



BENDIGO AND ADELAIDE BANK LIMITED

(ABN11 068049178)

(Incorporated with limited liability in Australia)

U.S.\$3,000,000,000

EURO MEDIUM TERM NOTE PROGRAMME

On 15 May, 1998, Bendigo and Adelaide Bank Limited (formerly Bendigo Bank Limited) (the "Issuer" or the "Bank" or "Bendigo and Adelaide Bank") entered into a U.S.\$500,000,000 Euro Medium Term Note Programme (the "Programme"). These Listing Particulars supersede any previous offering document, prospectus or supplements thereto. Any Notes (as defined herein) issued under the Programme on or after the date of these Listing Particulars are issued subject to the provisions herein as supplemented by the relevant Pricing Supplement. These Listing Particulars do not affect any Notes already issued.

Under the Programme the Issuer may from time to time issue Notes denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.\$3,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein. A description of the restrictions applicable at the date of these Listing Particulars relating to the maturity of certain Notes are set out on page 9. The Notes may be issued on a continuing basis to one or more of the Dealers specified on page 8 and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "Dealer" and together the "Dealers"). References in these Listing Particulars to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes. The Issuer has reserved the right to issue Notes to persons other than Dealers.

These Listing Particulars have been approved by the United Kingdom Financial Conduct Authority (the "UK Listing Authority") acting under Part VI of the Financial Services and Markets Act 2000 (the "Act") for Notes issued under the Programme for a period of twelve months after the date hereof to be admitted to the official list of the UK Listing Authority (the "Official List") and be admitted to trading on the Professional Securities Market of the London Stock Exchange (the "Market"). The Market is not a regulated market for the purposes of Directive 2004/39/EC (the "Markets in Financial Instruments Directive"). References in these Listing Particulars to the Notes being "listed" means that those Notes have been admitted to trading on the Market and have been admitted to the Official List.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of, the issue price of, and other information which is applicable to, the Notes of each Tranche (as defined on page 31) will be set forth in a pricing supplement document (the "Pricing Supplement") which, with respect to Notes to be admitted to the Official List and to be admitted to trading on the Market, will be delivered to the UK Listing Authority and, where listed, the London Stock Exchange on or before the date of issue of the Notes of such Tranche. Copies of Pricing Supplements 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.

The Programme provides that Notes may be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer (although these Listing Particulars do not constitute a base prospectus for the purposes of a listing or an admission to trading on any market in the European Economic Area which has been designated as a regulated market for the purposes of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU and any relevant implementing measure in a relevant Member State (the "Prospectus Directive")). The Issuer may also issue unlisted Notes.

The Notes of each Tranche will initially be represented by a Temporary Global Note which will be deposited on the issue date thereof with a common depositary on behalf of Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg") and/or any other agreed clearing system and which will be exchangeable, as specified in the applicable Pricing Supplement, for either a Permanent Global Note or Notes in definitive form, in each case upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury regulations. A Permanent Global Note will only be exchangeable for definitive Notes upon the occurrence of certain events (unless otherwise specified in the applicable Pricing Supplement), all as further described in "Form of the Notes" below.

The Issuer has been rated A2 by Moody's Investors Service Pty Limited ("Moody's"), A- by Standard & Poor's (Australia) Pty. Ltd. ("Standard & Poor's") and A- by Fitch Australia Pty Ltd ("Fitch"). It is expected that the Notes will, when issued under the Programme, be assigned a rating of A- by Standard & Poor's, A2 by Moody's and A- by Fitch. None of these entities are registered in the European Union or have applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"). However, each of Standard and Poor's Credit Market Services Europe Limited, Moody's Investor Services Ltd and Fitch Ratings Limited is established in the European Union and are registered under the CRA Regulation to endorse credit ratings of their respective affiliates (and, as such is included in the list of credit rating agencies published by the European Securities and Markets Authority ("ESMA") on its website in accordance with such Regulation). On 22 December 2011, ESMA published in a press release its decision to endorse Australia's regulatory regime on credit ratings pursuant to Article 4(3) of the CRA Regulation.

Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Issuer. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Pricing Supplement. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Pricing Supplement.

The Issuer and DB Trustees (Hong Kong) Limited (the "Trustee", which expression shall include any successor as trustee) may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes admitted to the Official List) only supplementary listing particulars, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Prospective investors should consider the risks outlined in these Listing Particulars under "Risk Factors" before making any investment decision in relation to the Notes.

Arranger
Deutsche Bank
Dealers

Deutsche Bank

Nomura

The date of these Listing Particulars is 25 November 2016

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IMPORTANT NOTICE

Listing Particulars

These Listing Particulars comprise listing particulars given in compliance with the requirements of the Act and the Listing Rules Instrument 2005 by the UK Listing Authority for the purpose of giving information with regard to the Issuer and its subsidiaries (taken as a whole) and the Notes.

These Listing Particulars shall be read and construed in conjunction with any amendment or supplement hereto and with all documents which are deemed to be incorporated in it by reference (see “Documents Incorporated by Reference” below). Furthermore in relation to any Series of Notes, these Listing Particulars should be read and construed together with the relevant Pricing Supplement.

Responsibility

The Issuer accepts responsibility for the information contained in these Listing Particulars and the Pricing Supplement for each tranche of Notes issued under the Programme. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in these Listing Particulars is in accordance with the facts and does not omit anything likely to affect the import of such information.

No independent verification

None of the Arranger, the Dealers nor the Trustee have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, the Dealers or the Trustee as to the accuracy or completeness of the information contained in or incorporated by reference in these Listing Particulars or any other information provided by the Issuer in connection with the Programme. None of the Arranger, the Dealers and the Trustee accepts any liability for the information contained or incorporated by reference in these Listing Particulars or any other information provided by the Issuer in connection with the Programme. The statements made in this paragraph are made without prejudice to the responsibility of the Issuer under the Programme.

No authorisation

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or inconsistent with these Listing Particulars or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not and cannot be relied upon as having been authorised by the Issuer, the Arranger or any of the Dealers or the Trustee.

Subject as provided in the applicable Pricing Supplement, the only persons authorised to use these Listing Particulars in connection with an offer of Notes are the persons named in the applicable Pricing Supplement as the relevant Dealer or Manager as the case may be.

No offer

Neither these Listing Particulars nor any other information supplied in connection with the Programme or any Notes (i) are intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, the Arranger or any of the Dealers or the Trustee that any recipient of these Listing Particulars or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer, and its purchase of Notes should be based upon such investigation as it considers necessary. Neither these Listing Particulars nor any other information supplied in connection with the Programme or the issue of any Notes constitute an offer or invitation by or on behalf of the Issuer, the Arranger or any of the Dealers to any person to subscribe for or to

purchase any Notes. Each potential investor should also have regard to the factors described under the section headed “Risk Factors” below.

Currency of information

Neither the delivery of these Listing Particulars nor the offering, sale or delivery of any Notes shall at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Arranger, the Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

Distribution

These Listing Particulars do not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of these Listing Particulars and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Arranger, the Dealers and the Trustee do not represent that this document may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger or any Dealer or the Trustee (save as provided in the next sentence and save for the approval of this document as listing particulars by the UK Listing Authority) which is intended to permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither these Listing Particulars nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession these Listing Particulars or any Notes come must inform themselves about, and observe, any such restrictions on the distribution of these Listing Particulars and the offering and sale of Notes. In particular, there are restrictions on the distribution of these Listing Particulars and the offer or sale of Notes in the United States on the distribution of these Listing Particulars and the offering and sale of Notes, the European Economic Area (including the United Kingdom), Australia and Japan (see “Subscription and Sale” below).

Prospectus Directive Requirements

These Listing Particulars have been prepared on the basis that any offer of Notes in any Member State (each, a “Relevant Member State”) of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (as amended) including by Directive 2010/73/EU and including any relevant implementing measure in such Relevant Member State) (the “Prospectus Directive”) will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering/placement contemplated in these Listing Particulars as completed by the applicable Pricing Supplement in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer have 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.

No registration

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, (the “Securities Act”) and 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 (see “Subscription and Sale” below).

No recommendation to invest

These Listing Particulars do not constitute a recommendation to make an investment in Notes issued under the Programme (“Notes Investment”) nor is it a complete description of the risks or benefits of a Notes Investment. As such, any person making a Notes Investment must familiarise itself with the potential risks of a Note Investment. This analysis must be completed with requisite skill, advice and in light of the investor’s needs. Importantly:

- (a) it is the responsibility of the investor to ensure it is properly informed and has made an appropriate assessment of whether it should make a Notes Investment;
- (b) a Tranche or Series of Notes issued under this Programme may have different risks to earlier or later Tranches or Series issued under the Programme. The success or failure of any one Note Investment is not indicative of the success or otherwise of any other Note Investment. For example, certain Notes may be linked to variable factors outside the Issuer’s or investor’s control or may contain more complicated or less favourable terms. Risks associated with different types of Notes are discussed further below; and
- (c) these Listing Particulars have a lower level of disclosure than a prospectus prepared for an issue of securities with a denomination of less than €100,000 or for admission on a regulated market.

Any person making a Notes Investment should:

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

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

Legal investment considerations may restrict certain investments

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

Stabilisation

In connection with the issue of any Tranche (as defined in the terms and conditions of the Notes), one or more relevant Dealers named as the Stabilisation Manager(s) (the “Stabilisation Manager(s)”) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Pricing Supplement may outside Australia and on a market operating 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 Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

References to Currencies

All references in this document to “Australian dollars”, “A\$”, “\$” and “cents” refer to the currency of Australia, those to “U.S. dollars” and “U.S.\$” refer to the currency of the United States of America, those to “sterling” and “£” refer to the currency of the United Kingdom and those to “euro” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

Legislation under which Issuer is formed

Bendigo and Adelaide Bank Limited is a company limited by shares, incorporated and operating under the Corporations Act 2001 of Australia.

DOCUMENTS INCORPORATED BY REFERENCE

These Listing Particulars should be read and construed in conjunction with all documents which are deemed to be incorporated herein by reference.

The following documents which have been previously published have been filed with the UK Listing Authority shall be deemed to be incorporated in, and to form part of, this Prospectus:

- a) the audited consolidated financial statements (required by the Corporations Act 2001 of Australia (“Corporations Act”)) of the Issuer for the financial year ended 30 June 2016 which are incorporated into these Listing Particulars by reference and which have been previously published (or are published simultaneously with these Listing Particulars) and have been filed with the Financial Conduct Authority; and
- b) the audited consolidated financial statements (required by the Corporations Act) of the Issuer for the financial year ended 30 June 2015 which are incorporated into these Listing Particulars by reference and which have been previously published (or are published simultaneously with these Listing Particulars) and have been filed with the Financial Conduct Authority.

Any documents or information themselves incorporated by reference in, or cross-referred to in, the documents incorporated by reference in these Listing Particulars shall not form part of these Listing Particulars unless also separately incorporated by reference above. In each case, where only certain sections of a document referred to above are incorporated by reference in these Listing Particulars, the parts of the document which are not incorporated by reference are either not relevant to prospective investors in the Notes or covered elsewhere in these Listing Particulars.

Copies of documents incorporated by reference in these Listing Particulars can be obtained from the registered office of the Issuer, from the London Stock Exchange’s website at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html and from the specified office of the Paying Agents for the time being.

APPLICABLE ACCOUNTING PRINCIPLES

As required by the Corporations Act, the audited consolidated financial statements of the Issuer for the financial years ending 30 June 2016 and 30 June 2015 have been prepared under Australian Accounting Standards and International Financial Reporting Standards (“IFRS”).

SUPPLEMENTARY LISTING PARTICULARS

Following the publication of these Listing Particulars a supplement may be prepared by the Issuer and approved by the UK Listing Authority which will comprise supplementary listing particulars in accordance with section 81 of the Act. 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 these Listing Particulars or in a document which is incorporated by reference in these Listing Particulars. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of these Listing Particulars.

OVERVIEW OF THE PROGRAMME AND OF THE TERMS AND CONDITIONS OF THE NOTES

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of these Listing Particulars and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. This overview must be read as an introduction to these Listing Particulars and any decision to invest in the Notes should be based on a consideration of these Listing Particulars as a whole. These Listing Particulars should be read, in relation to any issue of Notes, in conjunction with the relevant Pricing Supplement and, to the extent applicable, the Terms and Conditions of the Notes set out herein.

Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in these Listing Particulars have the same meanings in this overview.

Issuer:	Bendigo and Adelaide Bank Limited
Risk Factors:	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme. These are set out under “Risk Factors” below. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme, see “Risk Factors”.
Description:	Euro Medium Term Note Programme
Arranger:	Deutsche Bank AG, London Branch
Dealers:	Deutsche Bank AG, London Branch Nomura International plc
Legal and regulatory requirements:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “Subscription and Sale”) including the following restrictions applicable at the date of these Listing Particulars.
Notes with a maturity of less than one year:	Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom or the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Act 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”.
Trustee:	DB Trustees (Hong Kong) Limited
Issuing and Principal Paying Agent (the “Agent”):	Deutsche Bank AG, Hong Kong Branch
Programme Size:	Up to U.S.\$3,000,000,000 (or its equivalent in other currencies calculated as described herein) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, such

currencies as may be agreed between the Issuer, the relevant Dealer and the Trustee (as indicated in the applicable Pricing Supplement).

Maturities:

Such maturities as may be agreed between the Issuer and the relevant Dealer and as indicated in the applicable Pricing Supplement, 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 Specified Currency.

Issue Price:

Notes may only be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

Form of Notes:

The Notes will be issued in bearer form as described in “Form of the Notes”.

Fixed Rate Notes:

Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer (as indicated in the applicable Pricing Supplement) and on redemption and will be calculated on the basis of such Fixed Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Pricing Supplement).

Floating Rate Notes:

Floating Rate Notes will bear interest at a rate determined on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service as indicated in the relevant Pricing Supplement.

Other provisions in relation to Floating Rate Notes:

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both (as indicated in the applicable Pricing Supplement). Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates and will be calculated on the basis of such Floating Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Pricing Supplement).

Zero Coupon Notes:

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

Redemption:

The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice 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 may be agreed between the Issuer and the relevant Dealer. Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see “Notes with a maturity of less than one year” above.

