



SUNCORP-METWAY LIMITED

(ABN 66 010 831 722)

(Incorporated with limited liability in Australia)

U.S.\$15,000,000,000

Programme for the issuance of Medium Term Notes, Euro-commercial Paper and other debt instruments

On 26 September 2001 Suncorp-Metway Limited (the "Issuer" or "Suncorp") entered into a U.S.\$7,500,000,000 Programme for the issuance of Medium Term Notes, Euro-commercial Paper and other debt instruments (the "Programme") under which it may from time to time issue medium term notes (the "Notes", which expression includes Senior Notes, Subordinated Notes and Subordinated Perpetual Notes (each as defined herein)), short term promissory notes ("ECP") and other debt instruments as agreed between the Issuer and the relevant Dealer (as defined below), and denominated in any currency agreed between the Issuer and the relevant Dealer. As of 8 September 2004, the maximum aggregate nominal amount of all Notes, ECP and other debt instruments which may be outstanding under the Programme was increased to U.S.\$15,000,000,000. This Offering Circular supersedes any offering circular with respect to the Programme issued prior to the date hereof. Any Notes issued under the Programme on or after the date of this Offering Circular are subject to the provisions described herein, but this Offering Circular does not affect the terms of any Notes issued prior to the date hereof.

Notes may be issued in bearer or registered form (respectively "Bearer Notes" and "Registered Notes"). ECP may be issued in bearer form only. The maximum aggregate nominal amount of all Notes, ECP and other debt instruments from time to time outstanding under the Programme will not exceed U.S.\$15,000,000,000 (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 this Offering Circular relating to the maturity of certain Notes is set out under "Summary of the Programme" on page 7.

The Notes may be issued on a continuing basis to one or more of the Dealers specified in "Summary of the Programme" on page 7 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 this Offering Circular 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.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "Risk Factors".

Application has been made to the Financial Services Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (the "UK Listing Authority") for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the official list of the UK Listing Authority (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for such Notes to be admitted to trading on the London Stock Exchange's regulated market. References in this Offering Circular to Notes being "listed" (and related references) on the London Stock Exchange shall mean that such Notes have been admitted to trading on the London Stock Exchange's regulated market and have been admitted to the Official List. The London Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC (the "Markets in Financial Instruments Directive"). Notice of the aggregate nominal amount of, interest (if any) payable in respect of, the issue price of, and any other terms and conditions not contained herein which are applicable to, the Notes of each Tranche (as defined on page 47) will be set forth in the Final Terms (the "Final Terms") which, with respect to Notes to be listed on the London Stock Exchange, will be delivered to the UK Listing Authority and the London Stock Exchange.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the "Securities Act") and may not be offered or sold in the United States or to, or for the benefit of, U.S. persons unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available. See "Form of the Notes" for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer, see "Subscription and Sale and Transfer and Selling Restrictions".

The Issuer 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 a Supplemental Offering Circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

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

Arranger

UBS Investment Bank

Dealers

Banc of America Securities Limited
Citi
JPMorgan
Suncorp-Metway Limited

Barclays Capital
Deutsche Bank
Nomura International
UBS Investment Bank

This Offering Circular comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the “Prospectus Directive”).

The Issuer accepts responsibility for the information contained in this Offering Circular. 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 this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

The previous paragraph should be read in conjunction with the 9th paragraph on the first page of this Offering Circular.

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

An Investor intending to acquire or acquiring any Notes from an Offeror will do so, and offers and sales of the Notes to an Investor by an Offeror will be made, in accordance with any terms and other arrangements in place between such Offeror and such Investor including as to price, allocations and settlement arrangements. The Issuer will not be a party to any such arrangements with Investors (other than the Dealers) in connection with the offer or sale of the Notes and, accordingly, this Offering Circular and any Final Terms will not contain such information. The Investor must look to the Offeror at the time of such offer for the provision of such information. The Issuer has no responsibility to an Investor in respect of such information.

