend or other distribution who is both a resident of Australia and a natural person under the Income Tax Assessment Acts 1936 and 1997 of Australia;

(ii) (in the case of any other entitlement that is not a dividend or other distribution under clause 1.2(a)(i) which is traded on ASX on any of those Business Days), the volume weighted average sale price of all such entitlements sold on ASX during the VWAP Period on the Business Days on which those entitlements were traded; or

(iii) (in the case of any other entitlement which is not traded on ASX during the VWAP Period), the value of the entitlement as reasonably determined by the Directors of NAB (or a committee authorised by them); and

(b) where, on some or all of the Business Days in the VWAP Period, Ordinary Shares have been quoted on ASX as ex dividend or ex any other distribution or entitlement, and a Nominal Amount of Relevant Subordinated Notes will Convert into Ordinary Shares in respect of which the relevant dividend or other distribution or entitlement would be payable, the VWAP on the Business Days on which those Ordinary Shares have been quoted ex dividend or ex any other distribution or entitlement shall be increased by the Cum Value.

1.3 Adjustments to VWAP for divisions and similar transactions

Where during the relevant VWAP Period there is a change in the number of Ordinary Shares on issue as a result of a subdivision, consolidation or reclassification of NAB's share capital not involving any cash payment or other distribution to or by the holders of Ordinary Shares (**Reorganisation**), in calculating the VWAP for that VWAP Period the VWAP on each Business Day in the relevant VWAP Period which falls before the date on which trading in Ordinary Shares is conducted on a post Reorganisation basis shall be adjusted by multiplying such daily VWAP by the following formula:

$$\frac{A}{B}$$

where:

A means the aggregate number of Ordinary Shares immediately before the Reorganisation; and

B means the aggregate number of Ordinary Shares immediately after the Reorganisation.

1.4 Adjustments to Issue Date VWAP

For the purposes of determining the Issue Date VWAP in respect of a Relevant Subordinated Note, adjustments to the VWAP will be made in accordance with clauses 1.2 and 1.3 during the VWAP Period for the Issue Date VWAP. On and from the Issue Date VWAP Date, adjustments to the Issue Date VWAP:

(a) may be made in accordance with clauses 1.5 to 1.7 (inclusive); and

(b) if so made, will cause an adjustment to the Maximum Conversion Number by operation of the formula in clause 1.1(a).

1.5 Adjustments to Issue Date VWAP for bonus issues

(a) Subject to clause 1.5(b), if after the Issue Date VWAP Date in respect of a Relevant Subordinated Note, NAB makes a pro rata bonus issue of Ordinary Shares to holders of Ordinary Shares generally, the Issue Date VWAP in respect of the Relevant Subordinated Notes will be adjusted in accordance with the following formula:

$$V = V_o x \quad \frac{RD}{RD + RN}$$

where:

V means the Issue Date VWAP applicable to the Relevant Subordinated Notes immediately after the application of this formula;

V_o means the Issue Date VWAP applicable to the Relevant Subordinated Notes immediately prior to the application of this formula;

RD means the number of Ordinary Shares on issue immediately prior to the allotment of new Ordinary Shares pursuant to the bonus issue; and

RN means the number of Ordinary Shares issued pursuant to the bonus issue.

(b) Clause 1.5(a) does not apply to Ordinary Shares issued as part of a bonus share plan, employee or executive share plan, executive option plan, share top up plan, share purchase plan or a dividend reinvestment plan.

(c) For the purpose of clause 1.5(a), an issue will be regarded as a pro rata issue notwithstanding that NAB does not make offers to some or all holders of Ordinary Shares with registered addresses outside Australia, provided that in so doing NAB is not in contravention of the ASX Listing Rules.

(d) No adjustments to the Issue Date VWAP will be made under this clause 1.5 for any offer of Ordinary Shares not covered by clause 1.5(a), including a rights issue or other essentially pro rata issue.

(e) The fact that no adjustment is made for an issue of Ordinary Shares except as covered by clause 1.5(a) shall not in any way restrict NAB from issuing Ordinary Shares at any time on such terms as it sees fit nor be taken to constitute a modification or variation of rights or privileges of Noteholders or otherwise requiring any consent or concurrence.

1.6 Adjustment to Issue Date VWAP for divisions and similar transactions

(a) If at any time after the Issue Date VWAP Date in respect of the Relevant Subordinated Notes there is a change in the number of Ordinary Shares on issue as a result of a Reorganisation, NAB shall adjust the Issue Date VWAP applicable to the Relevant Subordinated Notes by multiplying the Issue Date VWAP applicable on the Business Day immediately before the date of any such Reorganisation by the following formula:

$$\frac{A}{B}$$

where:

A means the aggregate number of Ordinary Shares immediately before the Reorganisation; and

B means the aggregate number of Ordinary Shares immediately after the Reorganisation.

(b) Each Noteholder acknowledges that NAB may consolidate, divide or reclassify securities so that there is a lesser or greater number of Ordinary Shares at any time in its absolute discretion without any such action constituting a modification or variation of rights or privileges of Noteholders or otherwise requiring any consent or concurrence.

1.7 No adjustment to Issue Date VWAP in certain circumstances

Despite the provisions of clauses 1.5 and 1.6, no adjustment shall be made to the Issue Date VWAP where such adjustment (rounded if applicable) would be less than one per cent. of the Issue Date VWAP then in effect.

1.8 Effect and announcement of adjustments

Any adjustment made by NAB to the VWAP or the Issue Date VWAP under this Schedule is effective and binding on the Trustee and the Noteholders and these Conditions will be construed accordingly. NAB will notify the Trustee and the Noteholders of any adjustment to the VWAP or the Issue Date VWAP under this Schedule within 10 Business Days of NAB determining the adjustment.

1.9 Listing Ordinary Shares issued on Conversion

NAB shall use all reasonable endeavours to procure a quotation of the Ordinary Shares issued upon Conversion of a Nominal Amount of Relevant Subordinated Notes on ASX. The Noteholder agrees not to trade Ordinary Shares issued on Conversion (except as permitted by the Corporations Act, other applicable laws and the ASX Listing Rules) until NAB has taken such steps as are required by the Corporations Act, other applicable laws and the ASX Listing Rules for the shares to be freely tradeable without such further disclosure or other action and agrees to allow NAB to impose a holding lock or refuse to register a transfer in respect of Ordinary Shares until such time.

1.10 Definitions

(a) Notwithstanding Condition 5.7, in this Schedule:

Business Day means a day which is both (i) a day on which banks are open for general banking business in Melbourne and Sydney (not being a Saturday, Sunday or public holiday in that place) and (ii) a day which is a business day for the purposes of the ASX Listing Rules;

ASX means ASX Limited or the securities market operated by it, as the context requires, or any successor;

ASX Listing Rules means the listing rules of ASX as amended, varied or waived (whether in respect of NAB or generally) from time to time;

ASX Operating Rules means the market operating rules of ASX as amended, varied or waived (whether in respect of NAB or generally) from time to time.

(b) If the principal securities exchange on which Ordinary Shares are listed becomes other than ASX, unless the context otherwise requires, a reference to ASX shall be read as a reference to that principal securities exchange and a reference to the ASX Listing Rules, ASX Operating Rules or any term defined in any such rules, shall be read as a reference to the corresponding rules of that exchange or corresponding defined terms in such rules (as the case may be).

USE OF PROCEEDS

The net proceeds from each issue of Notes will be used for the general purposes of the relevant Issuer (which include making a profit) and its subsidiaries and, in the case of Notes issued by BNZ-IF, the Guarantor and its subsidiaries. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms (including in the case of any Exempt Notes issued by NAB as Green Bonds, as described further in "*Use of Proceeds—Green Bonds*" below).

Green Bonds

Where the applicable Final Terms for any Tranche of Exempt Notes issued by NAB indicate (including under Part B of the applicable Final Terms) that such Notes are issued as Green Bonds (**Green Bonds**), an amount equal to the net proceeds from such issuance of Notes is intended to be applied by NAB in accordance with the version of NAB's green bond framework as available on its website on the date of issue of such Notes and as it may be updated from time to time (**Green Bond Framework**) and as set out in the applicable Final Terms. As at the date of this Offering Circular, the Green Bond Framework is available at https://capital.nab.com.au/green-and-sri-bonds.

The Green Bond Framework may be updated from time to time. All references in this Offering Circular to the "Green Bond Framework" are to the Green Bond Framework as available on the issue date of the relevant Tranche of Notes (and as such framework may be updated from time to time), unless the context otherwise requires.

In accordance with the Green Bond Framework, an amount equal to the net proceeds from such issuance of Green Bonds is intended to be applied by NAB towards financing, or refinancing, a portfolio (**Portfolio**) of projects, assets and other expenditures that (i) meets the eligibility requirements for programmatic certification under the Climate Bonds Standard, and/or (ii) aligns with the eligible project categories of the Green Bond Principles published by the International Capital Market Association, in each case, as applicable at the date of issue of such Green Bonds.

NAB may at any time and from time to time change the composition of the Portfolio and any unallocated proceeds through the life of any Green Bonds will be invested in accordance with the Green Bond Framework.

External assurance provider, DNV, has provided a second party opinion (which is available on NAB's website, as at the date of this Offering Circular, at https://capital.nab.com.au/green-and-sri-bonds) in respect of the Green Bond Framework evaluating that the Green Bond Framework, as of 22 April 2022, aligns with the Climate Bonds Standard Version 3.0 specific requirements for green bond frameworks and the Green Bond Principles 2021 published by the International Capital Market Association (**Second Party Opinion**). The views in the Second Party Opinion are intended to inform investors in general, and not for a specific investor. The Second Party Opinion shall not be considered as an offer to buy any security, investment advice or an assurance letter. NAB may obtain additional or new second party opinions during the life of any Green Bonds from time to time.

For the avoidance of doubt, none of (i) the Green Bond Framework, (ii) the Second Party Opinion (nor any subsequent second party opinions that may be issued in respect of the Green Bond Framework or in respect of any particular issue of Green Bonds), or (iii) any public reporting by or on behalf of NAB in respect of the allocation or application of proceeds in accordance with the Green Bond Framework, is, nor shall it be deemed to be, incorporated into, and/or form part of, this Offering Circular.

Payment of principal, interest or any other amount payable, on Notes issued as Green Bonds is not dependent on the performance of any projects, assets and other expenditures in the Portfolio. Failure to use the proceeds as described in the applicable Final Terms for such Notes will not constitute an Event of Default or any other default or breach under the Conditions of the Notes, or otherwise permit redemption of any Notes issued as Green Bonds before their relevant Maturity Date.

DESCRIPTION OF NAB

INFORMATION ABOUT NAB

History and development of NAB

The legal name of NAB is National Australia Bank Limited and it trades commercially as "National Australia Bank" and, particularly within Australia, as "NAB".

NAB is registered in the State of Victoria with Australian Business Number (**ABN**) 12 004 044 937.

NAB was incorporated on 23 June 1893.

NAB is a public limited company incorporated in the Commonwealth of Australia and it operates under Australian legislation including the Corporations Act. Its registered office is Level 28, 395 Bourke Street, Melbourne, Victoria 3000, Australia (telephone number +61 3 8615 3064). NAB's website is https://www.nab.com.au/.[13]

BUSINESS OVERVIEW

The NAB Group's Business

The NAB Group is a financial services organisation with more than 38,000 colleagues, operating in Australia and NZ with other businesses located in Asia, the UK and the United States, with more than 596,000 shareholders and serving more than 8.5 million customers.

The NAB Group's strategy, refreshed in April 2020, leverages progress of previous years to reduce complexity, uplift digital and data capability and strengthen technology foundations. It recognises the need to create a simpler, more streamlined business, which is more productive, resilient and efficient. The NAB Group exists to serve customers well and help its communities prosper. To achieve this, the NAB Group is focused on a small number of key priorities that it believes will make a real difference to its customers and colleagues, and support over time its aim to be known for being:

- Relationship-led: building on market leading expertise, data and insights.
- Easy: a simpler, more seamless and digitally enabled bank that gets things done faster.
- Safe: protect customers and colleagues through financial and operational resilience.
- Long-term: deliver sustainable outcomes for stakeholders.

The NAB Group operates the following divisions:

- Business and Private Banking, focuses on NAB's priority small and medium customer segments. This includes the NAB Business franchise, specialised Agriculture, Health, Government, Education and Community services along with Private Banking and JBWere, as well as the small business segment.
- Personal Banking, provides banking products and services to customers including securing a home loan and managing personal finances through deposits, credit card or personal loan facilities. Customers are supported through a network of branches and ATMs, call centres, digital capabilities as well as through proprietary lenders and mortgage brokers. Personal Banking results include the financial performance of Citigroup's Australian consumer business, acquired effective 1 June 2022.

[13] The information on this website does not form part of this Offering Circular and has not been scrutinised or approved by the CSSF.

- Corporate and Institutional Banking, provides a range of products and services including client coverage, corporate finance, markets, asset servicing, transactional banking and enterprise payments. The division services its customers across Australia, United States, Europe and Asia, with specialised industry relationships and product teams. It includes BNZ's Markets Trading operations.

- New Zealand Banking, provides banking and financial services across customer segments in NZ. It consists of Partnership Banking, servicing retail, business and private customers; and Corporate and Institutional Banking, servicing corporate and institutional customers, and includes Markets Sales operations in NZ. New Zealand Banking also includes the Wealth franchise operating under the 'Bank of New Zealand' brand. It excludes BNZ's Markets Trading operations.

- Corporate Functions and Other, includes ubank and enabling units that support all businesses including Treasury, Technology and Enterprise Operations, Digital, Data and Analytics, Support Units and eliminations.

Principal Activities

The principal activities of the NAB Group during the year ended 30 September 2023 were banking services, credit and access card facilities, leasing, housing and general finance, international, investment and private banking and wealth management services, funds management and custodian, trustee and nominee services.

ORGANISATIONAL STRUCTURE

NAB is the holding company for the NAB Group, as well as being the main operating company. As at the date of this Offering Circular, NAB wholly owns the Guarantor, which is its main operating subsidiary.

TREND INFORMATION

There has been no material adverse change in the prospects of NAB since 30 September 2023.

PROFIT FORECASTS OR ESTIMATES

NAB does not make or imply any profit forecasts or profit estimates in this Offering Circular. No statement contained in this Offering Circular should be interpreted as such a forecast or estimate.

ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The name and function of each of the directors of NAB's Board (the **Board** or the **Board of Directors**) as at the date of this Offering Circular (unless otherwise stated) are listed below. Unless otherwise stated, the business address of each Director is Level 28, 395 Bourke Street, Melbourne, Victoria 3000, Australia.

- **Ross M McEwan CBE**

  Group Chief Executive Officer (**CEO**) and Managing Director. Mr McEwan's other interests include Australian Banking Association (Council Member) and the Financial Markets Foundation for Children (Director).

- **Philip W Chronican**

  Independent non-executive director, Chair of the Board and Chair of the Board's Nomination & Governance Committee. Directorship of listed entities: Woolworths Group Limited (since October 2021). Mr Chronican's other interests include The Westmead Institute for Medical Research (Chair) and the National Foundation for Australia-China Relations Advisory Board (Member).

- **David H Armstrong**

  Independent non-executive director, Chair of the Board's Audit Committee and a Member of the Board's Risk & Compliance Committee. Directorship of listed entities: IAG Limited (since September 2021). Mr Armstrong's other interests include The George Institute for Global Health (Chair) and Opera Australia Capital Fund Limited (Director).

- **Kathryn J Fagg AO**

  Independent non-executive director and a Member of the Board's Risk & Compliance and People & Remuneration Committees. Directorships of listed entities: Djerriwarrh Investments Limited (since May 2014) and Medibank Private Limited (since March 2022). Ms Fagg's other interests include CSIRO (Chair), Breast Cancer Network Australia (Chair), Watertrust Australia Limited (Chair), The Grattan Institute (Director), The Myer Foundation (Director) and Champions of Change Coalition (Director)

- **Christine L Fellowes**

  Independent non-executive director and a Member of the Board's Customer Committee. Ms Fellowes' other interest includes NINEby9 Pte Ltd (Co-founder and Director).

- **Peeyush K Gupta AM**

  Independent non-executive director and a Member of the Board's Audit and Risk & Compliance Committees. Directorships of listed entities: Link Administration Holdings Limited (Link Group) (since November 2016) and Charter Hall WALE Limited (since May 2016). Mr Gupta's other interests include Charter Hall Direct Property Management Limited (Chair), Special Broadcasting Service Corporation (Director), Northern Territory Aboriginal Investment Corporation (Director), Chartered Accountants Australia and New Zealand (Director) and Cancer Council NSW (Director).

- **Carolyn Kay**

  Independent non-executive director and a Member of the Board's Risk & Compliance Committee. Directorship of listed entities: Scentre Group Ltd (Since February 2016). Ms Kay's other interests include Rothschild & Co Australia (Chair), Myer Family Investments (Director), Foreign Investment Review Board (Member), General Sir John Monash Foundation (Director) and Sydney Grammar School (Trustee).

- **Alison M Kitchen**

  Independent non-executive director and a Member of the Board's Audit Committee. Ms Kitchen's other interests include Business Council of Australia (Director and Chair of Macroeconomic Committee) and Australian National University (Council Member and Chair of Audit and Risk Committee).

- **Anne J Loveridge AM**

  Independent non-executive director, Chair of the Board's People & Remuneration Committee and a Member of the Board's Nomination & Governance and Customer Committees. Directorships of listed entities: nib Holdings Limited (since February 2017) and Platinum Asset Management Limited (since September 2016). Ms Loveridge's other interest includes Destination NSW (Board Member).

- **Douglas A McKay ONZM**

  Independent non-executive director and a Member of the Board's Audit and Customer Committees. Chair and independent non-executive director of BNZ, a major subsidiary of NAB. Directorships of listed entities: Fletcher Building Limited (since September 2018) and Vector Limited (since September 2022). Mr McKay's other interest includes IAG (NZ) Holdings Limited (Director).

- **Simon V McKeon AO**

  Independent non-executive director and Chair of the Board's Risk & Compliance Committee and a Member of the Board's Nomination & Governance Committee. Directorships of listed entities: Rio Tinto Group (since January 2019). Mr McKeon's other interests include Monash University (Chancellor), Greater South East Melbourne (Chair), The Big Issue (Advisory Board Member) and GFG Alliance Australia (Advisory Board Member).

- **Ann C Sherry AO**

  Independent non-executive director, Chair of the Board's Customer Committee, a Member of the Board's People & Remuneration Committee and Co-Chair of NAB's Indigenous Advisory Group. Directorships of listed entities: Enero Group Limited (Chair since January 2020). Ms Sherry's other interests include Queensland University of Technology (Chancellor), UNICEF Australia (Chair), Port of Townsville (Chair) and Queensland Airports Limited (Chair).

As at the date of this Offering Circular, there are no conflicts of interest or potential conflicts of interest between the duties of these members of NAB's Board of Directors to NAB and their private interests or their other duties.