Denomination of Notes:

Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer and as indicated in the applicable Pricing Supplement 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, and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €100,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes will be subject to restrictions on their denomination and distribution, see “Notes having maturity of less than one year” above.

Taxation: All payments in respect of the Notes and Coupons will be made without deduction for or on account of withholding taxes imposed within Australia, subject as provided in Condition 6. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 6, be required to pay additional amounts to cover the amounts so deducted (see Condition 6 “Taxation”).

Negative Pledge: Not Applicable.

Cross Default: Not Applicable.

Status of the Notes: Notes and any related Coupons will be direct, unsecured and general obligations of the Issuer 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 indebtedness preferred by mandatory provisions of law). See Condition 2.

Rating: It is expected that the Notes will, when issued under the Programme, be assigned a rating of A- by Standard & Poor's, A2 by Moody's and A- by Fitch. None of these entities are registered in the European Union or have applied for registration under the CRA Regulation. However, each of Standard and Poor's Credit Market Services Europe Limited, Moody's Investor Services Ltd and Fitch Ratings Limited is established in the European Union and are registered under the CRA Regulation to endorse credit ratings of their respective affiliates (and, as such is included in the list of credit rating agencies published by ESMA on its website in accordance with such Regulation). On 22 December 2011, ESMA published in a press release its decision to endorse Australia's regulatory regime on credit ratings pursuant to Article 4(3) of the CRA Regulation.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Issuer. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Pricing Supplement. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Pricing Supplement.

Listing:

Application has been made to the UK Listing Authority to admit Notes issued under the Programme to the Official List and to admit them to trading on the Market. The Notes may also be listed on such other or further stock exchange(s) or market(s) as may be agreed between the Issuer, the Trustee and the relevant Dealer in relation to each Series. Unlisted Notes may also be issued. The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed, and, if so, on which stock exchange(s) or market(s).

Governing Law:

The Notes will be governed by, and construed in accordance with, English law.

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom), Australia, Japan and such other restrictions as may be required or in connection with the offering and sale of a particular Tranche of Notes. See “Subscription and Sale” below.

RISK FACTORS

Potential investors should consider the risks set out in this section entitled “Risk Factors” together with the other information contained in these Listing Particulars. Each investor should also conduct its own research and consider its investment position prior to purchasing any Notes.

This section contains a description of what the Issuer considers, to be the principal risk factors that are material to the Notes. They are not the only risks which the Issuer faces, they are only those which the Issuer considers to be material. It is possible that the Issuer is not aware of something that may present a risk or that a risk that it does not consider material is or becomes material. The Issuer accepts no liability for any loss suffered in relation to a risk not contained in this section.

These risk factors may not occur and the Issuer is not in a position to express any view on the likelihood of any one of these risks materialising. However, if any of these risks (or any other event not described below) were to occur, it is possible it could result in an investor losing the value of its entire investment or part of it.

References to “the Group” are references to the Issuer and its consolidated subsidiaries. References to “the Bank” are references to the Issuer. Other terms used in this “Risk Factors” section are defined in these Listing Particulars.

Risk factors associated with the Issuer and its business

(a) Economic conditions risk

Australia's economic conditions are very important for Bendigo and Adelaide Bank. Economic conditions in Australia are the product of a combination of domestic and international factors and events, including short and long term interest rates, business confidence and retail confidence. Changes in economic conditions could materially adversely affect the financial performance and financial position of Bendigo and Adelaide Bank, including:

- changes in inflation and interest rates, which in particular may reduce the net interest margin achieved in Bendigo and Adelaide Bank's banking operations or the demand for loans, in particular housing loans;
- increasing unemployment, which is a key driver of loan defaults and declining asset growth;
- declines in aggregate investment and economic output in Australia or in key offshore regions; and
- a general decline in asset prices, in particular housing prices, which could cause loan losses on defaulted loans.

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. Global uncertainty and volatility continues to adversely impact economic growth, credit growth and consumer and business confidence in some regions. A future downturn in the Australian economy could adversely impact Bendigo and Adelaide Bank's financial results, 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, Bendigo and Adelaide Bank's business, operations and financial condition.

Whilst the economy in Australia continues to outperform many countries around the world, given the desirable combination of:

- relatively low unemployment;
- low arrears rates on residential lending and
- a sustained period of growth in Gross Domestic Product,

there can be no assurances that Australia's current economic conditions will continue. The Australian resources sector remains as an integral component of the Australian economy. Commodity prices in this sector have experienced moderate reductions in recent years in large part due to a softening of Chinese demand and concerns over the level of economic growth achievable in China on an ongoing basis. A

continuation of this trend could adversely impact the Australian economy and indirectly, Bendigo and Adelaide Bank's business and financial condition.

Volatility in the Australian dollar also poses a potential threat to the stability of the Australian economy. Whilst depreciation of the Australian dollar (from historical highs) has begun to aid the competitiveness of many domestic export industries (including agricultural exports), international tourism, manufacturers, and import-competing producers, a stronger Australian dollar could adversely impact the Australian economy and indirectly, Bendigo and Adelaide Bank's business and financial condition.

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

(b) Liquidity and funding risks

Liquidity risk is the risk that Bendigo and Adelaide Bank is unable to meet its payment obligations as they fall due, including repaying depositors or maturing wholesale debt, or that Bendigo and Adelaide Bank has insufficient capacity to fund increases in assets. Liquidity risk is inherent in all banking operations due to the timing mismatch between cash inflows and cash outflows. Funding risk is the risk of over-reliance on or lack of availability of any particular funding source affecting the availability of funds and their cost to Bendigo and Adelaide Bank. Liquidity and funding risks may be increased in periods of market stress, in the event of damage to market confidence in the funding institution, or in times of significant competition for funding (for example retail deposits), with these factors constraining the ability to access funding, or funding at viable pricing.

Bendigo and Adelaide Bank actively manages its funding mix of retail deposits (approximately 82.0 per cent. of total funding at 30 June 2016), wholesale borrowing and securitisation (approximately 18.0 per cent., inclusive of both wholesale borrowing and securitisation, of total funding at 30 June 2016).

In the event that Bendigo and Adelaide Bank's current sources of funding prove to be insufficient or too expensive, it may be forced to seek alternative financing (to the extent such financing is available). The availability of such alternative financing will depend on a variety of factors, including prevailing market conditions, the availability of credit, Bendigo and Adelaide Bank's credit ratings and credit capacity. These alternatives may be more expensive or available on unfavourable terms.

If Bendigo and Adelaide Bank is unable to source appropriate funding, it may be forced to reduce its lending or begin to sell liquid securities (to the extent that a market in such securities is available) to solve its potential funding shortfall and possible liquidity mismatch. There is no assurance that Bendigo and Adelaide Bank would be able to obtain favourable prices on some or all of the securities it offers for sale.

Global and domestic regulators have released, and begun implementation of, proposals intended to strengthen liquidity requirements which, together with any risks arising from these regulatory changes, are set out below in paragraph (p) in the risk factor entitled "Regulatory and government policy risk".

Overall, as described above, the inability to obtain appropriate funding may materially adversely impact Bendigo and Adelaide Bank's financial performance, financial position, growth, liquidity, and capital resources.

(c) Credit ratings risk

Bendigo and Adelaide Bank's credit ratings have a significant impact on both its access to, and cost of, capital and wholesale funding. The credit ratings assigned to Bendigo and Adelaide Bank by rating agencies are based on an evaluation of a number of factors, including its financial strength. Credit ratings may be withdrawn, made subject to qualifications, revised, or suspended by the relevant credit rating agency at any time and the methodologies by which they are determined may be revised. A credit rating downgrade could also be driven by the occurrence of one or more of the other risks discussed in these Listing Particulars or by other events. Ratings agencies may revise their methodologies in response to legal or regulatory changes or other market developments. If Bendigo and Adelaide Bank fails to maintain its current corporate credit ratings, this could adversely affect its cost of funds and related margins,

liquidity, competitive position, access to capital and wholesale debt markets, and willingness of counterparties to transact with it.

(d) Market risk

Market risk is the risk of loss arising from changes and fluctuations in interest rates, foreign currency exchange rates, equity prices and indices, commodity prices, debt securities prices, credit spreads and other market rates and prices.

Changes in investment markets, including changes in interest rates, foreign currency exchange rates and returns from equity, property and other investments, will affect the financial performance of Bendigo and Adelaide Bank through its operations and investments held in financial services and associated businesses. Losses arising from these risks may have an adverse impact on Bendigo and Adelaide Bank's earnings. Market risk is primarily monitored through the Board Risk Committee and managed through the Asset and Liability Management Committee.

An independent middle office function, reporting directly to the Chief Risk Officer, is responsible for reporting and monitoring of market risk and oversees, supports and reports on the market risk activities relating to the Group's treasury department ("Group Treasury") and financial markets department to the Asset and Liability Management Committee and Board Risk Committee.

(e) Competition risk

The financial services industry in Australia is highly competitive and subject to significant change.

Bendigo and Adelaide Bank faces significant competition from both traditional banking groups and non-bank financial institutions, which compete vigorously for customer investments and deposits and the provision of lending and wealth management services. Factors that contribute to competition risk include industry regulation, mergers and acquisitions, changes in customers' needs and preferences, entry of new participants, development of new distribution and service methods, increased diversification of products by competitors, and regulatory changes in the rules governing the operations of banks and non-bank competitors. For example, changes in the financial services sector in Australia have made it possible for non-banks to offer products and services traditionally provided by banks, such as automatic payment systems, mortgages, and credit cards. In addition, banks organised in jurisdictions outside Australia are subject to different levels of regulation and consequently some may have lower cost structures. Increasing competition for customers could also potentially lead to a compression in Bendigo and Adelaide Bank's net interest margins, or increased advertising and related expenses to attract and retain customers.

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

(f) Community Bank® model risks

Under its Community Bank® model, Community Bank® branches of Bendigo and Adelaide Bank operate in all States and Territories. The branches are operated by companies that have entered into franchise and management agreements with Bendigo and Adelaide Bank to manage and operate a Community Bank® branch of Bendigo and Adelaide Bank. Under a standard franchise agreement, Bendigo and Adelaide Bank derives revenue through the Community Bank® model from the payment by franchisees of franchise fees, as well as through revenue sharing arrangements. The staff of each franchisee are trained by Bendigo and Adelaide Bank and, in some cases, are seconded from Bendigo and Adelaide Bank.

While Bendigo and Adelaide Bank considers carefully the suitability of potential franchisees and the community undertakes extensive community campaigning and business planning processes, there can be no guarantee of the success of a Community Bank® branch. In particular, the Community Bank® model has only been in operation since 1998, and many Community Bank® branches have only been operating for a few years. As a growing network, a material portion of the network is relatively new and there are risks that may develop over time.

For example, it is possible that one or more branches may not be able to sustain the level of revenue or profitability that they currently achieve (or that it is forecasted that they will achieve). Further, under the

standard franchise agreement each franchise is subject to periodic renewal, subject to the franchisee satisfying certain conditions, at the option of the franchisee. Thus it is possible that a franchisee will not want to (or be able to) renew its franchise. This may impact on the number of Community Bank® branches in operation.

Poor performance by one or more franchisees, or the termination of one or more franchise agreements, may cause a loss in revenue and cause harm to the brand names Bendigo and Adelaide Bank relies on and to Bendigo and Adelaide Bank.

(g) Credit and impairment risk

As a financial institution, Bendigo and Adelaide Bank is exposed to the risks associated with extending credit to other parties. Credit risk is the risk of financial loss due to the unwillingness or inability of a counterparty to fully meet their contractual debts and obligations.

Bendigo and Adelaide Bank's lending activities cover a broad range of sectors and clients, including mortgages (including low document loans), portfolio funding, margin lending against equities, and commercial loans (including commercial property). Bendigo and Adelaide Bank also has an exposure to the credit risk associated with lending to the rural sector through the Rural Banking arm of its business model. Less favourable business or economic conditions, whether generally or in a specific industry sector or geographic region, could cause customers to experience an adverse financial situation, thereby exposing Bendigo and Adelaide Bank to the increased risk that those customers will fail to meet their obligations in accordance with agreed terms. Credit risk is primarily monitored by the Board Credit Committee and the Management Credit Committee and the framework, policies, analysis and reporting are managed by Bendigo and Adelaide Bank's Credit Risk business unit.

A range of factors may impact the level of financial stress experienced by customers and counterparties, including market and economic conditions, climatic conditions, competitive activity and management choices. Adverse changes in these factors may result in Bendigo and Adelaide Bank experiencing an increase in defaults and write-offs and may necessitate increase in its provisioning. Declining asset prices may also impact customers and the value of security held against loans, which in turn may impact the returns if customers were to default. This may negatively impact Bendigo and Adelaide Bank's financial performance and financial position.

Credit losses can and have resulted in financial services organisations realising significant losses and in some cases failing altogether. Should material unexpected credit losses occur to Bendigo and Adelaide Bank's credit exposures, it could have a material adverse effect on Bendigo and Adelaide Bank's business, operations and financial conditions.

(h) Operational risk

Operational risk is defined by the Group as the risk of impact on objectives or risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. This includes legal risk but excludes reputational and strategic risks (some examples of strategic risk are set out in paragraph (i)).

Whilst Bendigo and Adelaide Bank has operational risk management policies, framework, processes and procedures, its profitability will always be subject to a variety of operational risks. This includes risks associated with technology risk (including business systems failure), fraud, non-compliance with legal and regulatory obligations, counterparty performance under outsourcing arrangements, business continuity planning, legal risk, data integrity risk, staff skills and performance, key person risk, financial product development and maintenance, and external events. One or more of these risks may have a material adverse impact on Bendigo and Adelaide Bank's financial position and financial performance.

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

existing and future acquisitions and alliances. In addition, the Bank's technologies, systems, networks and its customers' devices have been subject to, and are likely to continue to be the target of, cyber attacks, computer viruses, malicious code, phishing attacks or system or information breaches.

Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that either Bendigo and Adelaide Bank or the Group will be unable to comply with its obligations as a company with securities admitted to the Official List.

(i) Technology risk

Technology plays an increasingly important role in the delivery of financial services to customers and in the efficient operation of the Bank. Bendigo and Adelaide Bank's ability to compete effectively in the future will, in part, be driven by its ability to maintain and adapt its technology platforms and services to respond to the needs of customers, to maintain our competitive position and to respond to regulatory change requirements. Consequently, there is a risk that these, or the services Bendigo and Adelaide Bank uses or is dependent upon, might fail.

