Information Memorandum

Bank of Queensland Limited

(ABN 32 009 656 740)

(Incorporated with limited liability in the Commonwealth of Australia)

U.S.$4,000,000,000
Euro Medium Term Note Programme

Arranger

UBS Investment Bank

Dealers

Barclays **Nomura** **UBS Investment Bank**

The date of this Information Memorandum is 11 December 2018

This Information Memorandum comprises a base prospectus for the purpose of Article 5.4 of Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area (the "**EEA**")) (the "**Prospectus Directive**"), replaces and supersedes the Information Memorandum dated 21 December 2017 describing the Programme (as defined below). Any Notes (as defined below) issued under the Programme on or after the date of this Information Memorandum are issued subject to the provisions contained herein. This does not affect any Notes already issued.

Under the Euro Medium Term Note Programme described in this Information Memorandum (the "**Programme**"), Bank of Queensland Limited (ABN 32 009 656 740) (the "**Issuer**" or the "**Bank**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**"). The aggregate nominal amount of Notes outstanding will not at any time exceed U.S.$4,000,000,000 (or the equivalent in other currencies) or such higher amount as may be agreed by the Issuer and the Dealers (as defined in "**Subscription and Sale**").

Notes will be issued in one or more series (each a "**Series**"). Each Series shall be in bearer form and may be issued in one or more tranches (each a "**Tranche**") on different issue dates. Notes of each Series will have the same maturity date, bear interest on the same basis and at the same rate and be issued on terms otherwise identical (except in relation to interest commencement dates and matters related thereto).

Each Tranche of Notes will be represented on issue by a temporary global note (each a "**Temporary Global Note**") which may be deposited on the issue date with a common depositary on behalf of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, SA ("**Clearstream, Luxembourg**") and/or any other agreed clearing system. The provisions governing the exchange of interests in Temporary Global Notes for permanent global notes (each a "**Permanent Global Note**") and Definitive Notes are described in Form of the Notes.

Application has been made to the United Kingdom Financial Conduct Authority (the "**FCA**") in its capacity as competent authority (the "**UK Listing Authority**") for Notes issued under the Programme during the period of 12 months from the date of this Information Memorandum to be admitted to the official list of the UK Listing Authority (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for such Notes to be admitted to trading on the London Stock Exchange's regulated market. References in this Information Memorandum to Notes being "**listed**" (and related references) on the London Stock Exchange shall mean that such Notes have been admitted to trading on the London Stock Exchange's regulated market and have been admitted to the Official List. The London Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU). Notice of the aggregate nominal amount of, interest (if any) payable in respect of, the issue price of, and certain other information which is applicable to, the Notes of each Tranche will be set forth in the applicable Final Terms (the "**Final Terms**") which, with respect to Notes to be listed on the London Stock Exchange, will be delivered to the UK Listing Authority and the London Stock Exchange on or before the date of issue of the Notes of such Tranche. Copies of the Final Terms in relation to Notes to be listed on the London Stock Exchange will also be published on the website of the London Stock Exchange through a regulatory information service.

Amounts payable on Floating Rate Notes may be calculated by reference to one of the London Inter-Bank Offered Rate ("**LIBOR**") or the Euro Interbank Offered Rate ("**EURIBOR**") as specified in the relevant Final Terms. As at the date of this Information Memorandum, (i) the administrator of LIBOR, ICE Benchmark Administration Limited, is included in the European Securities and Markets Authority's ("**ESMA**") register of administrators under Article 36 of Regulation (EU) No. 2016/1011 (the "**Benchmarks Regulation**"); and (ii) the administrator of EURIBOR is not included in ESMA's register of administrators under the Benchmarks Regulation. As far as the Issuer is aware, the transitional

provisions in Article 51 of the Benchmarks Regulation apply, such that the administrator of EURIBOR, European Money Markets Institute, is not currently required to obtain authorisation or registration.

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

The Issuer has a long term credit rating of A3 by Moody's Investors Service Pty. Limited ("**Moody's**"), A- by Fitch Australia Pty. Ltd. ("**Fitch**") and BBB+ by Standard & Poor's (Australia) Pty. Limited ("**S&P**") and a short term credit rating of P-2 by Moody's, F2 by Fitch and A-2 by S&P. The Programme has been rated BBB+ in respect of long-term unsecured and unsubordinated notes; and A-2 in respect of short-term unsecured and unsubordinated notes, respectively, by S&P. None of these entities are registered in the European Union ("**EU**") or have applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). Standard & Poor's Credit Market Services Europe Limited, Fitch Ratings Limited and Moody's Investor Services Limited are established in the EU and are registered under the CRA Regulation to endorse the ratings given by Standard & Poor's (Australia) Pty Ltd, Fitch Australia Pty Limited and Moody's Investor Services Pty Limited, respectively. In a report dated 18 April 2012 ESMA concluded that, overall, the Australian legal and supervisory framework is equivalent to the EU regulatory regime for credit rating agencies according to what is provided for in Art. 5(6) of the CRA Regulation[1]. Notes issued under the Programme may be rated or unrated by S&P. Where a Tranche of Notes is rated, such rating will be disclosed in the Final Terms and will not necessarily be the same as the rating assigned to the Programme by S&P. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency (including as a result of any change in rating methodology). In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EU and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the EU before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Information Memorandum in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or the Managers, as the case may be.

Copies of each Final Terms will be available from FT Business Research Centre operated by FT Interactive Data at Fitzroy House, 13-17 Epworth Street, London EC2A 4DL (in the case of Notes admitted to the Official List and to trading by the London Stock Exchange only) and from the specified office of each of the Paying Agents (as defined below).

The Issuer (the "**Responsible Person**") accepts responsibility for the information contained in this Information Memorandum and the applicable Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Information Memorandum 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 the Issuer, any of the Dealers or the Arranger (as defined in "**Overview of the Programme**"). Neither the delivery of this Information Memorandum nor any sale made in connection herewith shall, under any circumstances,

[1] The Issuer confirms that the information contained in this report has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the European Securities and Markets Authority, no facts have been omitted which would render the reproduced information inaccurate or misleading.

create any implication that there has been no change in the affairs of the Issuer or its Subsidiaries (as defined below) taken as a whole (the "**Group**") since the date hereof or the date upon which this Information Memorandum has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or the date upon which this Information Memorandum has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Information Memorandum and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Information Memorandum, see "*Subscription and Sale*".

This Information Memorandum does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.

Neither the Arranger nor the Dealers have independently verified the information contained in this Information Memorandum. None of the Dealers or the Arranger makes any representation, express or implied, or accepts any responsibility or liability, with respect to the accuracy or completeness of any of the information contained or incorporated in this Information Memorandum or any other information provided by the Issuer in connection with the Programme. Neither this Information Memorandum nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation or a statement of opinion, or a report of either of those things, by any of the Issuer, the Arranger or the Dealers that any recipient of this Information Memorandum or any other financial statements should purchase any of the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Information Memorandum and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Information Memorandum nor to advise any investor or potential investor in any Notes of any information coming to the attention of any of the Dealers or the Arranger. None of the Dealers or the Arranger accepts any liability in relation to the information contained or incorporated by reference in this Information Memorandum or any other information provided by the Issuer in connection with the Programme.

This Information Memorandum has been prepared on the basis that would permit an offer of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) only in circumstances where there is an exemption from the obligation under the Prospectus Directive to publish a prospectus. As a result, any offer of Notes in any Member State of the EEA which has implemented the Prospectus Directive (each, a "**Relevant Member State**") must be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer of Notes in that Relevant Member State may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

IMPORTANT – EEA RETAIL INVESTORS – If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended or superseded, "**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "**Insurance Mediation 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 Directive. 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.

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 outcome of 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.

For the avoidance of doubt, a determination will only be required to 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, or procuring subscribers, for any Notes is a manufacturer in respect of such Notes where such Dealer is required to make such a determination for the purposes of compliance with the MiFID Product Governance Rules, 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.

Notification under section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**"**)** – Unless otherwise stated in the Final Terms in respect of any Notes, all Notes issued or to be issued under the Programme shall be "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and "Excluded Investment Products" (as defined in the Monetary Authority of Singapore ("**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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 Information Memorandum or any applicable supplement;

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

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;

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

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

Legal investment considerations may restrict certain investments as 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.

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

The financial information included in this Information Memorandum has not been prepared in accordance with the international accounting standards (the "**International Accounting Standards**") adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 and there may be material differences in the financial information had Regulation (EC) No 1606/2002 been applied to the historical financial information.

In this Information Memorandum, unless otherwise specified or the context otherwise requires, references to "**U.S. dollars**", "**U.S.$**" and "**cents**" are to the currency of the United States of America, to "**A$**", "**$**" and "**dollars**" are to the currency of the Commonwealth of Australia, to "**£**" and "**Sterling**" are to the currency of the United Kingdom and to "**euro**", "**EUR**" and "**€**" are to the currency introduced at the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

Documents Incorporated by Reference

The following documents which have previously been published shall be incorporated in, and form part of, this Information Memorandum:

- the Financial Accounts for the years ended 31 August 2017 and 31 August 2018 (including the auditors' report, the audited consolidated financial statements of the Issuer in respect of the years ended 31 August 2017 and 31 August 2018 and notes thereon) as set out from page 78 to page 147 of the 2017 Annual Report and page 93 to page 169 of the 2018 Annual Report; and

- the Terms and Conditions of the Notes contained in the previous Information Memorandum dated 15 December 2006, pages 15 to 33 (inclusive), in the previous Information Memorandum dated 18 December 2008, pages 21 to 40 (inclusive), in the previous Information Memorandum dated 21 December 2009, pages 23 to 42 (inclusive), in the previous Information Memorandum dated 17 December 2010, pages 22 to 41 (inclusive), in the previous Information Memorandum dated 6 December 2011, pages 25 to 48 (inclusive), in the previous Information Memorandum dated 19 December 2012, pages 29 to 51 (inclusive), in the previous Information Memorandum dated 26 February 2014, pages 30 to 54 (inclusive), in the previous Information Memorandum dated 12 December 2014, pages 30 to 51 (inclusive), in the previous Information Memorandum dated 9 December 2015, pages 33 to 57 (inclusive), in the previous Information Memorandum dated 16 December 2016, pages 32 to 55 (inclusive) and in the previous Information Memorandum dated 21 December 2017, pages 40 to 64 (inclusive) prepared by the Issuer in connection with the Programme.

Following the publication of this Information Memorandum a supplement may be prepared by the Issuer and approved by the UK Listing Authority in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Information Memorandum or in a document which is incorporated by reference in this Information Memorandum. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum and are available for viewing at https://www.boq.com.au/Shareholder-centre/debt-investor-information/Debt-Programmes.

Copies of documents incorporated by reference in this Information Memorandum can be obtained from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in London, set out at the end of this Information Memorandum. In addition, copies of this Information Memorandum and each document incorporated by reference herein are available on the London Stock Exchange's website at http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

Any internet site addresses in this Information Memorandum are included for reference only and the contents of any such internet sites are not incorporated by reference into, and do not form part of, this Information Memorandum. Any document incorporated by reference in any of the documents described above does not form part of this Information Memorandum. Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Information Memorandum.

Supplemental Information Memorandum

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Information Memorandum which is capable of affecting the assessment of any Notes, prepare a supplement to this Information Memorandum or publish a new Information Memorandum for use in connection with any subsequent issue of Notes. The Issuer has undertaken to the Dealers in the Dealer Agreement (as defined in "*Subscription and Sale*") that it will comply with section 87G of the Financial Services and Markets Act 2000 (as amended) (the "**FSMA**").

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Overview of the Programme

The following overview is qualified in its entirety by the remainder of this Information Memorandum and, in relation to the terms and conditions of any Tranche, by the applicable Final Terms. Words and expressions defined in the "Terms and Conditions of the Notes" shall have the same meanings in this summary.

Issuer:	Bank of Queensland Limited (ABN 32 009 656 740)
Issuer Legal Entity Identifier (LEI):	549300WFIN7T02UKDG08
Description:	Euro Medium Term Note Programme
Size:	Up to U.S.$4,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Arranger:	UBS AG, London Branch
Dealers:	Barclays Capital Asia Limited Nomura International plc UBS AG, London Branch The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme.
Agent:	Citibank, N.A., London Branch
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in Series having one or more issue dates and on terms otherwise identical (or identical other than in respect of the interest commencement date and related matters), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in Tranches on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a Final Terms.
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.

Form of Notes: The Notes will be issued in bearer form only. Each Tranche of Notes will be represented on issue by a Temporary Global Note which will be deposited on the issue date with a common depositary on behalf of Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system and which will be exchangeable, upon request, as described therein for either a Permanent Global Note or Definitive Notes (as indicated in the applicable Final Terms and subject, in the case of Definitive Notes, to such notice period as is specified in the applicable Final Terms) in each case not earlier than 40 days after the issue date upon certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations. A Permanent Global Note will be exchangeable for Definitive Notes (as specified in the applicable Final Terms), either (i) upon not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described therein[2] or (ii) upon the occurrence of an Exchange Event (as defined in "*Form of the Notes*" below). Any interest in a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg and/or any other agreed clearing system, as appropriate.

Clearing Systems: Euroclear, Clearstream, Luxembourg and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the relevant Dealer(s) and the Agent.

Initial Delivery of Notes: Temporary Global Notes may be deposited with Euroclear and/or Clearstream, Luxembourg or any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the relevant Dealer(s) and the Agent.

Currencies: Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Australian dollars, Canadian dollars, Danish kroner, euro, Hong Kong dollars, New Zealand dollars, Sterling, Swedish kronor, Swiss francs or U.S. dollars or in other currencies if the Issuer and the relevant Dealer(s) so agree.

Maturities: Such maturities as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the applicable Final Terms, 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 the Issuer or the relevant currency.

At the date of this Information Memorandum, the minimum maturity of all Notes is one month.

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for

[2] The exchange upon notice option should not be expressed to be applicable if the Notes have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount.

	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*".
Denomination:	Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer and as indicated in the applicable Final Terms save that the minimum denomination of each Note will be such 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 also "*Currencies*" above) and save that the minimum denomination of each Note admitted to trading on a regulated market within the EEA or offered to the public in a Member State of the EEA in circumstances which otherwise require the publication of a prospectus under the Prospectus Directive will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).
Fixed Rate Notes:	Fixed interest will be payable in arrear on such date or dates in each year as may be agreed between the Issuer and the relevant Dealer(s) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s).
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined: (i) on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the issue date of the first Tranche of the Notes of the relevant Series); or (ii) on the basis of a reference rate set out in the applicable Final Terms. The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each Series of Floating Rate Notes.
Other provisions in relation to Floating Rate Notes:	Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes in respect of each Interest Period, as selected prior to issue by the Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates as are specified in, or determined pursuant to, the applicable Final Terms and will be calculated on the basis of such Day Count Fraction as may be agreed by the Issuer and the relevant Dealer(s).

Zero Coupon Notes: Zero Coupon Notes will not bear interest and will be offered and sold at a discount to their nominal amount unless otherwise specified in the applicable Final Terms.

Redemption: The Final Terms relating to each Tranche of Notes will indicate either that the Notes of such Tranche cannot be redeemed prior to their stated maturity or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving not less than 15 nor more than 30 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Final Terms) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms. The Notes will also be redeemable for taxation reasons or following an Event of Default.

Status of the Notes: Notes and any relevant Coupons will be direct, unconditional, unsubordinated and (subject to Condition 3 ("Negative Pledge")) unsecured obligations of the Issuer and (subject as provided above) will rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future (other than obligations preferred by mandatory provisions of law) - see Condition 2 ("Status of the Notes").

The Issuer is an "authorised deposit-taking institution" ("**ADI**") as that term is defined under the Banking Act 1959 of Australia ("**Banking Act**").

Section 13A(3) of the Banking Act provides that the assets of an ADI in Australia would, in the event of the ADI becoming unable to meet its obligations or suspending payment, be available to meet certain liabilities in priority to all other liabilities of that ADI. The liabilities which have priority, by virtue of section 13A(3) of the Banking Act, to the claims of holders in respect of the Notes will be substantial, as such liabilities include (but are not limited to) liabilities owed to the Australian Prudential Regulation Authority ("**APRA**") in respect of any payments by APRA to holders of protected accounts held with that ADI under the Banking Act, the costs of APRA in certain circumstances, liabilities in Australia owed to holders of protected accounts held with that ADI, debts due to the Reserve Bank of Australia ("**RBA**") and liabilities under certified industry support contracts. A "protected account" is an account or covered financial product that is kept by an account-holder (whether alone or jointly with one or more other account-holders) with an ADI and is either:

(i) an account, or covered financial product, that is kept under an agreement between the account-holder and the ADI requiring the ADI to pay the account-holder, on demand by the account-holder or at an agreed time by them, the net credit balance of the account or covered financial product at the time of the demand or the agreed time (as appropriate); or

(ii) an account prescribed by regulations for the purposes of section 5(4)(a) of the Banking Act.

For the purposes of section 13A(3) of the Banking Act, the assets of the ADI do not include any interest in an asset (or a part of an asset) in a cover pool (as defined in the Banking Act) that may have been established by that ADI for the issuance of any covered bonds.

Under section 16(2) of the Banking Act, certain other debts due to APRA shall, in a winding-up of an ADI have, subject to section 13A(3) of the Banking Act, priority over all other unsecured debts of the ADI. Further, under section 86 of the Reserve Bank Act 1959 of Australia ("**Reserve Bank Act**"), debts due by an ADI to the RBA shall, in a winding-up of that ADI, have, subject to section 13A(3) of the Banking Act, priority over all other debts of that ADI.

The Notes would not constitute a protected account under such statutory provisions.

Negative Pledge: The terms of the Notes will contain a negative pledge provision as further described in Condition 3 ("Negative Pledge").

Cross Default/Acceleration: Not applicable.

Withholding Tax: All payments in respect of the Notes and Coupons by the Issuer will be made without withholding or deduction for or on account of withholding taxes of the Commonwealth of Australia or the State of Queensland unless the withholding or deduction of such taxes is required by law. In that event, the Issuer will (subject to certain exceptions) pay such additional amounts as will result in the holders of Notes or Coupons receiving such amounts as would have been receivable in respect of such Notes or Coupons had no such withholding or deduction been required, as more fully described in Condition 7 ("Taxation").