MAJOR SHAREHOLDERS

NAB is a public limited company. As at 12 October 2023, the following registered shareholders each held more than 1 per cent. of the issued share capital of NAB:

- HSBC Custody Nominees (Australia) Limited (24.96 per cent.)
- J P Morgan Nominees Australia Pty Limited (15.81 per cent.)
- Citicorp Nominees Pty Limited (8.49 per cent.)
- National Nominees Limited (2.63 per cent.)
- BNP Paribas Nominees Pty Ltd <Agency Lending DRP A/C> (1.68 per cent.)
- BNP Paribas NOMS Pty Ltd <DRP> (1.36 per cent.)

As at 12 October 2023[14]:

- BlackRock Group and its associated entities had a substantial holding (as such concept is defined in the Corporations Act) in NAB, holding 177,651,034 fully paid ordinary shares, representing 6.02 per cent. of the issued share capital of NAB;

- State Street Corporation and its associated entities had a substantial holding (as such concept is defined in the Corporations Act) in NAB, holding 163,528,467 fully paid ordinary shares, representing 5.21 per cent. of the issued share capital of NAB; and

[14] As at 12 October 2023, NAB has received no further update in relation to these substantial shareholdings.

- The Vanguard Group, Inc and its associated entities had a substantial holding (as such concept is defined in the Corporations Act) in NAB, holding 162,322,845 fully paid ordinary shares, representing 5.00 per cent. of the issued share capital of NAB.

There are several provisions of Australian law that are relevant to the ability of any person to gain control of NAB.

Mergers, acquisitions and divestments of Australian public companies listed on the Australian Securities Exchange (such as NAB) are regulated by detailed and comprehensive legislation and the rules and regulations of the Australian Securities Exchange.

In summary, under the Corporations Act, a person must not acquire a relevant interest in issued voting shares in an Australian listed company if, broadly, because of the transaction, that person's or someone else's voting power in the company increases from 20 per cent. or below to more than 20 per cent., or from a starting point that is above 20 per cent. and below 90 per cent., unless those shares are acquired in a manner specifically permitted by law. This restriction also limits the options available to a shareholder wanting to sell a shareholding of more than 20 per cent. in an Australian listed company.

Australian law also regulates acquisitions which would have the effect, or be likely to have the effect, of substantially lessening competition in any market in Australia, including in any state, territory or region in Australia.

Acquisitions of certain interests in Australian companies by foreign interests are also subject to review by the Australian Treasurer, who may prohibit an acquisition in certain circumstances.

There are also specific limitations on the acquisition of a shareholding in a bank under the Financial Sector (Shareholdings) Act 1998 of Australia (the **FSSA**). Under the FSSA, a person (including a company) must not acquire an interest in an Australian financial sector company where the acquisition would take that person's voting power (which includes the voting power of the person's associates) in the financial sector company to more than 20 per cent. of the voting power of the financial sector company without first obtaining the Australian Treasurer's approval. Even if a person has less than 20 per cent. of the voting power, the Australian Treasurer has the power to declare that a person has practical control of that company and, by applying for an order from the Federal Court of Australia may require the person to relinquish that control. The definition of a financial sector company includes banks such as NAB.

There are no arrangements in place within the NAB Group the operation of which may result in a change of control of NAB.

FINANCIAL INFORMATION CONCERNING NAB'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

Historical financial information

The financial information in relation to NAB for its financial years ended 30 September 2023 and 30 September 2022 are contained in the 2023 NAB Annual Report and the 2022 NAB Annual Report, respectively, which are incorporated by reference into this Offering Circular.

See further "*Documents Incorporated by Reference and Credit Ratings*" above.

The financial statements which are incorporated by reference contain both NAB's own statements and consolidated statements for the NAB Group.

Auditing of historical annual financial information

The historical financial information which is incorporated by reference into this Offering Circular has been audited. Please see the Auditor's reports at pages 256 to 262 of the 2023 NAB Annual Report and at pages 245 to 252 of the 2022 NAB Annual Report, respectively, which are incorporated by reference into this Offering Circular (see the cross-reference lists on pages 93 to 94 of this Offering Circular).

Legal and arbitration proceedings

Overview

Except as listed below and as described in the documents incorporated by reference (see the cross-reference list in respect of the 2023 NAB Annual Report on pages 93 to 94 of this Offering Circular), there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which NAB is aware) in the 12-month period before the date of this Offering Circular which may have, or have had in the recent past, significant effects on the financial position or profitability of NAB and/or the NAB Group.

There are contingent liabilities in respect of all matters listed below and as described in the documents incorporated by reference (see the cross-reference list in respect of the 2023 NAB Annual Report on pages 93 to 94 of this Offering Circular). Such matters are often highly complex and uncertain. Where appropriate, provisions have been made. The aggregate potential liability of the NAB Group in relation to these matters cannot be accurately assessed.

Further information on some specific contingent liabilities that may impact the NAB Group is set out below.

Legal proceedings

United Kingdom matters

Nine separate claims (comprising 904 individual claimants) focused on Tailored Business Loans (**TBLs**) have been commenced against NAB and Clydesdale Bank Plc, now owned by Virgin Money UK Plc and trading as Virgin Money (**Virgin Money**) by former customers of Virgin Money, represented by RGL Management Limited (a claims management company) and law firm Fladgate LLP, in the English Courts. The cases involving four individual claimants (being the first and fourth claims) proceeded to a 12-week trial which commenced on 2 October 2023, effectively as test cases. The cases of the remaining individual claimants are currently stayed pending the outcome of the first and fourth claims.

The claims concern TBLs which customers entered into with Virgin Money and in respect of which NAB employees performed various functions. The claimants allege they were misled about: (1) the cost of repaying (or restructuring) their TBLs early; and (2) the composition of fixed interest rates/other rates offered under the TBLs. The alleged misconduct is said to give rise to several causes of action, including negligent misstatement, misrepresentation and deceit.

The potential outcome and total costs associated with the claims remain uncertain.

Walton Construction Group class action

In January 2022, a class action complaint was filed in the Federal Court by a number of subcontractors regarding NAB’s alleged conduct in connection with the collapse of the Walton Construction Group (**WCG**). It is alleged that NAB’s conduct in the period prior to the collapse of WCG contributed to losses incurred by subcontractors following the liquidation of WCG. NAB filed and served its defence to the claims on 16 December 2022, however, the applicant is seeking to file a second Further Amended Statement of Claim (**FASC**) and has been given until 7 February 2024 to provide a draft FASC. The potential outcome and total costs associated with the claims under this class action remain uncertain.

Regulatory activity, compliance investigations and associated proceedings

Anti-Money Laundering and Counter-Terrorism Financing programme uplift and compliance issues

The NAB Group continues to enhance its systems and processes to comply with AML and CTF requirements. The NAB Group continues to keep AUSTRAC informed of its progress. In addition to an ongoing general uplift in capability, the NAB Group is remediating specific known compliance issues and weaknesses. The NAB Group has reported a number of compliance issues to relevant regulators, including in relation to 'Know Your Customer' requirements (particularly with enhanced customer due diligence for non-individual customers), systems and process issues that impacted some aspects of transaction monitoring and reporting, and other financial crime risks. As this work progresses, further compliance issues may be identified and reported to AUSTRAC or equivalent foreign regulators, and additional uplifting and strengthening may be required.

On 29 April 2022, NAB entered into an enforceable undertaking with AUSTRAC to address AUSTRAC's concerns with the NAB Group's compliance with certain AML and CTF requirements. In accepting the enforceable undertaking, AUSTRAC stated that the regulator had "formed the view at the start of the investigation that a civil penalty proceeding was not appropriate at that time" and that it had "not identified any information during the investigation to change that view". Under the terms of the enforceable undertaking, NAB and certain subsidiaries are required to:

- complete a RAP approved by AUSTRAC; and
- address to AUSTRAC's satisfaction any deficiencies or concerns with activities in the RAP identified by AUSTRAC.

Whilst NAB delivered the approved RAP and approximately three quarters of the required deliverables, the total costs of the above remains uncertain and the conclusion or otherwise of the enforceable undertaking will be determined by AUSTRAC.

Banking matters

A number of reviews into banking-related matters are being carried on across the NAB Group, both internally and in some cases by regulatory authorities, including matters regarding:

- incorrect fees being applied in connection with certain products;
- incorrect interest rates being applied in relation to certain products, including home lending products on conversion from interest only to principal;
- capturing customer consent to receive electronic statements and inconsistencies with recording statement preferences; and
- issues with treatment of deregistered companies identified in the customer base.

The potential outcome and total costs associated with these matters remain uncertain.

Employment matters

In December 2019, NAB announced an end-to-end payroll review examining internal pay processes and compliance with pay-related obligations under Australian employment laws. The review identified a range of issues, which have been notified to the Fair Work Ombudsman (**FWO**). A remediation programme was undertaken, which is now largely complete, save for some discrete residual matters still being addressed. There remains some potential for further developments regarding this matter, including possible enforcement action by the FWO or other legal actions, so the final outcome and total costs associated with this matter remain uncertain.

In March 2023, the Finance Sector Union (**FSU**) filed proceedings against NAB and MLC Wealth Ltd in the Federal Court alleging that those parties had breached provisions of the Fair Work Act which prohibit an employer from requesting or requiring an employee to work unreasonable additional hours. The claim relates to four current and former employees. The FSU is seeking declarations that NAB and MLC Wealth Ltd breached the Fair Work Act, the imposition of penalties in respect of the alleged breaches, as well as compensation for loss and damage to the four named current and former employees and the payment of legal costs. The final outcome and total costs associated with this matter remain uncertain.

Wealth - Advice review

In October 2015, the NAB Group began contacting certain groups of customers where there was a concern that they may have received non-compliant financial advice since 2009 to: (a) assess the appropriateness of that advice; and (b) identify whether customers had suffered loss as a result of non-compliant advice that would warrant compensation. Subsequent to this, these cases are now progressing through the Customer Response Initiative review programme, the scope of which includes the advice businesses of MLC Advice, NAB Advice Partnerships and JBWere, with compensation offered and paid in a number of cases.[15] Where customer compensation is able to be reliably estimated, provisions have been recognised. The final outcome and total costs associated with this work remain uncertain.

Wealth - Adviser service fees

NAB is undertaking a remediation programme in relation to financial advice fees paid by customers pursuant to ongoing service arrangements. This matter relates to JBWere and the various advice businesses, which were operated by the NAB Group prior to completion of the MLC Wealth Transaction (as discussed above in the Risk Factor entitled "*Risk Factors—(A) NAB - Risks Specific to the NAB Group—Strategic Risk—Risks may arise from pursuing acquisitions and divestments"*), including MLC Advice (formerly known as NAB Financial Planning) and NAB Advice Partnerships.[16] Payments with respect to MLC Advice are now complete. Payments with respect to NAB Advice Partnerships are largely complete.

JBWere has identified its potentially impacted customers and has commenced making remediation payments where appropriate. JBWere continues to assess further matters which may impact clients including clients who are members of an APRA regulated superannuation fund and their treatment as a wholesale client instead of retail.

While the NAB Group has taken provisions in relation to these matters based on current information, there remains the potential for further developments and the potential outcomes and total costs associated with these matters remain uncertain.

NULIS and MLCN - class actions

In October 2019, litigation funder Omni Bridgeway (formerly IMF Bentham) and William Roberts Lawyers commenced a class action against NULIS Nominees (Australia) Limited (**NULIS**) alleging breaches of NULIS's trustee obligations to act in the best interests of the former members of The Universal Super Scheme in deciding to maintain grandfathered commissions on their transfer into the MLC Super Fund on 1 July 2016. NULIS filed its first defence in the proceeding in February 2020. An initial trial to make determinations on

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[15] While the businesses of MLC Advice and NAB Advice Partnerships relevant to these matters have been sold to Insignia Financial Ltd (formerly known as IOOF) pursuant to the MLC Wealth Transaction, the NAB Group has retained the companies that operated the advice business, such that the NAB Group has retained all liabilities associated with the conduct of these businesses pre-completion of the MLC Wealth Transaction. JBWere is not within the scope of the MLC Wealth Transaction.

[16] While the businesses of MLC Advice and NAB Advice Partnerships relevant to these matters have been sold to Insignia Financial Ltd (formerly known as IOOF) pursuant to the MLC Wealth Transaction, the NAB Group has retained the companies that operated the advice business, such that the NAB Group has retained all liabilities associated with the conduct of these businesses pre-completion of the MLC Wealth Transaction. JBWere is not within the scope of the MLC Wealth Transaction.

the individual claims of the applicant and one sample group member was held on 9 October 2023. Judgment has been reserved.

In January 2020, Maurice Blackburn commenced a class action in the Supreme Court of Victoria against NULIS and MLC Nominees Pty Ltd (**MLCN**) alleging breaches of NULIS's trustee obligations in connection with the speed with which NULIS and MLCN effected transfers of members' accrued default amounts to the MySuper product. NULIS and MLCN filed their joint defence in the proceeding in April 2020.

The potential outcomes and total costs associated with these matters remain uncertain. While NULIS and MLCN are no longer part of the NAB Group following completion of the MLC Wealth Transaction, NAB remains liable for the costs associated with, and retains conduct of, these matters pursuant to the terms of the MLC Wealth Transaction.

Significant change in the financial performance or financial position of NAB

There has been no significant change in the financial performance or financial position of the NAB Group since 30 September 2023.

DESCRIPTION OF BNZ

INFORMATION ABOUT BNZ

History and development of BNZ

The legal name of BNZ is Bank of New Zealand.

BNZ is registered in New Zealand with registration number 428849, and is a registered bank under the Banking (Prudential Supervision) Act 1989.

BNZ was incorporated on 29 July 1861, under the New Zealand Bank Act 1861. The Bank of New Zealand Act 1945 enabled the Government of New Zealand to acquire all privately owned shares in BNZ. From 1945 to 1987, BNZ was a trading bank and statutory corporation, wholly-owned, but not guaranteed, by the Government of New Zealand. Legislation was passed in 1986 to facilitate a public minority shareholding. In March 1989, the Bank of New Zealand Act 1988 became effective, resulting in a complete sale of the Government's interest in BNZ, and the incorporation of BNZ as a limited liability company under the New Zealand Companies Act 1955. In March 1997, BNZ was re-registered under the New Zealand Companies Act 1993. NAB assumed control of BNZ and the group of companies of which it is the parent company (**BNZ Group**) on 1 October 1992.

BNZ is a company with limited liability incorporated in New Zealand and it operates under the New Zealand Companies Act 1993. Its registered office is Level 4, 80 Queen Street, Auckland 1010, New Zealand (telephone number +64 9 924 8770). BNZ’s website is https://www.bnz.co.nz/.[1]

BUSINESS OVERVIEW

Principal activities

BNZ is one of New Zealand’s largest banking organisations and provides a broad range of banking and financial products and services to retail, business, private, corporate and institutional customers.

The BNZ Group's business is organised into two major reportable and operating segments: Partnership Banking; and Corporate and Institutional Banking. Partnership Banking provides financial products and services to retail, business and private customers. Corporate and Institutional Banking provides financial products and services to corporate and institutional customers.

BNZ-IF

BNZ-IF raises external offshore funding for the BNZ Group through the issuance of commercial paper and medium term notes.

Covered Bonds

BNZ has a covered bond programme (the **BNZ Covered Bond Programme**) under which BNZ is able to issue covered bonds from time to time. The BNZ Covered Bond Programme was registered with the RBNZ on 8 August 2014 under the Reserve Bank of New Zealand (Covered Bonds) Amendment Act 2013.

Covered bonds are debt securities in which investors have full recourse to the issuer and also to a pool of assets that "cover" the issuer's obligations. The pool of cover assets, in the case of BNZ's covered bond programme, is established by BNZ selling mortgage loans originated in the ordinary course of BNZ's business to a bankruptcy-remote trustee company that guarantees BNZ's obligations in the event of a default. The aggregate value of mortgage loans to be transferred by BNZ under the covered bond programme should not exceed the limits prescribed by the RBNZ from time to time. BNZ does not consider that the issue of covered bonds under

[1] The information on this website does not form part of this Offering Circular and has not been scrutinised or approved by the CSSF.

the BNZ Covered Bond Programme will adversely impact BNZ's ability to meet its obligations in respect of Senior Notes and Subordinated Notes issued by BNZ, or Guaranteed Senior Notes issued by BNZ-IF.

ORGANISATIONAL STRUCTURE

NAB is the ultimate parent company of BNZ, through the intermediate holding companies National Australia Group (NZ) Limited (the registered and beneficial holder of the voting securities of BNZ) and National Equities Limited (the immediate parent company of National Australia Group (NZ) Limited).

TREND INFORMATION

There has been no material adverse change in the prospects of BNZ since 30 September 2022.

PROFIT FORECASTS OR ESTIMATES

BNZ does not intend to make or imply any profit forecasts or profit estimates in this Offering Circular. No statement contained in this Offering Circular should be interpreted as such a forecast or estimate.

ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The name, occupation and country of residence of each Director of BNZ as at the date of this Offering Circular are listed below. Unless otherwise indicated, the business address of each Director is Level 4, 80 Queen Street, Auckland 1010, New Zealand.

Non-Executive Director, Chair

Douglas Alexander McKay, ONZM, Company Director, New Zealand. Mr McKay is a director of National Australia Bank Limited (BNZ’s ultimate parent bank) (since February 2016). Directorships of listed entities: Fletcher Building Limited and Vector Limited (Chair). Mr McKay’s other directorships and interests include: Fletcher Building Industries Limited, IAG New Zealand Limited, IAG (NZ) Holdings Limited and Wymac Consulting Limited.

Executive Director

Daniel James Huggins, Managing Director and CEO (since October 2021), Bank of New Zealand, New Zealand. Mr Huggins’ other interests include: Trustee of the BNZ Foundation and Board member of the Springboard Trust.

Non-Executive Directors

Nathan Laurence Goonan, Group Chief Financial Officer of NAB (since July 2023). Mr Goonan’s other directorships and interests include: 86 400 Holdings Limited, 86 400 Pty Limited, 86 400 Technology Pty Limited, Australia Japan Business Cooperation Committee and Pollinate Networks Limited.

Independent Non-Executive Directors

Barbara Joan Chapman, Company Director, New Zealand. Directorships of listed entities: Fletcher Building Limited, Genesis Energy Limited (Chair), NZME Limited (Chair). Ms Chapman’s other directorships and interests include: Fletcher Building Industries Limited and The New Zealand Initiative (Deputy Chair).

Emma Gray, Company Director, Australia. Directorships of listed entities: Beamtree Holdings Limited.

Warwick Ean Hunt, Company Director, New Zealand. Directorships of listed entities: Genesis Energy Limited.

Kevin John Kenrick, Company Director, New Zealand.

Linley Ann Wood, Company Director, New Zealand. Ms Wood's other directorships and interests include: Auckland City Mission Foundation, Chubb Life Insurance New Zealand Limited, Kings School Auckland Limited (Deputy Chair and Finance Governor) and Melanesian Mission Trust.