Most of Bendigo and Adelaide Bank's daily operations are computer-based and information technology systems are essential in delivering banking, payments and wealth services to our customers. The exposure to systems risks includes the complete or partial failure of information technology systems and processes provided by the Bank or third party providers. This may be due to, among other things, failure to keep pace with industry developments and the capacity of the existing systems to effectively accommodate growth and to integrate existing and future acquisitions and alliances and data loss due to control weaknesses and evolving information security risks. As the Bank must continue to invest and update its technology platforms, there is a risk of project failure, leading to increased costs, inability to comply with regulatory requirements and continuity for customers.

To manage these risks, Bendigo and Adelaide Bank has service recovery capabilities in place that are regularly tested and refined and a dedicated information security team to monitor and respond to changing threats, utilises project and change management frameworks and controls and undertakes capacity planning on core systems. Architectural governance is employed to ensure systems and processes are fit for purpose, maintained, retired and replaced when appropriate. However, any failure of these systems could result in business interruption, loss of customers, financial compensation, damage to reputation and/or a weakening of Bendigo and Adelaide Bank's competitive position, which could adversely impact its business and have a material adverse effect on the Bank's financial condition and operations.

(j) Strategic and acquisition risk

Bendigo and Adelaide Bank regularly examines a range of corporate opportunities, including material acquisitions, commercial partnerships and disposals with a view to determining whether those opportunities are aligned with the Group's vision and strategy and would enhance the Group's financial performance and position. There are risks associated with strategic and business decisions made by Bendigo and Adelaide Bank in the ordinary course of business, including restructures, organic development initiatives or acquisitions and other corporate opportunities. Any restructure, initiative, acquisition or decision made in relation to other corporate opportunities could, for a variety of reasons, have a material adverse effect on Bendigo and Adelaide Bank's current and future financial position or performance.

Bendigo and Adelaide Bank may seek to grow in the future by merging with or acquiring other companies in the financial services industry. There can be no assurance that any merger or acquisition would have the anticipated positive results, including results relating to the total cost of integration, the time required to complete the integration, the amount of longer-term cost savings or the overall performance of the combined entity or an improved price for the Group's securities. Integration of a merged or acquired business can be complex and costly, sometimes including combining relevant accounting and data processing systems and management controls, as well as managing relevant relationships with employees, clients, suppliers and other business partners. Integration efforts could divert management attention and resources, which could adversely affect the Group's operations or results. A merger or acquisition may

also result in business disruptions that cause the Group to lose customers or cause customers to remove their business from the Group to competing financial institutions.

Bendigo and Adelaide Bank may seek to sell or dispose of certain businesses in the future. This may result in a change in the operations of Bendigo and Adelaide Bank and cause Bendigo and Adelaide Bank to face risks, including operations and financial risks that could adversely affect Bendigo and Adelaide Bank's financial condition and results of operations. The Group's operating performance, risk profile or capital structure may also be affected by these corporate opportunities and there is a risk that any of the Group's credit ratings may be placed on credit watch or downgraded if these opportunities are pursued.

(k) Credit risk in relation to the Great Southern Managed Investment Schemes (the "Schemes") loans portfolio

As at 30 June 2016 Bendigo and Adelaide Bank had outstanding loan balances to investors in Schemes totalling \$171.3 million (net of specific provisions). On 16 May 2009, Great Southern Limited ("GSL") and many subsidiaries of GSL entered voluntary administration. This included the responsible entity of the Schemes, Great Southern Managers Australia Limited ("GSMAL") and a finance company Great Southern Finance Pty Ltd ("GSF"). On 19 November 2009, creditors appointed partners of Ferrier Hodgson as Liquidators of the various Great Southern companies including GSL, GSMAL and GSF.

Bendigo and Adelaide Bank either acquired or advanced loans to investors in the Schemes.

The law firm, Macpherson + Kelley, commenced 13 class actions in the Supreme Court of Victoria on behalf of investors in 18 Schemes ("Group Proceedings").

Bendigo and Adelaide Bank was a defendant in the Group Proceedings. Not all borrowers were members of the Group Proceedings as the Group Proceedings relate to specific schemes and categories of borrowers. Interest bearing loans with initial principal amounts totalling around \$649 million, and non-interest bearing loans with initial principal amounts totalling a further \$142 million, that were advanced or acquired between 2005 and 2008 were covered by Group Proceedings.

While no wrongdoing was alleged against Bendigo and Adelaide Bank, the Group Proceedings sought to set aside loans advanced or acquired by Bendigo and Adelaide Bank and related entities to investors in the Schemes. The Group Proceedings also sought to have Bendigo and Adelaide Bank repay all amounts paid by investors under the loans.

The trial for the Group Proceedings commenced in the Supreme Court of Victoria on 29 October 2012 and concluded on 24 October 2013.

On 23 July 2014, the parties to the Group Proceedings executed a Deed of Settlement to resolve the proceedings.

The terms of settlement relevant to Bendigo and Adelaide Bank are:

- members of the Group Proceedings acknowledge that their loans are valid and enforceable and provided broad releases from future litigation;
- Bendigo and Adelaide Bank agreed to waive interest relating to overdue amounts, being the interest (additional to ordinary interest) payable by borrowers in default that is accrued and unpaid up to the date the Court approves the terms of settlement; and
- principal and ordinary interest remains payable by borrowers.

The terms of the Deed of Settlement were approved by the Supreme Court of Victoria on 11 December 2014.

Bendigo and Adelaide Bank has raised provisions and in some cases made write-offs in relation to the Great Southern loan portfolio, having regard to the performance of the portfolio and other relevant factors. The specific and collective provisions on the portfolio as at 30 June 2016 were \$23.7million and \$19.1 million respectively. The provisions are reviewed on an ongoing basis and may vary over time. The eventual write-off on the portfolio may exceed the current provisions.

(l) Trustee risk

Part of the business of Sandhurst Trustees Limited (“Sandhurst”), a wholly-owned subsidiary of Bendigo and Adelaide Bank, is its trustee and custodian business. This includes custodial services, acting as trustee for debenture and convertible note issues, acting as trustee or responsible entity of unit trusts and managed investment schemes and acting as a trustee for retail superannuation funds. There are particular risks that apply to such a business. In particular, as a trustee or custodian, Sandhurst may generally be liable in its personal capacity (i.e. without a right of indemnity from the assets of the trust for which it is the trustee) for losses or damages caused as a result of negligence, fraud or breach of duty of Sandhurst or its officers. Further, as a trustee or custodian, the reputation of Sandhurst may be impacted adversely by the actions of its clients notwithstanding it has acted in good faith.

(m) Reduction in dividends risk

If the earnings and cash flows of Bendigo and Adelaide Bank are substantially reduced (for example, due to a decline in operating earnings or due to a large one-off or cumulative asset impairment or write-off), Bendigo and Adelaide Bank may not be in a position to pay dividends, which may in turn have an impact on the trading price of its shares. In addition, dividends declared by Bendigo and Adelaide Bank are subject to APRA regulation.

(n) Joint venture risk

Some of Bendigo and Adelaide Bank’s activities are conducted through joint ventures. These joint ventures are not controlled by Bendigo and Adelaide Bank and, while Bendigo and Adelaide Bank is represented on the board of those entities, the day-to-day operations of those joint ventures are not managed by Bendigo and Adelaide Bank. The governing documents for some of Bendigo and Adelaide Bank’s joint ventures provide that key matters and decisions require the agreement of Bendigo and Adelaide Bank’s joint venture partners. Bendigo and Adelaide Bank may be unable to reach agreement with its joint venture partners concerning these matters and any disagreements may affect the ability of a joint venture to function properly or distribute income to Bendigo and Adelaide Bank. In some cases, Bendigo and Adelaide Bank’s arrangements with its joint venture partners may require Bendigo and Adelaide Bank to make an additional investment in the venture or to provide additional financing. Overall, the nature and obligations of the joint venture arrangements may adversely impact Bendigo and Adelaide Bank’s financial position and financial performance.

(o) Litigation and contingent liabilities risk

In the course of its operations Bendigo and Adelaide Bank may be subject to material litigation or governmental, legal or arbitration proceedings and other contingent liabilities which, if these liabilities should crystallise, may adversely affect the financial position or financial performance of the Bank.

As noted in paragraph (k) above, Bendigo and Adelaide Bank entered into an agreed settlement in respect of the Great Southern proceedings on 23 July 2014, the terms of which were approved by the Supreme Court of Victoria on 11 December 2014. For details refer to paragraph (k).

Any material increase in the provisions or impairments noted in paragraph (k) above may have an adverse effect on Bendigo and Adelaide Bank’s financial position.

The Bank is not defending any other material litigation, but is aware of the following:

- Class action law firm Maurice Blackburn has conducted group proceedings against Australia and New Zealand Banking Group and several other banks, asking the Court to set aside as unenforceable certain exception fees charged by the banks over several years. Although it has not commenced proceedings against Bendigo and Adelaide Bank, there is media comment by the firm that after any successful conclusion of its trial against other banks it would seek to negotiate a settlement with Bendigo and Adelaide Bank, presumably in respect of its equivalent exception fees. The firm has not identified the quantum of any claims against Bendigo and Adelaide Bank. A Federal Court appeal decision which was generally in favour of ANZ was appealed to the High Court. The High Court dismissed the appeal in July 2016.

(p) Regulatory and government policy risk

Bendigo and Adelaide Bank is subject to the laws, regulations, policies and codes of practice in countries in which it trades or raises funds or in respect of which it has some other connection. In particular, Bendigo and Adelaide Bank's banking, funds management and superannuation activities are subject to extensive regulation, mainly relating to corporate governance, liquidity, capital, risk management, accounting and reporting requirements, taxation, consumer protection, anti-money laundering and counter-terrorism financing and licence conditions.

Regulations vary from country to country but generally are designed to protect the interests of financial service users including depositors and investors, and the overall stability of the banking and finance sector. The Australian government and its agencies, including the Australian Prudential Regulation Authority ("APRA"), the Reserve Bank of Australia ("RBA"), and other regulatory bodies including the Australian Securities Exchange ("ASX"), the Australian Securities & Investments Commission ("ASIC"), the Australian Taxation Office ("ATO"), and the Australian Transaction Reports and Analysis Centre ("AUSTRAC") have supervisory oversight of Bendigo and Adelaide Bank and its subsidiaries.

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

These regulatory and other governmental agencies (including revenue and tax authorities) frequently review banking and tax laws, regulations, codes of practice and policies. Changes to laws, regulations, codes of practice or policies, including changes in interpretation or implementation of laws, regulations, codes of practice or policies, could affect Bendigo and Adelaide Bank in significant and unpredictable ways.

These may include increasing required levels of liquidity and capital, limiting the types of financial services and products Bendigo and Adelaide Bank can offer, reducing the fees which banks can charge on their financial services, and / or increasing the ability of non-banks to offer competing financial services or products, as well as changes to accounting standards, taxation laws and prudential requirements.

Following the global financial crisis, regulators worldwide have proposed changes to various pieces of regulation to strengthen the financial services sector. One example of this was the announcement in December 2010 by the Basel Committee on Banking Supervision of a revised global regulatory capital framework, known as Basel III. Basel III, among other things, increases the required quality and quantity of capital held by banks and introduces new minimum standards for the management of liquidity risk. APRA supports the Basel III framework and is incorporating the framework into its prudential standards. The framework came into effect on 1 January 2013, but is subject to various transitional arrangements. For example, Bendigo and Adelaide Bank is subject to Prudential Standard APS210 governing the regulatory requirements of prudent liquidity risk management. From 1 January 2015, APRA adopted the Basel III liquidity requirement of compliance with a liquidity coverage ratio ("LCR"). From 1 January 2018, APRA is adopting the Basel III liquidity requirement of compliance with a net stable funding ratio ("NSFR"). As with all such regulated banks in Australia, Bendigo and Adelaide Bank is required to comply with these changes to liquidity requirements from the prescribed dates.

Basel III requirements are expected to be followed by further requirements arising out of additional proposals adopted by the Basel Committee on Banking Supervision, known as Basel IV. However, the nature and timing of any such requirements are yet to be determined.

It is possible that such changes will result in additional costs for Bendigo and Adelaide Bank, thereby affecting the Bank's financial results.

Any changes such as this may adversely affect Bendigo and Adelaide Bank's business, operations and financial condition. The changes may lead Bendigo and Adelaide Bank to, among other things, change its business mix, incur additional costs as a result of required system and process changes, raise additional

amounts of higher quality capital (such as ordinary shares), hold additional levels of liquid assets and restructure the maturity profile of its wholesale funding base to more closely match Bendigo and Adelaide Bank's asset maturity profile.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

Risk factors associated with the Notes

Notes are unsecured

All Notes issued under the Programme are unsecured. Because of this, no recourse can be had to any third party to recover amounts that are not recoverable from the Issuer. In addition, under Australian insolvency law certain claims are given mandatory preference to the claims of unsecured creditors by operation of law. In making a Notes Investment, the investor is therefore relying on the ability of the Issuer to repay and pay (as relevant) the redemption price for the Notes and the coupon due under the Notes at the time it is due. This may be prior to the designated maturity of the Notes and in any event there is no obligation on the Issuer to make provision or contingencies for these payments, whether they become due prematurely or at the time specified under the Notes.

Notes may be subject to price stabilisation

Subject to applicable law, Notes may be subject to price stabilisation activities by the Stabilisation Manager(s) as detailed above under the heading "Stabilisation". However, stabilisation may not necessarily occur.