Copies of each Final Terms will be available from the specified office set out below of each of the Paying Agents (as defined below).

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference” below). This Offering Circular shall, save as specified herein, be read and construed on the basis that such documents are so incorporated and form part of this Offering Circular.

The Dealers have not 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 Dealers as to the accuracy or completeness of the information contained in this Offering Circular or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the Programme.

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

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 this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not and cannot be relied upon as having been authorised by the Issuer or any of the Dealers.

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

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained 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 or any Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers 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. Investors should review, inter alia, the most recently published documents deemed to be incorporated herein by reference when deciding whether or not to purchase any Notes.

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

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers 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 or the Dealers which would permit a public offering of any Notes outside the United Kingdom or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom), Australia, Japan and Hong Kong (see “Subscription and Sale and Transfer and Selling Restrictions” below).

This Offering Circular has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Offering Circular as completed by final terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable. Except to the extent sub-paragraph (ii) above may apply, 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.

In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved. The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Offering Circular. Any representation to the contrary is unlawful.

None of the Dealers or the Issuer makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

U.S. INFORMATION

This Offering Circular is being submitted on a confidential basis in the United States to a limited number of QIBs (as defined under “Form of the Notes”) for informational use solely in connection with the consideration of the purchase of the Notes being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

Registered Notes may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act (“Rule 144A”).

Each purchaser or holder of Notes represented by a Rule 144A Global Note or any Notes issued in registered form in exchange or substitution therefor (together “Legended Notes”) will be deemed, by its acceptance or purchase of any such Legended Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in “Subscription and Sale and Transfer and Selling Restrictions”. Unless otherwise stated, terms used in this paragraph have the meanings given to them in “Form of the Notes”.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT ANY EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE OF NEW HAMPSHIRE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are “restricted securities” within the meaning of the Securities Act, the Issuer has undertaken in a deed poll dated 8 September 2004 (the “Deed Poll”) to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, the Issuer is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, (the “Exchange Act”) nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

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

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The financial information included in the Offering Circular has not been prepared in accordance with the international accounting standards (the “International Accounting Standards”) adopted pursuant to the procedure of Article 3 of Regulation (EC) No1606/2002 and there may be material differences in the financial information had Regulation (EC) No 1606/2002 been applied to the historical financial information.

The Issuer maintained its financial books and records and prepared its financial statements in Australian dollars in accordance with generally accepted accounting principles in Australia (“AGAAP”) until 30 June 2005 and, thereafter, in accordance with Australian Equivalents to International Financial Reporting Standards. AGAAP differs in certain important respects from generally accepted accounting principles in the United States and the International Accounting Standards.

All references in this document to “Australian dollars”, “A dollars”, “A\$” and “cents” or “¢” refer to the currency of Australia, those to “U.S. dollars”, “U.S.\$” and “U.S. cent.” refer to the currency of the United States of America, those to “Japanese Yen” and “Yen” refer to the currency of Japan, those to “sterling” and “£” refer to pounds sterling, and those to “euro” or “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

Any financial information shown in this document has been extracted from its original source without material adjustment.

The statements in the Offering Circular made by the Issuer regarding its competitive position are based on the Australian Prudential Regulation Authority Statistics, Monthly Banking Statistics February 2008 (issued 31 March 2008), the KPMG General Insurance Survey 2007 and internal due diligence.

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In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)), in accordance with all applicable laws and rules.

Summary of the Programme

This summary must be read as an introduction to this Offering Circular and any decision to invest in any Notes should be based on a consideration of this Offering Circular as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area no civil liability will attach to the Responsible Persons in any such Member State in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Offering Circular. Where a claim relating to information contained in this Offering Circular is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Offering Circular before the legal proceedings are initiated.

Words and expressions defined in “*Forms of the Notes*” and “*Terms and Conditions of the Notes*” shall have the same meanings in this summary.