All payments in respect of the Notes will be made subject to any withholding or deduction required pursuant to FATCA (as defined in Condition 7), any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto, as provided in Condition 5(a) ("Method of Payment").

Governing Law: English.

Rating: The Issuer has a long term credit rating of A3 by Moody's, A- by Fitch and BBB+ by S&P and a short term credit rating of P-2 by Moody's, F2 by Fitch and A-2 by S&P. The Programme has been rated BBB+ in respect of long-term unsecured and unsubordinated notes; and A-2 in respect of short-term unsecured and unsubordinated notes, respectively, by S&P. Standard & Poor's Credit Market Services Europe Limited, Fitch Ratings Limited and Moody's Investor Services Limited are established in the EU and are registered under the CRA Regulation to endorse the ratings given by

Standard & Poor's (Australia) Pty Ltd, Fitch Australia Pty Limited and Moody's Investor Services Pty Limited, respectively. In a report dated 18 April 2012 ESMA concluded that, overall, the Australian legal and supervisory framework is equivalent to the EU regulatory regime for credit rating agencies according to what is provided for in Art. 5(6) of the CRA Regulation.

Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the ratings assigned to the Programme. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency (including as a result of any change in rating methodology).

Listing:

Application has been made by the Issuer to the UK Listing Authority for Notes issued under the Programme to be admitted to, during the period of 12 months from the date of this Information Memorandum, the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the regulated market of the London Stock Exchange.

The Dealer Agreement provides that, if the maintenance of the listing of any Notes has, in the opinion of the Issuer, become unduly onerous for any reason whatsoever, the Issuer shall be entitled to terminate such listing subject to its using its best endeavours promptly to list or admit to trading the Notes on an alternative stock exchange, within or outside the EU, to be agreed between the Issuer and the relevant Dealer.

Selling Restrictions:

United States, EEA, (including the United Kingdom and the Netherlands), the Commonwealth of Australia, Switzerland, Hong Kong and Singapore and such other jurisdictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "*Subscription and Sale*".

The Issuer is Category 2 for the purposes of Regulation S under the Securities Act. The applicable Final Terms will identify whether TEFRA C or TEFRA D applies or whether TEFRA is not applicable.

Risk Factors

The Bank believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. These factors are contingencies which may or may not occur and the Bank is not 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.

The Bank believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Bank 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 Bank. Prospective investors should also read the detailed information set out elsewhere in this Information Memorandum and reach their own views prior to making any investment decision.

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

Risks relating to the Group

The Notes will constitute direct, unsecured and unconditional obligations of the Bank. A purchaser of Notes relies on the creditworthiness of the Bank and no other person. Investment in the Notes involves the risk that subsequent changes in actual or perceived creditworthiness of the Bank may adversely affect the market value of the Notes.

Set out below are the principal risks and uncertainties associated with the Bank. These risks and uncertainties are not listed in order of significance, and in the event that one or more of these risks occur, the Bank's business, operations, financial condition and future performance may be adversely impacted.

There may be other risks faced by the Bank and its controlled entities that are currently unknown or are deemed immaterial, but which may subsequently become known or become material. These may individually or in aggregate adversely impact the Bank's future financial performance and position. Accordingly, no assurances or guarantees of future performance, profitability, distributions or returns of capital are given by the Bank.

Market risk

The Group is exposed to market risk as a consequence of both its investments and trading activities in financial markets and through the asset and liability management of its balance sheet. The Group is exposed to losses arising from adverse movements in levels and volatility of market factors, including interest rates, foreign exchange rates, equity prices and credit spreads.

The Group, through its investment portfolios, is exposed to risk and volatility in the markets, securities and other assets in which it invests. Those risks include, but are not limited to:

- asset/liability risk, i.e. the risk that the value of an investment portfolio will decrease relative to the value of the liabilities as a result of fluctuation in investment factors including share prices, interest rates, credit spreads, counterparty default, exchange rates or commodity prices; and

- liquidity risk, including that assets cannot be sold without a significant impairment in value.

Such risks can be heightened during periods of high volatility, market disruption and periods of sustained low interest rates and could adversely affect the Group's businesses, financial performance, capital resources and financial condition.

If the Group was to suffer substantial losses due to any market volatility, it could adversely affect the Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects.

Global market and economic volatility

The financial performance of the Group is significantly affected by changes in investment markets and economic conditions both globally and in Australia.

The financial services industry and capital markets have been, and may continue to be, adversely affected by market volatility and uncertainty as to the outlook for global economic conditions. Any such market and economic disruptions could have an adverse effect on financial institutions, such as the Group, because consumer and business confidence may decrease, unemployment may rise and demand for the products and services the Group provides may decline. This could adversely affect the Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects.

Funding and liquidity risk

Financial institutions (including the Group) are currently subject to global credit and capital market conditions, which experienced extreme volatility, disruption and decreased liquidity following the global financial crisis.

If market conditions deteriorate due to economic, financial, political or other reasons, the Group's funding costs may be adversely affected and its liquidity and its funding of lending activities may be constrained. There is no assurance that the Group will be able to obtain adequate funding at acceptable prices or at all.

Funding and liquidity risk is the risk that the Group, although balance sheet solvent, cannot meet or generate sufficient cash resources to meet its payment obligations in full as they fall due, or can only do so at materially disadvantageous terms. Funding risk can occur due to an increase in competition for funding, or a change in risk premiums required by investors, which cause an increase in funding costs or increased difficulty accessing funding markets. The Bank mitigates this risk by sourcing a diversified investor base through a number of different funding programmes in a number of different markets. Additionally, the Bank's Contingent Funding Plan is used to manage this risk.

The Group has made progress over time in strengthening its balance sheet, creating a sustainable funding profile and improving internal capital generation.

The Bank maintains a portfolio of high quality, diversified liquid assets to facilitate balance sheet liquidity needs and meet internal and regulatory requirements. The Bank raises funding from a variety of sources, including customer deposits and wholesale funding in Australia and offshore markets to meet its funding obligations and to maintain or grow its business generally. If confidence in the Bank is damaged and the Bank's sources of funding prove to be insufficient or so expensive as to be uncompetitive, it may be forced to seek alternative funding arrangements or curtail its business operations and limit loan growth. The Group may also experience challenges in managing its capital base, which could give rise to greater volatility in capital ratios. The ability for the Bank to secure alternative funding will depend on a variety of factors, including prevailing market conditions, the availability of credit and the Bank's credit ratings.

Interest rate risk arises from a variety of sources, including mismatches between the repricing periods of assets and liabilities. As a result of these mismatches, movements in interest rates may affect earnings or the value of the Bank.

Currency risk is the risk of loss of earnings due to adverse movements in foreign exchange rates. The Bank's foreign exchange rate exposures are managed through detailed policies set by the Bank's Board of Directors and monitored by the Bank's Asset and Liability Committee and the Bank's treasury department.

Counterparty risk is the risk that the Bank's counterparties are unable to honour their contractual obligations. A counterparty may default on its obligations due to bankruptcy, lack of liquidity, operational failure or other reasons. This risk may arise, for example, from entering into swap contracts under which counterparties have obligations to make payments to the Bank executing trades that fail to settle at the required time due to non-delivery by the counterparty or systems failure by clearing agents, exchanges, clearing houses or other financial intermediaries. Such counterparty risk is more acute in difficult market conditions where the risk of failure of counterparties is higher.

The Bank continues to review its pricing model and funding mix in light of market conditions to ensure products are appropriately priced.

Credit and impairment risk

As a financial institution, the Bank is exposed to the risks associated with extending credit to other parties. Credit risk is the risk of financial loss arising from a debtor or counterparty failing to meet their contractual debts and obligations or the failure to recover the recorded value of secured assets.

The Bank's lending activities cover a broad range of sectors, customers and products, including mortgages, consumer loans, commercial loans (including commercial property), equipment finance, vendor finance, debtor finance and other finance products. Less favourable economic or business conditions or deterioration in commercial and residential property markets, whether generally or in a specific industry sector or geographic region, or external events such as climatic, biological or geological disasters, could cause customers to experience an adverse financial situation, thereby exposing the Bank to the increased risk that those customers will fail to meet their obligations in accordance with agreed terms.

A weakening of the real estate market in Australia or Queensland may adversely affect the Bank's business, operations and financial condition

Residential and commercial property lending, together with property finance, including real estate development and investment property finance, constitute important businesses to the Bank.

Recently, prompted by Australian housing price appreciation and rising Australian household debt, APRA introduced a new supervisory measure instructing Australian banks, including the Bank, to limit new residential interest only mortgages to 30 per cent. of total new residential mortgage lending. Should the Bank's regulators impose further supervisory measures impacting the Bank's residential lending or if Australian housing price growth subsides or property valuations decline, the demand for the Bank's home lending products may decrease, which may adversely affect the Bank's business, operations and financial condition.

A significant decrease in commercial property valuations or a significant slowdown in Australian commercial real estate markets could result in a decrease in the amount of new lending the Bank is able to write and/or increase the losses that the Bank may experience from existing loans, which, in either case, could materially and adversely impact the Bank's financial condition and operations.

Operational risk

Operational risk is the risk of loss, other than those captured in the credit and market risk categories, resulting from inadequate or failed internal processes, people or systems (including information security systems), or from external events. The Group is exposed to a variety of risks including those arising from process error, fraud, technology failure, security and physical protection, franchise agreements entered into with owners of Owner Managed Branches ("**OMBs**"), customer services, staff skills, workplace safety, compliance, business continuity, crisis management, processing errors, mis-selling of products and services and performance and product development and maintenance. Financial crime, in particular, is an inherent risk within the financial services industry.

The Bank manages these operational risks through appropriate reporting lines, defined responsibilities, policies and procedures and an operational risk program incorporating regular risk monitoring and reporting by each business unit. Operational risks are documented in risk databases which provide the basis for business unit and bank-wide risk profiles, the latter being reported to the Board on a regular basis. Although these steps are in place, there is no guarantee that the Group will not suffer loss as a result of these risks (and an inherent risk also exists due to systems and internal controls failing to identify or prevent losses relating to these operational risks). Loss from such risks could affect the Group's financial results. Such losses can include fines, penalties, loss or theft of funds or assets, customer compensation, loss of shareholder value, reputational losses, loss of life or injury to people and loss of property and information.

The Group includes a number of subsidiaries that are trading entities. Dealings and exposures between the members of the Group (which principally arise through the provision of administrative, corporate and distribution services, as well as through the provision of funding and equity contributions) also give rise to a risk of loss to the Bank.

The Group's ability to attract and retain suitably qualified and skilled employees is an important factor in achieving its strategic objectives. The Group may in the future have difficulty attracting highly qualified people to fill important roles, which could adversely affect its business, operations and financial condition.

Insurance business

St Andrew's Insurance provides consumer credit insurance and life insurance. These insurance contracts involve the acceptance of significant insurance risk including those where the insured benefit is payable on the occurrence of a specified event such as death, injury or disability caused by accident or illness, or involuntary unemployment. Insurance risk accepted under these insurance contracts is, in part, mitigated through the implementation of a reinsurance programme however, not all insurance risks are covered under St Andrew's reinsurance programme. In addition, the insured benefit is not linked to the market value of the investments held for the purpose of meeting that benefit and any financial risks are substantially borne by the separately prudentially regulated insurance entities within the Group, of which the Bank is the ultimate securityholder. This risk is mitigated by the insurance entities employing conservative investment strategies with limited capital value at risk. Any reduction in the value of those investments and any increase in claims could adversely affect the financial performance and position of the insurance entities and the Group. In such an event, the Group's provisions for insurance liabilities may prove inadequate to cover the ultimate liability for claims or other policy benefits, which may adversely affect the financial performance and position of the Bank.

Reliance on external parties

The Bank's operations depend on performance by a number of external parties under contractual arrangements with the Bank. Non-performance of contractual obligations and poor operational

performance of OMBs may have an adverse effect on the Bank's business and financial performance. In addition, the Bank also has key outsourcing agreements where certain activities or products have been outsourced as the Bank has determined that these activities or products can be more effectively provided through strategic partnerships. Although the Bank has taken steps to protect it from the effects of defaults under these contractual arrangements and outsourcing agreements, such defaults may have an adverse effect on the Bank's business continuity and financial performance.

Changes in regulation and government policy

As a financial services provider, the Bank is subject to substantial regulatory and legal oversight in Australia. The agencies with regulatory oversight of the Bank and its subsidiaries include, among others, APRA, the RBA, the Australian Competition and Consumer Commission, ASX Limited (ABN 98 008 624 691) ("**ASX**"), and the Australian Securities and Investments Commission ("**ASIC**"), Australian Transaction Reports and Analysis Centre and the Australian Taxation Office.

Global economic conditions have led to increased supervision and regulation, as well as changes in the regulation in markets in which the Bank and the Group operate, particularly for financial institutions, and will lead to further significant changes of this kind. In addition, regulation is becoming increasingly extensive and complex and some areas of regulatory change involve multiple jurisdictions seeking to adopt a coordinated approach or certain jurisdictions seeking to expand the territorial reach of their regulation.

Furthermore, the nature and impact of future changes are not predictable and beyond the Bank's control and there is operational and compliance risk and cost associated with the implementation of any new laws and regulations that apply to the Bank as a financial institution. In particular, changes in applicable laws, regulations, government policies or accounting standards, including changes in interpretation or implementation of laws, regulations, government policies or accounting standards could adversely affect one or more of the Group's businesses and could require the Bank and/or the Group to incur substantial costs. Further impacts include required levels, or the measurement, of bank liquidity and capital adequacy, limiting the types of financial services and products that can be offered, and/or reducing the fees which banks can charge on their financial services. APRA may introduce new prudential regulations or modify existing regulations, including those that apply to the Bank as an ADI. Any such event could adversely affect the business or financial performance of the Group. Any new or amended rules may result in changes to the Bank's capital adequacy ratio.

The Bank is responsible for ensuring that it complies with all applicable legal and regulatory requirements (including accounting standards, where applicable, as well as rules and regulations relating to corrupt and illegal payments and money laundering) and industry codes of practice, as well as meeting its ethical standards. The failure to comply with applicable regulations could result in suspensions, restrictions of operating licenses, fines and penalties or limitations on its ability to do business. They could also have adverse reputational consequences. These costs, expenses and limitations could have an adverse effect on the Bank's and the Group's business, results of operations, financial performance or financial condition. The legal and regulatory requirements described above could also adversely affect the profitability and prospects of the Bank and the Group or their businesses to the extent that they limit the Bank and the Group's operations and flexibility of the Bank and the Group's businesses. The nature and impact of future changes in such requirements are not predictable and are beyond the Bank's and the Group's control.

Significant domestic and global legislative and regulatory developments and industry reforms which will, or may, impact on the Group's operations in Australia are set out below.

Banking Executive Accountability Regime

The *Treasury Laws Amendment (Banking Executive Accountability and Related Measures) Bill 2017* (Cth) ("**BEAR Measures**") passed through Federal Parliament on 7 February 2018 and received its Royal Assent on 20 February 2018. The intention of the BEAR Measures is to enhance the responsibility and accountability of banks and their directors and senior executives. The BEAR Measures impose a range of new measures, such as:

- imposing a set of requirements to be met by ADIs and accountable persons, including accountability obligations;

- requirements for ADIs to register accountable persons with APRA prior to their commencement in an accountable person role, to maintain and provide APRA with a map of roles and responsibilities of accountable persons across the ADI group, and to give APRA accountability statements for each accountable person detailing that individual's roles and responsibilities; and

- empowering APRA to remove or disqualify accountable persons who breach the obligations of the BEAR Measures without a court order (but subject to a right of appeal), to ensure remuneration policies result in financial consequences for individuals, and impose substantial fines and a new civil penalty regime that will enable APRA to seek civil penalties where an ADI breaches its obligations under the BEAR Measures and the breach relates to "prudential matters".

Large financial institutions need to comply with the regime from 1 July 2018, with a deferral period for commencement of the variable remuneration requirements to 1 January 2019. Small and medium sized ADIs (which include the Bank) have an extra 12 months to comply with the BEAR Measures (from 1 July 2019).

Primary risks to the Group emerging from the changes in legislation relate to the substantial penalties for breaching the BEAR Measures, and the ability to attract and retain high quality executives. The BEAR Measures currently only apply to ADIs and ADI subsidiaries (including the Bank and its subsidiaries) – but may ultimately be extended to other parts of the financial services industry, impacting the Group more broadly.

Consumer Data Right Bill and Open Banking

The Australian Government is consulting on exposure draft legislation to implement the Consumer Data Right ("**CDR**"). The CDR will provide individuals and businesses with a right to efficiently and conveniently access specified data in relation to them held by businesses and authorise secure access to this data by trusted and accredited third parties. The CDR will also require businesses (such as the Bank) to provide public access to information on specified products they have on offer.

CDR is designed to give customers more control over their information, leading to more choice in where they take their business, or more convenience in managing their money. The Australian Government has committed to applying the CDR in the banking, energy and telecommunications sector. For the banking sector, this is referred to as "Open Banking" and will be the first sector to apply the CDR.

On 9 February 2018, the final report of the Review into Open Banking in Australia was released. The report makes 50 recommendations, including recommendations on the regulatory framework to support open banking, what data should be shared and with whom, what safeguards are needed to inspire confidence in data sharing, how data should be transferred and how open banking should be rolled out.

On 9 May 2018, the Australian Government announced that it agreed with the recommendations of the report, and that it would phase in open banking in stages with all major banks required to make data available on credit and debit cards, together with deposit and transaction accounts by 1 July 2019 and on mortgages by 1 February 2020. Data on all products recommended by the report will be required to be made available by 1 July 2020. All remaining banks (including the Bank) will be required to implement open banking with a 12-month delay on the timelines set for the major banks. The ACCC will be empowered to adjust timeframes if necessary.

The CDR is intended to reduce the barriers that currently prevent customers from switching between banks. Banks will be required to provide open access to data on product terms and conditions, transaction use, and will have the ability to direct that the data be shared with other service providers (banks and non-banks).