Changes during the term of the Note

It is possible that changes may occur during the term of a Note that may affect the value of the Notes or the return an investor will receive from the Notes. These changes may also affect the ability to transfer the Note on the secondary market. By way of example, these changes include:

- (a) **(change in Issuer's condition)**: a change in the financial condition or rating of the Issuer or a change to the Issuer's legal status, control or tax residence;
- (b) **(change in law)**: a change in law of the law governing the Note. A change in law may mean that rights under the Notes at the time of the issue are altered or cease to exist and may otherwise negatively impact on the ability of a Noteholder to enforce its rights as they existed at the date of issue. Although legal opinions are given in relation to the laws of certain relevant jurisdictions at the time of issue, these are for the benefit of the Dealers and not the Noteholders and speak to the relevant laws as at the date of issue and not subsequently. The advisers providing the legal opinions have no obligation to notify the Issuer, the Dealers or any Noteholder of any change in law that impacts on the Notes;
- (c) **(selling restrictions and taxation)**: summaries of certain selling restrictions and withholding and other tax treatments are detailed in these Listing Particulars (see the "Sale and Subscription" and "Taxation" sections below). These restrictions and treatments are summaries only and should be read as such. The laws on which these summaries are based may be changed at any time (see the preceding paragraph for further concerns relating to change in law). Where the law relating to taxation changes this may also trigger an early redemption of the Notes. In addition, there could be further restrictions now or in the future on the ability of a person to make a Notes Investment or to utilise that investment for collateral purposes. These types of issues are not intended to be and are not dealt with in the summaries detailed above;
- (d) **(waivers and amendments)**: regardless of whether there is any change in law, there may be waivers or amendments to the terms of the Notes prior to their maturity. These may or may not require the Noteholders' consent depending on the terms of the Notes and where consent is required, may be

decided by a designated majority of Noteholders, meaning a particular Noteholder cannot necessarily resist an amendment or waiver of which it does not approve;

- (e) **(currency)**: it is possible that the currency of certain jurisdictions may change during the terms of the Notes. Where this is the case, legislation in the jurisdiction implementing the new currency may specify the date on and rate at which the currency is redenominated. The currency in which Notes are issued or in which interest and principal amounts are paid may also be devalued, which will decrease the relative worth of the Notes Investment;
- (f) **(exchange controls)**: jurisdictions in which payments under the Notes are made or in whose currency payments under the Notes are denominated may introduce exchange controls which may prevent or limit exchange or use of the currency in which payments under the Notes are made;
- (g) **(interest rate conditions)**: where Notes have a fixed rate and there is a change in interest rate conditions such that similar notes delivering a higher return are available in the market, although this may not impact on the return the investor was expecting, it may impact on the ability of the investor to transfer or trade the Notes Investment;
- (h) **(default)**: the Issuer or any party to the Programme Agreement, the Agency Agreement or the Trust Deed (as defined herein) (the "Programme Documents") may default on its obligations under the Notes or the Programme Documents. In addition to impacting on the value and transferability of the Notes, it may also impact on the ability of the investor to recover the amounts due to the investor; and
- (i) **(rating)**: the credit ratings assigned to the Notes may not reflect the potential impact of all risks related to any trading market for, or trading value of, the Notes. In addition, actual or anticipated changes in the credit rating of the Issuer or of any Notes will generally affect any trading market for, or trading value of, the Notes.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Further information in relation to the credit rating agencies and ratings (including warnings as to reliance on them) can be found above (see the "Overview of the Programme" section) and will be disclosed in the Pricing Supplement.

Ability to trade Notes

In addition to the risks discussed above in relation to limits on trading Notes, there is no obligation on the Dealers to effect secondary sales of the Notes nor, where a secondary market has been created, to ensure it stays active. Therefore, there may not be a market for the Notes or that market may not produce the return the investor anticipated.

In addition, Noteholders should be aware that global credit market conditions may result in a general lack of liquidity in the secondary market for instruments similar to the Notes. Such lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the assets of the Issuer. The Issuer cannot predict which of these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

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

Any Notes that are listed on the London Stock Exchange or any other listing authority, stock exchange or quotation system may be de-listed. If any Notes are de-listed, the Issuer is obliged to use its best endeavours to obtain promptly an alternative listing. Although no assurance is made as to the liquidity of

the Notes as a result of listing on the London Stock Exchange or any other listing authority, stock exchange or quotation system, de-listing the Notes may have a material adverse effect on a Noteholder's ability to resell the Notes in the secondary market.

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

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary for Euroclear and/or Clearstream, Luxembourg. Apart from the limited circumstances described in the relevant Global Note, investors will not be entitled to hold Notes in definitive form. Euroclear and/or Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes.

While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and/or Clearstream, Luxembourg. While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and/or Clearstream, Luxembourg for distribution to their relevant account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and/or Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

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

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, the Trustee and the Agent.

Risks associated with the Programme and different types of Notes

There are a variety of Notes that can be issued under this Programme. In addition to those types of Notes described in the section headed "Overview of the Programme" above, the Issuer may decide to issue a further type of Note. The Issuer can do this at any time, and it may be that the new Notes are more appropriate for a particular investor's needs than those the investor has purchased. Whether the Notes are of a type described in these Listing Particulars or a new type of Note, there is no requirement on the Issuer to inform Noteholders or those considering a Note Investment of the details of any further issue the Issuer may be contemplating, including any issue occurring simultaneously with or immediately following the issue for which the investor is subscribing.

An issue may not proceed

The Issuer may decide not to proceed with an issue of Notes under the Programme. Where this is the case, the investor will have no rights against the Issuer in relation to any expense incurred or loss suffered.

Characteristics that may be controlled by the Issuer

Certain Notes may have characteristics or events that are controlled at the discretion of the Issuer and this may limit their market value, particularly during any period where the Issuer may make an election. Examples of these types of Notes include where there is early redemption at the option of the Issuer or where the Issuer has the ability to change the interest rate from fixed to floating and *vice versa*, or the method of calculation of the interest rate. In addition, the Terms and Conditions of the Notes may also allow further logistical changes such as a change in the place of payment.

Where this is the case, the investor should assume that the Issuer would act in such a way as to maximise its return or improve its cost of funds and financial position. By way of example, where notes of a certain interest rate are subject to early redemption at the option of the Issuer, the Issuer may choose to redeem these Notes when it is able to issue other Notes or otherwise raise funds at a lower interest rate. This timing may not correlate to a time when the investor could reinvest its funds and earn the same or a higher rate of return. Similarly, if by changing from a fixed to floating rate (or *vice versa*) the Issuer is able to lower the coupon payments under the Notes, the Issuer may do so, subsequently lowering the return for the investor.

Notes with returns that are calculated with reference to a variable

Notes may have returns that are variable as a result of the method by which the coupon is calculated or of the way interest is paid. The most basic example of this are Notes where the interest rate is floating, and therefore subject to changes as a result of movements in the prevailing interest rate. In these cases, the success or otherwise of the variable can impact significantly on the return under the Notes as well as the ability to trade the Notes on the secondary market. It should be expected that the value of the Notes and the secondary market for the Notes will decrease if the performance of the variable is less than anticipated. In addition, depending on the Terms and Conditions of the Notes, where the variable fails to meet a particular level of performance, amounts of principal and interest may be forfeited, reduced or paid in currencies other than that in which the amount is due.

Investors should also be aware that:

- (a) the market price of such Notes may be volatile;
- (b) they may receive no interest;
- (c) payment of principal or interest may occur at a different time or in a different currency than expected; and
- (d) they may lose all or a substantial portion of their principal.

These risks depend on a number of inter-related factors, including economic, financial and political events over which the Issuer has no control.

Accordingly, each potential investor should consult the potential investor's own financial and legal advisers about the risk entailed by an investment in any Notes with returns that are calculated with reference to a variable and the suitability of such Notes in light of the potential investor's particular circumstances.

Inverse Floating Rate Notes

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

Fixed/Floating Rate Notes

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

other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

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

Trading different types of Notes

It should be assumed that the market for trading different types of Notes varies even though they are issued under the same Programme. By way of example, a zero coupon note may be more difficult to trade and its price more variable than a fixed interest rate note, and it may be more difficult to trade a zero coupon note that has just been issued than a zero coupon note nearer its redemption.

Investors may lose rights in relation to amounts paid or to be paid

Depending on the Terms and Conditions of the Notes, an investor may forfeit its rights to have amounts paid or repaid or to collect its return on its investment. For example, where Notes are in definitive bearer form then the inability of the investor to produce the Note or coupon may result in it not receiving payments of interest or being able to redeem its Notes for the redemption price. There are also time limits placed on the ability of a Noteholder to bring a claim for interest by both the Terms and Conditions of the Notes and applicable laws.

Notes where denominations involve integral multiples: definitive Notes

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

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

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the Issuer for general corporate purposes.

Bendigo and Adelaide Bank – Corporate Profile

Overview

Bendigo and Adelaide Bank (“the Bank”) is an Australian publicly listed company on the ASX and registered in Victoria under the Corporations Act. The Bank converted from a building society to a bank on 1 July 1995. At the time of conversion, the Bank was Australia’s largest building society and Australia’s oldest, having operated as a building society for 137 years. Over the last 21 years the Bank has grown considerably, both organically and as a result of strategic acquisitions, most notably its merger with Adelaide Bank Limited in 2007. The Bank has headquarters in Bendigo, Victoria and Adelaide, South Australia with the registered office based in Bendigo.

The Bank provides banking and financial services primarily to retail customers and small to medium sized businesses. The principal activities of the Bank and its controlled entities are the provision of a broad range of banking and other financial services, including consumer, residential, business and commercial lending, deposit-taking, payments services, wealth management, funds management and superannuation, treasury and foreign exchange services. The Bank is regulated by the Australian Prudential Regulation Authority (“APRA”).

The Bank has 187 company-owned Bendigo Bank branches and 311 Community Bank® branches (as at 30 June 2016). For the 2016 financial year, retail deposits increased 7.9 per cent, and comprised approximately 82 per cent. of the Bank’s total funding. The Bank will continue to leverage its retail distribution network as existing branches mature and as more branches are opened.

As at 30 June 2016, the Bank had an asset base of \$68.6 billion and for the 12 months ending 30 June 2016 the Bank’s net profit after tax attributable to equity holders decreased to \$415.6 million (compared with \$423.9 million from the previous 12 months).

The Bank’s activities are conducted under a multi-brand strategy however the business activities can be divided into three main operating segments: Local Connection, Partner Connection and Rural Banking.

Business strategy

The Bank is a retail-focussed domestic Australian bank with a low risk appetite and conservative lending profile.

The Bank's vision is to be Australia’s most customer connected bank and the Bank’s strategy is to focus on the success of its customers, people, partners and communities. For this purpose the Bank:

- Takes a long term (100 year) view of the business
- Listens and responds
- Respects every customer’s choice, needs and objectives
- Partners for shared success
- Empowers collaboration and inclusion
- Has a clear purpose that is supported by the Bank’s values

Business profile

Local Connection

Local Connection provides a full range of consumer and business banking products and solutions.

It is represented in all Australian states and territories with 187 company-owned Bendigo Bank branches and 311 Community Bank® branches (as at 30 June 2016), more than 100 customer service agencies and a network of more than 1500 ATMs (as at 30 June 2016).

The Community Bank® branches engage and involve communities in securing access to branch banking services. Essentially, a local publicly owned company invests in the rights to operate a Bendigo and

Adelaide Bank branch. Bendigo and Adelaide Bank supplies all banking and back office services while the community company operates the retail outlet. Revenue is shared, enabling communities to profit from their own banking and channel those profits back into community enterprise and development.

Delphi Bank is also managed through the Local Connection business segment. Delphi Bank was formed after the Bank of Cyprus Australia was acquired by the Bank in February 2012. Delphi Bank is a bank focussed on the Greek and Cypriot communities through a network of 14 branches located in New South Wales, Victoria and South Australia.

The Bank continues its tradition of adding value for customers through quality personal service and a philosophy of giving back to those communities in which it operates.

Partner Connection

Partner Connection provides a partner centric range of Third Party Banking and Wealth products and solutions.

The Bank operates a substantial third-party banking business on a partner-centric business model, leveraging key strategic alliances and partnerships with mortgage brokers, mortgage managers and other third parties throughout Australia.

The third party banking business has established itself as a product innovator specialising in loan product development, processing and wholesaling.

The wealth business includes the Bank's funds management business, Sandhurst Trustees, Bendigo Financial Planning and its gearing solutions business, Leveraged.

Sandhurst Trustees provides wealth management products and services, including managed funds, common funds, cash management accounts, superannuation and wills and estate management. Sandhurst Trustees products are distributed to customers by third party financial advisers and through the Bank's retail arm, with selected products, including life and income protection insurance and Superannuation fulfilled by Licensed Bendigo Financial Planners.

Leveraged is one of Australia's oldest and longest continuously operating gearing solutions firms, founded in 1991, by stockbroker Ord Minnett. Leveraged's years of experience means that it can couple its proven risk management expertise with a customer focussed service approach that enables it to provide a robust framework from which customers can incorporate gearing within their wealth creation strategy. Leveraged has built a foundation of private banking style account management service, combined with innovative and responsive product offerings, including margin loans and investment loans.

Rural Banking

Rural Bank is a wholly-owned subsidiary of Bendigo and Adelaide Bank, and operates as a distinct ADI under the supervision of APRA. It shares the same credit ratings as its parent from all three ratings agencies (Standard & Poor's, Moody's and Fitch). Rural Bank provides specialised banking products and services to farmers and agribusiness participants. Rural Bank products and services are available across Australia through Rural Bank's proprietary sales network, and also through distribution partnerships with Bendigo Bank and Elders Limited.

The major revenue source is net interest income and fees predominantly derived from the provision of loans and deposit products to Australian farmers, agribusinesses and associated support industries. On 1 July 2014, the Bank announced the completion of the acquisition of the business activities and selected assets of Rural Finance.

Collectively the Rural Bank and Rural Finance businesses represent more than \$5.4 billion in loans (as at 30 June 2016) to farmers in every state and territory of Australia. There is strong strategic alignment for this acquisition with both businesses having a customer centred focus and there is a natural fit with the Bank's position as a leading Victorian regional finance provider.

Joint venture businesses

The Bank's joint venture businesses include Community Sector Banking (banking to Australia's not-for-profit sector), Homesafe Solutions (promoter and distributor of equity release products) and Silver Body Corporate Financial Services (distributor of banking products to property body corporates).

Subsidiaries and other brands

In addition to the above, the Bank has a number of operating subsidiaries and brands that contribute to the Bank's overall profit performance.

Group Treasury

Group Treasury undertakes the following functions:

- Liquidity management
- Interest rate risk management
- Liability management
- Capital management
- Foreign exchange risk management (related to wholesale funding)

Group Treasury manages the liquid assets of the Group and provides access to inter-bank markets for short and long term funding. Derivative and hedging activities undertaken primarily relate to balance sheet management activities.