As at the date of this Offering Circular, except as detailed in the paragraph below, no conflicts of interest and no potential conflicts of interest exist between any duties owed to BNZ by the members of the Board of Directors of BNZ and their private interests or duties outside of the BNZ Group.

Douglas Alexander McKay is a director of IAG New Zealand Limited and IAG (NZ) Holdings Limited. As at the date of this Offering Circular, BNZ contracted with IAG New Zealand Limited for the provision of insurance products and services. Linley Ann Wood is a director of Chubb Life Insurance New Zealand Limited. As at the date of this Offering Circular, BNZ contracted with Chubb Life Insurance New Zealand Limited for the provision of insurance products and services. BNZ's Board of Directors receives regular management reports, both directly and through BNZ's Board Risk Committee, which may contain sensitive information.

BNZ has a process for the management of any conflicts of interest that may arise. BNZ's constitution dictates that a director who is interested in a transaction to which BNZ is a party may attend a meeting of directors at which a matter relating to the transaction arises and be included among the directors present at the meeting for the purposes of a quorum but, subject to certain exceptions set out in the constitution, will not vote on the matter nor be present while the matter is being considered at the meeting.

The Board of Directors of BNZ has adopted a Board Charter which sets out BNZ's Board of Directors purpose, powers and responsibilities.

MAJOR SHAREHOLDERS

BNZ is wholly-owned by National Australia Group (NZ) Limited and BNZ is ultimately owned and controlled by NAB.

National Australia Group (NZ) Limited, NAB and National Equities Limited (the immediate parent company of National Australia Group (NZ) Limited) are the only holders of a direct or indirect qualifying interest in the voting securities of BNZ. National Australia Group (NZ) Limited is the registered and beneficial holder of all BNZ's voting securities.

FINANCIAL INFORMATION CONCERNING BNZ'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

Historical financial information

The consolidated financial information relating to BNZ contained in this Offering Circular has been prepared in accordance with New Zealand Generally Accepted Accounting Practice (**New Zealand GAAP**). In relation to the 2021 Disclosure Statement, the 2022 Disclosure Statement and the March 2023 HY Disclosure Statement, which are incorporated by reference in this Offering Circular, New Zealand GAAP comprises New Zealand equivalents to International Financial Reporting Standards (**NZ IFRS**) as appropriate for profit-oriented entities. The financial statements comply with International Financial Reporting Standards (**IFRS**).

The consolidated financial information in relation to BNZ for its financial years ended 30 September 2021 and 30 September 2022 and for the six months ended 31 March 2023 is contained in the 2021 Disclosure Statement, the 2022 Disclosure Statement and the March 2023 HY Disclosure Statement respectively, which are incorporated by reference in this Offering Circular. Such financial statements contain consolidated information about the BNZ Group and BNZ Group financial information complies with NZ IFRS and IFRS. See further "*Documents Incorporated by Reference and Credit Ratings*" above.

Auditing of historical annual financial information

The historical financial information in relation to BNZ for its financial years ended 30 September 2021 and 30 September 2022 described above has been audited; please see the "*Auditor's Report*" at pages 79 to 84 of the 2021 Disclosure Statement and the "*Independent Auditor's Report*" at pages 80 to 84 of the 2022 Disclosure Statement, both incorporated by reference in this Offering Circular (see the cross-reference lists on pages 94 to 95 of this Offering Circular).

The historical financial information in relation to BNZ for its six months ended 31 March 2023 described above has not been audited; please see the "*Independent Auditor's Review Report*" at pages 39 to 42 of the March 2023 HY Disclosure Statement incorporated by reference in this Offering Circular (see the cross-reference list on page 95 of this Offering Circular).

Legal and arbitration proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which BNZ is aware) in the 12-month period before the date of this Offering Circular which may have, or have had in the recent past, a significant effect on the financial position or profitability of BNZ or BNZ Group.

Recent events

There are no recent events particular to BNZ that are, to a material extent, relevant to the evaluation of its solvency.

Significant change in the financial performance or financial position of BNZ

There has been no significant change in the financial performance or financial position of the BNZ Group since 31 March 2023.

DESCRIPTION OF BNZ-IF

INFORMATION ABOUT BNZ-IF

History and development of BNZ-IF

The legal name of BNZ-IF is BNZ International Funding Limited.

BNZ-IF is registered in New Zealand with registration number 1635202 and in England & Wales under branch number BR008377 and company number FC026206. For the purposes of the Programme, it is acting through its London Branch (**London Branch**).

BNZ-IF was incorporated on 2 June 2005.

BNZ-IF is a company with limited liability incorporated in New Zealand and it operates under the New Zealand Companies Act 1993. Its registered office is Level 4, 80 Queen Street, Auckland 1010, New Zealand (telephone number +64 9 924 8770) and the address of the London Branch is The Scalpel, 52 Lime Street, London EC3M 7AF, United Kingdom (telephone number +44 (0) 7418 706869). BNZ-IF's website is https://www.bnz.co.nz/about-us/capital-and-funding.[2]

BUSINESS OVERVIEW

Principal activities

BNZ-IF has been established to carry on various funding and other related activities.

The London Branch obtains offshore wholesale funding for BNZ through the issuance of debt securities. In addition to its role as an Issuer under the Programme, the London Branch also issues short term debt securities via a global commercial paper programme and a United States commercial paper programme.

Funds raised by the London Branch are on-lent to BNZ on terms and conditions which match the terms and conditions of the original funding (including the same principal amount, currency, term and interest rate basis, and with corresponding redemption events and status (except that the funds on-lent to BNZ will not be guaranteed)).

The constitution of BNZ-IF contains a provision to the effect that if BNZ-IF issues any debt securities which are guaranteed by BNZ, BNZ-IF must on-lend to BNZ an amount equal to the proceeds raised by that debt issue, on terms and conditions which match the terms and conditions of that debt issue.

ORGANISATIONAL STRUCTURE

BNZ-IF is a wholly-owned subsidiary of BNZ. In turn, BNZ is ultimately a wholly-owned subsidiary of NAB, through the intermediate holding companies National Australia Group (NZ) Limited (the registered and beneficial holder of the voting securities of BNZ) and National Equities Limited (the immediate parent company of National Australia Group (NZ) Limited).

BNZ-IF is dependent upon the guarantee of BNZ to enable it to carry out its fund-raising activities. As all funds raised by BNZ-IF will be on-lent to BNZ, the ability of BNZ-IF to fund its debt obligations will be dependent on the ability of BNZ to fund its debt obligations to BNZ-IF. NAB and/or BNZ also supply settlement, accounting, tax, regulatory compliance and legal services and seconded staff, as required.

TREND INFORMATION

There has been no material adverse change in the prospects of BNZ-IF since 30 September 2022.

[2] The information on this website does not form part of this Offering Circular and has not been scrutinised or approved by the CSSF.

PROFIT FORECASTS OR ESTIMATES

BNZ-IF does not intend to make or imply any profit forecasts or profit estimates in this Offering Circular. No statement contained in this Offering Circular should be interpreted as such a forecast or estimate.

ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

The Board of Directors of BNZ-IF manages and exercises control of BNZ-IF from New Zealand. The Board of Directors is comprised of the following, all of whom have a business address of Level 4, 80 Queen Street, Auckland 1010, New Zealand:

- Edwin Budding, Manager Management Assurance – Trading, Markets of BNZ
- Xiaohui Zhang, Treasurer of BNZ
- Paul Mowbray, General Manager – Corporate & Institutional Banking of BNZ

BNZ's governance and control framework apply to BNZ-IF and London Branch.

There are no conflicts of interest between any duties of these people to BNZ-IF and their private interests or their other duties.

MAJOR SHAREHOLDERS

BNZ-IF is directly wholly-owned and controlled by BNZ.

There are no arrangements in place the operation of which may result in a change of control of BNZ-IF.

FINANCIAL INFORMATION CONCERNING BNZ-IF'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

Historical financial information

The financial information relating to BNZ-IF contained in this Offering Circular has been prepared in accordance with New Zealand GAAP. In relation to the 2021 BNZ-IF Financial Statements and the 2022 BNZ-IF Financial Statements, which are incorporated by reference in this Offering Circular, New Zealand GAAP comprises NZ IFRS as appropriate for profit-oriented entities. The financial statements comply with IFRS.

The financial information in relation to BNZ-IF for the financial years ended 30 September 2021 and 30 September 2022 is contained in the 2021 BNZ-IF Financial Statements and the 2022 BNZ-IF Financial Statements respectively, which are both incorporated by reference into this Offering Circular. See further "*Documents Incorporated by Reference and Credit Ratings*" above. Financial reports for BNZ-IF will also be posted at https://www.bnz.co.nz/about-us/capital-and-funding, a dedicated investor reporting page provided by BNZ-IF. BNZ-IF does not publish any financial information on an interim basis.

Auditing of historical annual financial information

The historical financial information described above has been audited; please see the "*Independent Auditor's Report*" included within the 2021 BNZ-IF Financial Statements and the 2022 BNZ-IF Financial Statements respectively, both as incorporated by reference into this Offering Circular (see the cross-reference list on pages 95 to 96 of this Offering Circular).

Legal and arbitration proceedings

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which BNZ-IF is aware) in the 12-month period before the date of this Offering

Circular which may have, or have had in the recent past, significant effects on BNZ-IF's financial position or profitability of BNZ-IF.

Recent events

There are no recent events particular to BNZ-IF that are, to a material extent, relevant to the evaluation of its solvency.

Significant change in the financial performance or financial position of BNZ-IF

There has been no significant change in the financial performance or financial position of BNZ-IF since 30 September 2022.

BOOK-ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear, Clearstream, Luxembourg or the CMU Service (together, the ***Clearing Systems****) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that each of the Issuers and the Guarantor believes to be reliable, but none of the Issuers, the Guarantor, the Trustee nor any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuers, the Guarantor, nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Book-entry Systems

DTC

DTC has advised each of the Issuers and the Guarantor that it is a limited purpose trust company organised under the New York Banking Law, a "banking organisation" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants (**Participants**) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants (**Direct Participants**) include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (**Indirect Participants**).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the **Rules**), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system (**DTC Notes**) as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes (**Owners**) have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note (**Beneficial Owner**) is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the relevant Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the relevant Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the relevant Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

CMU

The CMU is a central depositary service provided by the Central Moneymarkets Unit of the HKMA for the safe custody and electronic trading between the members of this service (**CMU Members**) of Exchange Fund Bills and Notes Clearing and Settlement Service securities and capital markets instruments (together, **CMU Instruments**) which are specified in the CMU Reference Manual as capable of being held within the CMU Service.

The CMU is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU is open to financial institutions regulated by the HKMA, the Securities and Futures Commission, the Insurance Authority or the Mandatory Provident Fund Schemes Authority. For further details on the full range of the CMU's custodial services, investors should refer to the CMU Reference Manual.

The CMU has an income distribution service which is a service offered by the CMU to facilitate the distribution of interest, coupon or redemption proceeds (collectively, the **income proceeds**) by CMU Members who are paying agents to the legal title holders of CMU Instruments via the CMU system. Furthermore, the CMU has a corporate action platform which allows an issuer (or its agent) to make an announcement/notification of a corporate action and noteholders to submit the relevant certification. For further details, investors should refer to the CMU Reference Manual. However, compared to clearing services provided by Euroclear and Clearstream, Luxembourg, the standard custody and clearing service provided by the CMU is limited. In particular (and unlike the European Clearing Systems), the HKMA does not as part of this service provide any facilities for the direct dissemination to the relevant CMU Members of payments (of interest or principal) under, or notices pursuant to the notice provisions of, the CMU Instruments. Instead, the HKMA advises the lodging CMU Member (or a designated paying agent) of the identities of the CMU Members to whose accounts payments in respect of the relevant CMU Instruments are credited, whereupon the lodging CMU Member (or the designated paying agent) will make the necessary payments of interest or principal or send notices directly to the relevant CMU Members. Similarly, the HKMA will not obtain certificates of non-US beneficial ownership from CMU Members or provide any such certificates on behalf of CMU Members. The CMU Lodging Agent will collect such certificates from the relevant CMU Members identified from an instrument position report obtained by request from the HKMA for this purpose.

An investor holding an interest through an account with either Euroclear or Clearstream, Luxembourg in any Notes held in the CMU will hold that interest through the respective accounts which Euroclear and Clearstream, Luxembourg each have with the CMU Service.

Book-entry Ownership of and Payments in respect of DTC Notes

The relevant Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The relevant Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The relevant Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the relevant Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the relevant Issuer.

Transfers of Notes Represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear, Clearstream, Luxembourg and the CMU Service will be effected in accordance with the customary rules and operating procedures of the relevant clearing system, which may change from time to time. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a direct or indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Subscription and Sale and Transfer and Selling Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg, Euroclear accountholders the CMU Service, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Principal Paying Agent, any custodian (**Custodian**) and the CMU Lodging Agent with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg, Euroclear and the CMU Service and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg, Euroclear or the CMU Service and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg, Euroclear and the CMU Service, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Principal Paying Agent, the Custodian and the CMU Lodging Agent receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders or the CMU Service and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg, Euroclear and the CMU Service have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg, Euroclear and the CMU Service. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuers, the Guarantor, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg, Euroclear or the CMU Service or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

United States Taxation

References in this section to "NAB Subordinated Notes" and "BNZ Subordinated Notes" shall be to Subordinated Notes issued by NAB and Subordinated Notes issued by BNZ, respectively.

This section describes certain U.S. federal income tax consequences of the ownership and disposition of the Notes. It applies only to investors who acquire Notes in the initial offering and hold the Notes as capital assets for tax purposes. This section addresses only U.S. federal income taxation and does not discuss all of the tax consequences that may be relevant to an investor in light of its individual circumstances, including consequences arising under U.S. federal tax laws other than the federal income tax laws, foreign, state or local tax consequences, and tax consequences arising under the Medicare contribution tax on net investment income or the alternative minimum tax. This section does not apply to investors who are members of a class of holders subject to special rules under the U.S. federal income tax laws, such as:

- a dealer in securities or currencies,
- a trader in securities that elects to use a mark-to-market method of accounting for its securities holdings,
- a bank,
- a life insurance company,
- a tax-exempt organization,
- an individual retirement account or other tax-deferred account,
- a person that owns Notes that are a hedge or that are hedged against interest rate or currency risks,
- a person that purchases or sells Notes as part of a wash sale for tax purposes,
- a person that owns Notes as part of a straddle or conversion transaction for tax purposes,
- a person that owns (directly, indirectly or by attribution) 10 per cent. or more of the combined voting power of the voting stock of NAB or of the total value of the stock of NAB (inclusive of the value of any NAB Subordinated Notes),
- a person that has ceased to be a U.S. citizen or a lawful permanent resident of the United States,
- a United States holder (as defined below) whose functional currency for tax purposes is not the U.S. dollar, or
- a United States holder (as defined below) that is required to take certain amounts into income no later than the time such amounts are reflected on an applicable financial statement.

Except in the case of NAB Subordinated Notes which are described in this section regardless of their term, this section deals only with Notes that are due to mature 30 years or less from the date on which they are issued. The U.S. federal income tax consequences of owning Notes (other than NAB Subordinated Notes) that are due to mature more than 30 years from their date of issue will, in the case of Exempt Notes only, be discussed in the applicable Final Terms. In addition, this section deals only with Notes that are issued in registered form for U.S. federal income tax purposes. The U.S. federal income tax consequences of owning Notes that are issued in bearer form will, in the case of Exempt Notes only, be discussed in the applicable Final Terms. In the event that PR Notes are issued with a maturity of more than 30 years from their date of issue, or are issued in bearer form, additional U.S. tax disclosure will be provided in a new Offering Circular for use in connection with such Notes.

This section is based on the U.S. Internal Revenue Code of 1986, as amended (the **Code**), its legislative history, existing and proposed regulations under the Code, published rulings and court decisions, all as of the date hereof. These laws are subject to change, possibly on a retroactive basis.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes holds the Notes, the U.S. federal income tax treatment of a partner in such partnership will generally depend on the status of the partner and the tax treatment of the partnership. An entity or arrangement treated as a partnership for U.S. federal income tax purposes holding the Notes should consult its tax adviser with regard to the U.S. federal income tax consequences to it and its partners of an investment in the Notes.

Holders should consult their own tax advisers concerning the consequences of owning these Notes in their particular circumstances under the Code and the laws of any other taxing jurisdiction.

Index Linked Notes, Contingent Payment Obligations, Extendible and Instalment Notes and Certain Specified Currency Notes

In the case of Exempt Notes only, the applicable Final Terms will discuss any special U.S. federal income tax rules with respect to (i) Notes the payments on which are determined by reference to any index or are denominated in, or determined by reference to, more than one currency, (ii) other Notes that are subject to the rules governing contingent payment obligations, and (iii) any extendible and instalment Notes.

United States Holders

This subsection describes the tax consequences to a United States holder. A United States holder is a beneficial owner of a Note that is, for U.S. federal income tax purposes:

- a citizen or resident of the United States,
- a domestic corporation,
- an estate whose income is subject to U.S. federal income tax regardless of its source, or
- a trust if a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorised to control all substantial decisions of the trust.

This subsection does not apply to holders who are not United States holders, and such holders should refer to "— *Non-United States Holders*" below.

Bearer Notes are not being offered to United States holders. A United States holder who owns a Bearer Note may be subject to limitations under United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Code.

Notes other than Subordinated Notes

This subsection describes the tax consequences to a United States holder of holding Notes discussed in this section other than Subordinated Notes. For a discussion of the tax consequences to a United States holder of holding Subordinated Notes, you should refer to the discussion under "—*Subordinated Notes*" below.

Payments of Interest

Except as described below in the case of interest on a "discount Note" that is not "qualified stated interest", each as defined below under "—*Original Issue Discount–General*", a United States holder will be taxed on any interest on the Note, whether payable in U.S. dollars or a non-U.S. dollar currency, including a composite currency or basket of currencies other than U.S. dollars, as ordinary income at the time the United States holder receives the interest or when it accrues, depending on such holder's method of accounting for tax purposes.

Interest paid by the Issuer on the Notes, original issue discount (**OID**), if any, accrued with respect to the Notes (as described below under "—*Original Issue Discount*") including any taxes withheld and any additional amounts paid with respect thereto and including withholding tax on payments of such additional amounts (**additional amounts**) constitutes income from sources outside the United States, subject to the rules regarding the foreign tax credit allowable to a United States holder. Interest, OID and additional amounts paid or accrued will generally be "passive" income for purposes of computing the foreign tax credit allowable to a United States holder.

Non-U.S. Dollar Currency Note - Cash Basis Taxpayers

A taxpayer that uses the cash receipts and disbursements method of accounting for tax purposes and receives an interest payment that is denominated in, or determined by reference to, a non-U.S. dollar currency, must recognise income equal to the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the United States holder actually converts the payment into U.S. dollars.