Life insurance industry reforms and ASIC focus on add-on insurance industry

The *Corporations Amendment (Life Insurance Remuneration Arrangements) Act 2017* (Cth) ("**Life Insurance Remuneration Act**") was passed by the Australian Parliament on 9 February 2017 and amends the Corporations Act of Australia (as amended) (the "**Corporations Act**") to remove the exemption from the ban on conflicted remuneration for commissions paid in relation to certain life risk insurance products. The Life Insurance Remuneration Act also enables ASIC to allow commissions to be paid if requirements are met relating to commission caps and clawback. The supporting *Corporations Amendment (Life Insurance Remuneration Arrangements) Regulations 2017* also prescribe circumstances where commissions are considered conflicted remuneration and where clawback does not apply. Following a review of the claims handling procedures in the life insurance industry, ASIC and APRA are moving to establish an ongoing reporting regime to improve transparency of life insurance claims practices and should help drive accountability in the sector.

ASIC has released reports detailing findings and possible improvements to the add-on insurance industry following an industry-wide review of the add-on insurance sector. The Group is working with the industry to determine the impacts from the findings. At this stage, the reforms are likely to be multi-faceted and include pricing, product design and distribution initiatives. The Group has already implemented a number of changes and continues to liaise with ASIC on further improvements.

Reforms to the professional standards for financial advisers

The *Corporations Amendment (Professional Standards of Financial Advisers) Act 2017* (Cth) commenced on 15 March 2017 and was introduced to improve the professional, ethical and education standards of advisers in the financial services industry. Under the Act, all relevant providers must meet certain requirements before they can be considered a "financial adviser" or "financial planner". These requirements include holding the relevant tertiary qualification, passing an exam, meeting continuing professional development requirements each year, completing the relevant training and complying with a code of ethics. There is a phased approach to the commencement of these reforms, starting from 1 January 2019 for certain relevant providers.

Australian Government's Major Bank Levy for large ADIs

The Major Bank Levy Act 2017 (Cth) and the *Treasury Laws Amendment (Major Bank Levy) Act 2017* (Cth) were enacted on 23 June 2017. The Acts impose a levy on ADIs with liabilities of at least $100 billion, with effect from 1 July 2017. The levy is set at 0.06% per annum of certain ADI liabilities and will be payable on a quarterly basis, with the first payment to be made in relation to the September 2017 quarter. There is no end date provided for the levy.

Based on the Bank's balance sheet as at 31 August 2018, the Group is not currently subject to the levy nor does it expect to be subject to the levy in the near term. There is some risk that Australian State or Territory Governments may introduce similar levies.

Royal Commission into misconduct in the banking, superannuation and financial services industry

On 30 November 2017, the Australian Government announced the establishment of a Royal Commission to investigate alleged misconduct in the Australian banking, superannuation and financial services industry (the "**Royal Commission**"). The Hon. Kenneth Hayne AC QC was appointed as Commissioner.

The Letters Patent were signed on 14 December 2017 and contain the terms of reference for the Royal Commission. Under the terms of reference, the Commissioner is required to inquire into a range of matters, including:

- whether any conduct by financial service entities (including by directors, officers or employees or anyone acting on behalf of those entities) might have amounted to misconduct and, if so, whether the question of criminal or other legal proceedings should be referred to the relevant Commonwealth, State or Territory agency;

- whether any conduct, practices, behaviour or business activity by a financial services entity falls short of community standards and expectations;

- whether any misconduct or behaviour falling below community standards or expectations are attributable to the particular culture, governance and other practices of a financial services entity, the relevant industry or a subsector of the relevant industry;

- the effectiveness of mechanisms for redress for consumers of financial services who suffer detriment as a result of misconduct by financial services entities; and

- the adequacy of existing legislation, regulation, industry self-regulatory systems, and internal systems of financial entities in identifying and addressing misconduct, meeting community standards and expectations, and providing appropriate redress to consumers.

As at the date of this Information Memorandum, the Royal Commission has held seven rounds of hearings, focusing on: (1) consumer lending; (2) financial advice; (3) lending to small and medium enterprises; (4) regional and remote communities; (5) superannuation; (6) insurance; and (7) causes of misconduct and conduct falling below community standards and possible responses. A Bank executive gave evidence at the Royal Commission hearings regarding lending to small and medium enterprises.

The Royal Commission released an interim report setting out its findings in relation to the first four rounds of hearings on 28 September 2018.

The Royal Commission is required to submit a final report containing findings and recommendations to the Australian Government by 1 February 2019.

As at the date of this Information Memorandum, it is not known what recommendations will be made in the Royal Commission's final report and the implications of the Royal Commission on the Group's business are therefore uncertain.

The nature, timing and impact of future regulatory reforms or changes are not predictable and are beyond the Group's control. Regulatory compliance and the management of regulatory change is an increasingly important part of the Group's strategic planning. Regulatory change may also impact the

Group's operations by requiring it to have higher levels, and better quality of capital as well as place restrictions on the businesses the Group operates or require the Group to alter its product or service offerings. If regulatory change has any such effect, it could adversely affect one or more of the Group's businesses, restrict its flexibility, require it to incur substantial costs and impact the profitability of one or more of the Group's businesses. Any such costs or restrictions could adversely affect the Bank's businesses, financial performance, liquidity, capital resources, financial condition and prospects.

Australian Financial Complaints Authority

On 1 May 2018, the Australian Government announced the authorisation of Australian Financial Complaints Limited to operate the Australian Financial Complaints Authority ("**AFCA**"), and members of the inaugural AFCA Board. AFCA will be the one-stop shop external dispute resolution ("**EDR**") body for disputes arising in the financial sector. The objective of AFCA is to provide free, fast and binding dispute resolution for consumers and small businesses and to increase transparency of dispute resolution practices by enabling ASIC to publish banks' internal dispute resolution data.

AFCA commenced accepting complaints from 1 November 2018.

Productivity Commission inquiry into competition in the Australian financial system

The Productivity Commission (the "**Productivity Commission**") has undertaken an inquiry into competition in the Australian financial system. The Productivity Commission reviewed competition with a view to improving consumer outcomes, the productivity and international competitiveness of the Australian financial system and economy more broadly, and supporting ongoing financial system innovation, while balancing financial stability objectives. The Productivity Commission's final report was published in August 2018. Key points from the final report include:

- there have been periods of strong price competition in the past, for example the introduction of mortgage brokers, but the larger financial institutions still have the ability to exercise market power over their competitors and consumers;

- this market power has been achieved with persistently opaque pricing, conflicted advice and remuneration arrangements, layers of public policy and regulatory requirements that support larger incumbents, and a lack of easily accessible information – meaning unaware customers maintain loyalty to unsuitable products;

- poor advice and complex information means customers remain attached to high margin products that boost profits but have product features that may have no benefit to the customer. For this situation to persist for so long, current channels for information and advice must be failing;

- mortgage brokers have become 'part of the establishment', with fees and trail commissions having no evident link to customer best interests;

- trail commissions should be banned and clawback of broker commissions restricted. All brokers, advisors and lender employees delivering home loans to customers should have clear, legally-backed best interest obligations to their clients;

- recognising reward structures may still at times conflict with customer best interests. All banks should appoint a Principal Integrity Officer obliged by law to report directly to the Board on the alignment of any incentives/reward with the new customer best interest duty;

- merchants should be given the option of selecting the default route that is to be used for payments by dual network cards; and

- more nuance in the design of APRA's prudential measures both in risk weightings and directions to ADIs – is essential to lessen market power and address an imbalance that has emerged in lending between business and housing.

The Australian Government will look carefully at all the recommendations in the Productivity Commission's report, consult and consider its response together with any further matters that arise including from the Royal Commission. The Australian Government's final response to the Productivity Commission's report will not be delivered until after the Royal Commission hands its final report to the Australian Government, which is due by 1 February 2019.

As at the date of this Information Memorandum, the implications of the Productivity Commission's inquiry on the Group's business is uncertain.

Australian Banking Association Banking Reform Program and industry initiatives

On 21 April 2016, the Australian Banking Association ("**ABA**") announced an action plan to protect consumer interests, increase transparency and accountability and improve consumer trust and confidence in the banking sector. The reform program includes a number of industry-led initiatives such as a commitment by member banks to remove variable sales incentives that are directly linked to product sales and a complete re-write of the industry's Banking Code of Practice 2013 to provide greater protections to customers.

On 17 April 2018, the independent governance expert overseeing the ABA action plan, Mr Ian McPhee, released his eighth and final report titled "Australian banking industry: Package of initiatives". The report noted that banks have made good progress in delivering the initiatives, with most initiatives now implemented.

On 31 July 2018, ASIC approved the new Banking Code of Practice. The new Code will be fully implemented by 1 July 2019 and replaces the Code of Banking Practice 2013.

International regulation

There continues to be proposals and changes by global regulatory advisory and standard-setting bodies, such as the International Association of Insurance Supervisors, the Basel Committee on Banking Supervision and the Financial Stability Board, which, if adopted or followed by domestic regulators, may increase operational and capital costs or requirements (see "*Basel III*" below for further information).

The Group's businesses may also be affected by changes to the regulatory framework in other jurisdictions, including the cost of complying with regulation that has extra-territorial application such as the Bribery Act 2010 (UK), FATCA (as defined below), Dodd–Frank Wall Street Reform and Consumer Protection Act 2010 (US) and other reforms.

There has also been increased regulator expectation and focus in relation to a number of other areas such as data quality and controls, governance and culture and conduct.

Basel III

Basel III is a comprehensive set of reform measures, developed by the Basel Committee, to strengthen the regulation, supervision and risk management of the banking sector globally (see below for a comprehensive description of Basel III).

From 1 January 2016, APRA requires ADIs to maintain a capital conservation buffer in the form of Common Equity Tier 1 capital ("**CET1**") (of 2.5 per cent. of risk-weighted assets unless otherwise determined by APRA) above Basel III minimum requirements and APRA also has the discretion to apply an additional countercyclical buffer in the form of CET1 of up to 2.5 per cent. of risk-weighted assets. On 17 December 2015, APRA announced that the countercyclical buffer applying from 1 January 2016 to the Australian exposures of all ADIs will be set at zero.

On 1 January 2015, APRA also implemented the Basel III Liquidity Coverage Ratio ("**LCR**"), which requires ADIs to hold high quality liquidity assets ("**HQLA**") to meet its net cash outflows under a severe stress scenario lasting 30 days.

On 1 January 2018, APRA implemented the Basel III net stable funding ratio ("**NSFR**"), which is a 12 month structural funding metric, requiring that 'available stable funding' is sufficient to cover 'required stable funding', where 'stable' funding has an actual or assumed maturity of greater than 12 months.

Net Stable Funding Ratio

On 20 December 2016, APRA released the final revised Prudential Standard APS 210 Liquidity (APS 210) and Prudential Practice Guide APG 210 Liquidity (APG 210) which incorporates, among other things, the NSFR requirements for some ADIs.

APRA's objective in implementing the NSFR in Australia for ADIs that are subject to the LCR, implemented in 2015, is to strengthen the funding and liquidity resilience of these ADIs.

The NSFR encourages ADIs to fund their activities with more stable sources of funding on an ongoing basis, and thereby promotes greater balance sheet resilience. In particular, the NSFR should lead to reduced reliance on less-stable sources of funding, such as short-term wholesale funding, that proved problematic during the global financial crisis. The new APS 210 commenced on 1 January 2018.

APRA's plans to remove investor lending benchmark and embed better practices

On 26 April 2018, APRA announced plans to remove the investor loan growth benchmark and replace it with more permanent measures to strengthen lending standards. The 10 per cent. benchmark on investor loan growth was a temporary measure, introduced in 2014 as part of a range of actions to reduce higher risk lending and improve practices. APRA noted that in recent years, ADIs have taken steps to improve the quality of lending, raise standards and increase capital resilience. APRA wrote to ADIs to advise that it was prepared to remove the investor growth benchmark, where the board of an ADI is able to provide assurance on the strength of their lending standards. In summary, for the 10 per cent. benchmark to no longer apply, Boards will be expected to confirm that:

- lending has been below the investor loan growth benchmark for at least the past six months;
- lending policies meet APRA's guidance on serviceability; and
- lending practices will be strengthened where necessary.

For ADIs that do not provide the required commitments to APRA, the investor loan growth benchmark will continue to apply.

As part of these measures, APRA stated that it also expects ADIs to develop internal portfolio limits on the proportion of new lending at very high debt-to-income levels, and policy limits on maximum debt-to-income levels for individual borrowers.

APRA's proposed changes to make the capital framework for ADIs more transparent, comparable and flexible

On 14 August 2018, APRA released a discussion paper which outlines two general approaches designed to aid ADIs in representing and communicating their capital strength.

Under one approach, ADIs would continue using existing definitions of capital and risk-weighted assets, but APRA would develop a methodology allowing them to improve the credibility and robustness of internationally comparable capital ratio disclosures.

Under a second approach, APRA would change the way ADIs calculate capital ratios to instead use more internationally harmonised definitions of capital and risk-weighted assets. To maintain the strength and risk-sensitivity of the capital framework, there would need to be corresponding increases in minimum ratio and/or capital buffer requirements.

APRA stated that it is open to considering these approaches independently or in combination, or retaining its current methodology, and is seeking industry feedback on whether the benefits of the suggested approaches outweigh the regulatory burden and associated increase in complexity.

Separately, the discussion paper proposes measures to make the capital framework more flexible in times of stress, including by increasing the size of regulatory capital buffers relative to minimum regulatory capital requirements. APRA reiterated that the proposals in this paper are not intended to change the quantum or allocation of capital.

APRA intends to consult on draft revised prudential standards incorporating the outcome of this consultation in 2019. Further, APRA stated that it intends to progress any aspects set out in this Discussion Paper that it proposes to adopt in parallel with the revisions to the ADI capital framework outlined in the Discussion Paper released in February 2018.

RBA's release of legal documentation for a Committed Liquidity Facility

In response to the limited supply of Australian Government and semi-government securities, APRA and the RBA have allowed ADIs, by approval, to establish a committed secured liquidity facility ("**CLF**") with the RBA (which is an Alternative Liquidity Assets ("**ALA**") (defined in the Basel III liquidity rules) that expands the regulatory definition of HQLA in jurisdictions where there is a structural shortfall of otherwise Basel III-qualifying HQLA, as is the case in Australia.

In September 2014, the RBA released legal documentation for a CLF, including the terms and conditions of the CLF ("**CLF Terms and Conditions**"). The commitment of the RBA under a CLF to the relevant participating ADI ("**CLF Participant**") became available on and from 1 January 2015, with the applicable commitment fee set at 0.15 per cent. per year (payable monthly) and the drawn rate currently set at 0.25 per cent. plus the cash rate for non-intra day trades. The committed amount under a CLF will be as determined by APRA in accordance with the process advised by APRA in August 2014, and notified to the CLF Participant and the RBA. The Bank has applied for, and has been granted access to, the CLF.

A CLF is terminable by the relevant CLF Participant on not less than 1 months' notice and by the RBA on not less than 12 months' notice.

If there is any failure of, or breach by, the RBA in respect of a CLF, the liability of the RBA to the relevant CLF Participant in respect of claims regarding the CLF is expressly limited and, notwithstanding such limitations, is capped at A$50 million in aggregate.

Amounts owing to the RBA in respect of a CLF by the relevant CLF Participant (which may include, without limitation, fees due but unpaid and amounts owing under an indemnity provided by the CLF participant under the CLF Terms and Conditions) may, in a winding-up of the CLF Participant, be mandatorily preferred over certain other debts of the CLF Participant (including, pursuant to section 13A(3)(d) of the Banking Act and section 86 of the Reserve Bank Act).

Basel III

On 19 July 2017, APRA released its discussion paper on its approach to meeting the Financial Systems Enquiry "Unquestionably Strong" ("**UQS**") recommendation. The paper outlines APRA's key considerations for calibrating prudential limits across the industry, including the requirements for:

- Standardised banks to hold an extra 50 basis points on their Prudential Capital Requirement ("**PCR**") + Capital Conservation Buffer ("**CCB**") limits; and

- Advanced banks to hold an additional 100 basis points of capital more than standardised banks and those that are also domestic systemically import banks ("**DSIBs"**), a further 100bp (total of 200 basis points higher). The market expectation is that the major banks will target a 10.5 per cent. CET1 ratio.

The Bank's existing 7.5 per cent. PCR includes a 150 basis points Capital Conservation Buffer ("**CCB"**), which was established on 1 January 2016 as part of prudential regulation changes. This announced change for UQS effectively increases the Bank's CET1 minimum from 7.5 per cent. to 8.0 per cent., before applying an operating buffer, expected to be in the order of 100 basis points. APRA expects that ADIs will meet UQS requirements by 1 January 2020.

Discussions held with APRA subsequent to the release of the UQS paper have indicated that for standardised ADIs, it is likely that the 50 basis point increase in requirements will be as a result of changes to risk weights under the revisions to prudential standards, rather than just being added on as an increase to PCR or the CCB. The 50 basis points presented in their paper was intended to provide a benchmark to assist in capital planning ahead of the implementation of APRA framework changes in 2022, with the actual change based on each individual ADI's exposures.

Revisions to the Capital Framework ("***Basel III***")

Whilst the International Standards for Basel III have been finalised, certainty around the Bank's capital requirements won't be known until APRA outlines its jurisdictional approach to their implementation in Australia. A significant recalibration of risk-weighted assets ("**RWAs**") was initially expected under the requirements of the APRA discussion paper "Revisions to the capital framework for authorised deposit-taking institutions" issued 14 February 2018.

APRA released a further discussion paper "Improving the transparency, comparability and flexibility of the ADI capital framework" on 14 August 2018 which focussed on the presentation of capital ratios that could mean increased capital requirements through means other than increased risk weights.

APRA is currently undertaking a quantitative impact study to calibrate the proposals detailed in the February 2018 Discussion Paper. APRA will initially consult on draft revised prudential standards without regard to the options outlined above by the end of 2018.

Additionally, APRA released a discussion paper "Increasing the loss-absorbing capacity of ADIs to support orderly resolution" on 8 November 2018. This outlined a new requirement for ADIs to maintain additional loss absorbency for resolution purposes. The requirement would be implemented by adjusting the amount of **total capital** that ADIs must maintain, therefore using existing capital instruments rather than introducing new forms of loss-absorbing instruments.

For D-SIBs such as the major banks in Australia, this is projected to require an increase in the total capital requirement of between four and five percentage points of RWA**s**, with four years to meet the new requirement. It is anticipated the D-SIBs would satisfy this requirement predominantly with additional Tier 2 capital.

For other ADIs such as the Bank, the need for additional loss absorbency would be considered as part of resolution planning. For most other ADIs it is likely that an orderly resolution could occur without the need for additional loss absorbency. However, for a small number, due to their complexity or the nature of their functions, additional loss absorbency may be required.