Issuer:	Suncorp-Metway 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 “ <i>Risk Factors</i> ” below and include the Issuer’s exposure to adverse changes in the Australian economy, risks relating to increased competition, credit risk, market risk, liquidity risk, operational risk, integration risk and potential regulatory developments. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under “ <i>Risk Factors</i> ” below and include the fact that the Notes may not be a suitable investment for all investors, certain risks relating to the structure of particular Series of Notes and certain market risks.
Description:	Programme for the issuance of Medium Term Notes, Euro-commercial Paper and other debt instruments.
Arranger:	UBS Limited
Dealers:	Banc of America Securities Limited Barclays Bank PLC Citibank International plc Citigroup Global Markets Limited Deutsche Bank AG, London Branch J. P. Morgan Securities Ltd. Nomura International plc Suncorp-Metway Limited UBS Limited and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “ <i>Subscription and Sale and Transfer and Selling Restrictions</i> ” on page 111) including the following restrictions applicable at the date of this Offering Circular.
Notes (other than the Subordinated Perpetual Notes) with a maturity of less than one year:	Notes having a maturity of less than one year will, if the proceeds of the issuer are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in Section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “ <i>Subscription and Sale and Transfer and Selling Restrictions</i> ”.

Summary of the Programme

Issuing and Principal Paying Agent:	Deutsche Bank AG, London Branch
Registrar:	Deutsche Bank Trust Company Americas
Programme Size:	Up to U.S.\$15,000,000,000 (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 and the relevant Dealer.
Redenomination:	The applicable Final Terms may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in Condition 4.
Maturities:	Such maturities as may be agreed between the Issuer and the relevant Dealer and as indicated in the applicable Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency. The Subordinated Perpetual Notes are perpetual and do not have a maturity date.
Issue Price:	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes:	The Notes will be issued in bearer or registered form (see “Form of the Notes” on page 20). Registered Notes will not be exchangeable for Bearer Notes and <i>vice versa</i> .
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes:	<p>Floating Rate Notes will bear interest at a rate determined:</p> <ul style="list-style-type: none">(i) on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or(ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or(iii) on such other basis as may be agreed between the Issuer and the relevant Dealer, <p>as indicated in the applicable Final Terms.</p> <p>The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.</p>
Index-Linked Notes:	Payments of principal in respect of Index-Linked Redemption Notes or of interest in respect of Index-Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree (as indicated in the applicable Final Terms).
Other provisions in relation to Floating Rate Notes and Index-Linked Interest Notes:	Floating Rate Notes and Index-Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both (as indicated in the applicable Final Terms).

Interest on Floating Rate Notes and Index-Linked Interest Notes in respect of each Interest Period, as selected prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates as are specified in, or determined pursuant to, the applicable Final Terms and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer and as indicated in the applicable Final Terms.

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

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

Payments under the Subordinated Perpetual Notes: Prior to the winding-up of the Issuer, any payments by the Issuer (including interest or other payments) on the Subordinated Perpetual Notes will be:

- (a) at the option of the Issuer; and
- (b) (unless the Australian Prudential Regulation Authority (“APRA”) has given its prior written approval to the making of a payment), conditional on:
 - (i) the Issuer being Solvent (as defined in Condition 6(i)) at the time of, and immediately after, such payment by the Issuer; and
 - (ii) the amount of any payment not exceeding the Issuer’s Distributable Profits (as defined in Condition 6(i)).

Any failure to make a payment of interest (including any Deferred Interest) on a Subordinated Perpetual Note:

- (a) will not constitute an event of default for the purposes of the Subordinated Perpetual Notes; or
- (b) will not vest Noteholders with any right to apply for the winding-up or administration of the Issuer, or cause a receiver or receiver and manager to be appointed in respect of the Issuer;
- (c) will (until the Deferred Interest is paid in full), subject to certain exceptions, restrict the Issuer from paying interest on, declaring or paying dividends, distributions or interest on any other securities or instruments of the Issuer which rank junior to, or *pari passu* with, the Subordinated Perpetual Notes.