The Group does not set an objective of realising significant income from Group Treasury trading operations.

Group Treasury also accesses senior and subordinated medium and long term wholesale funding markets on behalf of the Group. Activity in both domestic and offshore debt capital markets is based on a consistent strategy of prudent diversification of wholesale funding sources, including securitisation, to supplement the Group's commitment to a strong retail funding base.

Group Treasury are also responsible for the development and implementation of the Group's capital management strategy.

Funding

The principal source of funding for the Group is, and is expected to continue to be, its retail deposit base. These deposits are traditional term and savings deposits sourced through the Group's retail network. Retail deposits provide a stable source of funding and the Group is committed to maintaining a strong retail liability base.

The Group's funding strategy is to maintain the existing high levels of retail funding on its balance sheet. In addition, the Group has set the following funding objectives:

- lengthening the duration of its liabilities;
- continuing to diversify its funding opportunities across a range of markets; and
- being an active participant in markets where funding opportunities exist and pricing is appropriate.

Securitisation has also formed an important part of the Group's funding and capital management strategies and the Group will continue to monitor this market and participate where market conditions and pricing is appropriate.

Offshore Facilities

The Group most recently issued notes under its Euro Medium Term Note Programme ("EMTN Programme") in February 2014.

The Group intends that any offshore transactions will be fully hedged to mitigate currency and basis risk.

The Group continues to monitor the appetite of offshore investors for Australian based issuers, with a view to further diversifying its investor base.

The Group also maintains a U.S.\$5,000,000,000 Euro-Commercial Paper Programme. The Group will utilise this programme to provide further short term offshore funding flexibility to support the EMTN Programme and domestic funding initiatives.

Capital Management Strategy

Bendigo and Adelaide Bank seeks to manage its capital base pro-actively to improve the overall cost of capital of the organisation and ultimately maximise returns to shareholders, while at the same time meeting the needs of its various stakeholders, including APRA and the credit ratings agencies.

The Bank manages its capital requirements under both the Basel II and Basel III capital adequacy regimes, subject to transitional arrangements.

The Basel II framework was implemented in Australia from 1 January 2008 under the guidance of APRA. The Basel II framework is based on three “pillars”:

- Pillar one covers the minimum capital requirements for banks;
- Pillar two covers the supervisory review process; and
- Pillar three relates to market disclosure.

There are two approaches to measuring risk for regulatory capital purposes under this framework, being the standardised approach and the advanced approach. The Bank remains on the standardised approach for credit and operational risk under Basel II and is currently undertaking a project to become accredited by APRA to utilise various advanced approaches, with the timing for completion subject to various factors and APRA approval.

On 28 September 2012, APRA released the final Basel III capital reform package for Australia. The major reforms contained within this package commenced being phased in on 1 January 2013 and this will continue through to 1 January 2019. However, recognising that Authorised Deposit-taking Institutions (“ADIs”) in Australia were starting from a sound and strongly capitalised position, APRA has accelerated the Basel III timetable in some areas. On 1 January 2013, APRA’s Basel III prudential capital standards came into effect requiring Australian ADIs (including the Bank) to maintain minimum ratios. The Bank adopted the Basel III measurement and monitoring of regulatory capital from this date as required by APRA.

From 1 January 2016, APRA has required Australian ADIs to hold capital buffers above minimum capital requirements. The capital buffers include a capital conservation buffer (“CCB”) in the form of Common Equity Tier 1 (“CET1”) capital of 2.5 per cent. of risk-weighted assets and a higher loss absorbency (“HLA”) requirement of 1 per cent. of risk-weighted assets for Domestic Systemically Important Banks (“D-SIB”). The Bank is not designated as a D-SIB. At APRA’s discretion, a further countercyclical buffer of between 0 per cent. and 2.5 per cent. may be applied, which would require the Bank to hold additional capital where APRA determines excess credit growth with a build-up of system wide risk. The countercyclical buffer requirement in Australia is currently 0 per cent.

Settlements

The Group’s settlements department handles all back office processing. This operation is segregated from front office functions.

Directors

As at the date of these Listing Particulars the directors of the Bank are as set out below.

Mike Hirst
Robert Johanson
David Matthews
Deb Radford

Jacqueline Hey
Jan Harris
Jim Hazel
Tony Robinson
Robert Hubbard

The business address of each director listed in the financial statements is:

The Bendigo Centre
Bendigo Victoria 3550
Australia

In accordance with the Constitution of the Bank, and under the terms of the Board Charter, the managing director has been delegated responsibility for the day-to-day management of the Bank and its subsidiary companies. The managing director has established an executive management committee, chaired by the managing director, which is responsible for the day-to-day management of the Group's operations and performance.

Executive Management Committee

Mike Hirst – Managing Director & Chief Executive Officer
Robert Musgrove – Engagement Innovation
Stella Thredgold – Business Enablement
Marnie Baker – Chief Customer Officer
Tim Piper – Chief Risk Officer
Richard Fennell – Corporate & Chief Financial Officer
Bruce Speirs – Partner Connection
Alexandra Gartmann – Chief Executive Officer, Rural Bank
Andrew Watts – Customer Service Improvement
Alexandra Tullio – Local Connection

The business address for each member of the executive management committee listed above is:

The Bendigo Centre
Bendigo Victoria 3550
Australia

Conflicts

There are no material conflicts of interest which exist between any duties of any director or member of the executive management committee to the issuer and any private or other duty of that director or member of the executive management committee. The Bank has in place procedures whereby any conflicts between interests of directors and their private interests are declared and managed.

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 or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer(s) at the time of issue but, if not so permitted and agreed, such definitive 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, amendment, supplement and variation in accordance with the provisions of the applicable Pricing Supplement in relation to any Tranche of Notes. The applicable Pricing Supplement (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 the Notes” above for a description of the content of Pricing Supplement which 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 Bendigo and Adelaide Bank Limited (ABN 11 068 049 178) (the “Issuer”) constituted by a trust deed (such trust deed as modified and/or supplemented and/or restated from time to time, the “Trust Deed”) dated 25 November 2016 between the Issuer and DB Trustees (Hong Kong) Limited (the “Trustee”, which expression shall include any successor as trustee).

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 each Specified Denomination in the Specified Currency;
- (ii) any definitive Notes issued in exchange for a Global Note; and
- (iii) any Global Note.

The Notes and the Coupons (as defined below) also have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the “Agency Agreement”) dated 25 November 2016 and made between the Issuer, the Trustee, Deutsche Bank AG, Hong Kong Branch as issuing and principal paying agent and agent bank (the “Agent”, which expression shall include any successor agent specified in the applicable Pricing Supplement) and any other paying agents appointed pursuant to the Agency Agreement (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 Pricing Supplement) have interest coupons (“Coupons”) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (“Talons”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons.

The Pricing Supplement for this Note (or the relevant provisions thereof) are set out in Part A of the Pricing Supplement attached to or endorsed on this Note and supplements these Terms and Conditions (the “Conditions”). References herein to the “applicable Pricing Supplement” are to Part A of the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

The Trustee acts for the benefit of the holders for the time being of the Notes (the “Noteholders”, which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below), and the holders of the Coupons (the “Couponholders”, which expression shall, unless the context otherwise requires, include the holders of the Talons), all in accordance with the provisions of the Trust Deed.

As used herein, “Tranche” means Notes which are identical in all respects (including as to listing) 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) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon, the Issue Date, the Issue Price and the date from which interest starts to accrue.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the specified office of each of the Trustee, the Agent and the other Paying Agents.

Copies of the applicable Pricing Supplement are available for viewing at the registered office of the Issuer and at the principal office of the Agent. Copies may be obtained from those offices save that, if this Note is not admitted to trading on the Professional Securities Market of the London Stock Exchange, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Issuer, the Trustee and the relevant Paying Agent as to its holding of such Notes and identity. If the Notes are to be admitted to trading on the Professional Securities Market of the London Stock Exchange the applicable Pricing Supplement will be published on the website of the London Stock Exchange through a regulatory information service. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed, the Agency Agreement and the applicable Pricing Supplement which are applicable to them.

Words and expressions defined in the Trust Deed or the Agency Agreement or used in the applicable Pricing Supplement 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 Trust Deed, the Trust Deed will prevail and, in the event of inconsistency between the Agency Agreement or the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

In these terms and Conditions, “euro” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

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)”) specified in the applicable Pricing Supplement. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note is a Fixed Rate Note, a Floating Rate Note or a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

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, the Trustee and any Paying Agent will (except as otherwise required by law) 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 S.A./N.V., (“Euroclear”) and/or Clearstream Banking, société anonyme (“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 Trustee, 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 such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, the Trustee, 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. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such

evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned. 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, the Trustee and the Agent.

2. Status of the Notes

The Notes and any relative Coupons are direct, unsecured and general obligations of the Issuer and 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 indebtedness preferred by mandatory provisions of law including amounts given priority under the Banking Act 1959 of Australia (the “Banking Act”) and the Reserve Bank Act 1959 of Australia (the “Reserve Bank Act”). The Notes and Coupons will not be deposit liabilities in relation to protected accounts in Australia or otherwise, and will not otherwise benefit from any preferential priority under the Banking Act and the Reserve Bank Act.

3. Interest

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Fixed Rate(s) of Interest. Interest will be payable in arrear on the Fixed Interest Date(s) in each year up to and including the Maturity Date.

The first payment of interest will be made on the Fixed Interest Date next following the Interest Commencement Date.

If the Notes are in definitive form, except as provided in the applicable Pricing Supplement, the amount of interest payable on each Fixed Interest 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 Fixed Interest Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in the Conditions, “Fixed Interest Period” means the period from (and including) a Fixed Interest Date (or the Interest Commencement Date) to (but excluding) the next (or first) Fixed Interest Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Pricing Supplement, 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 Fixed 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.

In these Terms and Conditions, “Fixed Day Count Fraction” means, in respect of the calculation of an amount of interest, in accordance with this Condition 3(a):

- (i) if “Actual/Actual (ICMA)” is specified in the applicable Pricing Supplement:

- (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Fixed Interest 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 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 Pricing Supplement) 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 Pricing Supplement) 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 Pricing Supplement, the number of days in the period from (and including) the most recent Fixed Interest 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 twelve 30-day months) divided by 360; and

“Determination Period” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Fixed Interest Date is not a Determination Date, the period commencing on the first Determination Date, 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 from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Interest Payment Date(s) in each year as specified in the applicable Pricing Supplement (the period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next Interest Payment Date each being an “Interest Period”); or
- (B) if no express Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each an “Interest Payment Date”) which falls on the number of months or other period specified as the Interest Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

If a business day convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day in the calendar month on 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 Interest Periods are specified in accordance with Condition 3(b)(i)(B) above, the Floating Rate 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 (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 the number of months or other period specified as the Interest Period in the applicable Pricing Supplement after the preceding applicable Interest Payment Date; 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 these Terms and Conditions, “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 Pricing Supplement; and
- (B) 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 in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open. In these Terms and Conditions, “TARGET2 System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) 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 the Specified Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) 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.

If the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the Specified Time in the preceding paragraph, subject as provided below, the Agent shall request each of the Reference Banks to provide the Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the 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.

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 the Specified 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 the Specified 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 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), 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 that which was applicable during the last preceding Interest Period (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

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

“Reference Banks” means:

- (A) in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market; and
- (B) in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market,

and in each case selected by the Agent or as specified in the applicable Pricing Supplement;

“Reference Rate” means LIBOR or EURIBOR;

“Relevant Screen Page” means such screen page, section, caption, column or other part of particular information service as may be specified in the Pricing Supplement (or any successor or replacement page, section, caption, column or other part of a particular information service); and

“Specified Time” means 11.00 a.m. (London time, in the case of a determination of LIBOR, or Brussels time, in the case of a determination of EURIBOR or Relevant Financial Centre time, in the case of a determination of any other Reference Rate).

(iii) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Pricing Supplement 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 Condition 3(b)(i) 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 Pricing Supplement 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 Condition 3(b)(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 Floating Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note 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.

“Floating Day Count Fraction” means, in respect of the calculation of an amount of interest for any Interest Period:

- (i) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Pricing Supplement, 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 (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/360” is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;
- (iv) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Pricing Supplement, 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:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

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

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

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

- (v) if “30E/360” or “Eurobond Basis” is specified in the applicable Pricing Supplement, 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:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

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

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

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

- (vi) if “30E/360 (ISDA)” is specified in the applicable Pricing Supplement, 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:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

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

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date of (ii) such number would be 31, in which case D₂ will be 30;

(v) *Linear Interpolation*

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, 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, 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 the 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 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, the Trustee 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, “London Business Day” means a day (other than a Saturday or Sunday) on which banks and foreign exchange markets are open for general business in London.

(vii) *Determination or Calculation by Trustee*

If for any reason the Agent at any time after the Issue Date defaults in its obligation to determine the Rate of Interest in accordance with Condition 3(b)(ii) or (iii) above, as the case may be, and, in each case, Condition 3(b)(iv) above, the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Interest Rate or Maximum Interest Rate specified in the applicable Pricing Supplement), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent or such other person specified in the applicable Pricing Supplement.

(viii) *Notifications to be Final*

All notifications, communications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3(b), whether by the Agent or the Trustee, shall (in the absence of 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, the Trustee and all Noteholders and Couponholders and (in the absence of default, bad faith or manifest error) no liability to the Issuer, the Noteholders or the Couponholders shall attach to the Agent or the Trustee 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 as provided in the Trust Deed.

4. Payments

(a) Method of Payment

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by transfer to an account in the relevant Specified Currency maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency which, if the Specified Currency is New Zealand dollars, shall be Auckland; Provided that, if the Specified Currency is Australian dollars, payments will be made (A) by Australian dollar cheque drawn on a bank in Australia, or (B) by transfer to an Australian dollar account maintained by the payee with, a bank outside Australia or (C) (in the case of Notes held by Euroclear or Clearstream, Luxembourg) by transfer to such Australian dollar account maintained by Euroclear or, as the case may be, Clearstream, Luxembourg as Euroclear or, as the case may be, Clearstream, Luxembourg may from time to time specify; 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 6, 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 Section 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 6) any law implementing an intergovernmental approach thereto.

(b) Presentation of Notes and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 4(a) above only against surrender of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against surrender of Coupons, in each case at the specified office of any Paying Agent outside Australia and the United States (which expression, as used herein, means the United States of America (including the States, the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form 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 total principal amount 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 6) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 7) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note 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 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.