Depending on the outcome of this discussion paper, APRA expects to notify ADIs of increases to their total capital requirements from 2019.

Crisis management

The Financial System Inquiry report recommended that APRA's crisis management powers be expanded. On 5 March 2018, the *Financial Sector Legislation Amendment (Crisis Resolution Powers and Other Measures) Act 2018* (Cth) (the "**Crisis Management Act**") came into effect. The Crisis Management Act amends the Banking Act (among other statutes applicable to financial institutions in Australia) and is intended to enhance certain of APRA's powers. Specifically, the Crisis Management Act enhances APRA's powers to facilitate the orderly resolution of the entities it regulates (and their subsidiaries) in times of distress. Additional powers given to APRA under the Crisis Management Act which could impact the Bank and potentially the position of Noteholders, include greater oversight, management and directions powers in relation to the Bank which were previously not regulated by APRA, increased statutory management powers over regulated entities within the Group and changes which are designed to give statutory recognition to the conversion or write-off of regulatory capital instruments (the "**Statutory Conversion and Write-Off Provisions**").

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

Changes in technology

Technology plays an increasingly important role in the delivery of financial services to customers in a cost effective manner. The Bank's ability to compete effectively in the future will, in part, be driven by its ability to maintain an appropriate technology platform for the efficient delivery of its products and services.

The Bank is currently working with its IT vendors/partners to modernise its IT infrastructure, application architecture and operating environment.

Industry competition

There is substantial competition for the provision of financial services in the markets in which the Bank operates. Existing participants or potential new entrants to the market, especially in the Bank's main markets and products, could heighten competition and reduce margins or increase costs of participation, which would adversely affect the Group's financial performance and position. As the financial services industry is a licensed and regulated industry, the prudential framework across industry participants creates its own challenges. Changes in the regulatory environment will potentially influence the industry's competitive dynamic.

Risks to the Group growth strategy

Risks that relate to the Bank's growth strategy are interrelated and include risk of local market saturation, risks associated with geographical diversification, changes in wholesale funding markets, changes in general economic conditions, regulatory reform and the availability of appropriate franchisees to operate and grow the OMB network.

Risk of local market saturation

Despite the size of the Queensland market, the Bank faces the challenge of maintaining a high penetration rate in that market in order to achieve continued growth. In addition, the Bank will continue to be exposed to fluctuations in the Queensland economy and property market in particular.

Risk of geographical diversification

The market is aware that the Bank has completed mergers with Pioneer Permanent Building Society (North Queensland) in 2006 and Home Building Society (Western Australia) in 2007, and the acquisition of Virgin Money (Australia) Pty Limited in April 2013 and Investec Bank (Australia) Limited (now renamed BOQ Specialist Bank Limited ("**BOQ Specialist**") in July 2014). BOQ Specialist has a substantial market share of medical and accounting professionals and combining this with access to the Bank's products and funding will create significant growth opportunities. On 30 December 2016, the Bank acquired Centrepoint Alliance Premium Funding Pty Ltd, a provider of niche insurance premium funding products to small business and commercial customers.

Funding for growth

Changes in wholesale funding markets may cause an inability to raise sufficient wholesale funds to fund the Bank's asset growth strategies.

Effect of economic conditions

General economic conditions in Australia and Queensland in particular may worsen which could stifle credit growth and restrict the Bank's ability to grow in line with its growth strategy, or result in an increase in impairment expense that could adversely impact profitability.

Mergers, acquisitions and divestments

The Bank may engage in merger, acquisition or divestment activities which facilitate the Bank's strategic direction. These activities may involve entering new markets, exiting products and/or offering third party manufactured products or expanding the Group's current product suite and may affect the Group's risk profile through changes to, or to the relative importance of, the geographies and/or product types to which it has exposures. Whilst the Bank recognises that benefits may arise from merger, acquisition or divestment activities, significant risks exist in both the execution and implementation of such activities.

It is likely that the Bank would raise additional debt or raise equity to finance any major merger or acquisition and this would cause the Bank to face the financial risks and costs associated with additional debt or equity. Where the Bank decides to divest a business or asset, this may involve a loss against book value, particularly of any goodwill or other intangibles.

Changes in ownership and management may result in impairment of relationships with employees and customers of the acquired businesses. Depending on the type of transaction, it could take a substantial period of time for the Bank to realise the financial benefits of the transaction, if any.

Any acquisition or divestment may result in a material positive or negative impact on the Group's financial position, including reported profit and loss and capital ratios. There can be no assurance that any acquisition (or divestment) would have the anticipated positive results, including results relating to the total cost of integration (or separation), the time required to complete the integration (or separation), the amount of longer-term cost savings, the overall performance of the combined (or remaining) entity, or an improved price for the Bank's securities. The Bank's operating performance, risk profile and capital structure may be affected by these corporate opportunities and there is a risk that Bank's credit ratings may be placed on credit watch or downgraded if these opportunities are pursued.

Integration (or separation) of an acquired (or divested) business can be complex and costly, sometimes including combining (or separating) relevant accounting and data processing systems, and management controls, as well as managing relevant relationships with employees, customers, regulators, counterparties, suppliers and other business partners. Integration (or separation) efforts could create inconsistencies in standards, controls, procedures and policies, as well as diverting management attention and resources. This could adversely affect the Bank's ability to conduct its business successfully and impact the Bank's operations or results. Additionally, there can be no assurance that employees, customers, counterparties, suppliers and other business partners of newly acquired (or retained) businesses will remain post-acquisition (or post-divestment), and the loss of employees, customers, counterparties, suppliers and other business partners could adversely affect the Bank's operations or results.

Contingent Liabilities

Guarantees, indemnities and letters of credit

There are contingent liabilities arising in the normal course of business and against which no loss is anticipated. Guarantees are provided to third parties on behalf of customers. The credit risks of such facilities are similar to the credit risks of loans and advances.

Legal proceedings

From time to time, the Group may be subject to material litigation, regulatory actions, legal or arbitration proceedings and other contingent liabilities which, if they crystallise, may adversely affect the Group's results.

The Group may be exposed to risks relating to the provision of advice, recommendations or guidance about financial products and services, or behaviours which do not appropriately consider the interests of consumers, the integrity of the financial markets and the expectations of the community, in the course of its business activities.

In recent years there have been significant increases in the nature and scale of regulatory investigations and reviews, enforcement actions (whether by court action or otherwise) and the quantum of fines issued by regulators, particularly against financial institutions both in Australia and globally. The nature of those investigations, reviews and enforcement actions can be wide ranging

and, for example, currently include a range of matters including responsible lending practices, product suitability, wealth advice and conduct in financial markets and capital markets transactions.

Regulatory investigations, fines, other penalties or regulator imposed conditions could adversely affect the Group's business, reputation, prospects, financial performance or financial condition.

On 11 March 2016, the Bank was served with class action proceedings commenced in the New South Wales Registry of the Federal Court. The proceedings were commenced by Petersen Superannuation Fund Pty Ltd on behalf of an open class against the Bank and DDH Graham Limited and relate to the affairs of the Sherwin group of companies, including Wickham Securities Limited (in Liquidation), Sherwin Financial Planners Pty Ltd (in Liquidation), DIY Superannuation Services Pty Ltd (in Liquidation) and certain of their related entities, with respect to the operation of some of the Bank's Money Market Deposit Accounts. On 26 February 2018, the Bank announced that a settlement had been reached. The settlement was approved by the Federal Court on 30 May 2018.

Regulatory fines and sanctions

Anti-money laundering, counter-terrorist financing, sanctions compliance and market manipulation have been the subject of increasing regulatory change and enforcement in recent years. The upward trend in compliance breaches by global banks and the related fines and settlement sums means that these risks continue to be an area of focus for the Bank.

The risk of non-compliance with anti-money laundering, counter-terrorist financing and sanction laws remains high given the current environment in which the Bank operates. A failure to develop and implement a robust program to combat money laundering, bribery and terrorist financing or to ensure compliance with economic sanctions and market conduct laws and regulations could have serious legal and reputational consequences for the Bank and its employees. Consequences can include fines, criminal and civil penalties (including custodial sentences), civil claims, reputational harm, possible limitations or amendments to banking licenses and limitations on doing business in certain jurisdictions.

Litigation and regulatory proceedings

As noted above, the Bank (like all entities in the banking, insurance or finance sectors) is exposed to the risk of litigation and/or regulatory reviews or proceedings brought by or on behalf of policyholders, deposit holders, reinsurers, government agencies or other potential claimants. If the Group fails to meet its legal or regulatory requirements, it may be exposed to fines, public censure, litigation, settlements, restitution to customers, regulators or other stakeholders, or enforced suspension of operations or loss of licence to operate all or part of the Group's business.

There can be no assurance that significant litigation will not arise in the future and that the outcome of legal proceedings from time to time will not have an adverse effect on the Bank's businesses, financial performance, financial condition or prospects.

Reputation

Reputation risk may arise through the actions of the Bank or other financial services market participants and adversely affect perceptions of the Bank held by the public, securityholders, regulators or rating agencies. These issues include appropriately dealing with potential conflicts of interests, pricing policies, legal and regulatory requirements, ethical issues, litigation, money laundering laws, trade sanctions legislation, privacy laws, information security policies, sales and trading practices, technology failures, security breaches and risk management failures. Damage to the Bank's reputation may have an adverse impact on the Bank's financial performance, capacity to

source funding and liquidity, cost of sourcing funding and liquidity and by constraining business opportunities.

Credit ratings

Credit ratings are opinions on the Group's creditworthiness. The Group's credit ratings affect the cost and availability of its funding from capital markets and other funding sources and they may be important to customers or counterparties when evaluating its products and services. Therefore, maintaining high quality credit ratings is important.

The credit ratings assigned to the Group and its subsidiaries by rating agencies are based on an evaluation of a number of factors, including financial strength, support from members of the Group and structural considerations regarding the Australian financial system. A credit rating downgrade could be driven by the occurrence of one or more of the other events identified as risks in this section of the Information Memorandum or by other events, including changes to methodologies used by the rating agencies to determine ratings.

If the Bank fails to maintain its current credit ratings, this could adversely affect the Group's cost of funds and related margins, competitive position and its access to capital and funding markets. This could adversely affect the Group's businesses, financial performance, liquidity, capital resources, financial condition and prospects. The extent and nature of these impacts would depend on various factors, including the extent of any ratings change, whether the ratings of the Bank differ among agencies (split ratings) and whether any ratings changes also impact the Group's peers or the banking and insurance sectors.

The Bank's current long-term debt ratings are shown below. In May 2017, S&P downgraded the Bank to BBB+ and revised the credit ratings of 24 other financial institutions. S&P had previously placed the four Australian major banks on negative outlook reflecting the outlook of the Australia's triple-A sovereign rating.

Rating Agency	Short Term	Long Term	Outlook
S&P	A2	BBB+	Stable
Fitch	F2	A-	Stable
Moody's	P2	A3	Stable

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

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

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

Dependence on the Australian and Queensland economies

The Bank's revenues and earnings are dependent on economic activity and the level of financial services its customers require. In particular, lending is dependent on customer and investor confidence, the state of the economy, the residential lending market and prevailing market interest rates in Australia and in Queensland in particular. These factors are, in turn, impacted by both domestic and international economic and political events, natural disasters and the general state of the global economy.

A downturn in the Australian or Queensland economy could adversely impact the Bank's results of operations, liquidity, capital resources and financial condition.

Geopolitical instability, such as threats of, potential for, or actual conflict, occurring around the world may also adversely affect global financial markets, general economic and business conditions and, in turn, the Bank's business, operations and financial condition.

Risk of natural disasters

Natural disasters such as (but not restricted to) cyclones, floods and earthquakes, and the economic and financial market implications of such disasters on domestic and global conditions can adversely affect the Bank's business, operations and financial condition.

Environmental risk

The Bank and its customers operate businesses and hold assets in a diverse range of geographical locations. Any significant environmental change or external event (including fire, storm, flood, earthquake or pandemic) in any of these locations has the potential to disrupt business activities, impact on the Bank's operations, damage property and otherwise affect the value of assets held in the affected locations and the Bank's ability to recover amounts owing to it. In addition, such an event could have an adverse impact on economic activity, consumer and investor confidence, or the levels of volatility in financial markets, which could adversely affect the Bank's businesses, financial performance, capital resources, financial condition and prospects.

The Bank is exposed to risks associated with cyber security, which may adversely impact its business, operations and financial condition

The Bank is highly dependent on information systems and technology. Therefore, there is a risk that these, or services the Bank uses or is dependent upon, might fail, including because of unauthorised access or use. Most of the Bank's daily operations are computer-based and information systems applications and technology are essential to maintaining effective communications with customers. The Bank is also conscious that threats to information systems applications and technology are continuously evolving and cyber threats and risk of attacks are increasing.

Cyber security means protecting the cyber environment and information from threats including unauthorised access, use, disclosure, disruption, modification, perusal, inspection, recording or destruction. By its nature, the Bank handles a considerable amount of personal and confidential information about its customers. The exposure to systems risks include the complete or partial failure of information technology systems due to, among other things, failure to keep pace with industry developments and the capacity of the existing systems to effectively accommodate growth, prevent

unauthorised access and integrate existing and future acquisitions and alliances. There is a risk that information may be inadvertently or inappropriately accessed or distributed or illegally accessed or stolen.

To manage these risks, the Bank employs a cyber security team who are responsible for the development and implementation of the Bank's information security policies, operational procedures and cyber security specialist partners. The Bank is conscious that threats to cyber security are continuously evolving and as such the Bank conducts regular internal and external reviews to ensure new threats are identified, evolving risks are mitigated, policies and procedures are updated and good practice is maintained. However, the Bank may not be able to anticipate all attacks as they may be dynamic in nature or implement effective measures to prevent or minimise disruptions that may be caused by all cyber threats because the techniques used can be highly sophisticated and those perpetuating the attacks may be well resourced. As there can be no guarantee that the steps taken by the Bank to manage the risks will be fully effective, any failure of these systems could result in business interruption, customer dissatisfaction, legal or regulatory breaches and liability, loss of customers, financial compensation, damage to reputation and/or a weakening of the Bank's competitive position, which could adversely impact the Bank's business and have a material adverse effect on the Bank's operations and financial condition.

The Bank's ability to attract and retain suitably qualified and skilled employees is an important factor in achieving its strategic objectives. If the Bank had difficulty retaining or attracting highly qualified people for important roles, this could adversely affect its business, operations and financial condition.

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

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

Risk of a major systemic shock to the Australian or other financial systems

In recent years, global credit and equity markets have been characterised by uncertainty and volatility. More recently, the global backdrop has improved and volatility in global financial markets has receded. There is a possibility that more challenging market conditions return when major central banks begin the process of normalising monetary policy settings. The uneven pace of economic growth and deflation risks in Europe, concerns about the strength of the US economy, the sustainability of economic growth in China and broader geopolitical risks all pose risks to global financial markets.

Any such market and economic disruptions could have an adverse effect on financial institutions such as the Bank because consumer and business confidence may decrease, unemployment may rise and demand for the products and services the Bank provides may decline, thereby reducing the Bank's earnings. These conditions may also affect the ability of the Bank's borrowers to repay their loans, or the Bank's counterparties to meet their obligations, causing it to incur higher credit losses. These events could also result in the undermining of confidence in the financial system, reducing liquidity and impairing the Bank's access to funding and impairing its customers and counterparties and their businesses.

The nature and consequences of any such event are difficult to predict and there can be no guarantee that the Bank could respond effectively to any such event. If the Bank were not to respond effectively, the Bank's businesses, financial performance, financial condition and prospects could be adversely affected.

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

The Bank's capital base is critical to the management of its businesses and access to funding. The Bank is required by APRA to maintain adequate regulatory capital.

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

Failure of risk management strategies

The Group has implemented risk management strategies and internal controls involving processes and procedures intended to identify, monitor and mitigate the risks to which it is subject as noted above.

However, there are inherent limitations with any risk management framework as there may exist, or develop in the future, risks that the Group has not anticipated or identified or controls that may not operate effectively.

If any of the Group's risk management processes and procedures prove ineffective or inadequate or are otherwise not appropriately implemented, the Group could suffer unexpected losses and reputational damage which could adversely affect the Bank's businesses, financial performance, capital resources, financial condition and prospects.

General risks

Changes in economic conditions

The financial performance of the Bank could be affected by changes in economic conditions in Queensland, Australia and overseas. Such changes include:

- changes in economic growth, unemployment levels and consumer confidence which may lead to a general fall in the demand for the Bank's products and services or increased defaults under the Bank's exposures;
- changes in underlying cost structures for labour and service charges;
- changes in fiscal and monetary policy, including inflation and interest rates, which may impact the profitability of the Bank or cause a general fall in the demand for the Bank's products and services;
- declines in aggregate investment and economic output in Queensland, Australia or in key offshore regions;
- national or international political and economic instability or the instability of national or international financial markets including as a result of terrorist acts or war; and
- changes in asset values, particularly commercial and residential real estate.

The dislocation in credit and capital markets over the last three to four years has significantly impacted global economic activity including the Australian economy, with domestic and global economies slowing or in a recession and experiencing rising unemployment. This has led to a decrease in credit growth and the reduction in consumer and business confidence which in turn has impacted values of commercial and residential real estate. A further downturn in sectors of the Queensland or Australian economy or in the Queensland or Australian economy generally or slowing of the stronger sectors of the economy may lead to a lower demand for the Bank's products and services, or adversely affect the performance of the Bank's asset portfolio, and therefore could further adversely impact the Bank's financial performance and position.

Although the Bank will have in place a number of strategies to minimise the exposure to economic risk and will engage in prudent management practices to minimise its exposure to risk in the future, such factors may nonetheless have an adverse impact on the Bank's financial performance and position.

Risks related to the structure of a particular issue of Notes

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

Notes subject to optional redemption by the Issuer

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

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

Fixed/Floating Rate Notes

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

Notes issued at a substantial discount or premium

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

Future discontinuance of LIBOR may adversely affect the value of Floating Rate Notes which reference LIBOR and other regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"

On 27 July 2017, the Chief Executive of the FCA, which regulates LIBOR, announced that the FCA does not intend to continue to persuade, or use its powers to compel, panel banks to submit rates for the calculation of LIBOR to the administrator of LIBOR, ICE Benchmark Administration, after 2021. The announcement indicates that the continuation of LIBOR on the current basis is not guaranteed after 2021. It is possible that the LIBOR administrator and the panel banks could continue to produce LIBOR on the current basis after 2021 if they are willing and able to do so. However, it is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards. This may cause LIBOR to perform differently than it did in the past and may have other consequences that cannot be predicted.