Non-U.S. Dollar Currency Note - Accrual Basis Taxpayers

A taxpayer that uses an accrual method of accounting for tax purposes may determine the amount of income recognised with respect to an interest payment denominated in, or determined by reference to, a non-U.S. dollar currency by using one of two methods. Under the first method, a United States holder would determine the amount of income accrued based on the average exchange rate in effect during the interest accrual period or, with respect to an accrual period that spans two taxable years, that part of the period within the taxable year.

Under the second method, a United States holder would determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period, or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year. Additionally, under this second method, if a United States holder receives a payment of interest within five business days of the last day of the accrual period or taxable year, such holder may instead translate the interest accrued into U.S. dollars at the exchange rate in effect on the day that it actually receives the interest payment. If a United States holder elects the second method it will apply to all debt instruments it holds at the beginning of the first taxable year to which the election applies and to all debt instruments that it subsequently acquires. A United States holder may not revoke this election without the consent of the U.S. Internal Revenue Service (the **IRS**).

When a United States holder actually receives an interest payment, including a payment attributable to accrued but unpaid interest upon the sale or retirement of the Note, denominated in, or determined by reference to, a non-U.S. dollar currency for which such holder accrued an amount of income, such holder will recognise U.S. source ordinary income or loss measured by the difference, if any, between the exchange rate used to accrue interest income and the exchange rate in effect on the date of receipt, regardless of whether the United States holder actually converts the payment into U.S. dollars.

Original Issue Discount

General

If a United States holder owns a Note, other than a short-term Note with a term of one year or less, it will be treated as a "discount Note" issued with OID if the amount by which the Note's stated redemption price at maturity exceeds its issue price is equal to or more than a *de minimis* amount. Generally, a Note's issue price will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers. A Note's stated redemption price at maturity is the total of all payments provided by the Note that are not payments of qualified stated interest. Generally, an interest payment on a Note is qualified stated interest if it is one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate, with certain exceptions for lower rates paid during some periods, applied to the outstanding principal amount of the Note. There are special rules for variable rate Notes that are discussed under "—*Variable Rate Notes*".

In general, a Note is not a discount Note if the amount by which its stated redemption price at maturity exceeds its issue price is less than the *de minimis* amount of 1/4 of 1 per cent. of its stated redemption price at maturity multiplied by the number of complete years to its maturity. A Note will have *de minimis* OID if the amount of the excess is less than the *de minimis* amount. If the Note has *de minimis* OID, a United States holder must include the *de minimis* amount in income as stated principal payments are made on the Note, unless such holder makes the election described below under "—*Election to Treat All Interest as Original Issue Discount*". The includible amount with respect to each such payment can be determined by multiplying the total amount of the Note's *de minimis* OID by a fraction equal to:

- the amount of the principal payment made, divided by:

- the stated principal amount of the Note.

Generally, if the discount Note matures more than one year from its date of issue, the United States holder must include OID in income before it receives cash attributable to that income. The amount of OID that a United States holder must include in income is calculated using a constant yield method, and generally a United States holder will include increasingly greater amounts of OID in income over the life of the discount Note, unless the discount Note is a self-amortising OID Note. More specifically, the amount of OID included in income can be calculated by adding the daily portions of OID with respect to the discount Note for each day during the taxable year or portion of the taxable year that a United States holder holds the discount Note. The daily portion can be calculated by allocating to each day in any accrual period a pro rata portion of the OID allocable to that accrual period. A United States holder may select an accrual period of any length with respect to the discount Note and may vary the length of each accrual period over the term of the discount Note. However, no accrual period may be longer than one year and each scheduled payment of interest or principal on the discount Note must occur on either the first or final day of an accrual period.

A United States holder can determine the amount of OID allocable to an accrual period by:

- multiplying the discount Note's adjusted issue price at the beginning of the accrual period by the discount Note's yield to maturity, and then

- subtracting from this figure the sum of the payments of qualified stated interest on the discount Note allocable to the accrual period.

A United States holder must determine the discount Note's yield to maturity on the basis of compounding at the close of each accrual period and adjusting for the length of each accrual period. Further, a United States holder determines the discount Note's adjusted issue price at the beginning of any accrual period by:

- adding the discount Note's issue price and any accrued OID for each prior accrual period, and then

- subtracting any payments previously made on the discount Note that were not qualified stated interest payments.

If an interval between payments of qualified stated interest on the discount Note contains more than one accrual period, then, when a United States holder determines the amount of OID allocable to an accrual period, the United States holder must allocate the amount of qualified stated interest payable at the end of the interval, including any qualified stated interest that is payable on the first day of the accrual period immediately following the interval, pro rata to each accrual period in the interval based on their relative lengths. In addition, a United States holder must increase the adjusted issue price at the beginning of each accrual period in the interval by the amount of any qualified stated interest that has accrued prior to the first day of the accrual period but that is not payable until the end of the interval. A United States holder may compute the amount of OID allocable to an initial short accrual period by using any reasonable method if all other accrual periods, other than a final short accrual period, are of equal length.

The amount of OID allocable to the final accrual period is equal to the difference between:

- the amount payable at the maturity of the discount Note, other than any payment of qualified stated interest, and

- the discount Note's adjusted issue price as of the beginning of the final accrual period.

Acquisition Premium

If a United States holder purchases the discount Note for an amount that is less than or equal to the sum of all amounts, other than qualified stated interest, payable on the discount Note after the purchase date but is greater than the amount of the discount Note's adjusted issue price, as determined above under "*—General"*, the excess is acquisition premium. If a United States holder does not make the election described below under "*—Election to Treat All Interest as Original Issue Discount*", then the United States holder must reduce the daily portions of OID by a fraction equal to:

- the excess of the United States holder's adjusted basis in the discount Note immediately after purchase over the adjusted issue price of the discount Note, divided by:

- the excess of the sum of all amounts payable, other than qualified stated interest, on the discount Note after the purchase date over the discount Note's adjusted issue price.

Pre-Issuance Accrued Interest

An election may be made to decrease the issue price of the Note by the amount of pre-issuance accrued interest if:

- a portion of the initial purchase price of the Note is attributable to pre-issuance accrued interest,

- the first stated interest payment on the Note is to be made within one year of the Note's issue date, and

- that payment will equal or exceed the amount of pre-issuance accrued interest.

If this election is made, a portion of the first stated interest payment will be treated as a return of the excluded pre-issuance accrued interest and not as an amount payable on the Note. If an election is not made, the U.S. federal income tax treatment of any pre-issuance accrued interest is not entirely clear. United States holders should consult their own tax advisers concerning the U.S. federal income tax treatment of pre-issuance accrued interest.

Notes Subject to Contingencies Including Optional Redemption

The Note is subject to a contingency if it provides for an alternative payment schedule or schedules applicable upon the occurrence of a contingency or contingencies, other than a remote or incidental contingency, whether such contingency relates to payments of interest or of principal. In such a case, a United States holder must determine the yield and maturity of the Note by assuming that the payments will be made according to the payment schedule most likely to occur if:

- the timing and amounts of the payments that comprise each payment schedule are known as of the issue date, and

- one of such schedules is significantly more likely than not to occur.

If there is no single payment schedule that is significantly more likely than not to occur, other than because of a mandatory sinking fund, a United States holder must include income on the Note in accordance with the general rules that govern contingent payment obligations. In the case of Exempt Notes only, these rules will be discussed in the applicable Final Terms.

Notwithstanding the general rules for determining yield and maturity, if the Note is subject to contingencies, and either the United States holder or the Issuer has an unconditional option or options that, if exercised, would require payments to be made on the Note under an alternative payment schedule or schedules, then:

- in the case of an option or options that the Issuer may exercise, the Issuer will be deemed to exercise or not exercise an option or combination of options in the manner that minimises the yield on the Note, and

- in the case of an option or options that the United States holder may exercise, the United States holder will be deemed to exercise or not exercise an option or combination of options in the manner that maximises the yield on the Note.

If both the United States holder and the Issuer hold options described in the preceding sentence, those rules will apply to each option in the order in which they may be exercised. A United States holder would determine the yield on the Note for the purposes of those calculations by using any date on which the Note may be redeemed or repurchased as the maturity date and the amount payable on such date in accordance with the terms of the Note as the principal amount payable at maturity.

If a contingency, including the exercise of an option, actually occurs or does not occur contrary to an assumption made according to the above rules then, except to the extent that a portion of the Note is repaid as a result of this change in circumstances and solely to determine the amount and accrual of OID, a United States holder must re-determine the yield and maturity of the Note by treating the Note as having been retired and reissued on the date of the change in circumstances for an amount equal to the Note's adjusted issue price on that date.

Election to Treat All Interest as Original Issue Discount

A United States holder may elect to include in gross income all interest that accrues on the Note using the constant-yield method described above under "—*General*", with the modifications described below. For purposes of this election, interest will include stated interest, OID, *de minimis* OID, market discount, *de minimis* market discount and unstated interest, as adjusted by any amortizable bond premium, described below under "—*Notes Purchased at a Premium,*" or acquisition premium.

If a United States holder makes this election for the Note, then, when the United States holder applies the constant-yield method:

- the issue price of the Note will equal the United States holder's adjusted basis in the Note immediately after the United States holder acquires the Note (which generally will be equal to the United States holder's cost),

- the issue date of the Note will be the date the United States holder acquired it, and

- no payments on the Note will be treated as payments of qualified stated interest.

Generally, this election will apply only to the Note for which the United States holder makes such election; however, if the Note has amortizable bond premium, a United States holder will be deemed to have made an election to apply amortizable bond premium against interest for all debt instruments with amortizable bond premium, other than debt instruments the interest on which is excludible from gross income, that the United States holder holds as of the beginning of the taxable year to which the election applies or thereafter. Additionally, if a United States holder makes this election for a market discount Note, the United States holder will be treated as having made the election discussed below under "*—Market Discount*" to include market discount in income currently over the life of all debt instruments having market discount that a United States holder acquires on or after the first day of the first taxable year to which the election applies. A United States holder may not revoke any election to apply the constant-yield method to all interest on a Note or the deemed elections with respect to amortisable bond premium or market discount Notes without the consent of the IRS. United States holders should consult their tax advisers concerning the propriety and consequences of electing to treat all interest as OID.

Variable Rate Notes

The Note will be a variable rate Note if:

- the Note's issue price does not exceed the total non-contingent principal payments by more than the lesser of:

    1. 0.015 multiplied by the product of the total non-contingent principal payments and the number of complete years to maturity from the issue date, or

    2. 15 per cent. of the total non-contingent principal payments; and

- the Note provides for stated interest, compounded or paid at least annually, only at:

    1. one or more qualified floating rates,

    2. a single fixed rate and one or more qualified floating rates,

    3. a single objective rate, or

    4. a single fixed rate and a single objective rate that is a qualified inverse floating rate; and

- the value of any variable rate on any date during the term of the Note is set no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

The Note will have a variable rate that is a qualified floating rate if:

- variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Note is denominated; or

- the rate is equal to such a rate either:

    1. multiplied by a fixed multiple that is greater than 0.65 but not more than 1.35; or

2. multiplied by a fixed multiple greater than 0.65 but not more than 1.35, and then increased or decreased by a fixed rate.

If the Note provides for two or more qualified floating rates that are within 0.25 percentage points of each other on the issue date or can reasonably be expected to have approximately the same values throughout the term of the Note, the qualified floating rates together constitute a single qualified floating rate.

The Note will not have a qualified floating rate, however, if the rate is subject to certain restrictions (including caps, floors, governors, or other similar restrictions) unless such restrictions are caps, floors or governors that are fixed throughout the term of the Note or such restrictions are not reasonably expected to significantly affect the yield on the Note.

Under U.S. Treasury regulations, Notes referencing a benchmark rate that are treated as having a qualified floating rate for purposes of the above will not fail to be so treated merely because the terms of the Notes provide for a replacement of the benchmark rate in the case of a Benchmark Event. In particular, under such regulations, the benchmark referencing rate and the replacement rate are treated as a single qualified rate. United States holders should consult their tax advisers regarding the consequences to them of the potential occurrence of a Benchmark Event.

The Note will have a variable rate that is a single objective rate if:

- the rate is not a qualified floating rate, and
- the rate is determined using a single, fixed formula that is based on objective financial or economic information that is not within the control of or unique to the circumstances of the issuer or a related party.

The Note will not have a variable rate that is an objective rate, however, if it is reasonably expected that the average value of the rate during the first half of the Note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Note's term.

An objective rate as described above is a qualified inverse floating rate if:

- the rate is equal to a fixed rate minus a qualified floating rate, and
- the variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the cost of newly borrowed funds.

The Note will also have a single qualified floating rate or an objective rate if interest on the Note is stated at a fixed rate for an initial period of one year or less followed by either a qualified floating rate or an objective rate for a subsequent period, and either:

- the fixed rate and the qualified floating rate or objective rate have values on the issue date of the Note that do not differ by more than 0.25 percentage points, or
- the value of the qualified floating rate or objective rate is intended to approximate the fixed rate.

In general, if the variable rate Note provides for stated interest at a single qualified floating rate or objective rate or one of those rates after a single fixed rate for an initial period, all stated interest on the Note is qualified stated interest. In this case, the amount of OID, if any, is determined by using, in the case of a qualified floating rate or qualified inverse floating rate, the value as of the issue date of the qualified floating rate or qualified inverse floating rate, or, for any other objective rate, a fixed rate that reflects the yield reasonably expected for the Note.

If the variable rate Note does not provide for stated interest at a single qualified floating rate or a single objective rate, and also does not provide for interest payable at a fixed rate other than a single fixed rate for an initial period, a holder generally must determine the interest and OID accruals on the Note by:

- determining a fixed rate substitute for each variable rate provided under the variable rate Note,
- constructing the equivalent fixed rate debt instrument, using the fixed rate substitute described above,
- determining the amount of qualified stated interest and OID with respect to the equivalent fixed rate debt instrument, and
- adjusting for actual variable rates during the applicable accrual period.

When a United States holder determines the fixed rate substitute for each variable rate provided under the variable rate Note, such holder generally will use the value of each variable rate as of the issue date or, for an objective rate that is not a qualified inverse floating rate, a rate that reflects the reasonably expected yield on the Note.

If the variable rate Note provides for stated interest either at one or more qualified floating rates or at a qualified inverse floating rate, and also provides for stated interest at a single fixed rate other than at a single fixed rate for an initial period, a United States holder generally must determine interest and OID accruals by using the method described in the previous paragraph. However, the variable rate Note will be treated, for purposes of the first three steps of the determination, as if the Note had provided for a qualified floating rate, or a qualified inverse floating rate, rather than the fixed rate. The qualified floating rate, or qualified inverse floating rate, that replaces the fixed rate must be such that the fair market value of the variable rate Note as of the issue date approximates the fair market value of an otherwise identical debt instrument that provides for the qualified floating rate, or qualified inverse floating rate, rather than the fixed rate.

Short-Term Notes

In general, if a United States holder is an individual or other cash basis United States holder of a short-term Note, it is not required to accrue OID, as specially defined below for the purposes of this paragraph, for U.S. federal income tax purposes unless the United States holder elects to do so (although it is possible that such holder may be required to include any stated interest in income as it receives it). This election will apply to all obligations with a maturity of one year or less acquired by the United States holder on or after the first day of the taxable year to which the election applies, and may not be revoked without the consent of the IRS. If the United States holder is an accrual basis taxpayer, a taxpayer in a special class, including, but not limited to, a regulated investment company, common trust fund, or a certain type of pass-through entity, or a cash basis taxpayer who so elects, such holder will be required to accrue OID on short-term Notes on either a straight-line basis or under the constant yield method, based on daily compounding. If the United States holder is not required and does not elect to include OID in income currently, any gain it realises on the sale or retirement of the short-term Note will be ordinary income to the extent of the accrued OID, which will be determined on a straight-line basis unless the United States holder makes an election to accrue the OID under the constant-yield method, through the date of sale or retirement. However, if the United States holder is not required and does not elect to accrue OID on the short-term Notes, it will be required to defer deductions for interest on borrowings allocable to the short-term Notes in an amount not exceeding the deferred income until the deferred income is realised.

When a United States holder determines the amount of OID subject to these rules, it must include all interest payments on the short-term Note, including stated interest, in the short-term Note's stated redemption price at maturity.

Non-U.S. Dollar Currency Discount Notes

If the discount Note is denominated in, or determined by reference to, a non-U.S. dollar currency, a United States holder must determine OID for any accrual period on the discount Note in the non-U.S. dollar currency and then translate the amount of OID into U.S. dollars in the same manner as stated interest accrued by an accrual basis United States holder, as described under "—*United States Holders—Payments of Interest*". A United States holder may recognise U.S. source ordinary income or loss when it receives an amount attributable to OID in connection with a payment of interest or the sale or retirement of the Note.

Market Discount

A United States holder will be treated as if it purchased the Note, other than a short-term Note, at a market discount, and the Note will be a "market discount Note" if:

- the United States holder purchases the Note for less than its issue price as determined above under "—*Original Issue Discount—General*" and

- the difference between the Note's stated redemption price at maturity or, in the case of a discount Note, the Note's revised issue price, and the price the United States holder paid for the Note is equal to or greater than 1/4 of 1 per cent. of the Note's stated redemption price at maturity multiplied by the number of complete years to the Note's maturity. To determine the revised issue price of the Note for these purposes, a United States holder generally adds any OID that has accrued on the Note to its issue price, and subtracts the amount of any payments previously made on the Note that were not qualified stated interest payments.

If the Note's stated redemption price at maturity or, in the case of a discount Note, its revised issue price, exceeds the price a United States holder paid for the Note by less than 1/4 of 1 per cent. of the Note's stated redemption price at maturity multiplied by the number of complete years to the Note's maturity, the excess constitutes *de minimis* market discount, and the rules discussed below are not applicable.

A United States holder must treat any gain it recognises on the maturity or disposition of the market discount Note (including any payment on a Note that is not qualified stated interest) as ordinary income to the extent of the accrued market discount on the market discount Note. Alternatively, a United States holder may elect to include market discount in income currently over the life of the market discount Note. If a United States holder makes this election, it will apply to all debt instruments with market discount that it acquires on or after the first day of the first taxable year to which the election applies. A United States holder may not revoke this election without the consent of the IRS. If a United States holder owns a market discount Note and does not make this election, the United States holder will generally be required to defer deductions for interest on borrowings allocable to the market discount Note in an amount not exceeding the accrued market discount on the Note until the maturity or disposition of the market discount Note.

A United States holder will accrue market discount on the market discount Note on a straight-line basis unless it elects to accrue market discount using a constant-yield method. If a United States holder makes this election, it will apply only to the market discount Note with respect to which it is made and the United States holder may not revoke it. However, accrued market discount would not be included in income unless an election is made to do so as described above.