Any interest on the Subordinated Perpetual Notes which is not paid on a scheduled Interest Payment Date will be deferred.

Deferred Interest does not accrue interest and a Noteholder of a Subordinated Perpetual Note has no claim in respect of interest on the Deferred Interest.

Redemption of Notes (other than Subordinated Perpetual Notes):

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

Any early redemption of a Subordinated Note (other than for a Subordinated Note Event of Default) will be subject to the provisions set out in Condition 7(l).

The Final Terms may provide that Notes (other than Subordinated Perpetual Notes) may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see “*Certain Restrictions*”, above.

Redemption of Subordinated Perpetual Notes: Subordinated Perpetual Notes can only be redeemed for taxation or regulatory reasons or following a Subordinated Perpetual Note Event of Default or at the option of the Issuer upon giving not less than 15 nor more than 30 days’ irrevocable notice to the Noteholders of Subordinated Perpetual Notes at the Optional Redemption Amount(s), and on such terms, as are indicated in the applicable Final Terms.

Any redemption of a Subordinated Perpetual Note (other than for a Subordinated Perpetual Note Event of Default) will be subject to the provisions set out in Condition 7(l) or as otherwise specified in the applicable Final Terms.

Denomination of Notes: Notes will be issued in denominations as may be agreed between the Issuer and the relevant Dealer and as indicated in the applicable Final Terms save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see “*Certain Restrictions*” above 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 otherwise require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

Taxation: All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed within Australia, subject as provided in Condition 8. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted.

Cross Default: The terms of the Senior Notes will contain a cross-default provision as further described in Condition 10(a). The terms of the Subordinated Notes and of the Subordinated Perpetual Notes will not contain a cross-default provision and will contain only limited events of default as further described in Condition 10(b) and Condition 10(c), respectively.

Status of the Senior Notes: Senior Notes and any relative Receipts and/or Coupons will be direct, unsubordinated, 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 3(a).

Status of the Subordinated Notes: Subordinated Notes and any relative Receipts and/or Coupons will be direct, unsecured and subordinated obligations of the Issuer and will rank *pari passu* without any preference among themselves. The claims of the holders of Subordinated Notes and any relative Receipts and/or Coupons against the Issuer will, in the event of a Winding Up (as defined in Condition 3(b)) of the Issuer, be subordinated in right of payment to the claims of Unsubordinated Creditors (as defined in Condition 3(b)) in the manner provided in Condition 3(b), but senior to the Subordinated Perpetual Creditors.

Status of the Subordinated Perpetual Notes: Subordinated Perpetual Notes and any other relative Receipts and/or Coupons will be direct, unsecured and subordinated obligations of the Issuer and will (unless otherwise specified in the applicable Final Terms) rank *pari passu* without any preference among themselves.

The claims of the Noteholders of Subordinated Perpetual Notes and any other relative Receipts and/or Coupons against the Issuer will, in the event of a Winding-Up of the Issuer, be subordinated in right of payment to the claims of the Unsubordinated Creditors and Subordinated Creditors (as each such term is defined in Condition 3(b)) in the manner provided in Condition 3(c).

Rating: The rating of certain series of Notes to be issued under the Programme may be specified in the applicable Final Terms.

Listing and admission to trading: Application has been made to the UKLA for Notes issued under the Programme to be admitted to the Official List and to admit them to trading on the London Stock Exchange's Gilt Edged and Fixed Interest Market. The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series.

Unlisted Notes may also be issued.

The Final Terms relating to each Tranche of Notes will state whether or not and, if so, on which stock exchange(s) the Notes are to be listed.

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

Governing Law: The Notes will be governed by, and construed in accordance with, English law except in the case of Subordinated Notes and Subordinated Perpetual Notes, in which case the provisions of Condition 3 as it applies to such Notes should be governed by, and construed in accordance with, the laws of the State of Queensland, Australia.