In addition to this announcement in relation to LIBOR, there have been other recent national and international regulatory guidance and proposals for reform of interest rates and indices which are deemed to be "benchmarks", including LIBOR and EURIBOR. Some of these reforms are already effective whilst others are still to be implemented. These reforms could include, among other things, reforms to other "benchmarks" similar to those reforms announced in relation to LIBOR, and any such reforms may cause such "benchmarks" to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on the value or liquidity of, and return on, any Floating Rate Notes or any other Notes which are linked to or reference a "benchmark".

The Benchmarks Regulation was published in the Official Journal of the EU on 29 June 2016 and has applied across the EU from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It (i) requires benchmark administrators to be authorised or registered (or, if non-EU based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

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

More broadly, any of the international or national reforms (including those announced in relation to LIBOR and the application of any similar reforms to other "benchmarks"), or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark"; or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a "benchmark".

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation reforms in making any investment decision with respect to any Notes linked to or referencing a "benchmark".

Investors should be aware that, if LIBOR is discontinued, or if there are changes to the manner in which LIBOR is administrated or if LIBOR is otherwise unavailable, the value of or return on any Floating Rate Notes linked to LIBOR could be adversely affected. In particular, investors should be aware that if LIBOR is discontinued, the rate of interest on Floating Rate Notes which reference LIBOR will be determined for the relevant period by the fall-back provisions applicable to such Notes provided for under Condition 4(b)(ii)(B)(3) ("Screen Rate Determination for Floating Rate Notes") of the Terms and Conditions of the Notes. Depending on the manner in which the LIBOR rate is to be determined under the Terms and Conditions, this may in certain circumstances (i) be reliant upon the provision by reference banks of offered quotations for the LIBOR rate which, depending on market circumstances, may not be available at the relevant time or (ii) result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR was available. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, any Floating Rate Notes which reference LIBOR.

Risks related to Notes generally

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

Modification and waiver

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

The conditions of the Notes also provide that the Principal Paying Agent and the Issuer may, without the consent of Noteholders, agree to (i) any modification of the Notes, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders or (ii) any modification of the Notes, the Coupons, or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with a mandatory provision of law.

Change of law

The conditions of the Notes are based on English law in effect as at the date of this Information Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Information Memorandum.

Notes where denominations involve integral multiples: Definitive Notes

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that such Notes may be traded in amounts in excess of such minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount which is less than the minimum Specified Denomination in his 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) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

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

Risks related to the market generally

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

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market 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 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. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

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

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

Interest rate risks

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

Credit ratings may not reflect all risks

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

Form of the Notes

Initial Issue of Notes

Each Tranche of Notes will initially be represented by either a Temporary Global Note or a Permanent Global Note, which on issue, in either case, will be delivered to a common depositary outside the United States for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**"). Upon such delivery, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder of a Note represented by a Temporary Global Note or a Permanent Global Note (each a "**Global Note**") must look solely to Euroclear, Clearstream, Luxembourg or such other clearing system (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note, and in relation to all other rights arising under the Global Notes, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such other clearing system (as the case may be). Subject to the Terms and Conditions such person shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note in respect of each amount so paid.

Exchange

1. **Temporary Global Notes.** On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Global Note is issued, interests in a Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Global Note of the same Series or (ii) for Definitive Notes of the same Series (as indicated in the applicable Final Terms and subject, in the case of Definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described below unless such certification has already been given. The holder of a Temporary 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 Global Note for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused.

2. **Permanent Global Notes.** The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Notes upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described therein1 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 9 ("Events of Default")) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes

represented by the Permanent Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 ("Notices") if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the 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 Agent.

The exchange of a Permanent Global Note for definitive Notes upon notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder) or at anytime at the request of the Issuer should not be expressed to be applicable in the applicable Final Terms if the Notes are issued with a minimum Specified Denomination such as EUR100,000 (or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount such as EUR1,000 (or its equivalent in another currency). Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for definitive Notes.

In this Information Memorandum, "**Definitive Notes**" means, in relation to any Global Note, the Definitive Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that has not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Agency Agreement. On exchange in full of each Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3. **Payments.** Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date will be made against presentation of the Temporary Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such 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 Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Global Note without any requirement for certification.

4. **Legend.** The following legend will appear on all Permanent Global Notes, Definitive Notes, Coupons and Talons where TEFRA D is specified in the applicable Final Terms:

"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 Notes or Coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Notes or Coupons.

Deed of Covenant

A Note may be accelerated by the holder thereof in certain circumstances described in "Terms and Conditions of the Notes - Events of Default". In such circumstances, where any Note is still represented by a Global Note and a holder of such Note so represented and credited to his securities account with Euroclear or Clearstream, Luxembourg gives notice that it wishes to accelerate such

Note, unless within a period of 7 days from the giving of such notice payment has been made in full of the amount due in accordance with the terms of such Global Note, such Global Note will become void. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear or Clearstream, Luxembourg will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and Clearstream, Luxembourg, on and subject to the terms of the Deed of Covenant.

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 and each Definitive Note, in the latter case only if permitted by the relevant stock exchange (if any) or other relevant listing authority (if any) and agreed by the Issuer and the relevant Dealer(s) at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Terms and Conditions (excluding the italicised paragraphs).The following Terms and Conditions are subject to completion in accordance with the provisions of the applicable Final Terms in relation to any Tranche of Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Temporary Global Note, Permanent Global Note and Definitive Note. Reference should be made to "**Form of Final Terms**" below. The applicable Final Terms will include the definitions of certain terms used in the following Terms and Conditions or 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 Bank of Queensland Limited (ABN 32 009 656 740) (the "**Issuer**") pursuant to the Agency Agreement (as defined below). References herein to the "Notes" shall be references to the Notes of this Series and shall mean:

(i) in relation to any Notes represented by a Global Note, units of the lowest Specified Denomination in the Specified Currency;

(ii) Definitive Notes issued in exchange for a Global Note; and

(iii) any Global Note.

The Notes and the Coupons (as defined below) have the benefit of an amended and restated agency agreement dated 19 December 2012 (as amended, supplemented or restated from time to time, the "**Agency Agreement**") and made between the Issuer, Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the "**Agent**", which expression shall include any successor as agent) and Citigroup Global Markets Deutschland AG (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents).

Interest bearing Definitive Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, 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.

The Final Terms for this Note (or the relevant provisions thereof) is attached to or endorsed on this Note and supplements these Terms and Conditions. References herein 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.

Any reference herein to "**Noteholders**" shall mean the holders of the Notes, and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to "**Couponholders**" shall mean the holders of the Coupons, and shall, unless the context otherwise requires, include the holders of the Talons.

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

The Noteholders and the Couponholders are entitled to the benefit of a Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the "**Deed of Covenant**") dated 26 February 2014, and made by the Issuer. The original of the Deed of Covenant is held by a common depositary on behalf of Euroclear and Clearstream, Luxembourg (both as defined below).

Copies of the Agency Agreement, the Final Terms applicable to this Note and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Agent and the other Paying Agents save that, if this Note is an unlisted Note of any Series, the applicable Final Terms will only be available for inspection by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between 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 and, in the case of Definitive Notes, serially numbered, in the currency (the "**Specified Currency**") and the denominations (the "**Specified Denomination(s)**"). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Notes and Coupons will pass by delivery. The Issuer and any Paying Agent may deem and treat the bearer of any Note or Coupon 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**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Agent and any other Paying Agent 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 the Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, the Agent and any other Paying Agent 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. Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Agent.

2. Status of the Notes

The Notes and any relevant Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and (subject as provided above) rank and will rank pari passu, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future (other than obligations preferred by mandatory provisions of law).

*The Issuer is an "authorised deposit-taking institution" ("**ADI**") as that term is defined under the Banking Act 1959 of Australia ("**Banking Act**").*

*Section 13A(3) of the Banking Act provides that the assets of an ADI in Australia would, in the event of the ADI becoming unable to meet its obligations or suspending payment, be available to meet certain liabilities in priority to all other liabilities of that ADI. The liabilities which have priority, by virtue of section 13A(3) of the Banking Act, to the claims of holders in respect of the Notes will be substantial, as such liabilities include (but are not limited to) liabilities owed to Australian Prudential Regulation Authority ("**APRA**") in respect of any payments by APRA to holders of protected accounts held with that ADI under the Banking Act, the costs of APRA in certain circumstances, liabilities in Australia owed to holders of protected accounts held with that ADI, debts due to the Reserve Bank of Australia ("**RBA**") and liabilities under certified industry support contracts. A "protected account" is an account or covered financial product that is kept by an account-holder (whether alone or jointly with one or more other account-holders) with an ADI and is either:*

(a) an account, or covered financial product, that is kept under an agreement between the account-holder and the ADI requiring the ADI to pay the account-holder, on demand by the account-holder or at an agreed time by them, the net credit balance of the account or covered financial product at the time of the demand or the agreed time (as appropriate); or

(b) an account prescribed by regulations for the purposes of section 5(4)(a) of the Banking Act.

For the purposes of section 13A(3) of the Banking Act, the assets of the ADI do not include any interest in an asset (or a part of an asset) in a cover pool (as defined in the Banking Act) that may have been established by that ADI for the issuance of any covered bonds.

Under Section 16(2) of the Banking Act, certain other debts due to APRA shall, in a winding-up of an ADI have, subject to section 13A(3) of the Banking Act, priority over all other unsecured debts of the ADI. Further, under section 86 of the Reserve Bank Act 1959 of Australia, debts due by an ADI to the RBA shall, in a winding-up of that ADI, have, subject to sections 13A(3) of the Banking Act, priority over all other debts of that ADI.

The Notes do not constitute protected accounts of the Issuer in Australia under such statutory provisions.

3. Negative Pledge

So long as any of the Notes remain outstanding (as defined in the Agency Agreement), the Issuer will not create or permit to subsist any Security Interest (as defined in Condition 9(b)) upon the whole or any part of its present or future assets or revenues or those of any of its Subsidiaries (as defined below) as security for any Debt Instruments (as defined below) or any Guarantee (as defined in Condition 9(b)) given in respect of any Debt Instruments unless, in the case of the creation of a

Security Interest, prior to or simultaneously therewith, and in any other case, promptly, the Issuer either:

(i) grants or procures to be granted a Security Interest or Security Interests securing its obligations under the Notes and the relative Coupons which will result in such obligations being secured equally and rateably in all respects so as to rank pari passu with the relevant Debt Instruments or Guarantee; or

(ii) grants or procures to be granted such other Security Interest or Security Interests in respect of its obligations under the Notes and the relative Coupons as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

For the purposes of these Conditions, "**Debt Instruments**" means any notes, bonds, certificates of deposit, loan stock, debentures, bills of exchange, transferable loan certificates or other similar instruments of indebtedness issued by, or the obligations under which have been assumed by, the Issuer or a Subsidiary of the Issuer.

In these Conditions, "**Subsidiary**" has the same meaning as that provided in Section 9 of the Corporations Act 2001 of Australia (as amended) (the "**Corporations Act**").

4. Interest

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount 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, 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.

As used in these Conditions, "**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.

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 represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or

(B) in the case of Fixed Rate 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 Fixed Rate 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.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

(i) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

(A) in the case of Notes where the number of days in 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 (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) if "**30/360**" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In these Conditions:

"**Determination Period**" means the 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); and

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

(b) Interest on Floating Rate Notes

(i) Interest Payment Dates

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

(A) the Specified Interest Payment Date(s) (each an "**Interest Payment Date**") in each year specified in the applicable Final Terms; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each 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 (which expression shall, in these Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

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

If a business day convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the business day convention specified is:

(1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply mutatis mutandis or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls within the Specified Period after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In this Condition, "**Business Day**" means a day which is both:

(A) a day on which commercial banks and foreign exchange markets settle payments in London and any Additional Business Centre specified in the applicable Final Terms; and

(B) either (1) in relation to interest payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant

Specified Currency (which if the Specified Currency is Australian dollars shall be Sydney) or (2) in relation to any sum payable in euro, a day on which the Trans European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "**TARGET2 System**") is open.

(ii) *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.

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc. (the "**ISDA Definitions**")) and under which:

(1) the Floating Rate Option is as specified in the applicable Final Terms;

(2) the Designated Maturity is a period specified in the applicable Final Terms; and

(3) the relevant Reset Date is as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

(B) *Screen Rate Determination for Floating Rate Notes*

(1) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation; or

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

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (Relevant Financial Centre time) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as

determined by the Agent. 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 Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations

(2) If the Relevant Screen Page is not available or, if in the case of Condition 4(b)(ii)(B)(1)(A) above, no such offered quotation appears or, in the case of Condition 4(b)(ii)(B)(1)(B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph the Agent shall request each of the Reference Banks (as defined below) to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11.00 a.m. (Relevant Financial Centre 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 appropriate) the Margin (if any), all as determined by the Agent.

(3) If on any Interest Determination Date one only or none of the Reference Banks provides the Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately 11.00 a.m. (Relevant Financial Centre 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 London inter-bank market (if the Reference Rate is LIBOR) or the Euro-Zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately 11.00 a.m. (Relevant Financial Centre 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 such purpose) informs the Agent it is quoting to leading banks in the London interbank market (if the Reference Rate is LIBOR) or the Euro-Zone inter-bank market (if the Reference Rate is EURIBOR) 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 paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant 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).

(4) In these Terms and Conditions, the following expressions have the following meanings:

(A) "**Reference Banks**" means, in the case of Condition 4(b)(ii)(B)(1)(A) above, those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Relevant Screen Page and, in the case of Condition 4(b)(ii)(B)(1)(B) above, those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared.

(B) "**Reference Rate**" means LIBOR or EURIBOR.

(iii) Minimum and/or Maximum Interest Rate

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 (ii) 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 (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) Determination of Rate of Interest and Calculation of Interest Amounts

The Agent 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 Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or

(B) in the case of Floating Rate 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 subunit being rounded upwards or otherwise in

accordance with applicable market convention. Where the Specified Denomination of a Floating Rate 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.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Period:

(A) 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 (1) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(B) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(C) 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;

(D) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

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

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D_1 will be 30; and

"D_2" 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 D_1 is greater than 29, in which case D_2 will be 30;

(F) 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:

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" 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

"D_2" 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 D_2 will be 30; or

(G) 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:

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

where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D_1" 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 D_1 will be 30; and

"**D_2**" 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 D_2 will be 30.

(v) 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 Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant 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 Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Designated Maturity**" means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(vi) Notification of Rate of Interest and Interest Amounts

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than 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 13. 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 business in London.

(vii) Certificates to be Final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b) by the Agent shall (in the absence of wilful default, bad faith or manifest error by them or any of their directors, officers, employees or agents) be binding on the Issuer, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence of the above) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition.

(c) 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, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(i) the date on which all amounts due in respect of such Note have been paid; and

(ii) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

5. Payments

(a) Method of Payment

Subject as provided below:

(i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) 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; and

(ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7, and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or law implementing an intergovernmental approach thereto. Reference in these Conditions to "**Specified Currency**" will include any successor currency under applicable law.

(b) Presentation of Definitive Notes and Coupons

Payments of principal in respect of Definitive Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Notes, and payments of interest in respect of Definitive 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 form (other than Long Maturity Notes (as defined below) 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 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, 5 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 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 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.

(c) Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Notes and otherwise in the manner specified in the relevant Global Note 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 made against presentation or surrender of any Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note either by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

(d) General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer 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 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:

(i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of

the full amount of principal and interest on the Notes in the manner provided above when due;

(ii) 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

(iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(e) Payment Day

If the date for payment of any amount in respect of any Note 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 8) is:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(A) the relevant place of presentation, in the case of Notes in definitive form only; and

(B) any Additional Financial Centre specified in the applicable Final Terms; and

(ii) either (1) in relation to any sum payable in a Specified Currency other than euro, 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 shall be Sydney) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(f) Interpretation of Principal and Interest

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(i) any Additional Amounts which may be payable with respect to principal under Condition 7;

(ii) the Final Redemption Amount of the Notes;

(iii) the Early Redemption Amount of the Notes;

(iv) the Optional Redemption Amount(s) (if any) of the Notes;

(v) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(e)); and

(vi) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and 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 7.

6. Redemption and Purchase

(a) Redemption at Maturity

Unless previously redeemed or purchased and cancelled 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.

(b) Redemption for Tax Reasons

If (i) as a result of any change in, or amendment to, the laws or regulations of the Commonwealth of Australia or the State of Queensland or any political sub-division of, or any authority in, or of, the Commonwealth of Australia or the State of Queensland having power to tax, or any change in the application or official interpretation of the laws or regulations, which change or amendment becomes effective after the Issue Date of the first Tranche of the Notes, on the occasion of the next payment due in respect of the Notes the Issuer would be required to pay Additional Amounts as provided or referred to in Condition 7, and (ii) the requirement cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable), redeem all the Notes, but not some only, 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) provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Agent a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any notice as is referred to in this paragraph the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the provisions of this paragraph.

Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) Redemption at the Option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given:

(i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 13; and

(ii) not less than 15 days before the giving of the notice referred to in (i) above, notice in writing to the Agent;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption 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 equal to the Minimum Redemption Amount or a Higher Redemption Amount. 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, 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 13 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by Definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of Definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first- mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a Global Note shall be equal to the balance of the Redeemed Notes. 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 paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least 5 days prior to the Selection Date.

(d) Redemption at the Option of the Noteholders (Investor Put)

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 13 not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

If this Note is in definitive form, to exercise the right to require redemption of this Note the holder of this Note must deliver such Note at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, accompanied by 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 (a "**Put Notice**") and in which the holder must specify a bank account or, if payment is by cheque, an address to which payment is to be made under this Condition. If this Note is represented by a Global Note, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 9.