If a market discount Note is denominated in, or determined by reference to, a non-U.S. dollar currency, a United States holder who elects to include market discount in income currently must determine market discount for any accrual period on the market discount Note in the non-U.S. dollar currency and then translate the amount of market discount into U.S. dollars in the same manner as stated interest accrued by an accrual basis United States holder, as described under "—*United States Holders—Payments of Interest*". Such a United States holder may recognise U.S. source ordinary income or loss when it receives an amount attributable to market discount in connection with the sale or retirement of the market discount Note. A United States holder that does not elect to include market discount in income will, upon the sale or retirement of the market discount Note, recognise the U.S. dollar value of the amount of market discount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

Notes Purchased at a Premium

If a United States holder purchases the Note for an amount in excess of its principal amount (or, in the case of a discount Note, in excess of the sum of all amounts payable on the Note after the acquisition date (other than payments of qualified stated interest)), it may elect to treat the excess as amortizable bond premium. If a United States holder makes this election, it will reduce the amount required to be included in its income each accrual period with respect to interest on the Note by the amount of amortizable bond premium allocable to that accrual period, based on the Note's yield to maturity. The amount of amortizable bond premium may be reduced, however, in the case of Notes subject to alternative payments schedules, including optional redemptions.

If the amortizable bond premium allocable to an accrual period exceeds a United States holder’s interest income from a Note for such accrual period, such excess is first allowed as a deduction to the extent of interest included in the United States holder’s income in respect of the Note in previous accrual periods and is then carried forward to the United States holder’s next accrual period. If the amortizable bond premium allocable and carried forward to the accrual period in which the United States holder’s Note is sold, retired or otherwise disposed of exceeds the interest income for such accrual period, the United State holder would be allowed an ordinary deduction equal to such excess.

If the Note is denominated in, or determined by reference to, a non-U.S. dollar currency, a United States holder will compute the amortizable bond premium in units of the non-U.S. dollar currency and the amortisable bond premium will reduce the interest income in units of the non-U.S. dollar currency. Gain or loss recognised that is attributable to changes in exchange rates between the time the amortised bond premium offsets interest income and the time of the acquisition of the Note is generally taxable as U.S. source ordinary income or loss. If the United States holder makes an election to amortise bond premium, such election will apply to all debt instruments, other than debt instruments the interest on which is excludible from gross income, that the United States holder holds at the beginning of the first taxable year to which the election applies or that it thereafter acquires, and the United States holder may not revoke such election without the consent of the IRS. See also "*—Original Issue Discount—Election to Treat All Interest as Original Issue Discount*".

Purchase, Sale and Retirement of the Notes

A United States holder's tax basis in the Note will generally be the U.S. dollar cost, as defined below, of the Note, adjusted by:

- adding any OID or market discount previously included in income with respect to the Note, and then
- subtracting any payments on the Note that are not qualified stated interest payments and any amortizable bond premium to the extent that such premium either reduced interest on a Note or gave rise to a deduction on the Note.

If the United States holder purchases the Note with non-U.S. dollar currency, the U.S. dollar cost of the Note will generally be the U.S. dollar value of the purchase price on the date of purchase. However, if a United States holder is a cash basis taxpayer, or an accrual basis taxpayer that so elects, and the Note is traded on an established securities market, as defined in the applicable Treasury regulations, the U.S. dollar cost of the Note will be the U.S. dollar value of the purchase price on the settlement date of the purchase.

A United States holder will generally recognise U.S. source gain or loss on the sale or retirement of the Note equal to the difference between the amount realised on the sale or retirement, excluding any amounts attributable to accrued but unpaid interest (which will be treated as interest payments), and the United States holder's adjusted tax basis in the Note. If the Note is sold or retired for an amount in non-U.S. dollar currency, the amount the United States holder realises will be the U.S. dollar value of such amount on the date the Note is disposed of or retired, except that in the case of a Note that is traded on an established securities market, as defined in the applicable Treasury regulations, a cash basis taxpayer, or an accrual basis taxpayer that so elects, will determine the amount realised based on the U.S. dollar value of the non-U.S. dollar currency on the settlement date of the sale.

A United States holder will recognise capital gain or loss when it sells or retires the Note, except to the extent:

- described above under "—*Original Issue Discount—Short-Term Notes*" or "—*Market Discount*", or
- attributable to changes in exchange rates as described below.

Capital gain of a non-corporate United States holder is generally taxed at a preferential rate where such holder has a holding period greater than one year.

A United States holder must treat any portion of the gain or loss that it recognises on the sale or retirement of a Note as ordinary income or loss to the extent attributable to changes in exchange rates. However, a United States holder takes exchange gain or loss into account only to the extent of the total gain or loss it realises on the transaction.

Exchange of Amounts in Other Than U.S. Dollars

If a United States holder receives non-U.S. dollar currency as interest on the Note or on the sale or retirement of the Note, such holder's tax basis in the non-U.S. dollar currency will equal its U.S. dollar value when the interest is received or at the time of the sale or retirement. If the United States holder purchases non-U.S. dollar currency, it generally will have a tax basis equal to the U.S. dollar value of the non-U.S. dollar currency on the date of the purchase. If a United States holder sells or disposes of a non-U.S. dollar currency, including if such holder uses it to purchase Notes or exchange it for U.S. dollars, any gain or loss recognised generally will be U.S. source ordinary income or loss.

Substitution of Issuer

The terms of the Notes provide that, in certain circumstances, the obligations of the relevant Issuer under the Notes may be assumed by another entity. Any such assumption might be treated for U.S. federal income tax purposes as a deemed disposition of the Notes by a United States holder in exchange for new Notes issued by the new obligor. As a result of this deemed disposition, a United States holder could be required to recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the issue price of the new Notes (as determined for U.S. federal income tax purpose) and the United States holder’s tax basis in the Notes deemed disposed. United States holders should consult their tax advisors concerning the U.S. federal income tax consequences to them of a change in obligor with respect to the Notes.

Subordinated Notes

NO STATUTORY, REGULATORY, JUDICIAL OR ADMINISTRATIVE AUTHORITY DIRECTLY DISCUSSES HOW THE SUBORDINATED NOTES SHOULD BE TREATED FOR U.S. FEDERAL INCOME TAX PURPOSES. AS A RESULT, THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE SUBORDINATED NOTES ARE UNCERTAIN. ACCORDINGLY, NAB URGES HOLDERS TO CONSULT THEIR TAX ADVISERS AS TO THE TAX CONSEQUENCES OF OWNERSHIP OF SUBORDINATED NOTES DESCRIBED BELOW AND AS TO THE APPLICATION OF U.S. STATE, LOCAL, OR OTHER TAX LAWS TO THEIR INVESTMENT IN THEIR SUBORDINATED NOTES.

Characterisation of NAB Subordinated Notes for United States Federal Income Tax Purposes

There is no authority that addresses the U.S. federal income tax treatment of an instrument such as the NAB Subordinated Notes that is denominated as a subordinated debt instrument but that provides for Conversion into Ordinary Shares or Write-Off upon the occurrence of a Non-Viability Trigger Event as a result of which a holder could lose its entire investment in the NAB Subordinated Notes and have no rights with respect to the repayment of the principal amount of the NAB Subordinated Notes that has not become due or the payment of interest on such NAB Subordinated Notes. It is therefore unclear whether the NAB Subordinated Notes should be treated as equity or debt of NAB for U.S. federal income tax purposes. NAB believes, however, that the NAB Subordinated Notes should be treated as equity of NAB for U.S. federal income tax purposes, and the terms of such NAB Subordinated Notes require a holder (in the absence of a statutory, regulatory, administrative or judicial ruling to the contrary) to treat the NAB Subordinated Notes for U.S. federal income tax purposes in accordance with such characterisation. Each purchaser of NAB Subordinated Notes or a beneficial interest therein, whether a United States holder or otherwise, by its acceptance or purchase thereof, will be deemed to have acknowledged, represented to and agreed (in the absence of a statutory, regulatory, administrative or judicial ruling to the contrary) to treat such NAB Subordinated Notes for U.S. federal income tax purposes as equity of NAB. Except as discussed under "*—Alternative Treatments*" below, the discussion below assumes that the NAB Subordinated Notes will be treated as equity of NAB for U.S. federal income tax purposes.

Characterisation of BNZ Subordinated Notes for United States Federal Income Tax Purposes

Although the matter is not free from doubt, BNZ believes that the BNZ Subordinated Notes should be treated as debt of BNZ for U.S. federal income tax purposes, and BNZ intends to treat such BNZ Subordinated Notes for U.S. federal income tax purposes in accordance with such characterisation. Accordingly, the BNZ Subordinated Notes are subject to, and should be treated in accordance with, the discussion under *"—Notes other than Subordinated Notes*," above. For the avoidance of doubt, other than this paragraph, the discussion under "*—Subordinated Notes*" only applies to NAB Subordinated Notes. If contrary to such position, the BNZ Subordinated Notes were treated as equity of BNZ for U.S. federal income tax purposes, their treatment would generally be similar to that of the NAB Subordinated Notes described above.

Payments of Interest

In general, the interest payments to United States holders with respect to the NAB Subordinated Notes will be treated as dividends to the extent of NAB's current or accumulated earnings and profits as determined for U.S. federal income tax purposes. Subject to the discussion under "*—PFIC Considerations*" below, any portion of an interest payment in excess of NAB's current and accumulated earnings and profits would be treated first as a nontaxable return of capital that would reduce the tax basis of a United States holder in the NAB Subordinated Notes, and would thereafter be treated as capital gain, the tax treatment of which is discussed below under "*—Sale, Redemption, Maturity or Write-Off of NAB Subordinated Notes*". Because NAB does not currently maintain calculations of its earnings and profits under U.S. federal income tax principles, it is expected that all interest payments on the NAB Subordinated Notes will generally be reported to United States holders as dividends.

It is unclear whether the interest payments on the NAB Subordinated Notes that are treated as dividends for U.S. federal income tax purposes would constitute qualified dividend income, which is taxable to a non-corporate United States holder at the preferential rates applicable to long-term capital gains. If such payments are not qualified dividend income, then the amount of such payments received by a United States holder (including payments received by a non-corporate United States holder) will be subject to taxation at ordinary income tax rates.

Amounts NAB pays with respect to the NAB Subordinated Notes treated as dividends will not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations.

A United States holder that receives an interest payment on a NAB Subordinated Note that is denominated in, or determined by reference to, a non-U.S. dollar currency, will recognise income equal to the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of distribution, regardless of whether the United States holder actually converts the payment into U.S. dollars.

In certain circumstances, for example in the case of NAB Subordinated Notes issued at a discount, a United States holder may be required to include certain amounts in income as dividends even though such amounts are not received by such holder as interest payments on a current basis. United States holders are urged to consult their own tax advisers regarding whether their dividends may include amounts other than interest payments.

Interest paid on the NAB Subordinated Notes, any deemed distributions (as described in the immediately preceding paragraph), and any additional amounts paid with respect to the NAB Subordinated Notes generally are expected to constitute income from sources outside the United States, subject to the rules regarding the foreign tax credit allowable to a United States holder. Interest, deemed distributions and additional amounts paid or accrued will generally be "passive" income for purposes of computing the foreign tax credit allowable to a United States holder.

Sale, Redemption, Maturity or Write-Off of NAB Subordinated Notes

A United States holder's tax basis in a NAB Subordinated Note will generally be the U.S. dollar cost, as defined below, of the NAB Subordinated Note, subject to reduction (if applicable) as described above under "*—Payments of Interest*".

If the United States holder purchases the NAB Subordinated Note with non-U.S. dollar currency, the U.S. dollar cost of the NAB Subordinated Note will generally be the U.S. dollar value of the purchase price on the date of purchase. However, if a United States holder is a cash basis taxpayer, or an accrual basis taxpayer that so elects, and the NAB Subordinated Note is traded on an established securities market, as defined in the applicable Treasury regulations, the U.S. dollar cost of the NAB Subordinated Note will be the U.S. dollar value of the purchase price on the settlement date of the purchase.

Subject to the discussion under "*—PFIC Considerations*" below, a United States holder will generally recognise U.S. source gain or loss upon the sale, redemption, maturity or Write-Off of its NAB Subordinated Note equal to the difference between the amount realised and the United States holder's adjusted tax basis in the NAB Subordinated Note. If the NAB Subordinated Note is sold, retired or written off for an amount in non-U.S. dollar currency, the amount the United States holder realises will be the U.S. dollar value of such amount on the date the NAB Subordinated Note is sold, retired or written off, except that in the case of a NAB Subordinated Note that is traded on an established securities market, as defined in the applicable Treasury regulations, a cash basis taxpayer, or an accrual basis taxpayer that so elects, will determine the amount realised based on the U.S. dollar value of the non-U.S. dollar currency on the settlement date of the sale, retirement or Write-Off.

A United States holder will recognise capital gain or loss when it sells the NAB Subordinated Note or when the NAB Subordinated Note matures, is retired or written off. Such capital gain or loss will be long-term capital gain or loss if the United States holder will have held its NAB Subordinated Notes for more than one year at the time of the sale, redemption, maturity or Write-Off of its NAB Subordinated Notes. Long-term capital gain of a non-corporate United States holder is generally taxed at preferential rates. The deductibility of capital losses is subject to limitations.

The redemption of the NAB Subordinated Notes for cash and the receipt of cash upon maturity of the Subordinated Notes will be treated for U.S. federal income tax purposes as a sale or exchange, taxable as described above, if, as is likely in most cases, the redemption or maturity is "not essentially equivalent to a dividend", "substantially disproportionate" with respect to a United States holder, "in complete redemption" of a United States holder's interest in NAB Subordinated Notes and other instruments of NAB treated as equity for U.S. federal income tax purposes, or, in the case of non-corporate United States holders, "in partial liquidation" of NAB, each of the above within the meaning of Section 302(b) of the Code. If none of the above standards is satisfied, then a payment in redemption or upon maturity of the NAB Subordinated Notes will be treated as a distribution subject to the tax treatment described above under "*—Payments of Interest*".

United States holders are strongly encouraged to consult their own tax advisers regarding the characterisation of a redemption payment under the rules described in this subsection and the consequences of such characterisation to such holders.

Conversion of NAB Subordinated Notes

The Conversion of NAB Subordinated Notes into Ordinary Shares of NAB should be treated as a recapitalisation for U.S. federal income tax purposes. As a result, upon such Conversion, United States holders should not recognise any gain or loss, their basis in the Ordinary Shares received should be equal to their basis in the NAB Subordinated Notes which were Converted and their holding period in the Ordinary Shares received should include the holding period of the NAB Subordinated Notes which were Converted.

PFIC Considerations

NAB does not expect to be a passive foreign investment company (**PFIC**) for U.S. federal income tax purposes, and therefore believes that the NAB Subordinated Notes should not be treated as stock of a PFIC, but this conclusion is a factual determination made annually and thus may be subject to change. In general, NAB will be a PFIC with respect to a United States holder if, for any taxable year in which such holder held the NAB Subordinated Notes, either (i) at least 75 per cent. of the gross income of NAB for the taxable year was passive income or (ii) at least 50 per cent. of the value, determined on the basis of a quarterly average, of NAB's assets was attributable to assets that produce or are held for the production of passive income (including cash). If NAB were to be treated as a PFIC, gain realised on the sale or other disposition of NAB Subordinated Notes would in general not be treated as capital gain. Instead, a United States holder would be treated as if it had realised such gain ratably over its holding period for the NAB Subordinated Notes. Amounts allocated to the year of disposition and to years before NAB became a PFIC would be taxed as ordinary income and amounts allocated to each other taxable year would be taxed at the highest tax rate applicable to individuals or corporations, as appropriate, in effect for each such year to which the gain was allocated, together with an interest charge in respect of the tax attributable to each such year. Further, to the extent that any distribution received by a United States holder on its NAB Subordinated Notes exceeded 125 per cent. of the average of the annual distributions on the NAB Subordinated Notes received during the preceding three years or the holder's holding period, whichever is shorter, the distribution would be subject to taxation in the same manner as a gain, such manner being described immediately above. With certain exceptions, a United States holder's NAB Subordinated Notes will be treated as stock in a PFIC if NAB was a PFIC at any time during such holder's holding period for the NAB Subordinated Notes. In addition, dividends that a United States holder receives from NAB would not constitute qualified dividend income to such holder if NAB were a PFIC (or were treated as a PFIC with respect to such holder) either in the taxable year of the distribution or the preceding taxable year.

A United States holder that owns, or who is treated as owning, PFIC stock during any taxable year in which NAB is a PFIC may be required to file IRS Form 8621, United States holders are urged to consult their tax advisers regarding the requirement to file IRS Form 8621 and the potential application of the PFIC regime.

Alternative Treatments

As discussed above, it is possible that NAB Subordinated Notes could be treated as debt of NAB for U.S. federal income tax purposes. If the NAB Subordinated Notes were so treated, a United States holder would be required to include the interest payments on the NAB Subordinated Notes as ordinary interest income as described above under "*Notes other than Subordinated Notes—Payments of Interest*". Furthermore, in such case, the NAB Subordinated Notes may be treated as a contingent payment debt instrument, in which case (i) a United States holder would be required to accrue interest on the NAB Subordinated Notes even if it is otherwise subject to the cash basis method of accounting for tax purposes, and (ii) a United States holder would be required to treat any gain that it recognises upon the sale, exchange, redemption or maturity of its NAB Subordinated Notes as ordinary income that does not qualify for preferential rates of taxation.

United States holders should consult their tax advisers as to the tax consequences to them if the NAB Subordinated Notes are classified as debt for U.S. federal income tax purposes.

Treasury Regulations Requiring Disclosure of Reportable Transactions

Treasury regulations require United States taxpayers to report certain transactions that give rise to a loss in excess of certain thresholds (a **Reportable Transaction**).

Under these regulations, if the Notes (other than NAB Subordinated Notes, unless such NAB Subordinated Notes are treated as debt of NAB for U.S. federal income tax purposes) are denominated in a non-U.S. dollar currency, a United States holder (or a non-United States holder that holds the Notes in connection with a U.S. trade or business) that recognises a loss with respect to the Notes that is characterised as an ordinary loss due to changes in currency exchange rates (under any of the rules discussed above) would be required to report the loss on IRS Form 8886 (Reportable Transaction Statement) if the loss exceeds the thresholds set forth in the regulations. For individuals and trusts, this loss threshold is U.S.$50,000 in any single taxable year. For other types of taxpayers and other types of losses, the thresholds are higher. A holder should consult with its tax advisor regarding any tax filing and reporting obligations that may apply in connection with acquiring, owning and disposing of Notes.

Information with Respect to Foreign Financial Assets

A United States holder that owns "specified foreign financial assets" with an aggregate value in excess of U.S.$50,000 (and in some circumstances, a higher threshold) may be required to file an information report with respect to such assets with their tax returns. "Specified foreign financial assets" may include financial accounts maintained by "foreign financial institutions", as well as the following, but only if they are held for investment and not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-United States persons, (ii) financial instruments and contracts that have non-United States issuers or counterparties and (iii) interests in non-United States entities. Holders are urged to consult their tax advisors regarding the application of this reporting requirement to their ownership of the Notes.