If the due date for redemption of any definitive Note is not a Fixed Interest Date or an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Fixed Interest

Date or Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

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 Australia. A record of each payment made against presentation or surrender of such Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by such Paying Agent and such record shall be *prima facie* evidence that the payment in question has been made.

The holder of a Global Note (or, as provided in the Trust Deed, the Trustee) 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 (or the Trustee, as the case may be) in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg 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 (or the Trustee, as the case may be). Without prejudice to Condition 9(b) no person other than the holder of such Global Note (or, as provided in the Trust Deed, the Trustee) shall have any claim against the Issuer in respect of any payments due on that Global Note.

Notwithstanding the foregoing, if any amount of principal and/or interest in respect of this Note is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of this Note 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.

(c) *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 is (subject to Condition 7):

- (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) in the case of Notes in definitive form only, the relevant place of presentation;
 - (B) each Additional Financial Centre specified in the applicable Pricing Supplement; and
- (ii) either (A) 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 or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(d) 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 6 or pursuant to any undertakings given in addition thereto or in substitution therefore pursuant to the Trust Deed;
- (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; and
- (vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in 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 6 or pursuant to any undertakings given in addition thereto or in substitution therefore pursuant to the Trust Deed.

5. Redemption and Purchase

(a) 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 Pricing Supplement in the relevant Specified Currency on the Maturity Date specified in the applicable Pricing Supplement.

(b) Redemption for Tax Reasons

If the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that (i) as a result of any change in, or amendment to, the laws or regulations of the Commonwealth of Australia or the State of Victoria or any political sub-division of, or any authority in, or of, the Commonwealth of Australia or the State of Victoria 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 6, 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 Trustee a certificate signed by two Directors of the Issuer stating that the requirement referred to in (i) above will apply on the occasion of the next payment due in respect of the Notes and cannot be avoided by the Issuer taking reasonable measures available to it and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above, in which event it shall be conclusive and binding on the Noteholders and Couponholders. 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 5(b)) will be redeemed at their Early Redemption Amount referred to in Condition 5(e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) Redemption at the Option of the Issuer

If the Issuer is specified in the applicable Pricing Supplement as having an option to redeem, the Issuer shall, 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), notice in writing to the Trustee and the Agent,

(which notices shall be irrevocable), 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 Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a higher redemption amount, in each case as may be specified in the applicable Pricing Supplement. 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. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 5(c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

(d) Redemption at the Option of the Noteholders

If the Noteholders are specified in the applicable Pricing Supplement as having an option to redeem, 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 the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Pricing Supplement, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in the applicable Pricing Supplement together (if appropriate) with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "Put Notice") and in which the holder must specify a bank account outside Australia (or, if payment is by cheque, an address (which is outside Australia)) to which payment is to be made under this Condition accompanied by, if this Note is in definitive form, this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent 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 and 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 and, if this Note is represented by a Global Note, present or procure the presentation of the relevant Global Note to the Agent for notation accordingly.

(e) Early Redemption Amounts

For the purpose of Condition 5(b) above and Condition 8, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

- (i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount specified in the applicable Pricing Supplement or, if no such amount is so specified in the applicable Pricing Supplement, at their nominal amount; or
- (iii) in the case of Zero Coupon Notes, at an amount (the “Amortised Face Amount”) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^{\text{DCF}}$$

where:

“RP” means the Reference Price;

“AY” means the Accrual Yield expressed as a decimal; and

“DCF” is the Day Count Fraction specified in the applicable Pricing Supplement which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis on a 360-day year consisting of twelve 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 of which is 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 Subsidiaries (as defined in the Trust Deed) 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. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

(g) Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 5(f) above (together with all unmatured Coupons cancelled therewith) 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 Condition 5(a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 8 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 5(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 repayable 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) the fifth day after the date on which the full amount of the moneys payable has been received by the Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 13.

6. 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 Victoria, or any political sub-division of, or any authority in, or of, the Commonwealth of Australia or the State of Victoria 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 have been receivable in respect of the Notes or Coupons in the absence of the withholding or deduction; except that no Additional Amounts shall be payable in relation to any payment in respect of any Note or Coupon:

- (i) 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 his having some connection with the Commonwealth of Australia or the State of Victoria other than the mere holding of the 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 as amended and replaced (the “Australian Tax Act”) where, and to the extent that, such tax is payable by reason of Section 128B(2A) of the Australian Tax Act; or
- (ii) 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 that day to have been a Payment Date; or
- (iii) on account of Taxes which are payable by reason of the Noteholder and/or Couponholder being an associate of the Issuer for the purposes of Section 128F of the Australian Tax Act; or
- (iv) on account of Australian interest withholding tax imposed as a result of a determination by the Commissioner of Taxation of the Commonwealth of Australia that such tax is payable under the Australian Tax Act in circumstances where the Noteholder or Couponholder is party to or participated in a scheme to avoid such tax where the Issuer was neither a party to nor participated in; or
- (v) presented for payment by or on behalf of a holder who is an Australian resident or a non-resident who is engaged in carrying on business in Australia at or through a permanent establishment of that non-resident in Australia, if that person has not supplied an appropriate tax file number, Australian business number or other exemption details; or
- (vi) presented by or on behalf of a holder, if the holder of such Note or Coupon is a resident of Australia, or a non-resident who is engaged in carrying on business in Australia at or through a permanent establishment of that non-resident in Australia (the expressions “resident of Australia”, “non-resident” and “permanent establishment” having the meanings given to them by the Australian Tax Act) if, and to the extent that, Section 126 of the Australian Tax Act (or any equivalent provisions) requires the Issuer to pay income tax in respect of interest payable on such Note or Coupon and the income tax would not be payable were the holder or such entity not such a resident of Australia or non-resident.

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 or the Trustee 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.

7. Prescription

The Notes and Coupons will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 6) therefore, subject as provided in Condition 4(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 4(b) or any Talon which would be void pursuant to Condition 4(b).

8. Events of Default

- (a) If any of the following events occurs the Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject to being indemnified to its satisfaction), give notice to the Issuer that the Notes are, and they shall thereupon immediately become, due and repayable, at their Early Redemption Amount together with accrued interest as provided in the Trust Deed:
- (i) the Issuer fails to pay any principal or any interest in respect of the Notes within five days of the relevant due date;
 - (ii) the Issuer defaults in performance or observance of or compliance with any of its other obligations set out in the Notes or the Trust Deed, which default is in the opinion of the Trustee incapable of remedy or, if in the opinion of the Trustee is capable of remedy, is not in the opinion of the Trustee remedied within 14 days (or such longer period as the Trustee may permit) after notice requiring such default to be remedied shall have been given to the Issuer by the Trustee;
 - (iii) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under the Notes, the Trust Deed or the Agency Agreement;
 - (iv) 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 in writing by the Trustee or by an Extraordinary Resolution of the Noteholders;
 - (v) the occurrence of a 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 in writing by the Trustee or 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) 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 in respect of any Financial Indebtedness of the Issuer and is not stayed, satisfied or discharged within 14 days or otherwise contested in *bona fide* proceedings;
 - (vii) any present or future Security Interest(s) 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 or where the

proceedings are being contested in good faith such longer period as the Trustee may agree) is taken to enforce that Security Interest by reason of a default or event of default (howsoever described) having occurred; or

- (viii) 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.
- (b) Notwithstanding any provision of Condition 8(a), none of the Events of Default referred to in Condition 8(a) (other than Condition 8(a)(v)) will be deemed to have occurred solely as a result of any failure by the Issuer to perform or observe any of its obligations in relation to, or the agreement or declaration of any moratorium with respect to, or the taking of any proceeding in respect of, or the occurrence of any default (however described) under or in respect of any Regulatory Capital of the Issuer.
- (c) *For the purposes of these Terms and Conditions:*
 - (i) “APRA” means the Australian Prudential Regulation Authority;
 - (ii) “Corporations Act” means the Corporations Act 2001 of Australia;
 - (iii) “Financial Arrangement” includes a currency swap, an interest rate swap, a forward exchange rate agreement, a forward interest rate agreement or a futures contract or futures option (each within the meaning of Section 9 of the Corporations Act) or any other option agreement or combination of the above or any similar arrangement;
 - (iv) “Financial Indebtedness” means, in respect of any person, any indebtedness, present or future, actual or contingent of that person in respect of moneys borrowed or raised or any financial accommodation or Financial Arrangement whatsoever including (without limiting the generality of the foregoing):
 - (A) under or in respect of any Guarantee, bill, acceptance or endorsement or any discounting arrangement;
 - (B) in respect of any obligation to pay par value, premium and dividend (whether or not declared, and whether or not there are sufficient profits or other moneys for payment) of any redeemable share or stock issued by that person or to purchase any share or stock issued by that person which is the subject of a put option against that person;
 - (C) in respect of any Lease which under current accounting practice would be required to be capitalised on the balance sheet of the lessee;
 - (D) the deferred purchase price (for more than 90 days) of any asset or service and any related obligation; and
 - (E) in respect of any obligation to deliver goods or services which are paid for in advance by a financier or which are paid for in advance in relation to any financing transaction;
 - (v) “Government Agency” means any government or any governmental, semi-governmental or judicial entity or authority;
 - (vi) “Guarantee” means any guarantee, indemnity, letter of credit, surety ship 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 shares 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;

(vii) "Lease" means:

- (A) any lease, charter or hiring arrangement of any property;
- (B) any other agreement under which any property is or may be used or operated by a person other than the owner; and
- (C) any agreement under which any property is or may be managed or operated for or on behalf of the owner or another person by a person other than the owner, and the operator or manager or its related body corporate (as defined in Section 9 of the Corporations Act) (whether in the same or another agreement) is required to make or assure minimum, fixed and/or floating rate payments of a periodic nature,

(other than agreements under which the manager of a joint venture uses assets owned by the joint venture on behalf of the joint venture);

(viii) "Regulatory Capital" means any Tier 1 Capital Instrument or Tier 2 Capital Instrument;

(ix) "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 (i) any charge or lien arising in favour of any Government Agency by operation of statute (provided there is no default in payment of moneys owing under such charge or lien), (ii) 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 (iii) any security or preferential interest or arrangement arising under or created pursuant to any right of set-off;

(x) "Tier 1 Capital Instrument" means a share, note or other security instrument constituting Tier 1 Capital (as defined by APRA from time to time);

(xi) "Tier 2 Capital Instrument" means a share, note or other security instrument constituting Tier 2 Capital (as defined by APRA from time to time); and

(xii) "Winding Up" means:

- (A) a court order is made for the winding-up of the Issuer which order is not successfully appealed or permanently stayed within 60 days of the making of the order; or
- (B) an effective resolution is passed by shareholders or members for the winding-up of the Issuer.

9. Enforcement

- (a) The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons, but it shall not be bound to take any proceedings or any other action in relation to the Trust Deed, the Notes or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding, and (ii) it shall have been indemnified to its satisfaction.
- (b) No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

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.

The Issuer is, with the prior written approval of the Trustee, 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 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 such stock exchange or other relevant authority; and
- (ii) 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 4(b). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, 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.

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 Pricing Supplement.

12. Exchange of Talons

On and after the Fixed Interest Date or the Interest Payment Date, as appropriate, 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 7. Each Talon shall, for the purposes of these Conditions, be deemed to mature on the Interest Payment Date or Fixed Interest Date, as the case may be, 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 shall be published in a leading English language daily newspaper of general circulation in London (expected to be the Financial Times). 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 any 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 or, where required to be published in more than one newspaper, on the date of the first publication in all the required newspapers. If publication as provided above is not practicable, notice will be given in such other manner and shall be deemed to have been given on such date, as the Trustee may approve. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to Noteholders in accordance with this Condition.

Until such time as any definitive Notes are issued, there may (provided that, in the case of Notes listed on a stock exchange or admitted to listing by another relevant authority, such stock exchange or any other relevant authority permits), so long as the Global Note(s) 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. Any such notice shall be deemed to have been given to the holders of the Notes on the second 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 with the relative Note or Notes, with the Issuer. Whilst any of the Notes are represented by a Global Note, such notice may be given by any Noteholder to the Issuer via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Issuer and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. Meetings of Noteholders, Modification and Waiver

(a) Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of any of these Terms and Conditions or any of the provisions of the Trust Deed. 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 of these Terms and Conditions and certain of the provisions of the Trust Deed, the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two thirds, or at any adjourned meeting, not less than one-third, of the nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other Series in certain circumstances where the Trustee so decides.

(b) Modification and Waiver

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Terms and Conditions or any of the provisions of the Trust Deed which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or to any modification which is of a formal, minor or technical nature or to correct a manifest error or an error which, in the opinion of the Trustee is proven.

(c) Entitlement of Trustee

In connection with the exercise by it of any of its trusts, powers or discretions (including, without limitation, any modification, waiver or authorisation), the Trustee shall have regard to the interests of the Noteholders as a class and, in particular but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers or discretions for individual Noteholders or Couponholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 6 and/or any undertaking given in addition to, or in substitution for, Condition 6 pursuant to the Trust Deed.

(d) Notification

Any modification, waiver or authorisation shall be binding on the Noteholders and the Couponholders and, unless the Trustee agrees otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 13.

15. Substitution

The Trustee may, without the consent of the Noteholders or the Couponholders, agree with the Issuer to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Coupons and the Trust Deed of another company, being any Subsidiary of the Issuer, subject to (i) the Notes being unconditionally and irrevocably guaranteed by the Issuer, (ii) the

Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution, and (iii) certain other conditions set out in the Trust Deed being complied with.

16. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

17. Contracts (Rights of Third Parties) Act 1999

The Notes confer no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

18. 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 ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon and the date from which interest starts to accrue) and so that the same shall be consolidated and form a single Series with the outstanding Notes.

19. Governing Law and Submission to Jurisdiction

(a) Governing Law

The Trust Deed, the Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with the Trust Deed, the Agency Agreement, the Notes and the Coupons are governed by, and will be construed in accordance with, English law.

(b) Jurisdiction

The Issuer has in the Trust Deed irrevocably agreed for the benefit of the Trustee, the Noteholders and the Couponholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed, the Notes or the Coupons and that accordingly any suit, action or proceedings arising out of or in connection therewith (together referred to as "Proceedings") may be brought in the courts of England.