(e) Early Redemption Amounts

For the purpose of paragraph (b) above and Condition 9, each Note will be redeemed at the Early Redemption Amount calculated as follows:

(i) in the case of a Note with a Final Redemption Amount equal to the Issue Price of the first Tranche of the Series, at the Final Redemption Amount thereof;

(ii) 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 of the first Tranche of the Series, at the amount specified in the applicable Final Terms or, if no such amount is so specified in the applicable Final Terms, at their nominal amount; or

(iii) in the case of a Zero Coupon Note, at an amount (the "**Amortised Face Amount**") equal to the product of:

(A) the Reference Price; and

(B) the sum of the figure 1 and the Accrual Yield, raised to the power of x, where "x" 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).

(f) Purchases

The Issuer or any of its Related Entities (as defined below) may at any time purchase Notes (provided that, in the case of Definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation. In this Condition 6(f), "**Related Entities**" has the meaning given to that term in the Corporations Act.

(g) Cancellation

All Notes which are (i) redeemed or (ii) purchased for cancellation pursuant to paragraph (f) above, will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption), and shall be forwarded to the Agent and cannot be reissued or resold.

(h) 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 paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e) (iii) 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:

(i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(ii) 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 Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

7. Taxation

All payments in respect of the Notes and Coupons by the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed or levied by or on behalf of the Commonwealth of Australia or the State of Queensland, or any political sub-division of, or any authority in, or of, the Commonwealth of Australia or the State of Queensland having power to tax, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amounts received by the Noteholders and Couponholders after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in respect of the Notes or Coupons, in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable in relation to any payment in respect of any Note or Coupon:

(a) to, or to a third party on behalf of, a holder who is liable to such Taxes in respect of such Note or Coupon by reason of his having some connection with the Commonwealth of Australia or the State of Queensland other than the mere holding of such Note or Coupon or receipt of principal or interest in respect thereof provided that such a holder shall not be regarded as being connected with the Commonwealth of Australia for the reason that such a holder is a resident of the Commonwealth of Australia within the meaning of the Income Tax Assessment Act 1936 (the "**Tax Act**") where, and to the extent that, such tax is payable by reason of section 128B(2A) of the Tax Act;

(b) in relation to Taxes imposed on the net income of the holder;

(c) presented for payment by or on behalf of a holder who could lawfully avoid (but has not so avoided) such withholding or deduction by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where such Note or Coupon is presented for payment;

(d) presented for payment more than 30 days after the Relevant Date except to the extent that a holder would have been entitled to Additional Amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been an Interest Payment Date;

(e) where such withholding or deduction is required to be made pursuant to a notice or direction issued by the Commissioner of Taxation under section 255 of the Tax Act or section 260-5 of Schedule 1 to the Taxation Administration Act 1953 of Australia or any similar law;

(f) to the extent that the Issuer is obliged to pay tax in respect of a payment made to, or to a party on behalf of, a holder of such Note or Coupon under section 126 of the Tax Act by reason of the holder being an Australian resident or a non-resident that carries on business at or through a permanent establishment in Australia and not having disclosed to the Issuer its name and address;

(g) to a holder that is not the beneficial owner of such Note or Coupon to the extent that the beneficial owner thereof would not have been entitled to the payment of such Additional Amounts had such beneficial owner been the holder of such Note; or

(h) to, or to a third party on behalf of, a holder who is liable to the Taxes in respect of the Note or Coupon by reason of their being an Offshore Associate of the Issuer.

For the avoidance of doubt, no Additional Amounts are payable in relation to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code ("**FATCA**"), any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

As used herein, 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 Agent on or before the 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 13.

As used herein, "**Offshore Associate**" means an associate (as defined in section 128F(9) of the Tax Act) that is either:

(a) a non-resident of Australia for Australian tax purposes which does not acquire the Note or Coupon in the course of carrying on a business at or through a permanent establishment in Australia; or

(b) a resident of Australia for Australian tax purposes that acquires the Note or Coupon in the course of carrying on a business at or through a permanent establishment outside Australia,

which is not:

(c) acquiring the Note or Coupon in the capacity of a dealer, manager or underwriter in relation to the placement of the Note or Coupon, or in the capacity of a clearing house, custodian, fund manager or responsible entity of a registered scheme; or

(d) receiving payment under the Note or Coupon in the capacity of a clearing house, paying agent, custodian, fund manager or responsible entity of a registered scheme.

8. Prescription

The Notes and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and 5 years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor, subject as provided in Condition 5(b).

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 5(b) or any Talon which would be void pursuant to Condition 5(b).

9. Events of Default

*(a) If any one or more of the following events (each an "**Event of Default**") shall occur:*

(i) if the Issuer fails to pay any principal or any interest in respect of the Notes within seven days of the relevant due date;

(ii) if the Issuer is in default in the performance, or is otherwise in breach, of any covenant or undertaking or other agreement of the Issuer in respect of the Notes (other than any obligation for the payment of any amount due in respect of any of the Notes) and such default or breach continues for a period of 14 days after notice thereof has been given to the Issuer;

(iii) if it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Notes or the Agency Agreement;

(iv) if the Issuer (A) becomes insolvent, is unable to pay its debts as they fall due or fails to comply with a statutory demand (which is still in effect) under section 459F of the Corporations Act, or (B) stops or suspends or threatens to stop or suspend payment of all or a material part of its debts or appoints an administrator under section 436A of the Corporations Act, or (C) begins negotiations or takes any proceeding or other step with a view to re-adjustment, rescheduling or deferral of all its indebtedness (or any part of its indebtedness which it will or might otherwise be unable to pay when due) or proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors, or a moratorium is agreed or declared in respect of or affecting indebtedness of the Issuer, except in any case referred to in (C) above for the purposes of a solvent reconstruction or amalgamation the terms of which have previously been approved by an Extraordinary Resolution of the Noteholders and in the case referred to in (B) above, no Event of Default in respect of the Notes shall occur solely on account of any failure by the Issuer to perform or observe any of its obligations in relation to, the agreement or declaration of any moratorium with respect to, the suspension of any payments on or the taking of any proceeding in respect of, any share, note or other security or instrument constituting Tier 1 Capital or Tier 2 Capital (as defined by APRA from time to time);

(v) if an order is made or an effective resolution is passed for the winding-up of the Issuer (except in any such case for the purposes of a solvent reconstruction or amalgamation the terms of which have previously been approved by an Extraordinary Resolution of the Noteholders) or an administrator is appointed to the Issuer by a provisional liquidator of the Issuer under section 436B of the Corporations Act;

(vi) if a distress, attachment, execution or other legal process is levied, enforced or sued out against or on the Issuer or against all or a material part of the assets of the Issuer and is not stayed, satisfied or discharged within 21 days;

(vii) if any present or future Security Interest on or over the assets of the Issuer becomes enforceable and any step (including the taking of possession or the appointment of a receiver, manager or similar officer which is not vacated or discharged within 14 days) is taken to enforce that Security Interest by reason of a default or event of default (howsoever described) having occurred; or

(viii) if any event occurs which, under the laws of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in this Condition,

then any Noteholder may, by written notice to the Issuer at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare the Note held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 6(e)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

(b) For the purposes of these Conditions:

(i) "**Government Agency**" means any government or any governmental, semi-governmental or judicial entity or authority;

(ii) "**Guarantee**" means any guarantee, indemnity, letter of credit, suretyship or any other obligation (whatever called and of whatever nature):

(A) to pay or to purchase; or

(B) to provide funds (whether by the advance of money, the purchase of or subscription for share or other securities, the purchase of assets, rights or services, or otherwise) for the payment or discharge of; or

(C) to indemnify against the consequences of default in the payment of; or

(D) otherwise to be responsible for:

any obligation or indebtedness, any dividend, capital or premium on shares or stock or the insolvency or the financial condition of any other person; and

(iii) "**Security Interest**" includes any mortgage, pledge, lien or charge or any security or preferential interest or arrangement of any kind (including, without limitation, retention of title and any deposit of money by way of security), but excluding (A) any charge or lien arising in favour of any Government Agency by operation of law (provided there is no default in payment of moneys owing under such charge or lien), (B) a right of title retention in connection with the acquisition of goods in the ordinary course of business on the terms of sale of the supplier (provided there is no default in connection with the relevant acquisition) and (C) any security or preferential interest or arrangement arising under or created pursuant to any right of set-off.

10. Replacement of Notes, Coupons and Talons

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent 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, Coupons or Talons must be surrendered before replacements will be issued.

11. Agent and Paying Agents

The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

(i) so long as the Notes are listed on or admitted to trading by any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or any other relevant authority;

(ii) there will at all times be a Paying Agent with a specified office in a city in Europe; and

(iii) there will at all times be an Agent.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 5(d). Any variation, termination, appointment or change of any Paying Agent shall only take effect (other than in the case of insolvency or where the Paying Agent is an FFI and does not become or ceases to be a Participating FFI, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying 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 paying agent.

12. 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 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 8. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the Coupon sheet in which that Talon was included on issue matures.

13. Notices

All notices regarding the Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the Financial Times in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to listing. Any such notice will be deemed to have been given on the date of the first publication.

Until such time as any Definitive Notes are issued, there may, so long as any Global Note(s) representing the Notes is or are held in its/their entirety on behalf of Euroclear and Clearstream,

Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed or admitted to trading on a stock exchange or are admitted to listing by other relevant authority and the rules of that stock exchange or other relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by that stock exchange or other relevant authority. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

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 Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. Meetings of Noteholders and Modification

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of any of the Notes, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than 5 per cent. in nominal amount of the Notes for the time being outstanding. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons present whatever the nominal amount of the Notes held or represented by him or them, except that at any meeting, the business of which includes the modification of certain provisions of the Notes or Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereof, 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 or Coupons), the quorum shall be one or more persons holding or representing not less than 75 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing a clear majority, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders.

The Agent and the Issuer may agree, without the consent of the Noteholders or Couponholders to:

(i) any modification (except as mentioned above) of the Agency Agreement which is not prejudicial to the interests of the Noteholders; or

(ii) any modification of the Notes, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified by the Issuer to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

15. Further Issues

The Issuer is at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in

all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

16. Contracts (Rights of Third Parties) Act 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

17. Governing law and submission to jurisdiction

(a) Governing Law

The Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with any of the foregoing and every other agreement for the issue of Notes are governed by, and will be construed in accordance with English law.

(b) Jurisdiction

(i) Subject to Condition 17(b)(iii) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non- contractual obligations arising out of or in connection with the Notes and/or the Coupons (a "**Dispute**") and accordingly each of the Issuer and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.

(ii) For the purposes of this Condition 17(b), each of the Issuer and any Noteholders or Couponholders waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.

(iii) To the extent allowed by law, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

(c) Agent for service of process

The Issuer irrevocably and unconditionally appoints Law Debenture Corporate Services Limited at its office in London (currently at Fifth Floor, 100 Wood Street, London EC2V 7EX) as its agent for service of process in England in respect of any Disputes and undertakes that in the event of Law Debenture Corporate Services Limited ceasing so to act it will appoint such other person as its agent for that purpose.

Use of Proceeds

The net proceeds of issue of each Tranche will be used by the Issuer to maintain a prudential level of liquidity and to finance the Australian commercial business operations of the Issuer.

Bank of Queensland Limited

The Bank is a financial institution whose primary function is gathering deposits and lending. The Bank is listed on the ASX and regulated by APRA as an ADI. It is one of the top 100 companies by market capitalisation on the ASX.

The Bank was established in 1874 and was the first Permanent Building Society in Queensland. It has evolved into a national bank with a network of retail branches, brokers and brands spanning every state and territory in Australia. The Group is now comprised of a number of brands including BOQ, BOQ Specialist, BOQ Finance, Virgin Money (Australia) ("**VMA**") and St Andrew's Insurance.

The Bank's registered office is located at Level 6, 100 Skyring Terrace, Newstead, Queensland 4006 and its telephone number is +61 7 3212 3333.

The Bank aims to build a differentiated position in the Australian financial services sector by demonstrating to customers that "It's Possible to Love a Bank." The Bank's corporate strategy is to focus on niche customer segments that value a more intimate banking relationship. The Bank is one of Australia's leading regional banks, and one of the few not owned by one of the major banks. Most of the Bank's retail branches are run by local owner managers, meaning the person running the branch owns the branch. As small business owners, owner managers know what it means to deliver personal service. Through specialisation and deep industry knowledge in niche commercial segments, including medical & dental, corporate healthcare & retirement living, hospitality & tourism, and agribusiness, the Bank provides a level of support to business banking customers unique to that offered by other banks.

The Bank's corporate strategy is delivered through its four strategic pillars: Customer in Charge; Grow the Right Way; There's Always a Better Way; and Loved Like No Other.

'*Customer in Charge*' is about improving customers' experience and expanding the Bank's avenues for growth by putting customers in charge of when, where and how they choose to engage with the Bank. This is regardless of whether they come into a branch, use online services, call on the phone or buy products through a third party intermediary.

The Bank's home loan products, including VMA home loans, are distributed by more than 6,000 accredited brokers, making the Bank more accessible to customers who prefer to use brokers. The Bank continued to expand its distribution into the mortgage broker market in the financial year ended 31 August 2018 ("**FY18**"), with 30 per cent of new home loans originated through mortgage brokers. In FY18 the Bank also launched a new website to improve customers' digital experience. This followed similar upgrades for the VMA and BOQ Specialist websites during 2017. The Bank also continued the roll out of its new 'ICON' branch format, with 21 branches now converted to the new format. A new Customer Connect team has also been established, bringing together customer service capability across the enterprise into one group.

'*Grow the Right Way*' is about building a strong and profitable business by making the right decisions about where and how to grow. This includes focusing on niche customer segments that value an intimate banking relationship. The niche segments in the BOQ commercial portfolio contributed $623 million in new lending growth in FY18. Together with BOQ Specialist, BOQ Finance and VMA businesses, the Bank's niche strategy is delivering.

The Bank continued its conservative approach to lending, maintaining a high quality lending portfolio. In the branch network, as existing franchise agreements expire, the Bank is moving owner managers onto a new balanced scorecard agreement that includes a wider range of metrics, such as customer

and compliance measures. 81 per cent of owner managed branches are now on the new franchise agreement. The Bank continues to transition owner managers to the new agreement and has taken steps to align the balanced scorecard and commission arrangements with the Sedgwick recommendations for banking industry remuneration and incentives.

'*There's Always a Better Way*' is about the Bank's commitment to making its systems and processes simpler, faster and smarter. The aim is to improve efficiency, reduce costs, deliver better customer service and establish a nimble organisation positioned to take advantage of a rapidly changing landscape. The Bank is digitising its lending platforms by making improvements to retail, commercial and lease management lending systems. Ongoing focus on efficiency across the Group has enabled it to contain expense growth to three per cent, whilst investing in new technology aligned to a simplified and business enabled target architecture which will enable it to respond more quickly to emerging opportunities than has been possible in the past.

'*Loved Like No Other*' is about how the Bank maintains positive stakeholder relationships by living its values, creating a place where people love to work and contributing to the communities in which it operates. These are just some of the things the Bank does to prove "It's Possible to Love a Bank".

In recent years, the Bank has reinforced its commitment to ethical conduct through it's staff's commitment to the Banking and Finance Oath. The Bank has also built on its internal ethics training and conduct reporting, and introduced a range of team based initiatives to embed company values and drive a customer centric culture. The Bank continues to demonstrate its commitment to a diverse and inclusive workforce by making significant progress on its reconciliation journey. Investment in the 'Customer Heartbeat' program in 2018 also signifies the Bank's commitment to supporting its people to enhance customer experience.

By focusing on the four strategic pillars, the Bank aims to deliver robust and sustainable financial performance, consistent growth in returns to shareholders and superior service to customers and the wider community.

Recent Developments

In April 2018 the Bank announced the sale of the St Andrew's Insurance business to Freedom Insurance Group (**FIG**). The transaction was subject to regulatory approvals. On 10 December 2018, the Bank announced that it had terminated the agreement to sell the St Andrew's Insurance business to FIG.

Directors and Company Secretary of the Bank

As at the date of this Information Memorandum there are no existing or potential conflicts of interests between any duties owed to the Bank by its Directors or the Company Secretary and the private interests or external duties of those Directors or the Company Secretary. The 2018 consolidated financial statements set out key management personnel disclosures, which are incorporated by reference and form part of this Information Memorandum.

The Directors of the Bank, the business address of each of whom should be regarded for the purposes of this Information Memorandum as Level 6, 100 Skyring Terrace, Newstead, Queensland 4006, and their respective principal outside activities, where significant, are at the date of this Information Memorandum as follows:

Directors

The Directors of the Bank as at the date of this Information Memorandum are:

Name, qualifications and independence status	Experience, special responsibilities and other Directorships
Roger Davis B.Econ. (Hons), Master of Philosophy Chairman Non-Executive Independent Director	Mr Davis was appointed Chairman on 28 May 2013 and has been a Non-Executive Director since August 2008. Mr Davis has over 33 years' experience in banking and investment banking in Australia, the US and Japan. He was previously a Managing Director at Citigroup where he worked for over 20 years and more recently was a Group Managing Director at ANZ Bank. Mr Davis is currently Chair of AIG Australia Limited and Charter Hall Retail Management Limited, a Non-Executive Director of Argo Investments Limited and was formerly a Non-Executive Director of Aristocrat Leisure Ltd, Ardent Leisure Group, Ardent Leisure Management Ltd and Ardent Leisure Ltd. Mr Davis has a Bachelor of Economics (Hons) degree from the University of Sydney and a Master of Philosophy degree from Oxford Mr Davis is Chair of the Nomination & Governance Committee and Chair of the Investment Committee, a member of each of the Audit and Risk Committees, and an attendee at all other Board Committees.
Michelle Tredenick B Sc, FAICD, F Fin Non-Executive Independent Director	Ms Tredenick was appointed a Non-Executive Director of the Bank in February 2011. Ms Tredenick is an experienced company director and corporate advisor with over 30 years' experience in leading Australian businesses. Ms Tredenick is currently a Non-Executive Director of Insurance Australia Group Limited (IAG), Cricket Australia and Urbis Pty Ltd. She is a member of the Senate of the University of Queensland (UQ) as well as sitting on the board of the Ethics Centre. Ms Tredenick has previously held executive roles and been a member of the Executive Committee at National Australia Bank, MLC and Suncorp. Her experience includes holding the position of Chief Information Officer with each of these companies as well as Head of Strategy and Marketing and divisional profit and loss roles in Corporate Superannuation, Insurance and Funds Management. Ms Tredenick is also formerly a Non-Executive Director of Vocation Limited (in liquidation). Ms Tredenick is Chair of the Information Technology Committee and is a member of each of the Human

Resources & Remuneration, Risk and Nomination & Governance Committees.