Non-United States Holders

This subsection describes the tax consequences to a non-United States holder. This section does not address the U.S. federal income tax treatment of Notes that reference the performance of United States equities. The U.S. federal income tax treatment of any such Notes will, in the case of Exempt Notes only, be discussed in the applicable Final Terms. A non-United States holder is a beneficial owner of a Note that is, for U.S. federal income tax purposes:

- a non-resident alien individual,
- a non-U.S. corporation, or
- an estate or trust that in either case is not subject to U.S. federal income tax on a net income basis on income or gain from a Note.

If a holder is a United States holder, this subsection does not apply.

Payments of Interest

Subject to the discussion of backup withholding and foreign account tax compliance withholding below, if a holder is a non-United States holder of a Note, interest on a Note paid to such holder is exempt from U.S. federal income tax, including withholding tax, whether or not such holder is engaged in a trade or business in the United States, unless:

- such holder is an insurance company carrying on a United States insurance business to which the interest is attributable, within the meaning of the Code, or

- such holder both

  (a) has an office or other fixed place of business in the United States to which the interest is attributable and

  (b) derives the interest in the active conduct of a banking, financing or similar business within the United States, or is a corporation (for U.S. federal income tax purposes) with a principal business of trading in stocks and securities for its own account.

Purchase, Sale, Retirement and Other Disposition of the Notes

Subject to the discussion of backup withholding and foreign account tax compliance withholding below, if a holder is a non-United States holder of a Note, such holder generally will not be subject to U.S. federal income tax on gain realised on the sale, exchange or retirement of a Note unless:

- the gain is effectively connected with such holder's conduct of a trade or business in the United States or

- such holder is an individual, is present in the United States for 183 or more days during the taxable year in which the gain is realised and certain other conditions exist.

Foreign Account Tax Compliance Withholding

Pursuant to certain provisions of the Code, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA and including an intermediary through which Notes are held) may be required to withhold at a rate of 30 per cent. on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The term "foreign passthru payments" is not yet defined. Each Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Australia and New Zealand) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (**IGAs**), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, proposed Treasury regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. In the preamble to the proposed Treasury regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed Treasury regulations until the issuance of final regulations. Additionally, Notes characterised as debt for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the relevant Issuer). Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

Backup Withholding and Information Reporting

If a holder is a non-corporate United States holder, information reporting requirements on IRS Form 1099 generally would apply to payments of principal and interest on a Note within the United States and to the payment of proceeds from the sale of a Note effected at a United States office of a broker.

If a holder is a non-United States holder, it is generally exempt from backup withholding and information reporting requirements with respect to payments of principal and interest made to it outside the United States by the Issuer or another non-United States payer. A non-United States holder is also generally exempt from backup withholding and information reporting requirements in respect of payments of principal and interest made within the United States and the payment of the proceeds from the sale of a Note effected at a United States office of a broker, as long as either (i) the payor or broker does not have actual knowledge or reason to know that the holder is a United States person and the holder has furnished a valid IRS Form W-8BEN or W-8BEN-E or other documentation upon which the payor or broker may rely to treat the payments as made to a non-United States person, or (ii) the holder otherwise establishes an exemption.

In general, payment of the proceeds from the sale of Notes effected at a foreign office of a broker will not be subject to information reporting or backup withholding. However, a sale effected at a foreign office of a broker could be subject to information reporting in the same manner as a sale within the United States (and in certain cases may be subject to backup withholding as well) if (i) the broker has certain connections to the United States, (ii) the proceeds or confirmation are sent to the United States or (iii) the sale has certain other specified connections with the United States.

Any amount withheld under the backup withholding rules from a payment to such holder will be allowed as a credit against such holder's U.S. federal income tax and may entitle each holder to a refund, provided the required information is timely furnished to the IRS.

Australian Taxation

*The following is an overview of the taxation treatment under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, the **Australian Tax Act**), at the date of this Offering Circular, of payments of interest (as defined in the Australian Tax Act) on the "Notes" to be issued by NAB under the Programme and certain other matters. It is not exhaustive and, in particular, does not deal with the position of certain classes of holders of Notes (including dealers in securities, custodians or other third parties who hold Notes on behalf of any Noteholders).*

Prospective holders of Notes should also be aware that particular terms of issue of any series of Notes 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. Prospective holders of Notes who are in any doubt as to their tax position should consult their professional advisers on the tax implications of an investment in the Notes for their particular circumstances.

1. Interest withholding tax

An exemption from Australian interest withholding tax imposed under Division 11A of Part III of the Australian Tax Act (**IWT**) is available in respect of the Notes issued by NAB under section 128F of the Australian Tax Act if the following conditions are met:

(a) NAB is a resident of Australia when it issues the Notes and when interest (as defined in section 128A(1AB) of the Australian Tax Act) is paid. Interest is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts;

(b) the Notes are debentures as defined for the purposes of section 128F (but not equity interests);

(c) the Notes are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that NAB is offering the Notes for issue. In summary, the five methods are:

- offers to 10 or more unrelated persons carrying on a business of providing finance, or investing or dealing in securities, in the course of operating in financial markets;
- offers to 100 or more investors;
- offers of listed Notes;
- offers via publicly available information sources; and
- offers to a dealer, manager or underwriter who offers to sell the Notes within 30 days by one of the preceding methods.

The issue of Notes as 'global bonds', as defined in the Australian Tax Act, should also satisfy the public offer test.

In addition, the issue of any of those Notes (whether in global form or otherwise) and the offering of interests in any of those Notes by one of these methods should satisfy the public offer test provided NAB does not know, or have reasonable grounds to suspect, at the time of issue, that the Notes or interests in the Notes were being, or would later be, acquired, directly or indirectly, by an "associate" of NAB, except as permitted by section 128F(5) of the Australian Tax Act.

The exemption under section 128F also does not apply to interest paid in respect of a Note if, at the time of the payment of interest, NAB knows, or has reasonable grounds to suspect, that the payee is an "associate" of NAB, except as permitted by section 128F(6) of the Australian Tax Act.

Associates

An "associate" of NAB for the purposes of section 128F of the Australian Tax Act includes, when NAB is not a trustee (i) a person or entity which holds more than 50 per cent. of the voting shares of, or otherwise controls, NAB, (ii) an entity in which more than 50 per cent. of the voting shares are held by, or which is otherwise controlled by, NAB, (iii) a trustee of a trust where NAB is capable of benefiting (whether directly or indirectly) under that trust, and (iv) a person or entity which is an "associate" of another person or company which is an "associate" of NAB under paragraph (i) above.

However, subsections 128F(5) and (6) do not prevent payments of interest on the Notes being exempt from IWT under section 128F where Notes are issued to and interest is paid to:

(A) onshore associates (*i.e.* Australian resident associates who do not hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia and non-resident associates who hold the Notes in the course of carrying on business at or through a permanent establishment in Australia); or

(B) offshore associates (*i.e.* Australian resident associates who hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia and non-resident associates who do not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia) who are acting in the capacity of:

(i) in the case of section 128F(5), a dealer, manager or underwriter in relation to the placement of the relevant Notes, or a clearing house, custodian, funds manager or responsible entity of a registered managed investment scheme; or

(ii) in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered managed investment scheme.

Compliance with section 128F of the Australian Tax Act

Unless otherwise specified in any relevant Final Terms (or another relevant supplement to this Offering Circular), NAB intends to issue the Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

Exemptions under certain double tax conventions

The Australian Government has concluded double tax conventions (**Specified Treaties**) with foreign jurisdictions (each a **Specified Country**) that contain certain exemptions from Australian IWT. The Specified Treaties apply to interest derived by a resident of a Specified Country.

The Specified Treaties effectively prevent IWT applying to interest derived by:

- governments of the Specified Countries and certain governmental authorities and agencies in a Specified Country; and
- certain unrelated (1) banks, and (2) other financial institutions which substantially derive their profits by carrying on a business of raising and providing finance and which are resident in the Specified Country (interest paid under a back-to-back loan or economically equivalent arrangement will not qualify for this exemption),

by reducing the IWT rate to zero.

The Specified Treaties are in force in a number of jurisdictions including, for example, the United States and the United Kingdom.

Notes in bearer form—section 126 of the Australian Tax Act

Section 126 of the Australian Tax Act imposes a type of withholding tax at the rate of 45 per cent. on Notes in bearer form if NAB fails to disclose the names and addresses of the holders to the Australian Taxation Office. Section 126 does not apply to the payment of interest on Notes in bearer form held by non-residents who do not carry on business at or through a permanent establishment in Australia where the issue of the Notes has satisfied the requirements of section 128F of the Australian Tax Act or IWT is payable. In addition, the Australian Taxation Office has confirmed that for the purpose of section 126 of the Australian Tax Act, the holder of debentures (such as the Notes in bearer form) means the person in possession of the debentures. Section 126 is therefore limited in its application to persons in possession of Notes in bearer form who are residents of Australia or non-residents who are engaged in carrying on business in Australia at or through a permanent establishment in Australia. Where interests in Notes in bearer form are held through Euroclear, Clearstream, Luxembourg, the CMU Service or another clearing system, NAB intends to treat the operators of those clearing systems (or their nominees) as the holders of the Notes for the purposes of section 126 of the Australian Tax Act.

Payment of additional amounts

As set out in more detail in the relevant Terms and Conditions for the Notes, and unless expressly provided to the contrary in the relevant Final Terms (or another relevant supplement to this Offering Circular), if NAB is at any time required by law to deduct or withhold an amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia in respect of the Notes, NAB must, subject to certain exceptions, pay such additional amounts as may be necessary in order to ensure that the net amounts received by the holders of the Notes after such deduction or withholding are equal to the respective amounts which would have been received had no such deduction or withholding been required. If NAB is required to pay such additional amounts in relation to any Notes, NAB will have the option to redeem the Notes in accordance with the relevant Terms and Conditions.

2. Other tax matters

Under Australian laws as presently in effect:

(a) *income tax—offshore Noteholders*—assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes, payment of principal and interest (as defined in section 128A(1AB) of the Australian Tax Act) to a holder of the Notes, who is a non-resident of Australia and who, during the taxable year, does not hold the Notes in the course of carrying on business at or through a permanent establishment in Australia, will not be subject to Australian income taxes;

(b) *income tax—Australian Noteholders*—Australian residents or non-Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment in Australia (**Australian Holders**), will be assessable for Australian tax purposes on income either received or accrued to them in respect of the Notes. Whether income will be recognised on a cash receipts or accruals basis will depend upon the tax status of the particular Noteholder and the terms and conditions of the Notes. Special rules apply to the taxation of Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located;

(c) *gains on disposal or redemption of Notes–offshore Noteholders* - a holder of Notes who is a non-Australian resident will not be subject to Australian income tax on gains realised during that year on the sale or redemption of the Notes, provided such gains do not have an Australian source under common law or statutory source rules.

A gain arising on the sale of the Notes by a non-Australian resident holder who is not an Australian Holder to another non-Australian resident where the Notes are sold outside Australia and all negotiations are conducted, and documentation executed, outside Australia, would not be regarded as having an Australian source under common law;

(d) *gains on disposal or redemption of Notes—Australian Noteholders*—Australian Holders that are residents of Australia for tax purposes will be required to include any gain or loss on the sale or redemption of the Notes in their taxable income. Special rules apply to the taxation of Australian residents who hold the Notes in the course of carrying on business at or through a permanent establishment outside Australia which vary depending on the country in which that permanent establishment is located;

(e) *deemed interest*—there are specific rules that can apply to treat a portion of the purchase price of Notes as interest for IWT purposes when certain Notes originally issued at a discount or with a maturity premium or which do not pay interest at least annually are sold to an Australian resident (who does not acquire them in the course of carrying on business at or through a permanent establishment outside Australia) or a non-resident who acquires them in the course of carrying on business at or through a permanent establishment in Australia. IWT should not apply in circumstances where the deemed interest would have been exempt under section 128F of the Australian Tax Act if the Notes had been held to maturity by a non-resident;

(f) *stamp duty and other taxes*—no ad valorem stamp duty, registration or similar taxes are payable in Australia on the issue or transfer of any Notes;

(g) *other withholding taxes on payments in respect of Notes*—section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia (**Taxation Administration Act**) imposes a type of withholding tax on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number (**TFN**), (in certain circumstances) an Australian Business Number (**ABN**) or proof of some other exception (as appropriate). Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes, then the requirements of section 12-140 do not apply to payments to a holder of Notes in registered form who is not a resident of Australia and not holding the Notes in the course of carrying on business at or through a permanent establishment in Australia. Payments to other classes of holders of Notes in registered form may be subject to a withholding where the holder of the Notes does not quote a TFN, ABN or provide proof of an appropriate exemption (as appropriate). The rate of withholding tax is currently 47 per cent.;

(h) *supply withholding tax*—payments in respect of the Notes can be made free and clear of the "supply withholding tax" imposed under section 12-190 of Schedule 1 to the Taxation Administration Act;

(i) *goods and services tax (GST)*—neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply or (in the case of an offshore subscriber that is a non-resident) a GST-free supply. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of the Notes, would give rise to any GST liability in Australia;

(j) *additional withholdings from certain payments to non-residents*—section 12-315 of Schedule 1 to the Taxation Administration Act gives the Governor-General power to make regulations requiring withholding from certain payments to non-residents. However, section 12-315 expressly provides that the regulations will not apply to interest and other payments which are already subject to the current IWT 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. The regulations promulgated prior to the date of this Offering Circular are not relevant to any payments in respect of the Notes. Any further regulations should also not apply to repayments of principal under the Notes, as in the absence of any issue discount, such amounts will generally not be reasonably related to assessable income. The possible application of any regulations to the proceeds of any sale of the Notes will need to be monitored;

(k) *taxation of foreign exchange gains and losses*—Divisions 775 and 960 of the Australian Tax Act contain rules to deal with the taxation consequences of foreign exchange transactions.

These rules are complex and may also apply to any Noteholders who are Australian residents or non-residents that hold Notes that are not denominated in Australian dollars. Any such Noteholders should consult their professional advisors for advice as to how to tax account for any foreign exchange gains or losses arising from their holding of the Notes;

(l) *taxation of financial arrangements*—Division 230 of the Australian Tax Act contains tax timing rules for certain taxpayers to bring to account gains and losses from "financial arrangements". The rules do not alter the rules relating to the imposition of IWT nor override the IWT exemption available under section 128F of the Australian Tax Act.

In addition, the rules do not apply to certain taxpayers or in respect of certain short term "financial arrangements". They should not, for example, generally apply to holders of Notes which are individuals and certain other entities (e.g. certain superannuation entities and managed investment schemes) which do not meet various turnover or asset thresholds, unless they make an election that the rules apply to their "financial arrangements". Potential Noteholders should seek their own tax advice regarding their own personal circumstances as to whether such an election should be made.

Section 230-30(1) and the associated explanatory memorandum indicates that interest payments, which are exempt from IWT as a result of the exemption in section 128F, will not generally be subject to tax under Division 230; and

(m) *Conversion* - the Conversion of Subordinated Notes issued by NAB into Ordinary Shares should not give rise to any taxable gain or loss in Australia for Noteholders. This is because any gain or loss on the Conversion should be generally disregarded under the Australian Tax Act. There are a range of tax consequences which may apply to holders of Ordinary Shares in holding, acquiring or disposing of Ordinary Shares. Holders of Subordinated Notes issued by NAB should seek their own taxation advice if such Subordinated Notes held by them are Converted into Ordinary Shares. In addition, no ad valorem stamp duty, registration or similar taxes are payable on the issue or transfer of Ordinary Shares (including an issue of shares as a result of Conversion) provided that:

(i) if all the shares in NAB are quoted on the Australian Securities Exchange at the time of issue or transfer of the Ordinary Shares, no person, either directly or when aggregated with interests held by associates of that person, obtains an interest in NAB of 90 per cent. or more; or

(ii) if not all the shares in NAB are quoted on the Australian Securities Exchange at the time of issue or transfer of the Ordinary Shares, no person, either directly or when aggregated with interests held by associates of that person, obtains an interest in NAB of 50 per cent. or more.

The stamp duty legislation generally requires the interests of associates to be added in working out whether the relevant threshold is reached. In some circumstances, the interests of unrelated entities can also be aggregated together in working out whether the relevant threshold is reached.

New Zealand Taxation

The following is applicable where the Issuer is BNZ or BNZ-IF and, in the case of payments made under the Guarantee, also applies to BNZ in its capacity as the Guarantor.

The comments below are of a general nature based on current New Zealand law and practice. They relate only to the position of persons who are the absolute beneficial owners of their Notes and all payments made thereon. The comments relate only to withholding and do not deal with any other aspect of the New Zealand taxation treatment that may be applicable to Noteholders (including, for instance, income tax). Prospective Noteholders should note that the particular terms of issue of any series of Notes as specified in the applicable Final Terms may affect the tax treatment of that and any other series of Notes and should be treated with appropriate caution. The comments below do not deal with the tax consequences of any substitution of the relevant Issuer in accordance with Condition 15 (Meetings of Noteholders, Modification, Waiver, Determination and Substitution) of the Notes.

Any Noteholders who are in doubt as to their tax position should consult their professional advisers. Noteholders who may be liable to taxation in jurisdictions other than New Zealand in respect of their acquisition, holding or disposal of 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 New Zealand 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 New Zealand.

References in the following to "interest" shall mean amounts that are treated as interest for the purposes of New Zealand taxation.

1. Resident Withholding Tax

The Issuer or the Guarantor, as the case may be, will deduct any applicable New Zealand resident withholding tax at the rate required by law from the payment of interest (including amounts deemed to be interest) to the Noteholder, Receiptholder or Couponholder if:

(a) the person deriving the interest:

(i) is a resident of New Zealand for income tax purposes; or

(ii) is a non-resident that holds the Note, Receipt or Coupon for the purposes of a business carried on in New Zealand through a fixed establishment (as defined in the Income Tax Act 2007) in New Zealand; or

(iii) is a non-resident that is a registered bank in New Zealand and is engaged in business in New Zealand through a fixed establishment (as defined in the Income Tax Act 2007) in New Zealand, and is not associated with the Issuer,

(each a **New Zealand Noteholder**); and

(b) at the time of such payment the New Zealand Noteholder does not have RWT-exempt status (as defined in the Income Tax Act 2007).

If resident withholding tax is required to be deducted from the payment of any interest by the Issuer or the Guarantor, the Issuer or the Guarantor (as the case may be) will not be obliged to pay any additional amount.