The Issuer has in the Trust Deed irrevocably and unconditionally waived and agreed not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of England and any claim that any such Proceedings have been brought in an inconvenient forum and has further irrevocably and unconditionally agreed that a judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon the Issuer and may be enforced in the courts of any other jurisdiction. Nothing in this Condition shall (to the extent permitted by law) limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude (to the extent permitted by law) the taking of Proceedings in any other jurisdiction, whether concurrently or not.

(c) Agent for service of process

The Issuer has in the Trust Deed irrevocably and unconditionally appointed Law Debenture Corporation Limited at its office in London currently at 5th floor, 100 Wood Street, London EC2V 7EX as its agent for service of process in England in respect of any Proceedings and has undertaken in the Trust Deed that in the event of its ceasing so to act it will appoint such other person as the Trustee may approve as its agent for that purpose.

FORM OF THE NOTES

The Notes of each Series will be in bearer form and will initially be a temporary Global Note (a “Temporary Global Note”) or if so specified in the applicable Pricing Supplement a Permanent Global Note (“a Permanent Global Note”) which will be delivered on or prior to the original Issue Date of the Tranche to a common depositary (the “Common Depositary”) for Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, société anonyme, (“Clearstream, Luxembourg”). Upon issue of the Tranche, Euroclear or Clearstream, Luxembourg, as the case may be, will credit each purchaser’s account with a nominal amount of Notes equal to the nominal amount thereof for which the purchaser has subscribed and paid. Whilst any Note is represented by a Temporary Global Note, payments of principal and interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary 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.

On or after the date (the “Exchange Date”), which is 40 days after the completion of the distribution of the relevant Tranche, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant lead manager (in the case of a syndicated issue) (the “distribution Compliance Period”), interests in such 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) definitive Notes of the same Series with, where applicable, Coupons and Talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Pricing Supplement) in each case against certification of beneficial ownership as described above 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.

Payments of principal and 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. The applicable Pricing Supplement, will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, Coupons and Talons attached upon the occurrence of an Exchange Event. For these purposes, “Exchange Event” means that (i) an Event of Default has occurred and is continuing, or (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 alternative clearing system approved by the Trustee is available. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 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) or the Trustee may give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 60 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Notes (other than Temporary Global Notes) and on all Coupons relating to such Notes where TEFRA D is specified in the applicable Pricing Supplement:

“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 such 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 such Notes or Coupons.

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

Pursuant to the Agency Agreement (as defined under “Terms and Conditions of the Notes”) the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN by Euroclear and Clearstream, Luxembourg which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the Distribution Compliance Period applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or 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 Trustee and the paying agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, the Trustee and the paying agents 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.

If, in respect of any Tranche of Notes, the applicable Pricing Supplement specifies that the Global Note may be exchanged for definitive Notes in circumstances other than upon the occurrence of an Exchange Event, such Notes will be issued with only one Specified Denomination or all Specified Denominations of such Notes will be an integral multiple of the lowest Specified Denomination, as specified in the applicable Pricing Supplement.

Any reference herein 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, the Trustee and the Agent and specified in the applicable Pricing Supplement.

FORM OF APPLICABLE PRICING SUPPLEMENT

Set out below is a pro forma Pricing Supplement which, subject to completion and amendment, will be issued in respect of issues of Notes under the Programme. Text in this section appearing in italics does not form part of the form of the Pricing Supplement but denotes directions for completing the Pricing Supplement.

NB: Each tranche of Notes admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive is required to have a minimum denomination of not less than €100,000 or its equivalent in any other currency.

[THE UK LISTING AUTHORITY HAS NEITHER APPROVED NOR REVIEWED THIS PRICING SUPPLEMENT AND THE ISSUE OF NOTES DESCRIBED BELOW DOES NOT COMPLY WITH THE FINANCIAL CONDUCT AUTHORITY LISTING RULES.]¹

Pricing Supplement dated []

BENDIGO AND ADELAIDE BANK LIMITED

(ABN 11 068 049 178)

ISSUE OF [AGGREGATE NOMINAL AMOUNT OF TRANCHE] [TITLE OF NOTES]

UNDER THE U.S.\$3,000,000,000

EURO MEDIUM TERM NOTE PROGRAMME

PART A– CONTRACTUAL TERMS

Terms used in this document are deemed to be defined as such for the purposes of the Conditions set forth in the Listing Particulars dated 25 November 2016 [and the supplemental Listing Particulars dated []] which [together] constitute the listing particulars for the purpose of Chapter 4 of the Financial Conduct Authority Listing Rules². This document constitutes the Pricing Supplement of the Notes described in it and must be read in conjunction with the Listing Particulars [as so supplemented]. The Listing Particulars [and the supplemental Listing Particulars] [are] available for viewing at the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html> under the name of the Issuer and the headline “Publication of Prospectus” and copies may be obtained from the specified office of the Trustee currently at Level 52 International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.

- | | |
|--------------------------------------|---|
| 1. Issuer: | Bendigo and Adelaide Bank Limited |
| 2. (i) Series Number: | [] |
| (ii) Tranche Number: | [] |
| 3. Specified Currency or Currencies: | [] |
| 4. Aggregate Nominal Amount: | |
| (i) Series: | [] |
| (ii) Tranche: | [] |
| 5. Issue Price: | [] per cent. of the Aggregate Nominal Amount
[plus accrued interest from []] |
| 6. (i) Specified Denomination(s): | [] |
| (ii) Calculation Amount: | [] |

¹ Include for an issue of unlisted Notes

² Delete for an issue of unlisted Notes

7. (i) Issue Date: ☐
- (ii) Interest Commencement Date: ☐
8. Maturity Date: ☐
9. Interest Basis: ☐ per cent. Fixed Rate]
[Specify reference rate +/– ☐ per cent. Floating Rate]
[Zero Coupon]
(see paragraph [15]/[16]/[17] below)
10. Redemption/Payment Basis: Subject to any purchase and 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 or Redemption/Payment Basis: ☐/[Not Applicable]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(see paragraph [18]/[19] below)]
[Not Applicable]
13. (i) Status of Notes: Senior
- (ii) Date [Board] approval for issuance of Notes obtained: ☐ [and ☐, respectively]
14. Method of distribution: [Syndicated/Non-syndicated]
- General Provisions relating to Interest (if any) payable**
15. Fixed Rate Note Provisions [Applicable/Not Applicable]
- (i) Fixed Rate(s) of Interest: ☐ per cent. per annum [payable annually/semi annually/quarterly/monthly/other] in arrear.]
- (ii) Fixed Interest Date(s): ☐ in each year
- (iii) Fixed Coupon Amount(s): ☐ per Calculation Amount
- (iv) Broken Amount(s): ☐ per Calculation Amount, in respect of the Fixed Interest Date falling on ☐
- (v) Day Count Fraction: [30/360] /[Actual/Actual (ICMA)]
- (vi) Determination Dates: ☐ in each year
16. Floating Rate Note Provisions [Applicable/Not Applicable]
- (i) Interest Period(s)/Specified Interest Payment Dates: ☐], subject to adjustment in accordance with the Business Day Convention set out in (ii) below/, not subject to adjustment, as the Business Day Convention in (ii) below is specified to be Not Applicable]
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business

	Day Convention/Preceding Business Day Convention][Not Applicable]
(iii) Additional Business Centre(s):	[Not Applicable]
(iv) Manner in which the Rate(s) of Interest and Interest Amount is/are to be determined:	[Screen Rate Determination]
(v) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent):	[]
(vi) Screen Rate Determination:	
– Reference Rate:	[] month [LIBOR] [EURIBOR]
– Interest Determination Date(s):	[Second London business day prior to the start of the relevant Interest Period] [First day of the relevant Interest Period] [Second day on which the TARGET 2 System is open prior to the start of the relevant Interest Period] [] business day[s] prior to the start of the relevant Interest Period]
– Relevant Screen Page:	[]
(vii) Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short][first/last] Interest Period shall be calculated using Linear Interpolation of [] and []]
(viii) Margin(s):	[+/-] [] per cent. per annum
(ix) Minimum Rate of Interest:	[] per cent. per annum
(x) Maximum Rate of Interest:	[] per cent. per annum
(xi) Day Count Fraction:	[Actual/Actual (ISDA) Actual/365 (Fixed) Actual/360 30/360 30E/360 30E/360 (ISDA)]
17. Zero Coupon Note Provisions	[Applicable/Not Applicable]
(i) Accrual Yield:	[] per cent. per annum
(ii) Reference Price:	[]
(iii) Day Count Fraction:	[30/360 Actual/360 Actual/365]
Provisions relating to redemption	
18. Call Option	[Applicable/Not Applicable]

- (i) Optional Redemption Date(s): ☐
- (ii) Optional Redemption Amount: ☐ per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: ☐
- (b) Maximum Redemption Amount: ☐
19. Put Option ☐ [Applicable/Not Applicable]
- (i) Optional Redemption Date(s): ☐
- (ii) Optional Redemption Amount: ☐ per Calculation Amount
20. Early Redemption Amount payable on redemption for taxation reasons or on event of default or other early redemption: ☐ per Calculation Amount
- 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 only upon an Exchange Event]
☐ [Temporary Global Note exchangeable for Definitive Notes on or after the Exchange Date]
☐ [Permanent Global Note exchangeable for Definitive Notes only upon an Exchange Event]
22. Additional Financial Centre(s): ☐ [Not Applicable]
23. U.S. Selling Restrictions: ☐ [Reg. S Compliance Category 2: TEFRA D/TEFRA C/TEFRA not applicable]
24. If non-syndicated name and address of Dealer: ☐ [Not Applicable]

[Third Party Information]

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

Signed on behalf of Bendigo and Adelaide Bank Limited:

By.....

Duly authorised officer

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing/Admission to trading: [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 Professional Securities Market and listing on the Official List of the UK Listing Authority with effect from []. The London Stock Exchange's Professional Securities Market is not a regulated market for the purposes of Directive 2004/39/EC.] [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 Professional Securities Market and listing on the Official List of the UK Listing Authority with effect from []. The London Stock Exchange's Professional Securities Market is not a regulated market for the purposes of Directive 2004/39/EC.] [Not Applicable]
- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

- Ratings: [The Notes to be issued have not been rated.]
The Notes to be issued [[have been rated:]/[are expected to be]] rated by:
[[S&P:[]]
[Fitch: []]
[Moody's: []]

3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]]

[Save for any fees payable to the Managers/Dealers, so far as the Issuer is aware, no person involved in the issue/offer of the Notes has an interest material to the issue/offer.]

4. YIELD

- Indication of yield: See "General Information" on page 68 of the Listing Particulars

5. HISTORIC INTEREST RATES

[Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters].]

6. OPERATIONAL INFORMATION

- (i) ISIN: []
- (ii) Common Code: []
- (iii) Any clearing system(s) other than Euroclear and Clearstream Luxembourg and the relevant identification number(s): [] [Not Applicable]
- (iv) Names and addresses of additional Paying Agent(s) (if any): []
- (v) Stabilisation Manager(s) (if any): [Not Applicable/*give name*]

TAXATION

AUSTRALIAN TAXATION

The following is a summary of the Australian taxation treatment, at the date of these Listing Particulars, of payments of interest (as defined in section 128A (1AB) of the Income Tax Assessment Act 1936 (the “Australian Tax Act”)) on the Notes and certain other matters. It is not exhaustive and, in particular, does not deal with the position of certain classes of Noteholders (such as dealers in securities, custodians or other third parties who hold Notes on behalf of other persons). Prospective holders of the Notes who are Australian residents and non-residents that carry on business in Australia should seek independent advice on the tax implications of an investment in the Notes in their particular circumstances. Prospective offshore holders of Notes who are in any doubt as to their tax position should also consult their professional advisers on the tax implications of an investment in the Notes for their particular circumstances. Prospective Noteholders should also be aware that the particular terms of issue of any Series of Notes may affect the tax treatment of that Series of Notes. The following is a general guide and should be treated with appropriate caution. Noteholders who are in any doubt as to their tax positions should consult their professional advisers on the tax implications of an investment in the Notes for their particular circumstances.

1. Interest Withholding Tax

An exemption from Australian interest withholding tax imposed under Division 11A of Part III of the Australian Tax Act is available, in respect of the Notes to be issued by the Issuer, under section 128F of the Australian Tax Act if the following conditions are met:

- (a) the Issuer is a resident of Australia when it issues the Notes and when interest (as defined in section 128A(1AB) of the Australian Tax Act) is paid. Interest is defined to include amounts in the nature of, or in substitution for, interest and certain other amounts; and
- (b) the Notes are issued in a manner which satisfies the public offer test. There are five principal methods of satisfying the public offer test. In summary, they are:
 - offers to 10 or more unrelated financiers or securities dealers;
 - offers to 100 or more investors;
 - 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; and
- (c) the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that those Notes or interests in those Notes were being, or would later be acquired directly or indirectly by an “associate” of the Issuer, except as permitted by section 128F(5) of the Australian Tax Act; 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 Australian Tax Act.

Associates

An “associate” of the Issuer for the purposes of section 128F of the Australian Tax Act includes:

- (i) a person or entity which holds more than 50 per cent. of the voting shares of, or otherwise controls, the Issuer;
- (ii) an entity in which more than 50 per cent. of the voting shares are held by, or which is otherwise controlled by, the Issuer;

- (iii) a trustee of a trust where the Issuer is capable of benefiting (whether directly or indirectly) under that trust; and
- (iv) a person or entity who is an “associate” of another person or company which is an “associate” of the Issuer under any of the foregoing.

However, for the purposes of sections 128F(5) and (6) of the Australian Tax Act (see paragraphs (c) and (d) above) “associate” does not include:

- (A) Australian resident associates who do not acquire the Notes in the course of carrying on business at or through a permanent establishment outside Australia; or
- (B) non Australian resident associates who acquire the Notes in the course of carrying on business at or through a permanent establishment in Australia;
- (C) associates not mentioned in (A) or (B) who acquire the Notes in the capacity of:
 - (i) in the case of section 128F(5), a dealer, manager or underwriter in relation to the placement of the Notes, a clearing house, custodian, funds manager or responsible entity of a registered managed investment scheme (within the meaning 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.