Richard Haire

B.Ec, FAICD, FAICD

Non-Executive Independent Director

Mr Haire was appointed a Director of the Bank on 18 April 2012.

Mr Haire has more than 29 years' experience in the international cotton and agribusiness industry, including 27 years in agricultural commodity trading and banking. Mr Haire is Chair of the Cotton Research and Development Corporation and Reef Corporate Services Limited and serves as a Non-Executive Director of BEC Stockfeed Solutions Pty Ltd and Endeavour Foundation. Mr Haire was formerly a Director of Open Country Dairy (NZ) and New Zealand Farming Systems Uruguay.

Mr Haire is a member of each of the Risk, Human Resources & Remuneration and Information Technology Committees.

David Willis

B Com, ACA, ICA

Non-Executive Independent Director

Mr Willis was appointed a Director of the Bank in February 2010.

Mr Willis has over 35 years' experience in financial services in the Asia Pacific, the UK and the USA. He is a qualified Accountant in Australia and New Zealand and has had 26 years' experience working with Australian and foreign banks. Mr Willis is a Non-Executive Director of CBH Grain Cooperative and Interflour Holdings Pte Ltd, a Singapore-based flour milling company. Mr Willis is the founder of Sydney based Charity "The Horizons Program".

Mr Willis is Chair of the Human Resources & Remuneration Committee, and is a member of each of the Audit and the Nomination & Governance Committees. He is also a Non-Executive Director of BOQ's insurance subsidiaries, St Andrew's Australia Services Pty Ltd, St Andrew's Life Insurance Pty Ltd and St Andrew's Insurance Pty Ltd.

Bruce Carter

B Econ, MBA, FAICD, FICA

Non-Executive Independent Director

Mr Carter was appointed a Director of the Bank on 27 February 2014.

Mr Carter was a founding Managing Partner of Ferrier Hodgson South Australia, a corporate advisory and restructuring business, and has worked across a number of industries and sectors in the public and private sectors. He has been involved with a number of state government-appointed restructures and reviews including chairing a task force to oversee the government's involvement in major resource and mining infrastructure projects. Mr Carter had a central role in a number of key government economic papers including the Economic Statement on South Australian Prospects for Growth, the Sustainable Budget Commission, and the Prime Minister's 2012 GST

Distribution Review.

Mr Carter has worked with all the major financial institutions in Australia. Before Ferrier Hodgson, Mr Carter was at Ernst & Young for 14 years including four years as Partner in Adelaide. During his time at Ernst & Young, he worked across the London, Hong Kong, Toronto and New York offices. Mr Carter is the Chair of Australian Submarine Corporation and Aventus Capital Limited, Deputy Chair of SkyCity Entertainment Group Limited and a Non-Executive Director of Eudunda Farmers Ltd and Genesee & Wyoming Inc.

Mr Carter is Chair of the Risk Committee and a member of the Audit, Information Technology, Investment and Nomination & Governance Committees.

Karen Penrose

B.Comm, CPA, FAICD

Non-Executive Independent Director

Ms Penrose was appointed a Director of the Bank on 26 November 2015.

Ms Penrose is an experienced non-executive director and banker. As a banker, Ms Penrose has 20 years' experience leading businesses within Commonwealth Bank of Australia and HSBC and over ten years in accounting and finance roles. Ms Penrose has particular expertise in the financial services, property, resources and energy sectors. Ms Penrose is a Non-Executive Director of Vicinity Centres Limited, Spark Infrastructure Group and Estia Health Limited. Ms Penrose was formerly a Non-Executive Director of AWE Limited, Landcom and Future Generation Global Investment Company Limited (pro bono role). She is a member of Chief Executive Women.

Ms Penrose is Chair of the Audit Committee and a member of each of the Investment and Human Resources & Remuneration Committees.

John Lorimer

B Com

Non-Executive Independent Director

Mr Lorimer was appointed a Director of the Bank on 29 January 2016. Mr Lorimer has spent more than 30 years in financial services and held executive roles in Australia, Asia and Europe. Mr Lorimer's most recent executive roles were in the United Kingdom where he was Group Head of Finance and then Group Head of Regulatory Risk and Compliance for Standard Chartered Bank. He also held a number of management positions in the retail bank of Citigroup and served as the Chairman of CAF Bank Limited (a subsidiary of Charities Aid Foundation based in the United Kingdom).

He is a Non-Executive Director of Bupa Australia Pty Ltd, Bupa Aged Care Holdings Pty Ltd, Bupa Asia Ltd (HK) Ltd, Max Bupa (India) Ltd and Aberdeen New Dawn Investment Trust plc.

	Mr Lorimer is a member of each of the Risk and Information Technology Committees.
Warwick Negus B Bus, M Com, SF Fin Non-Executive Independent Director	Mr Negus was appointed a Director of the Bank on 22 September 2016. Mr Negus brings more than 30 years of finance industry experience in Asia, Europe and Australia. His most recent executive roles include Chief Executive Officer of 452 Capital, Chief Executive Officer of Colonial First State Global Asset Management and Goldman Sachs Managing Director in Australia, London and Singapore. He was also a Vice President of Bankers Trust Australia and a Director of the University of NSW (UNSW) Foundation and FINSIA. Mr Negus is Chair of Pengana Capital Group and URB Investments Limited and a Non-Executive Director of Washington H Soul Pattinson & Co Ltd, Virgin Australia Holdings Limited and Terrace Tower Group. He is also a member of the Council of UNSW and Chair of UNSW Global Limited. Mr Negus is a member of each of the Audit, Investment and Human Resources & Remuneration Committees.

On 5 December 2018, Jon Sutton resigned as Managing Director and Chief Executive Officer.

Company Secretary

Vicki Clarkson
BA/LLB (Hons), GAICD, FGIA, FCIS

Ms Clarkson joined the Bank as Company Secretary on 3 April 2017. Ms Clarkson commenced her career as a corporate lawyer at Blake Dawson Waldron (now Ashurst) before joining Clayton Utz. Prior to working for the Bank, Ms Clarkson held senior legal and governance roles in ASX listed entities including Aurizon Holdings Limited, Flight Centre Limited and Shine Corporate Ltd. Ms Clarkson is an active member and Deputy Chair of the Queensland State Council of the Governance Institute of Australia.

Organisational Structure

The Bank's controlled entities are set out in Note 6.5 to the 2018 consolidated financial statements, which are incorporated by reference and form part of this Information Memorandum.

Shareholding Details

As at 5 December 2018 the following shareholding details applied:

Eight largest ordinary shareholders:

Shareholder	*No. of ordinary shares*	*%*
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	74,792,930	18.62
J P MORGAN NOMINEES AUSTRALIA LIMITED	30,270,654	7.53

NATIONAL NOMINEES LIMITED	17,860,557	4.45
CITICORP NOMINEES PTY LIMITED	16,190,345	4.03
MILTON CORPORATION LIMITED	7,306,078	1.82
BNP PARIBAS NOMINEES PTY LTD	3,012,616	0.75
BNP PARIBAS NOMS PTY LTD	2,624,296	0.65
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,649,217	0.41
TOTAL	**153,706,693**	**38.26**

Australian Taxation

1. INTRODUCTION

*The following is a summary of the Australian withholding tax treatment under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, the "**Tax Act**") and the Taxation Administration Act 1953 of Australia, at the date of this Information Memorandum, of payments of interest (as defined in the Tax Act) by the Issuer on the Notes and certain other Australian tax matters.*

A term used below but not otherwise defined has the meaning given to it in the Terms and Conditions.

This summary applies to holders of Notes that are:

- *residents of Australia for tax purposes that do not hold their Notes, and do not derive any payments under the Notes, in carrying on a business at or through a permanent establishment outside of Australia, and non-residents of Australia for tax purposes that hold their Notes, and derive all payments under the Notes, in carrying on a business at or through a permanent establishment in Australia ("**Australian Holders**"); and*

- *non-residents of Australia for tax purposes that do not hold their Notes, and do not derive any payments under the Notes, in carrying on a business at or through a permanent establishment in Australia, and residents of Australia for tax purposes that hold their Notes, and derive all payments under the Notes, in carrying on a business at or through a permanent establishment outside of Australia ("**Non-Australian Holders**").*

The summary is not exhaustive and, in particular, does not deal with the position of certain classes of holders (including, without limitation, dealers in securities, custodians or other third parties who hold Notes on behalf of any person). Information regarding taxes in respect of Notes may also be set out in any supplement to this Information Memorandum. In addition, unless expressly stated, the summary does not consider the Australian tax consequences for persons who hold interests in the Notes through Euroclear, Clearstream, Luxembourg or another clearing system.

This summary is not intended to be, nor should it be construed as, legal or tax advice to any particular holder of Notes. Each holder should consult their professional advisors on the tax implications of an investment in the Notes for their particular circumstances.

2. AUSTRALIAN WITHHOLDING TAXES

(a) Australian interest withholding tax

The Tax Act characterises securities as either "debt interests" (for all entities) or "equity interests" (for companies), including for the purposes of Australian interest withholding tax imposed under Division 11A of Part III of the Tax Act ("**Australian IWT**") and dividend withholding tax. For Australian IWT purposes, "interest" is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts. The Issuer intends to issue Notes which are to be characterised as "debt interests" for the purposes of the tests contained in Division 974 and the returns paid on the Notes are to be "interest" for the purpose of section 128F of the Tax Act.

Australian Holders

Payments of interest in respect of the Notes to Australian Holders will not be subject to Australian IWT.

Non-Australian Holders

Australian IWT is payable at a rate of 10 per cent. of the gross amount of interest paid by the Issuer to a Non-Australian Holder, unless an exemption is available.

(i) *Section 128F exemption from Australian IWT*

An exemption from Australian IWT is available in respect of interest paid on the Notes if the requirements of section 128F of the Tax Act are satisfied.

Unless otherwise specified in any relevant supplement to this Information Memorandum, the Issuer intends to issue the Notes in a manner which will satisfy the requirements of section 128F of the Tax Act.

In broad terms, the requirements are as follows:

(A) the Issuer is a resident of Australia and a company (as defined in section 128F(9) of the Tax Act) when it issues the Notes and when interest is paid;

(B) the Notes are issued in a manner which satisfies the "public offer" test in section 128F of the Tax Act.

In relation to the Notes, 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 the Issuer 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 of a certain type;
- offers of listed Notes;
- offers via publicly available information sources; or
- offers to a dealer, manager or underwriter who offers to sell the Notes within 30 days by one of the preceding methods.

A Note may also satisfy the public offer test if it qualifies as a "global bond" within the meaning of section 128F(10) of the Tax Act;

(C) the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that a Note (or an interest in a Note) was being, or would later be, acquired, directly or indirectly, by an "associate" of the Issuer, except as permitted by section 128F(5) of the Tax Act (see below); and

(D) at the time of the payment of interest, the Issuer does not know, or have reasonable grounds to suspect, that the payee is an "associate" of the Issuer, except as permitted by section 128F(6) of the Tax Act (see below).

An "associate" of the Issuer for the purposes of section 128F of the Tax Act includes:

- a person or entity which holds more than 50 per cent. of the voting shares of, or otherwise controls, the Issuer;
- an entity in which more than 50 per cent. of the voting shares are held by, or which is otherwise controlled by, the Issuer;
- a trustee of a trust where the Issuer is capable of benefiting (whether directly or indirectly) under that trust; and

- a person or entity who is an "associate" of another person or company which is an "associate" of the Issuer under the first bullet point above.

However, for the purposes of sections 128F(5) and (6) of the Tax Act (see paragraphs (C) and (D) above), an "associate" of the Issuer does not include:

(A) an Australian Holder; or

(B) a Non-Australian Holder that is 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 scheme (for the purposes of the Corporations Act); or

(II) in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme (for the purposes of the Corporations Act).

(ii) Exemptions under certain double tax conventions

The Australian government has signed double tax conventions ("**Relevant Treaties**") with certain countries (each a "**Specified Country**"), under which an exemption from Australian IWT is available in certain circumstances. The Relevant Treaties effectively prevent Australian IWT applying to interest derived by:

- governments of the Specified Countries and certain governmental authorities and agencies in a Specified Country; and

- a "financial institution" resident in a Specified Country which is unrelated to and dealing wholly independently with the Issuer. The term "financial institution" refers to either a bank or other enterprise which substantially derives its profits by carrying on a business of raising and providing finance. However, interest paid under a back to back loan or an economically equivalent arrangement will not qualify for this exemption.

The Australian Federal Treasury maintains a listing of Australia's double tax conventions which provides details of country, status, withholding tax rate limits and Australian domestic implementation. This listing is available to the public on the Federal Treasury's Department website.

(b) Notes in bearer form

Section 126 of the Tax Act imposes a type of withholding tax (see below in relation to the rate of withholding tax) on the payment of interest on debentures in bearer form (such as the Notes) if the Issuer fails to disclose the names and addresses of the holders of the debentures to the Australian Taxation Office ("**ATO**").

Section 126 does not, however, apply to the payment of interest on Notes in bearer form held by non-Australian residents who do not carry on business at or through a permanent establishment in Australia where the issue of those Notes has satisfied the requirements of section 128F or Australian IWT is payable.

In addition, the ATO has confirmed that for the purpose of section 126, the holder of debentures in bearer form is 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-Australian residents who are engaged in carrying on business at or through a permanent establishment in Australia. Where interests in Notes in bearer form

are held through Euroclear, Clearstream, Luxembourg or another clearing system, the Issuer intends to treat the relevant operator of the clearing system (or its nominee) as the bearer of the Notes for the purposes of section 126.

The rate of withholding tax is currently 45 per cent.

(c) Payment of additional amounts

Notwithstanding that the Notes are intended to be issued in a manner that will satisfy the requirements of section 128F and payments of interest in respect of the Notes are not expected to be subject to interest withholding tax, as set out in more detail in the Terms and Conditions for the Notes, and unless expressly provided to the contrary in any relevant supplement to this Information Memorandum, if the Issuer is at any time required by law to withhold or deduct an amount in respect of any Australian withholding taxes imposed or levied by the Commonwealth of Australia or the State of Queensland in respect of the Notes, the Issuer must, subject to certain exceptions, pay such additional amounts as may be necessary in order that the net amounts received by each holder after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in respect of the Notes. If, as a result of any change in law of the Commonwealth of Australia or the State of Queensland, the Issuer is required by law in relation to any Notes to withhold or deduct an amount in respect of any withholding taxes, the Issuer will have the option to redeem those Notes in accordance with the Terms and Conditions.

3. OTHER AUSTRALIAN TAX MATTERS

Under Australian laws as presently in effect:

- *death duties* – no Notes will be subject to death, estate or succession duties imposed by Australia, or by any political subdivision or authority therein having power to tax, if held at the time of death;

- *stamp duty and other taxes* - no *ad valorem* stamp, issue, registration or similar taxes are payable in Australia on the issue, transfer or redemption of any Notes;

- *additional withholdings from certain payments to non-residents* - the Governor-General may make regulations requiring withholding from certain payments to non-residents of Australia (other than payments of interest and other amounts which are already subject to the current Australian IWT rules or specifically exempt from those rules). 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 possible application of any future regulations in relation to the Notes will need to be monitored;

- *garnishee directions by the Commissioner of Taxation* – the Commissioner of Taxation may give a direction requiring the Issuer to deduct from any payment to a holder of the Notes any amount in respect of Australian tax payable by the holder. If the Issuer is served with such a direction, then the Issuer will comply with that direction and make any deduction required by that direction;

- *supply withholding tax* - payments in respect of the Notes can be made free and clear of any "supply withholding tax"; and

- *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 a non-Australian resident outside Australia at the time of the supply) a GST-free supply. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of the Notes, should give rise to any GST liability in Australia.

United Kingdom Taxation, FATCA Disclosure, Common Reporting Standard and the Proposed Financial Transactions Tax

United Kingdom Taxation

The following is a summary of the Issuer's understanding of current United Kingdom tax law (as applied in England and Wales) and published HM Revenue and Customs practice relating only to United Kingdom withholding tax treatment of payments of interest (as that term is understood for United Kingdom tax purposes) in respect of the Notes. It does not deal 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 are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should seek their own professional advice.

Payment of interest on the Notes

Payments of interest on the Notes that does not have a United Kingdom source may be made without withholding on account of United Kingdom income tax.

FATCA Disclosure

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes, and other financial institutions through which the Notes are held may also be foreign financial institutions.

A number of jurisdictions (including Australia) 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 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.

Australian financial institutions which are Reporting Australian Financial Institutions under the intergovernmental agreement between Australia and the United States to implement FATCA ("**Australian IGA**") must comply with specific due diligence procedures to identify their account holders (e.g. the Noteholders) and provide the Australian Taxation Office ("**ATO**") with information on financial accounts (for example, the Notes) held by U.S. persons and recalcitrant account holders. The ATO is required to provide such information to the U.S. Internal Revenue Service. Consequently, Noteholders may be requested to provide certain information and certifications to financial institutions through which payments on the Notes are made in order for such financial institutions to comply with their FATCA obligations.

A Reporting Australian Financial Institution that complies with its obligations under the Australian IGA will not generally be subject to FATCA withholding on amounts it receives, and will not generally be required to deduct FATCA withholding from payments it makes with respect to the Notes, other than in certain prescribed circumstances.

Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) 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 filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under "Terms and Conditions of the Notes—Further Issues") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA.

Holders should consult their own tax advisors regarding how these rules may apply to their investment in the 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.

Common Reporting Standard

The OECD Common Reporting Standard for Automatic Exchange of Financial Account Information ("**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. The Australian Government has enacted legislation amending, among other things, the Taxation Administration Act 1953 of Australia to give effect to the CRS.

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, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article 5(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in 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 the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Subscription and Sale

Summary of Dealer Agreement

Subject to the terms and the conditions contained in an amended and restated dealer agreement dated 11 December 2018 (as amended, supplemented or restated from time to time, the "**Dealer Agreement**") between the Issuer and the Dealers from time to time party thereto (the "**Dealers**"), the Notes will be offered on a continuous basis by the Issuer to the Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers in accordance with the Dealer Agreement. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

United States

Each Dealer appointed under the Dealer Agreement will be required to acknowledge that 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 accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act.