2. Non-Resident Withholding Tax

New Zealand law requires, in certain circumstances, a deduction on account of non-resident withholding tax to be made from the payment of interest (including amounts deemed to be interest) with a New Zealand source to a holder of a Note, Receipt or Coupon who is not a New Zealand Noteholder. If non-resident withholding tax is required to be deducted from the payment of any interest by the Issuer and the Issuer is required to pay an additional amount in respect of such tax, the Issuer intends to reduce the applicable rate of non-resident withholding tax to zero per cent. as a result of receiving or having received approved issuer status, registering or having registered the Programme with the New Zealand Inland Revenue Department and paying, on its own account, an approved issuer levy (currently equal to 2 per cent. of such payments of interest). If non-resident withholding tax is required to be deducted from the payment of any interest by the Guarantor and the Guarantor is required to pay an additional amount in respect of such tax, the Issuer and the Guarantor intend to reduce the applicable rate of non-resident withholding tax to zero per cent. if permitted by law as a result of receiving or having received approved issuer status, registering or having registered the Programme with the New Zealand Inland Revenue Department and paying, on the Guarantor's own account, the approved issuer levy.

Where a holder of a Note, Receipt or Coupon who is not a New Zealand Noteholder holds the Note, Receipt or Coupon jointly with a person who is a New Zealand tax resident, non-resident withholding tax must be deducted from interest paid to the non-resident at the applicable rate of resident withholding tax. Payment of the approved issuer levy does not allow a zero per cent. rate of non-resident withholding tax in this case. Relief from New Zealand tax under an applicable double taxation treaty may be available, but only on application to the New Zealand Inland Revenue Department for a refund of over-deducted tax. The Issuer will not pay an additional amount to the Noteholder, Receiptholder or Couponholder in respect of non-resident withholding tax deducted in that case. Other exceptions to the obligation to pay an additional amount are set out in Condition 8.

3. Information

Noteholders, Receiptholders and Couponholders should note that in addition to the requirements to report information under FATCA and CRS (see pages 297 and 307 of this Offering Circular), the New Zealand Inland Revenue Department has the power to obtain information (including the name and address of a beneficial owner of the interest) from any person in New Zealand who pays or credits interest to, or receives interest for the benefit of, a Noteholder, Receiptholder or Couponholder. Any information obtained by the New Zealand Inland Revenue Department (whether by way of CRS and FATCA reporting or in response to a specific request) may be exchanged by the New Zealand Inland Revenue Department with tax authorities of any other relevant jurisdiction.

United Kingdom Taxation

The following applies only to persons who are the beneficial owners of Notes and is an overview of the Issuers' understanding of current United Kingdom tax law as applied in England and Wales and HM Revenue and Customs published practice (which may not be binding on HM Revenue and Customs) in the United Kingdom relating only to the United Kingdom withholding tax treatment of payments of interest on the Notes. It does not deal with payments made under the Guarantee or with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

References in the following to "interest" shall mean amounts that are treated as interest for the purposes of United Kingdom taxation.

1. Interest on the Notes

A. *Payments of interest on the Notes that has a UK source*

It is expected that payments by NAB, acting through its London branch (the **Bank**), and BNZ-IF will have a UK source.

The Bank, provided that it continues to be a bank within the meaning of section 991 of the Income Tax Act 2007 (the **Act**), and provided that the interest on the Notes issued by the Bank is paid in the ordinary course of its business within the meaning of section 878 of the Act, will be entitled to make payments of interest without withholding or deduction for or on account of United Kingdom income tax.

Payments of interest on the Notes issued by any of the Issuers may be made without deduction of or withholding on account of United Kingdom income tax (even if, in the case of payments of interest on Notes issued by the Bank, they are not paid in the ordinary course of the Bank's business) provided that: (1) those Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (the **Act**). The Luxembourg Stock Exchange is a recognised stock exchange. Notes will satisfy this requirement if they are officially listed in Luxembourg in accordance with provisions corresponding to those generally applicable in EEA states and are admitted to trading on the Luxembourg Stock Exchange; or (2) those Notes are and continue to be "admitted to trading on a multilateral trading facility" operated by a "recognised stock exchange" within the meaning of section 1005 of the Act that is regulated in the UK, the EEA or Gibraltar. The Euro MTF Market is a multilateral trading facility for this purpose. It is operated by the Luxembourg Stock Exchange which is a recognised stock exchange that is regulated in the EEA. Provided, therefore, that the Notes carry a right to interest and are and remain so listed, interest on those Notes will be payable without withholding or deduction on account of United Kingdom income tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Notes is less than one year and those Notes do not form part of a scheme or arrangement of borrowing capable or intended to be capable of remaining outstanding for one year or more.

In other cases, an amount must generally be withheld from payments of interest on the Notes that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20 per cent.) subject to any available exemptions and reliefs, including an exemption for certain payments of interest to which a company within the charge to United Kingdom corporation tax is beneficially entitled. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the relevant

Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

B. *Payments of interest on the Notes that does not have a UK source*

Payments of interest on Notes that does not have a UK source may be made without withholding for or on account of United Kingdom income tax. Whether or not payments of interest by any of the Issuers has a UK source is a factual question and depends on all of the circumstances.

Luxembourg Taxation

The following information is of a general nature and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

(i) Non-resident holders of Notes

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

(ii) Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the **Relibi Law**) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg, with respect to debt instruments listed and admitted to trading on a regulated market, to an individual beneficial owner who is resident of Luxembourg will be subject to a withholding tax of 20 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Accordingly, payments of interest under the Notes coming within the scope of the Relibi Law would currently be subject to withholding tax of 20 per cent.

The proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal (the **Commission's Proposal**) for a Directive for a common FTT in Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia, Slovakia (the **participating Member States**) and Estonia. However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article (5)(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate and/or participating Member States may decide to withdraw. Therefore, it is currently uncertain whether and when the proposed FTT will be enacted by the participating Member States and when it will take effect with regard to dealings in the Notes.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

OECD Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (the **CRS**) requires certain financial institutions to report information regarding certain accounts (which may include the Notes) to their local tax authority and follow related due diligence procedures. Noteholders may be requested to provide certain information and certifications to ensure compliance with the CRS. A jurisdiction that has signed a CRS Competent Authority Agreement may provide this information to other jurisdictions that have signed the CRS Competent Authority Agreement.

UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT

A fiduciary of a pension, profit-sharing or other employee benefit plan subject to the United States Employee Retirement Income Security Act of 1974, as amended (**ERISA**) and other entities or accounts whose underlying assets are treated as assets of such plans pursuant to the U.S. Department of Labor "plan assets" regulation 29 CFR Section 2510.3-101 as modified by Section 3(42) of ERISA (a **Plan**), should consider the fiduciary standards of ERISA in the context of the Plan's particular circumstances before authorizing an investment in the Notes. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA and would be consistent with the documents and instruments governing the Plan, and whether the investment would involve a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

Section 406 of ERISA and Section 4975 of the Code prohibit Plans, as well as individual retirement accounts and Keogh plans subject to Section 4975 of the Code (also **Plans**), from engaging in certain transactions involving "Plan assets" with persons who are "parties in interest" under ERISA or "disqualified persons" under the Code (**Parties in Interest**) with respect to the Plan. A violation of these prohibited transaction rules may result in civil penalties or other liabilities under ERISA and/or an excise tax under Section 4975 of the Code for those persons, unless exemptive relief is available under an applicable statutory, regulatory or administrative exemption. Certain employee benefit plans and arrangements including those that are governmental plans (as defined in section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and foreign plans (as described in Section 4(b)(4) of ERISA) (**Non-ERISA Arrangements**) are not subject to the requirements of ERISA or Section 4975 of the Code but may be subject to similar provisions under applicable federal, state, local, foreign or other regulations, rules or laws (**Similar Laws**).

The acquisition or holding of the Notes by a Plan with respect to which any of the Issuers, the Guarantor or certain of NAB's affiliates, or any Dealer, is or becomes a Party in Interest may constitute or result in a prohibited transaction under ERISA or Section 4975 of the Code, unless those Notes are acquired and/or held pursuant to and in accordance with an applicable exemption. The U.S. Department of Labor has issued certain prohibited transaction class exemptions, or "PTCEs", that may provide exemptive relief if required for direct or indirect prohibited transactions that may arise from the purchase or holding of the Notes. Included among these exemptions are:

- PTCE 84-14, an exemption for certain transactions determined or effected by independent qualified professional asset managers;

- PTCE 90-1, an exemption for certain transactions involving insurance company pooled separate accounts;

- PTCE 91-38, an exemption for certain transactions involving bank collective investment funds;

- PTCE 95-60, an exemption for transactions involving certain insurance company general accounts; and

- PTCE 96-23, an exemption for plan asset transactions managed by in-house asset managers.

In addition, ERISA Section 408(b)(17) and Section 4975(d)(20) of the Code provide an exemption for the purchase and sale of securities and related lending transactions, provided that neither the issuer of the securities nor any of its affiliates have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any Plan involved in the transaction, and provided further that the Plan pays no more than "adequate consideration" in connection with the transaction (the **Service Provider Exemption**).

Any purchaser or holder of Notes or any interest therein will be deemed to have represented by its purchase and holding of the Notes or any interest therein that it either (1) is not a Plan and is not purchasing or holding those Notes on behalf of or with "plan assets" of any Plan or (2) with respect to the purchase or holding is eligible for the exemptive relief available under any of the PTCEs listed above, the Service Provider Exemption or another applicable exemption. In addition, any purchaser or holder of Notes or any interest therein which is a Non-ERISA Arrangement will be deemed to have represented by its purchase or holding of Notes or any interest therein that its holding will not violate the provisions of any Similar Law. Neither this discussion nor anything in this Offering Circular is or is intended to be investment advice directed at any potential purchaser that is a Plan or a Non-ERISA Arrangement, or at such purchasers and holders generally, and such purchasers and holders should consult and rely on their counsel and advisors as to whether an investment in the Notes is suitable and consistent with ERISA, the Code and any Similar Laws, as applicable.

Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is important that fiduciaries or other persons considering purchasing Notes on behalf of or with "plan assets" of any Plan or Non-ERISA Arrangement consult with their counsel regarding, among other things, the availability of exemptive relief under any of the PTCEs listed above, the Service Provider Exemption or any purchase or other applicable exemption, or the potential consequences of any purchase or holding under Similar Laws, as applicable. If you are an insurance company or the fiduciary of a pension plan or an employee benefit plan, and propose to invest in Notes, you should consult your legal counsel. Moreover, each such fiduciary should determine whether it is eligible to purchase Notes, and whether, under the general fiduciary standards of investment prudence and diversification, an investment in Notes is appropriate for the Plan, taking into account the overall investment policy of the Plan, the composition of the Plan's investment portfolio, and the risk/return characteristics of the Notes.

The sale of Notes to a Plan is in no respect a representation by the Issuers, the Guarantor or any of NAB's affiliates that its investment meets all relevant legal requirements with respect to investments by Plans generally or by a particular Plan, or that this investment is appropriate for Plans generally or any particular Plan.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have, in an amended and restated programme agreement dated 15 November 2023 (such programme agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) agreed with each Issuer and (in the case of Guaranteed Senior Notes) the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". The Programme Agreement provides that the obligation of any Dealer under any such agreement is subject to certain conditions and that, in certain circumstances, a Dealer shall be entitled to be released and discharged from its obligations under any such agreement prior to the issue of the relevant Notes, including in the event that certain conditions precedent are not delivered or met to its satisfaction on the Issue Date. In this situation, the issue of the relevant Notes may not be completed. Investors will have no rights against the relevant Issuer, (in the case of Guaranteed Senior Notes) the Guarantor or any Dealer in respect of any expense incurred or loss suffered in these circumstances. In the Programme Agreement, the Issuers (failing which, the Guarantor (in the case of Guaranteed Senior Notes)) have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

Transfer Restrictions

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Registered Notes or a beneficial interest therein within the United States or that is a “U.S. person” (as defined in Regulation S under the Securities Act (**Regulation S**)), by its acceptance or purchase thereof, will be deemed to have acknowledged, represented to and agreed as follows (terms used in this paragraph that are defined in Rule 144A are used herein as defined therein):

(i) that it is a qualified institutional buyer within the meaning of Rule 144A (**QIB**), purchasing (or holding) the Notes for its own account or for the account of one or more QIBs for whom it is authorised to act and it is aware that any sale to it is being made in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A;

(ii) that it understands that the Notes are being offered and sold in a transaction not involving a public offering in the United States (within the meaning of the Securities Act), and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and may not be reoffered, resold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(iii) that, if in the future it decides to offer, resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date which is one year after the later of the last Issue Date for the Series and the last date on which the relevant Issuer or an affiliate of the relevant Issuer was the owner of such Notes, only (a) to the relevant Issuer or any subsidiary thereof, (b) to a QIB or an offeree or purchaser whom the seller reasonably believes to be a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (c) outside the United States in compliance with Rule 903 or Rule 904 of Regulation S under the Securities Act, (d) pursuant to an exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to an effective registration statement under the Securities Act covering the Notes, in each case in accordance with any applicable securities laws of the states of the United States and any other jurisdiction;

(iv) that it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (iii) above;

(v) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes;

(vi) that the Notes will bear a legend to the following effect unless otherwise agreed to by the relevant Issuer:

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER ON ITS OWN BEHALF AND ON BEHALF OF ANY ACCOUNT FOR WHICH IT IS PURCHASING SUCH NOTES (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE NOTES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH NOTES, OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THE NOTES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND THE TRUST DEED AND OTHER THAN (1) TO THE ISSUER OR ANY SUBSIDIARY THEREOF, (2) TO A PERSON WHOM THE SELLER REASONABLY BELIEVES TO BE A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT COVERING THE NOTES, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS NOTE AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT AND THE TRUST DEED REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE REGISTERED HOLDERS OF SUCH NOTES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS NOTE SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS NOTE AND ANY NOTES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).";

(vii) that, before any interest in Registered Notes represented by a Rule 144A Global Note may be offered, sold, pledged or otherwise transferred to a person who will take delivery in the form of an interest in such Registered Notes represented by a Regulation S Global Note, it will be required to provide the Registrar with a Transfer Certificate as to compliance with applicable securities laws; and

(viii) that the relevant Issuer, the Registrar, the relevant Dealers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements deemed to have been made by it are no longer accurate, it shall promptly notify the relevant Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more investor accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Each purchaser of Notes or a beneficial interest therein outside of the United States and each subsequent purchaser of such Notes or a beneficial interest therein in resales prior to the expiry of the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue) (the **Distribution Compliance Period**) will, by its acceptance at purchase thereof, be deemed to have acknowledged, represented to and agreed as follows (terms used in this paragraph that are defined in Regulation S are used herein as defined therein):

(i) that it is located outside the United States and is not a U.S. person and is not an affiliate of the relevant Issuer or a person acting on behalf of such an affiliate;

(ii) that it understands that the Notes are being offered and sold in a transaction not involving a public offering in the United States (within the meaning of the Securities Act), and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(iii) that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;

(iv) that if it should offer, resell, pledge or otherwise transfer the Notes or any beneficial interest in the Notes prior to the expiration of the Distribution Compliance Period, it will do so only (a) (i) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (ii) to a QIB or an offeree or purchaser whom the seller reasonably believes to be a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A and (b) in accordance with any applicable state securities law of the states of the United States and any other jurisdiction;

(v) that the Notes will bear a legend to the following effect unless otherwise agreed to by the relevant Issuer:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND THE TRUST DEED AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT COVERING THE NOTES. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART.

THIS NOTE AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT AND THE TRUST DEED REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE REGISTERED HOLDERS OF SUCH NOTES SENT TO THEIR

REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR RESALES AND OTHER TRANSFERS OF THIS NOTE TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO RESALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS NOTE SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS NOTE AND ANY NOTES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).";

(vi) that, prior to the expiration of the Distribution Compliance Period, before any interest in Registered Notes represented by a Regulation S Global Note may be offered, sold, pledged or otherwise transferred to a person who will take delivery in the form of an interest in such Registered Notes represented by a Rule 144A Global Note, it will be required to provide the Registrar with a Transfer Certificate as to compliance with applicable securities laws; and

(vii) that the relevant Issuer, the Registrar, the relevant Dealers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the relevant Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more investor accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the Code and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether the rules in Treas. Reg. Section 1.163-5(c)(2)(i)(C) (TEFRA C) or Treas. Reg. Section 1.163-5(c)(2)(i)(D) (TEFRA D) apply or whether TEFRA is not applicable.

In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S (**Regulation S Notes**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or, in the case of Regulation S Notes in bearer form, deliver, such Regulation S Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Regulation S Notes are a part, only in accordance with Rule 903 of Regulation S. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S Notes during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. To the extent that the relevant Issuer is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule12g3-2(b) thereunder, the relevant Issuer has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4).

Each issuance of Exempt Notes which are also Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area (the **EEA**). For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision,

- the expression an **offer of Notes to the public** in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and

- the expression **Prospectus Regulation** means Regulation (EU) 2017/1129, as amended.

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom (the **UK**). For the purposes of this provision:

(a) the expression **retail investor** means a person who is one (or more) of the following:

 (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); or

 (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the **FSMA**) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

 (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto to the public in the UK except that it may make an offer of such Notes to the public in the UK:

(a) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or

(c) at any time in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of Notes referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision:

- the expression an **offer of Notes to the public** in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and

- the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes issued by BNZ or BNZ-IF which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by BNZ or BNZ-IF, as applicable;

(b) 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 or, in the case of NAB, would not, if NAB was not an authorised person, apply to the relevant Issuer or (in the case of Guaranteed Senior Notes) the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the UK.

Austria

In addition to the matters outlined above under the heading "*Prohibition of Sales to EEA Retail Investors*", the Notes may be offered for the first time in Austria only once a notification to the issue calendar (*Emissionskalender*) maintained by the Austrian Control Bank (*Oesterreichische Kontrollbank Aktiengesellschaft*) as notification office (*Meldestelle*), all as prescribed by the Austrian Capital Market Act 2019 (*Kapitalmarktgesetz 2019*), as amended, has been filed as soon as possible prior to the commencement of the relevant offer of the Notes in Austria.

Australia

No prospectus, product disclosure document or other disclosure document (as defined in the Corporations Act) in relation to the Programme or any Notes has been or will be lodged with ASIC. Accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that unless the applicable Final Terms (or another supplement to this Offering Circular) otherwise provides, it:

(a) has not 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) has not distributed or published, and will not distribute or publish, any draft, preliminary or definitive offering circular or any other offering material or advertisement relating to any Notes in Australia,

unless (i) the aggregate consideration payable by each offeree is at least A$500,000 (or its equivalent in an alternate currency) (disregarding moneys lent by the offeror or its associates) or the offer, distribution or publication otherwise does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act (disregarding section 708(19)), (ii) such offer, distribution or publication is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act, (iii) such action complies with applicable laws and directives and (iv) such action does not require any document to be lodged with ASIC.