Compliance with section 128F of the Australian Tax Act

Unless otherwise specified in any relevant Pricing Supplement (or another relevant supplement to these Listing Particulars) the Issuer intends to issue Notes in a manner which will satisfy the requirements of section 128F of the Australian Tax Act.

Tax treaty relief from interest withholding tax

The Australian government has signed a number of tax treaties (“Treaties”) with the Specified Countries. The Treaties apply to interest beneficially owned by a resident of a Specified Country.

The Treaties prevent Australia from imposing interest withholding tax upon interest beneficially owned by:

- (a) the government of the relevant Specified Countries and certain governmental authorities and agencies in the Specified Country; and
- (b) certain banks, and other financial institutions which substantially derive their profits by raising debt finance in the financial markets or by taking deposits at interest and using those funds in carrying on a business of providing finance, which are resident in a Specified Country and which are unrelated to, and dealing wholly independently with, the Issuer.

However, back-to-back loans and economically equivalent arrangements do not qualify for this benefit and the anti-avoidance provisions in the Australian Tax Act can apply.

Specified Countries include the United States, the United Kingdom, France, Japan, Norway, Finland, Switzerland, South Africa, New Zealand and Germany (not yet in force).

However, if the Notes are issued in a manner that satisfies the requirements of section 128F of the Australian Tax Act, it will not be necessary for Noteholders to rely on the Treaties for an exemption from Australian interest withholding tax.

Section 126 withholding

Section 126 of the Australian Tax Act imposes a type of withholding tax at the rate of 45 per cent. plus the Temporary Budget Repair Levy of 2 per cent. (currently 47 per cent. in aggregate) on the payment of interest on Notes in bearer form if the Issuer fails to provide the names and addresses of the holders of those Notes to the Australian Taxation Office. Section 126 does not apply to the payment of interest on Notes in bearer form held by non-residents who do not carry on business at or through a permanent

establishment in Australia where the issue of those Notes has satisfied the requirements of section 128F of the Australian Tax Act or where interest withholding tax is payable. The Australian Taxation Office has confirmed that for the purposes of section 126 of the Australian Tax Act, the holder of Notes in bearer form is the person in possession of them. Section 126 is therefore limited in its application to persons in possession of Notes in bearer form who are residents of Australia or non residents who are engaged in carrying on business in Australia at or through a permanent establishment in Australia. Where interests in Notes in bearer form are held through Euroclear or Clearstream, Luxembourg, the Issuer intends to treat the operators of those clearing systems as the holders of those Notes for the purposes of section 126 of the Australian Tax Act.

Payments of additional amounts

As set out in more detail in the “Terms and Condition of the Notes” and unless expressly provided to the contrary in the relevant Pricing Supplement (or another relevant supplement to these Listing Particulars), if the Issuer is at any time compelled by law to deduct or withhold an amount in respect of any Australian withholding taxes, the Issuer shall, subject to certain exceptions, pay such additional amounts as may be necessary in order to ensure that the net amounts received by the Noteholders after such deduction or withholding shall equal the respective amounts which would have been received had no such deduction or withholding been required. If the Issuer would become obliged in relation to any Notes to pay such additional amounts, the Issuer may (subject to meeting certain conditions) have the option to redeem those Notes in accordance with the Terms and Conditions.

2. General Tax

The Issuer has been advised that under Australian laws as presently in effect:

- (i) income tax: assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes, payment by the Issuer of principal and interest to a Noteholder who is a non-resident of Australia and who, during the taxable year, does not hold the Notes in the course of carrying on business through a permanent establishment in Australia, will not be subject to Australian income tax;
- (ii) gains on disposal of Notes: a Noteholder who is a non-resident of Australia and has never held the Notes in the course of carrying on business through a permanent establishment in Australia will not be subject to Australian income tax on gains realised upon the sale or redemption of Notes, provided such gains do not have an Australian source. A gain arising on the sale of a Note by a non-resident holder to another non-resident where the Notes are sold outside Australia and all negotiations are conducted, and documentation is executed, outside Australia would not be regarded as having an Australian source;
- (iii) deemed interest: there are specific rules that can apply to treat a portion of the purchase price of Notes as interest for withholding tax purposes when certain Notes originally issued at a discount, or with a maturity premium or which do not pay interest at least annually are sold to an Australian resident (who does not acquire them in the course of carrying on business at or through a permanent establishment outside Australia) or a non-resident who acquires them in the course of carrying on business at or through a permanent establishment in Australia. These rules do not apply in circumstances where the deemed interest would have been exempt under section 128F of the Australian Tax Act if the Notes had been held to maturity by a non-resident;
- (iv) 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;
- (v) stamp and other duties: no *ad valorem*, stamp, issue, registration or similar taxes are payable in Australia on the issue or transfer of any Notes;
- (vi) domestic tax withholding rules: The Issuer will be required to withhold tax from payments of interest paid under the Notes in accordance with section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia (“TAA”) at the top marginal rate plus the Medicare Levy and

the Temporary Budget Repair Levy (currently 49 per cent. in aggregate) if a Noteholder has not supplied an Australian tax file number ("TFN"), in certain circumstances an Australian business number ("ABN") or proof of some exemption (as appropriate). Assuming that the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Notes, then the requirements of section 12-140 will not apply to payments to a Noteholder who is not a resident of Australia for tax purposes and is not holding the Notes in the course of carrying on business through a permanent establishment in Australia. Payments to other classes of Noteholders may be subject to withholding where the Noteholder does not quote a TFN, ABN or provide proof of an exemption (as appropriate);

- (vii) 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 the Notes will comprise either an input taxed financial supply or (in the case of an offshore subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest under the Notes, nor the disposal of the Notes, will give rise to any GST liability in Australia;
- (viii) additional withholdings from certain payments to non-residents: Section 12-315 of Schedule 1 to the TAA gives the Governor-General power to make regulations requiring withholding from certain payments to non-residents. It is not expected that any regulations will be made that will impact any payments in respect of the Notes;
- (ix) taxation of foreign exchange gains and losses: Divisions 775 and 960 of the Income Tax Assessment Act 1997 contain rules to deal with the taxation consequences of foreign exchange transactions. The rules are complex and may apply to any Noteholders who are Australian residents or non-residents that hold Notes that are not denominated in Australian dollars in the course of carrying on business in Australia. Any such Noteholders should consult their professional advisors for advice as to how to account for any foreign exchange gains or losses arising from their holding of those Notes;
- (x) The Commissioner of Taxation of the Commonwealth of Australia may give a direction under Section 255 of the Australian Tax Act or Section 260-5 of Schedule 1 to the TAA or any similar provision requiring the Issuer to deduct from any payment to any other party (including any Noteholder) any amount in respect of Australian tax payable by that other party; and
- (xi) the Income Tax Assessment Act 1997 contains a regime for the taxation of financial arrangements (referred to as TOFA) which can affect the taxation of financial instruments such as the Notes. The pre-existing law governing the taxation of financial arrangements will continue to apply to Notes held by taxpayers that are not subject to the TOFA regime because they do not meet certain threshold requirements. In any case, the TOFA regime does not contain any measures that would override the exemption from Australian interest withholding tax available under section 128F of the Australian Tax Act in respect of interest payable on the Notes.
- (xii) Australian resident holders: income received by Australian resident holders in respect of the Notes will be included in their assessable income for Australian tax purposes. Australian resident holders that derive a gain on a sale or redemption of Notes may be subject to Australian tax on such gain.

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 (as defined by FATCA) 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. 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 as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with

respect to payments on instruments such as Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to 1 January 2019 and 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 (including by reason of a substitution of the issuer). However, if additional Notes (as described under “*Terms and Conditions—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 advisers regarding how these rules may apply to their investment in Notes.

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 Notes (including secondary market transactions) in certain circumstances.

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

SUBSCRIPTION AND SALE

The Dealers have in a programme agreement (as amended and/or supplemented and as restated from time to time, the “Programme Agreement”) dated 25 November 2016 agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “Form of the Notes” and “Terms and Conditions of the Notes” above. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes 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 of 1986 and the Treasury regulations promulgated thereunder.

The applicable Pricing Supplement will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is 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 will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of commencement of the offering and the issue date of the Notes, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

United Kingdom

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

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business, and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(l) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the any Notes in, from or otherwise involving the United Kingdom.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (“Corporations Act”)) in relation to the Programme or any Notes has been or will be lodged with the Australian Securities and Investments Commission, the ASX Limited or the financial market operated by it (“ASX”), or any other stock exchange or trading facility licensed under the Corporations Act. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, unless the relevant Pricing Supplement otherwise provides, it:

- (a) has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of any 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, the Listing Particulars or any other offering material or advertisement relating to any Notes in Australia,

unless:

- (i) the aggregate consideration payable by on acceptance of the offer or invitation by each offeree or invitee is at least A\$500,000 (or its equivalent in other currencies but disregarding moneys lent by the offeror, inviter or its associates (as defined in the Corporations Act)) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or 7.9 of the Corporations Act and is not made to a person who is a “retail client” within the meaning of Section 761G of the Corporations Act;
- (ii) such action complied with the conditions of the Australian financial services licence of the person making the offer or invitation or an applicable exemption from the requirement to hold such a licence;
- (iii) such action complies with all applicable laws, regulations and directives; and
- (iv) such action does not require any document to be lodged with, or registered by, ASIC or ASX.

In addition, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not sell any Note issued by the Issuer in circumstances where employees of the Dealer aware of, or involved in, the sale know, or have reasonable grounds to suspect, that the Note or an interest in or right in respect of the Note, was being or would later be, acquired either directly or indirectly by an Offshore Associate of the Issuer acting other than in the capacity of a dealer, manager or underwriter in relation to the placement of the Notes or a clearing house, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act.

“Offshore Associate” means an associate (as defined in section 128F of the Income Tax Assessment Act 1936 of Australia and any successor legislation) of the Issuer that is either a non-resident of Australia which does not acquire the Notes in carrying on a business at or through a permanent establishment in Australia or, alternatively, a resident of Australia that acquires the Notes in carrying on business at or through a permanent establishment outside of Australia.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “FIEA”) and each Dealer has represented and agreed, and

each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each a “Relevant Member State”), each Dealer has represented 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 these Listing Particulars as completed by the Pricing Supplement 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 in (a) to (c) 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:

- (i) 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
- (ii) the expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes these Listing Particulars 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 of the other Dealers shall have any responsibility therefor.

Neither the Issuer nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The establishment and update of the Programme and the issue of Notes have been duly authorised by resolutions of the Board of Directors of the Issuer dated 27 April 1998, 23 April 2001, 24 April 2002, 28 April 2003, 15 August 2005, 28 May 2007, 23 June 2008, 1 March 2011, 3 September 2013 and 2 June 2015.

Listing of Notes

The admission of Notes to the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the Market will be admitted separately as and when issued, subject only to the issue of a Temporary Global Note 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 Professional Securities Market. The listing of the Programme in respect of Notes is expected to be granted on or around 30 November 2016.

Documents Available

For the period of 12 months following the date of these Listing Particulars, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer and from the specified office of the Agent in Hong Kong:

- (i) the memorandum and articles of association of the Issuer;
- (ii) the audited annual consolidated financial statements of the Issuer in respect of the financial years ended 30 June 2016 and 30 June 2015;
- (iii) the most recently published audited annual consolidated financial statements of the Issuer and the most recently published interim financial statements of the Issuer;
- (iv) the Trust Deed, the Agency Agreement, the forms of the Temporary Global Notes, the Permanent Global Notes, the definitive Notes and the Coupons and the Talons;
- (v) a copy of these Listing Particulars;
- (vi) any future Listing Particulars, prospectuses, information memoranda and supplements including Pricing Supplement (save that a Pricing Supplement relating to an unlisted Note 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 its holding of Notes and the identity of such holder) to these Listing Particulars and other documents incorporated herein or therein by reference; and
- (vii) any document referred to in these Listing Particulars.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the relevant Pricing Supplement. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the relevant Pricing Supplement.

The address of Euroclear is Euroclear Bank S.A./N.V., 1 Boulevard de Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Significant or Material Change

There has been no significant change in the financial or trading position of the Issuer or the Group since 30 June 2016 (being the date of its latest published audited financial statements). There has been no material adverse change in the prospects of the Issuer since 30 June 2016 (being the date of its latest published audited financial statements). 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.

Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous 12 months preceding the date of these Listing Particulars which may have, or have had in the recent past, significant effects on the Issuer's and/or Group's financial position or profitability.

Auditors and Financial Statements

The auditors of the Issuer are Ernst & Young who have audited the Issuer's financial statements, without qualification for the financial years ending 30 June 2016 and 30 June 2015. No financial information in these Listing Particulars other than the financial statements incorporated by reference (see the section headed "Documents Incorporated by Reference" above) has been audited. The auditors of the Issuer have no material interest in the Issuer.

The partners of Ernst & Young are typically members of the Institute of Chartered Accountants of Australia, but the firm itself is not a member.

Post-issuance information

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

Dealers transacting with the Issuer

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.

Yield

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 Pricing Supplement. The yield is calculated at the Issue Date of the relevant Notes 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 relevant Notes and will not be an indication of future yield.

REGISTERED AND HEAD OFFICE OF THE ISSUER

Bendigo and Adelaide Bank Limited

The Bendigo Centre
Bendigo
Victoria 3550
Australia

ARRANGER

Deutsche Bank AG, London Branch

Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

DEALERS

Deutsche Bank AG, London Branch

Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

Nomura International plc

1 Angel Lane
London EC4R 3AB
United Kingdom

TRUSTEE

DB Trustees (Hong Kong) Limited

Level 52, International Commerce Centre
1 Austin Road
Kowloon
Hong Kong

ISSUING AND PRINCIPAL PAYING AGENT

Deutsche Bank AG, Hong Kong Branch

Level 52 International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

LEGAL ADVISERS

*to the Issuer
as to English law*

Linklaters LLP
One Silk Street
London EC2Y 8HQ
United Kingdom

*to the Issuer
as to Australian law*

Allens
Level 37
101 Collins Street
Melbourne
Victoria 3000
Australia

*to the Dealers and the Trustee
as to English law*

Allen & Overy LLP
One Bishops Square
London E1 6AD
United Kingdom

AUDITORS

Ernst & Young
8 Exhibition Street
Melbourne
Victoria 3000
Australia