In addition, each Dealer appointed under the Dealer Agreement will be required to agree that it has not offered and sold the Notes and will not offer and sell any Notes (a) as part of their distribution at any time and (b) otherwise until 40 days after the completion of the distribution of the series of which such Notes are a part, as determined and certified to the Agent or the Issuer (as described below), except in accordance with Rule 903 of Regulation S under the Securities Act. Accordingly, each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree, that neither it, its affiliates (if any) nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to Notes, and it, its affiliates (if any) and any person acting on its or their behalf have complied and will comply with the offering restrictions requirements of Regulation S. Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it or through it during the distribution compliance period a confirmation or notice to substantially the following effect:

> "The Notes covered hereby have not been registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered and sold within the United States or to or for the account or benefit of U.S. persons (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of the series of Notes of which such Notes are a part, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S."

In addition, in respect of Notes where TEFRA D is specified in the applicable Final Terms, each such Dealer represents warrants and agrees in relation to each Tranche of Notes:

(a) except to the extent permitted under U.S. Treas. Reg. § 1.163-5(c)(2)(i)(D) (the "**D Rules**"), (i) that it has not offered or sold, and that during the restricted period will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (ii) that it has not delivered and will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;

(b) that it has and that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

(c) if it is a United States person, it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. § 1.163-5(c)(2)(i)(D)(6); and

(d) with respect to each affiliate (if any) that acquires from a Dealer Notes in bearer form for the purpose of offering or selling such Notes during the restricted period, such Dealer either (i) repeats and confirms on behalf of such affiliate (if any) to the effect set forth in sub-paragraphs (a), (b) and (c) or (ii) agrees that it will obtain from such affiliate (if any) for the benefit of the Issuer the representations and agreements contained in sub-paragraphs (a), (b) and (c).

Terms used above have the meanings given to them by the United States Internal Revenue Code of 1986 and regulations thereunder, including the D Rules.

In respect of Notes where TEFRA C is specified in the applicable Final Terms, such Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer will be required to agree that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such Notes within the United Sates or its possessions in connection with their original issuance. Further, each Dealer represents and agrees in connection with the original issuance of such Notes that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of such Notes.

The 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 a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and the Treasury regulations promulgated thereunder.

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 the Information Memorandum as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of Directive 2002/92/EC (as amended or superseded, the "**Insurance Mediation 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 the Prospectus Directive; 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 which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the final terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended or superseded, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

United Kingdom

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 only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

The Netherlands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes will only be offered in The Netherlands to qualified investors as defined in the Prospectus Directive, unless such offer is made in accordance with the Dutch Financial Supervision Act ("**Wet op het financieel toezicht**").

Australia

No prospectus 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 the ASIC. Each Dealer has represented and agreed, and any further Dealer appointed under the Programme will be required to represent and agree that, unless the relevant Final Terms (or another relevant supplement to this Information Memorandum) otherwise provides, in connection with the distribution of the Notes, it:

(a) has not offered or invited applications, and will not offer or invite applications, for the issue, sale, subscription or purchase of the Notes 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 this Information Memorandum or any supplement, advertisement or other offering material relating to the Notes in Australia;

unless:

(i) the minimum aggregate consideration payable by each offeree is at least A$500,000 (or its equivalent in other currency, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act;

(ii) the offer or the issuance of the Notes does not constitute an offer to a "**retail client**" for the purposes of Section 761G of the Corporations Act;

(iii) such action complies with all applicable laws, regulations and directives in Australia; and

(iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

In addition, each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, in connection with the primary distribution of the Notes, it will not sell Notes to any person if, at the time of such sale, the employees of the Dealer aware of, or involved in, the sale knew or had reasonable grounds to suspect that, as a result of such sale, any Notes or an interest in any Notes were being, or would later be, acquired (directly or indirectly) by an associate of the Issuer that is:

(a) a non-resident of Australia that did not acquire the Notes in carrying on a business in Australia at or through a permanent establishment in Australia and did not acquire the Notes in the capacity of a dealer, manager or underwriter in relation to the placement of the Notes; or a clearing house, custodian, funds manager or a responsible entity of a registered scheme; or

(b) a resident of Australia that acquired the Notes in carrying on a business in a country outside Australia at or through a permanent establishment in that country and did not acquire the Notes in the capacity of a dealer, manager or underwriter in relation to the placement of the Notes; or a clearing house, custodian, funds manager or a responsible entity of a registered scheme.

Switzerland

This Information Memorandum is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that the Notes have not been and will not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Information Memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations, and each Dealer has further represented and agreed and each further Dealer appointed under the Programme will be required to further represent and agree that neither this Information Memorandum nor any other offering or marketing material relating to the Notes has been or will be publicly distributed or otherwise made publicly available in Switzerland.

Hong Kong

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

(a) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) (as amended) 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) (as amended) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge that this Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection

with the offer or sale or invitation for subscription or purchase of any Notes, whether directly or indirectly, to any person in Singapore other than:

(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 to 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.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred for within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law; or.

(4) as specified in Section 276(7) of the SFA.

Any reference to the "**SFA**" is a reference to the Securities and Futures Act (Chapter 289 of Singapore) and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified in its application or as amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

General

These selling restrictions may be amended in relation to a specific Series or Tranche of Notes by agreement between the Issuer and the relevant Dealer. These selling restrictions may also be modified by the agreement of the Issuer and the relevant Dealers following a change in relevant law, regulation or directive. Any such modification and any additional selling restrictions with which any relevant Dealer will be required to comply will be set out in the applicable Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to the Information Memorandum.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that (to the best of its knowledge and belief) it will comply with all relevant laws, regulations and directives in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Information Memorandum or any advertisement or other offering material 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 neither the Issuer nor any other Dealer will have any responsibility therefor.

Neither the Issuer nor any of the Dealers has represented that any Notes may at any time lawfully be sold in compliance with any appropriate 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 Series or Tranche, the relevant Dealer(s) will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer(s) shall agree and as shall as a term of the issue and purchase as indicated in the applicable Final Terms.

Form of Final Terms

Set out below is the form of Final Terms which will be completed for each Tranche of 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 or superseded, "**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC, as amended or superseded, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive (as defined below). 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.][3]

[**MiFID II Product Governance / Professional investors and ECPs 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**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.][4]

[**NOTIFICATION UNDER SECTION 309B(1)(c) OF THE SECURITIES AND FUTURES ACT (CHAPTER 289) OF SINGAPORE (**THE "**SECURITIES AND FUTURES ACT**"**) -** [*To insert notice if classification of the Notes is not "prescribed capital markets products", pursuant to Section 309B of the Securities and Futures Act or "Excluded Investment Products"*]**.**][5]

[Date]

Bank of Queensland Limited
(ABN 32 009 656 740)

Legal Entity Identifier (LEI)
549300WFIN7T02UKDG08

Issue of [Aggregate Nominal Amount of Tranche][Title of Notes]
under the U.S.$4,000,000,000

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

[4] Legend to be included on front of the Final Terms if one or more of the Dealers in relation to the Notes is a MiFID regulated entity.

[5] Relevant 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 Securities and Futures Act. If there is a change as to product classification for the relevant drawdown, from the upfront classification embedded in the programme documentation, then the legend is to be completed and used (if no change as to product classification, then the legend may be deleted in its entirety).

Euro 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 Information Memorandum dated 11 December 2018 [and the supplement to the Information Memorandum dated [insert date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") as amended or superseded (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent that such amendments have been implemented in a relevant Member State). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Information Memorandum [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Information Memorandum [as so supplemented]. The Information Memorandum [and the supplement to the Information Memorandum] [is/are] available for viewing at https://www.boq.com.au/Shareholder-centre/debt-investor-information/Debt-Programmes.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Information Memorandum dated [original date] and incorporated by reference into the Information Memorandum dated 11 December 2018, [and the supplement to the Information Memorandum dated [insert date]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") as amended or superseded (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent that such amendments have been implemented in a relevant Member State) and must be read in conjunction with the Information Memorandum dated 11 December 2018 [and the supplement to the Information Memorandum dated [insert date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. Copies of the Information Memorandum [as so supplemented] are available for viewing at https://www.boq.com.au/Shareholder-centre/debt-investor-information/Debt-Programmes.]

1.	Issuer:		Bank of Queensland Limited
2.	(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 [ ] on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 21 below, which is expected to occur on or about [ ]][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 [ ]]

6.	(a)	Specified Denominations:	[ ]
	(b)	Calculation Amount:	[ ]
7.	(a)	Issue Date:	[ ]
	(b)	Interest Commencement Date:	[/Issue Date/Not Applicable]
8.	Maturity Date:		[Fixed rate – /Floating rate – Interest Payment Date falling in or nearest to [ ]]
9.	Interest Basis:		[[ ] per cent. Fixed Rate] [[ ] month [LIBOR/EURIBOR] +/-[ ] per cent. Floating Rate] [Zero Coupon] (see paragraph [14/15/16] below)
10.	Redemption/Payment Basis:		Subject to any purchase or cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
11.	Change of Interest Basis or Redemption/Payment Basis:		[ ] [Not Applicable]
12.	Put/Call Options:		[Investor Put] [Issuer Call] [(see paragraph [17/18] below)]
13.	(a)	Status of the Notes:	Senior
	(b)	[Date [Board] approval for issuance of Notes obtained:	[ ]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions		[Applicable/Not Applicable]
	(a)	Rate(s) of Interest:	[ ] per cent. Per annum [payable [annually/semi-annually/quarterly] in arrear]
	(b)	Interest Payment Date(s):	[[ ] in each year up to and including the Maturity Date]/[ ]
	(c)	Fixed Coupon Amount(s):	[Not Applicable/[ ] per Calculation Amount]
	(d)	Broken Amount(s):	[Not Applicable/[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on][ ]]

	(e)	Day Count Fraction:	[30/360 or Actual/Actual (ICMA)]
	(f)	Determination Date(s):	[[ ] in each year] [Not Applicable]
15.	Floating Rate Note Provisions		[Applicable/Not Applicable]
	(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][Not Applicable]
	(c)	Additional Business Centre(s):	[ ]
	(d)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]
	(e)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	[ ]
	(f)	Screen Rate Determination:	
		• Reference Rate and Relevant Financial Centre:	Reference Rate: [ ] month [LIBOR/ EURIBOR] Relevant Financial Centre: [London/Brussels]
		• Interest Determination Date(s):	[ ]
		• Relevant Screen Page:	[ ]
	(g)	ISDA Determination	
		• Floating Rate Option:	[ ]
		• Designated Maturity:	[ ]
		• Reset Date:	[ ]
	(h)	Linear Interpolation:	[Not Applicable/ Applicable - the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation]
	(i)	Margin(s):	[+/-] [ ] per cent. per annum
	(j)	Minimum Rate of Interest:	[ ] per cent. per annum

	(k)	Maximum Rate of Interest:	[ ] per cent. per annum
	(l)	Day Count Fraction:	[Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 30E/360 30E/360 (ISDA)]
16.	Zero Coupon Note Provisions		[Applicable/Not Applicable]
	(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.	Issuer Call:		[Applicable/Not Applicable]
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount of each Note:	[ ] per Calculation Amount
	(c)	If redeemable in part:	
		(i) Minimum Redemption Amount:	[ ]
		(ii) Maximum Redemption Amount:	[ ]
	(d)	Notice period (if other than as set out in the Conditions):	Minimum Period: [ ] Maximum Period: [ ]
18.	Investor Put:		[Applicable/Not Applicable]
	(a)	Optional Redemption Date(s):	[ ]
	(b)	Optional Redemption Amount of each Note and method:	[ ] per Calculation Amount
	(c)	Notice period (if other than as set out in the Conditions):	Minimum Period: [ ] Maximum Period: [ ]
19.	Final Redemption Amount of each Note:		[ ] per Calculation Amount
20.	Early Redemption Amount of each Note payable on redemption for taxation		[ ] per Calculation Amount

reasons or on event of default:

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21.	Form of Notes:	[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
22.	Additional Financial Centre(s):	[Not Applicable/]
23.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No]

Signed on behalf of the Issuer:

By: .....

Duly authorised

PART B - OTHER INFORMATION

1. LISTING

[Listing and Admission to trading:		[Applicable]]
[(i)	[Application for admission to the Official List and for admission to trading [has been / is expected to be] made:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the London Stock Exchange's regulated market and listing on the Official List of the UK Listing Authority] with effect from [ ] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [the London Stock Exchange's regulated market and listing on the Official List of the UK Listing Authority] with effect from [ ].]
[(ii)	Date from which admission is effective:	[ ]]
[(iii)	Estimate of total expenses related to admission to trading:	[ ]]

2. RATINGS

Ratings:	The Notes to be issued have been rated: [S&P: [ ]] [Fitch: [ ]] [Moody's: [ ]]

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 [Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

4. YIELD

Indication of yield:	[ ] [Not Applicable]

5. OPERATIONAL INFORMATION

(i)	ISIN Code:	[ ]
(ii)	Common Code:	[ ]
(iii)	CFI:	[ ] [Not Applicable]
(iv)	FISN:	[ ] [Not Applicable]

(v)	Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s):	[Not Applicable/]
(vi)	Names and addresses of additional Paying Agent(s) (if any):	[ ]
(vii)	Relevant Benchmark:	[Not Applicable]/[[ ] is provided by [ ]. [As at the date hereof, [[ ] appears in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks Regulation.] [As at the date hereof, [[ ] does not appear in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks Regulation. [As far as the Issuer is aware, as at the date hereof, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that [ ] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence).]/[[ ] does not fall within the scope of the Benchmarks Regulation.]]

6. DISTRIBUTION

(i)	U.S. Selling Restrictions:	[Reg.S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
(i)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable]
(ii)	Additional selling restrictions:	[Not Applicable/]

General Information

1. It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's regulated market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market. The listing of the Programme in respect of Notes is expected to be granted on or about 14 December 2018.

   The Dealer Agreement provides, that if the maintenance of the listing of any Notes has, in the opinion of the Issuer, become unduly onerous for any reason whatsoever, the Issuer shall be entitled to terminate such listing subject to its using its best endeavours promptly to list or admit to trading the Notes on an alternative stock exchange, within or outside the EU, to be agreed between the Issuer and the relevant Dealer.

2. The Issuer has or will as soon as practicable obtain all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes. The issue of Notes under the Programme was authorised by resolutions of the Board of Directors of the Issuer passed on 26 September 1997, 21 November 1997, 15 December 2000, 13 December 2001, 22 November 2002, 19 November 2004, 18 November 2005, 22 November 2006, 22 November 2007, 20 November 2008, 25 November 2009, 13 October 2010, 12 October 2011, 17 October 2012, 9 October 2013, 8 October 2014, 26 November 2015, 30 November 2016, 30 November 2017 and 29 November 2018. The increase in aggregate nominal amount of the Programme from U.S.$2,000,000,000 to U.S.$3,500,000,000 was authorised by a resolution of the Board of Directors of the Issuer passed on 22 November 2007 and the increase in aggregate nominal amount of the Programme from U.S.$3,500,000,000 to U.S.$4,000,000,000 was authorised by a resolution of the Board of Directors of the Issuer passed on 20 November 2008.

3. There has been no significant change in the financial or trading position of the Group since 31 August 2018 and no material adverse change in the financial position or prospects of the Issuer since the same date. In addition, there have been no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.

4. Save as disclosed in the section titled "*Legal proceedings*" in "*Risk Factors*" on pages 31 to 32, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) of which the Issuer or any of its Subsidiaries are aware during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability.

5. Each Permanent Global Note, Definitive Note, Coupon and Talon where TEFRA D is specified in the applicable Final Terms will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code".

6. The Notes have been accepted for clearance through Clearstream, Luxembourg and Euroclear. The Common Code and the International Securities Identification Number (ISIN) for each Tranche of Notes will be set out in the relevant 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 Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg and the address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels.

7. In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

8. For so long as Notes may be issued pursuant to this Information Memorandum, the following documents will when published, be available, during usual business hours on any day (Saturdays, Sundays and public holidays excepted), for inspection at the registered office of the Issuer and the office of the Agent:

   (i) the Agency Agreement (which includes the form of the Global Notes, the Definitive Notes, the Coupons and the Talons), including any supplements thereto;

   (ii) the Dealer Agreement, including any supplements thereto;

   (iii) the Deed of Covenant;

   (iv) the constitution of the Issuer;

   (v) the published annual report and audited financial statements of the Issuer for the last two financial years and the most recently published interim accounts;

   (vi) each Final Terms for Notes that are admitted to the Official List and to trading by the London Stock Exchange or any other stock exchange (save that the Final Terms will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Paying Agent as to the identity of such holder);

   (vii) a copy of this Information Memorandum together with any supplement to this Information Memorandum or further Information Memorandum; and

   (viii) a copy of the subscription agreement for Notes issued on a syndicated basis that are admitted to the Official List and to trading by the London Stock Exchange.

9. Copies of the latest annual consolidated accounts of the Issuer and the latest interim consolidated accounts of the Issuer may be obtained, and copies of the Agency Agreement will be available for inspection, at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes is outstanding.

10. KPMG, Chartered Accountants, have audited in compliance with Australian auditing standards, and rendered unqualified reports on, the accounts of the Issuer for each of the last three years ended 31 August 2018.

11. No Australian approvals are currently required for or in connection with the issue of the Notes by the Issuer or for or in connection with the performance and enforceability of such Notes, Coupons or Talons (if any). However:

(a) the specific approval of the RBA must be obtained in connection with certain payments and transactions for the purposes of the Banking (Foreign Exchange) Regulations 1959 and other regulations in Australia. In addition, it is an offence to supply, sell or transfer certain goods and services, or directly or indirectly make assets available to, or for the benefit of, certain persons or entities designated from time to time for the purposes of the Autonomous Sanctions Act 2011, Autonomous Sanctions Regulations 2011 and other regulations in Australia, unless the Minister for Foreign Affairs has given a written notice to permit such to occur; and

(b) it is an offence to hold and use or deal with, allow to be used or dealt with, or facilitate the use of or dealing with certain assets, or to directly or indirectly make an asset available to certain named persons or entities associated with terrorism, pursuant to the Charter of the United Nations Act 1945 and the Charter of the United Nations (Dealing with Assets) Regulations 2008, unless the Minister for Foreign Affairs has given a written notice to permit such to occur.

12. Save as set out in the Final Terms, the Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

13. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

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 Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

REGISTERED AND HEAD OFFICE OF THE ISSUER

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