New Zealand

No action has been or will be taken by any Issuer, the Guarantor or the Dealers which would permit a public or regulated offering of any 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: (1) it has not offered, sold or delivered and will not directly or indirectly offer, sell, or deliver any Notes; and (2) it will not distribute any offering circular or advertisement in relation to any offer of the Notes, in New Zealand other than to any or all of the following persons only:

(a) "wholesale investors" as that term is defined in clauses 3(2)(a), (c) and (d) of Schedule 1 to the Financial Markets Conduct Act 2013 (**FMC Act**), being a person who is:

(i) an "investment business";

(ii) "large"; or

(iii) a "government agency",

in each case as defined in Schedule 1 to the FMC Act; and

(b) in other circumstances where there is no contravention of the FMC Act, provided that (without limiting paragraph (a) above) where BNZ-IF is the Issuer, the Notes may not be offered or transferred to any "eligible investors" (as defined in the FMC Act) or any person that meets the investment activity criteria specified in clause 38 of Schedule 1 to the FMC Act.

In addition, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that in relation to any Notes issued by BNZ or BNZ-IF, 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 have RWT-exempt status (as defined in the Income Tax Act 2007 of New Zealand) and provide a New Zealand tax file number to such Dealer (in which event the Dealer shall provide details thereof to BNZ or BNZ-IF (as the case may be) or to a Paying Agent).

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further

Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Other regulatory restrictions

Other than in respect of Notes for which "Japanese QII Private Placement Exemption" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it will not offer or sell the Notes, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan, or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan, except through a solicitation constituting a Solicitation Targeting QIIs; and

(b) in respect of such a solicitation relating to the Notes in Japan, no securities registration statement under Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948 of Japan, as amended, the **FIEL**) has been filed, since such solicitation constitutes a **Solicitation Targeting QIIs** as defined in Article 23-13, Paragraph 1 of the FIEL.

For the purposes of sub-paragraphs (a) and (b) above:

- **QII** means a qualified institutional investor as defined in the Cabinet Ordinance Concerning Definitions under Article 2 of the Financial Instruments and Exchange Law of Japan (Ordinance No. 14 of 1993 of the Ministry of Finance of Japan, as amended); and

- **resident of Japan** means a natural person having their place of domicile or residence in Japan, or a legal person having its main office in Japan. A branch, agency or other office in Japan of a non-resident, irrespective of whether it is legally authorised to represent its principal or not, shall be deemed to be a resident of Japan even if its main office is in any country other than Japan.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are “structured products” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (the **SFO**) other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the **C(WUMP)O**) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(ii) 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.

Belgium

With respect to Notes with a maturity of less than 12 months qualifying as money market instruments within the meaning of the Prospectus Regulation, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no action will be taken in connection with the issue, sale transfer, delivery, offering or distribution (or otherwise) of such Notes that would require the publication of a prospectus pursuant to the Belgian Law of 11 July 2018 on the offering of investment instruments to the public and the admission of investment instruments to trading on a regulated market.

The Notes shall not be physically delivered in Belgium, except to a clearing system, a depository or other institution for the purpose of their immobilisation in accordance with Article 4 of the Belgian Law of 14 December 2005.

Other than in respect of Notes for which "Prohibition of Sales to Belgian Consumers" is specified as "Not Applicable" in the applicable Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer (*consument/consommateur*) within the meaning of Article I.1 of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*), as amended from time to time (a **Belgian Consumer**) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

Singapore

Unless the Final Terms in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (I) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time) (the **SFA**)) pursuant to Section 274 of the SFA or (II) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

If the Final Terms in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (I) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (II) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the

SFA or (III) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Switzerland

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not, directly or indirectly, in or into Switzerland (i) offer, sell, or advertise the Notes, or (ii) distribute or otherwise make available this Offering Circular or any other document relating to the Notes, in a way that would constitute a public offering within the meaning of Article 35 of the Swiss Financial Services Act (the **FinSA**), except under the following exemptions under the FinSA: (y) to any investor that qualifies as a professional client within the meaning of the FinSA, or (z) in any other circumstances falling within Article 36 of the FinSA, provided, in each case, that no such public offer of Notes referred to in (y) and (z) above shall require the publication of a prospectus and/or a key information document (or an equivalent document) for offers of Notes pursuant to the FinSA. Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will to the extent necessary, obtain any consent, approval or permission required, for its offer, sale or advertising of the Notes, or distribution or any other making available of this Offering Circular or any other document relating to the Notes, under all applicable laws and regulations in force in Switzerland.

Each Dealer has acknowledged and agreed and each further Dealer appointed under the Programme will be required to acknowledge and agree that neither this Offering Circular nor any other document relating to the Notes constitutes (i) a prospectus as such term is understood pursuant to Article 35 of the FinSA and the implementing ordinance to the FinSA, or (ii) a key information document (or an equivalent document) within the meaning of Article 58 of the FinSA.

This Offering Circular has not been reviewed or approved by any Swiss authority, including a Swiss review body pursuant to Article 51 of the FinSA. This Offering Circular does not comply with the disclosure requirements applicable to a prospectus under the FinSA. Neither this Offering Circular nor any other offering or marketing material relating to the Notes may be distributed or otherwise made available in Switzerland in a manner which would require the publication of a prospectus or a key information document (or an equivalent document) in Switzerland pursuant to the FinSA.

Republic of Italy

An offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (**CONSOB**) pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that no Notes may be offered, sold or delivered, nor may copies of this Offering Circular or of any other document relating to the Notes be distributed in the Republic of Italy except:

(i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Italian CONSOB regulations; or

(ii) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 100 of the Financial Services Act, Article 34-*ter* of CONSOB Regulation No. 11971 of 14 May 1999 (the **Issuers Regulation**), as amended from time to time, and the applicable Italian laws.

Moreover and subject to the foregoing, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that any offer, sale or delivery of the Notes or distribution of copies of this Offering Circular or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must:

(a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Italian Banking Act**); and

(b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including, the reporting requirements, where applicable, pursuant to Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Investors should note that, in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under paragraphs (a) and (b) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and the Issuers Regulation. Furthermore, where no exemption from the rules on public offerings applies, the Notes which are initially offered and placed in Italy or abroad to professional investors only but in the following year are "systematically" distributed on the secondary market in Italy become subject to the public offer and the prospectus requirement rules provided under the Financial Services Act and Issuers Regulation. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the purchasers of Notes who are acting outside of the course of their business or profession.

China

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Notes directly or indirectly in the People's Republic of China (excluding the Hong Kong Special Administrative Region of the People's Republic of China, the Macao Special Administrative Region of the People's Republic of China and Taiwan) (the **PRC**), except as permitted by the applicable laws or regulations of the PRC.

Canada

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that Notes may be sold only to Canadian purchasers purchasing, or deemed to be purchasing, as principal that are both "accredited investors", as defined in National Instrument 45-106 *Prospectus Exemptions* (**NI 45-106**) or subsection 73.3(1) of the Securities Act (Ontario), and "permitted clients", as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of such Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

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

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (**NI 33-105**), where Notes are sold to Canadian purchasers in the context of a Rule 144A offering and the Canadian purchasers receive the same information distributed to Qualified Institutional Buyers under Rule 144A, the Dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with any offer of Notes.

Upon receipt of this Offering Circular, each Canadian purchaser is hereby deemed to confirm that it has expressly requested that all documents evidencing or relating in any way to the sale of Notes described herein (including, for the avoidance of doubt, any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque acheteur canadien est réputé d'avoir confirmé par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des billets décrites aux présentes (incluant, pour éviter toute incertitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement*.

Republic of Korea (Korea)

The Notes have not been and will not be registered for public offering under the Financial Investments Services and Capital Markets Act of Korea (the **FSCMA**). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that (i) the number of residents in Korea (as defined in the Foreign Exchange Transactions Law of Korea (**FETL**) and its Enforcement Decree) and persons in Korea to whom the Notes have been and will be offered shall be fewer than 50 (as calculated in accordance with the Enforcement Decree of the FSCMA), and (ii) the number of Notes (where, for this purpose, the minimum specified denomination of the Notes, as specified in the applicable Final Terms, shall constitute one Note) offered in Korea or to a resident in Korea shall be fewer than 50. Furthermore, the Notes shall not be divided or redenominated within 1 year from the issuance. Except for the Notes offered in Korea or to a resident in Korea in accordance with the aforementioned restriction, none of the Notes may be offered, sold and delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea within 1 year from the issuance of the Notes, except pursuant to the applicable laws and regulations of Korea. Furthermore, the purchaser of the Notes shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Notes.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuers, the Guarantor, the Trustee and any of the other Dealers shall have any responsibility therefor.

None of the Issuers, the Guarantor, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other restrictions as the relevant Issuer and the relevant Dealer shall agree and as shall be, in the case of Exempt Notes only, set out in the applicable Final Terms.

This Offering Circular may be used by any Dealer for offers and sales related to market-making transactions in the Notes. Each Dealer may act as principal or agent in these transactions. These sales will be made at prices relating to prevailing market prices at the time of sale. Each Dealer does not have any obligation to make a market in the Notes, and any market-making may be discontinued at any time without notice.

GENERAL INFORMATION

Authorisation

The update of the Programme and the issue of Notes have been duly authorised by resolutions of the Board of Directors of NAB dated 5 October 2023 and (other than the issue of Subordinated Notes) resolutions of delegates of the Board of Directors of NAB dated 6 November 2023. BNZ-IF's participation (including the issue of Guaranteed Senior Notes) in the Programme and its update has been duly authorised by resolutions of the Board of Directors of BNZ-IF dated 23 June 2005 and 28 January 2014. The giving of the Guarantee has been duly authorised by resolutions of the Board of Directors of the Guarantor dated 18 March 2005 and by a resolution of a committee of the Board of Directors of the Guarantor dated 23 June 2005. The participation of BNZ as an Issuer of Notes (other than Subordinated Notes) under the Programme and the issue of Notes (other than Subordinated Notes) by BNZ have been duly authorised by resolutions of the Board of Directors of BNZ dated 18 October 2018. The participation of BNZ as an Issuer of Subordinated Notes under the Programme and the issue of Subordinated Notes by BNZ have been duly authorised by resolutions of the Board of Directors of BNZ dated 21 October 2021. The issue of Subordinated Notes by NAB, will be, prior to their issuance, duly authorised by NAB. BNZ-IF attorneys in New Zealand authorise BNZ-IF personnel in London to authorise the issue of Notes by BNZ-IF on a weekly basis.

Listing and Admission to Trading

Application has been made to the Luxembourg Stock Exchange in connection with the issue by the Issuers of:

(i) PR Notes to be admitted to the official list and traded on the Regulated Market of the Luxembourg Stock Exchange in accordance with the Prospectus Regulation; and

(ii) certain Tranches of Exempt Notes to be admitted to trading on the Euro MTF Market.

Documents Available

Following the date of this Offering Circular and for the life of this Offering Circular, copies of the following documents will be available for inspection on the websites stated:

(a) the constitutions of each of NAB, BNZ and BNZ-IF (on the website of NAB at *capital.nab.com.au* and are also available via the relevant hyperlinks thereto as set out on page 96 of this Offering Circular in the section entitled "*Documents Incorporated by Reference and Credit Ratings – (A) Documents Incorporated by Reference*" above.);

(b) the Trust Deed, including the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons (on the website of NAB via *https://capital.nab.com.au/programmes/funding-programmes*); and

(c) any future offering circulars, prospectuses, information memoranda, supplements and Final Terms to this Offering Circular and any other documents incorporated herein or therein by reference (on the website of NAB at *capital.nab.com.au*), save that Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area or the Luxembourg Stock Exchange's Euro MTF Market nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation will only be available for inspection from the registered office of the relevant Issuer and (in the case of Guaranteed Senior Notes) the Guarantor and by appointment, from the specified office of the Paying Agents for the time being in Luxembourg by a holder of such Note and such holder must produce evidence satisfactory to the relevant Issuer and the relevant Paying Agent as to its holding of Notes and identity. A Paying Agent may at its option provide such documents for inspection by electronic means.

Yield

The yield for certain Series of Notes may be specified in the applicable Final Terms and will be calculated on the basis of the compound annual rate of return if the relevant Notes were to be purchased at the Issue Price on the Issue Date and held to maturity.

The yield specified in the applicable Final Terms in respect of a Series of Notes will not be an indication of future yield.

Additional Disclosure in relation to the Ranking of Subordinated Notes issued by NAB

The following paragraphs, and the defined terms contained therein, relate to Subordinated Notes issued by NAB only and references to "Subordinated Notes" in these paragraphs shall be construed accordingly. Capitalised terms defined in the Terms and Conditions of the Notes in respect of Subordinated Notes issued by NAB shall have the same meanings in these paragraphs unless otherwise stated.

Subordinated Notes rank in a Winding Up of NAB behind all claims of Senior Creditors, *pari passu* among themselves, and subject to Condition 10A, *pari passu* with Equal Ranking Instruments and ahead of Junior Ranking Instruments.

Senior Creditors are all present and future creditors of NAB (including but not limited to depositors of NAB) whose claims would be entitled to be admitted in the Winding Up of NAB and which are not in respect of Equal Ranking Instruments or Junior Ranking Instruments.

Equal Ranking Instruments are instruments that rank in a Winding Up of NAB as the most junior claim in the Winding Up of NAB ranking senior to Junior Ranking Instruments.

Junior Ranking Instruments are instruments issued as Tier 1 Capital (whether or not constituting Tier 1 Capital at the Issue Date or at the time of commencement of the Winding Up of NAB) and any shares (including Ordinary Shares) in the capital of NAB (other than shares issued as Tier 2 Capital).

In addition, Subordinated Notes are required to be Converted to Ordinary Shares or Written-Off if a Non-Viability Trigger Event occurs, as presently described in this Offering Circular.

Additional Disclosure in relation to the Ranking of Subordinated Notes issued by BNZ

The following paragraphs, and the defined terms contained therein, relate to Subordinated Notes issued by BNZ only and references to "Subordinated Notes" in these paragraphs shall be construed accordingly. Capitalised terms defined in the Terms and Conditions of the Notes in respect of Subordinated Notes issued by BNZ shall have the same meanings in these paragraphs unless otherwise stated.

Subordinated Notes rank in a Liquidation of BNZ behind all claims of Senior Creditors, *pari passu* among themselves, *pari passu* with Equal Ranking Instruments and ahead of Junior Ranking Instruments.

Senior Creditors are all present and future creditors of BNZ (including but not limited to depositors of BNZ) whose claims would be entitled to be admitted in the Liquidation of BNZ and which are not in respect of Equal Ranking Instruments or Junior Ranking Instruments.

Equal Ranking Instruments are instruments that rank in a Liquidation of BNZ as the most junior claim in the Liquidation of BNZ ranking senior to Junior Ranking Instruments. This includes the NZ$500 million subordinated notes issued by BNZ under a deed poll dated 30 April 2018 in compliance with eligibility criteria which were different to the criteria that now apply to the Subordinated Notes issued by BNZ. All or some of these subordinated notes may be redeemed at the option of BNZ with the prior consent of the RBNZ.

Junior Ranking Instruments are instruments issued as Tier 1 Capital (whether or not constituting Tier 1 Capital at the Issue Date of the relevant Tranche of Subordinated Notes or at the time of commencement of the Liquidation of BNZ) and any shares in the capital of BNZ (other than shares issued as Tier 2 Capital).

The reason for this ranking is as follows:

Under the RBNZ's prudential standards which came into force on 1 October 2021, in order to qualify for Tier 2 Capital, claims of holders of Subordinated Notes must be subordinated to claims of depositors and general creditors of BNZ and, in order to meet this requirement if BNZ becomes subject to Liquidation of BNZ, claims of holders of Subordinated Notes must be subordinated to those of depositors and general creditors.

Clearing Systems

The Notes in bearer form have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche of Bearer Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. The relevant Issuer may also apply to have Notes in bearer or registered form accepted for clearance through the CMU Service. The relevant CMU Instrument Number will be specified in the applicable Final Terms. In addition, the relevant Issuer may make an application for any Notes in registered form to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and Common Code, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels, the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg, the address of DTC is 570 Washington Boulevard, Jersey City, NJ 07310, United States of America and the address of CMU is 55th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

Conditions for determining price

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Auditors

The auditors of NAB are Ernst & Young, independent auditors, who have audited NAB's accounts, without qualification, in accordance with generally accepted auditing standards in Australia for the financial years ended 30 September 2022 and 30 September 2023. The auditors of NAB have no material interest in NAB. The partners of Ernst & Young are typically members of Chartered Accountants Australia and New Zealand, but the firm itself is not a member.

The auditors of BNZ are Ernst & Young, independent auditors, who have audited BNZ's consolidated financial statements, without qualification, in accordance with International Standards on Auditing (New Zealand) for the financial years ended 30 September 2021 and 30 September 2022. The auditors of BNZ have no material interest in BNZ.

The auditors of BNZ-IF are Ernst & Young, independent auditors, who have audited BNZ-IF's accounts, without qualification in accordance with International Standards on Auditing (New Zealand) for the financial years ended 30 September 2021 and 30 September 2022. The auditors of BNZ-IF have no material interest in BNZ-IF.

Audit reports in respect of BNZ and BNZ-IF are signed in the name of the firm of Ernst & Young. Ernst & Young is registered under the New Zealand Auditor Regulation Act 2011 (the **NZ Auditor Regulation Act**). The partner who signs the audit report in the name of the firm is licensed under the NZ Auditor Regulation

Act. The partners of Ernst & Young are typically members of Chartered Accountants Australia and New Zealand, but the firm itself is not a member.

The Trust Deed provides that any certificate or report of the Auditors or any other person called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of the Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts stated therein notwithstanding that such certificate or report and/or any engagement letter or other document entered into by the Trustee in connection therewith contains a monetary or other limit on the liability of the Auditors or such other person in respect thereof and notwithstanding that the scope and/or basis of such certificate or report may be limited by any engagement or similar letter or by the terms of the certificate or report itself.

The liability of NAB's auditors in respect of an audit of NAB may be subject to a scheme approved under professional standards legislation in Australian jurisdictions that restrict the recovery of damages from accountants. The scheme operates in all states of Australia, as well as the Australian Capital Territory and Northern Territory. The limitations in the scheme are based on nominal amounts which are likely to be significantly less than an investment in the Notes. The scope of the limitations and their effect on the enforcement of foreign judgments in Australia are so far untested and investors should seek their own advice on the application of the scheme in the context of an investment of the Notes.

Dealers transacting with any of the Issuers or the Guarantor

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 other services for, any of the Issuers, the Guarantor or their affiliates in the ordinary course of business.

The Dealers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Some of the Dealers or their affiliates have, directly or indirectly, performed investment and/or commercial banking or financial advisory services for the Issuers and the Guarantor, for which they have received customary fees and commissions, and they expect to provide these services to the Issuers and the Guarantor in the future, for which they will receive customary fees and commissions.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuers, the Guarantor or their affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the relevant 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 of the Issuers or the Guarantor, including potentially the Notes issued under the Programme. Any such credit default swaps or short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

ISSUERS

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National Australia Bank Limited (ABN 12 004 044 937)
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GUARANTOR

(*in respect of Notes issued by BNZ International Funding Limited, acting through its London Branch*)

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