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 Hong Kong and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "Subscription and Sale and Transfer and Selling Restrictions".

Risk Factors

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. These factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

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

Dependence on the Australian economy

The Issuer's earnings are dependent on the level of financial services required by its customers. In particular, levels of borrowing are heavily dependent on customer confidence, the state of the economy, the home and business lending market and prevailing market interest rates at the time.

As the Issuer currently conducts all of its business in Australia, its performance is influenced by the level and cyclical nature of business and home lending activity in Australia, which is, in turn, impacted by both domestic and international economic and political events. There can be no assurance that a weakening in the Australian economy will not have a material effect on the Issuer's financial condition and results of operations.

Competition

The Issuer faces intense competition in all aspects of its business. The Issuer competes domestically with asset managers, retail and commercial banks, non-bank mortgage brokers, private banking firms, investment banking firms, brokerage firms and other investment services firms. The level of competition continues to increase as the trend toward consolidation in the global financial services industry is creating competitors with broader ranges of product and services, increased access to capital, and greater efficiency and enhanced pricing power. As a number of the Issuer's competitors are significantly larger and have greater resources, the Issuer could lose market share or be forced to reduce prices in order to compete effectively, if industry participants engage in aggressive growth strategies or severe price discounting.

Credit risk

The Issuer is exposed to credit risk as a consequence of its lending activities. As at 31 December 2007, the Issuer held specific provisions to cover bad and doubtful debts. From 1 July 2005, under IFRS, the Issuer will apply the incurred loss approach for loan provisioning. If these provisions prove inadequate, either because of an economic downturn or a significant breakdown in its credit disciplines, then this could have a material adverse effect on its business.

Market risk

The Issuer is exposed to market risk as a consequence of its trading activities in financial markets and through the asset and liability management of the Issuer's overall financial position. In the financial markets trading businesses, the Issuer is exposed to losses arising from adverse movements in levels and volatility of interest rates and foreign exchange rates.

Liquidity risk

Liquidity risk is the potential inability to meet the Issuer's payment obligations which could potentially arise as a result of mismatched cashflows generated by its business. The Issuer manages this risk through an approved liquidity framework.

Risk Factors

The Issuer's liquidity risk management framework models its ability to fund under both normal conditions and during a crisis situation. This approach is designed to ensure that the Issuer's funding framework is sufficiently flexible to ensure liquidity under a wide range of market conditions.

Operational risk

As a financial services organisation, the Issuer is exposed to a variety of other risks, including those arising from process error, fraud, systems failure, security and physical protection, customer services, staff skills and performance, and product development and maintenance.

Information technology

The Issuer relies to a significant degree on information technology systems. Most of the Issuer's daily operations are computer based and its information technology systems are essential to maintaining effective communication with customers. The Issuer generally manages its information technology systems internally rather than outsource that function to a third party. The Issuer is exposed to a number of system risks, including:

- *complete or partial failure of the information technology systems;*
- *inadequacy of internal or third party information technology systems due to, among other things, failure to keep pace with industry developments;*
- *capacity of the existing systems to effectively accommodate the Issuer's planned growth and integrate existing and future acquisitions and alliances; and*
- *systems integration programs not being completed within the timetable or budget.*

The Issuer has disaster recovery and systems development plans in place to mitigate some of these risks. However, any failure in the Issuer's systems could result in business interruption, the loss of customers, damaged reputation and weakening of its competitive position and could adversely affect its business.

Regulatory risk

The Issuer's business is subject to substantial regulatory and legal oversight. In particular the Issuer is subject to prudential supervision by APRA. The Issuer is required, amongst other things, to meet minimum capital requirements within its operations. APRA is currently analysing potential changes to its capital adequacy guidelines as a result of Basel II. Any significant regulatory developments, including changes to capital adequacy and accounting standards, could have an adverse effect on how the Issuer conducts its business and on the Issuer's financial condition and results of operations. Its business and earnings are also affected by the fiscal or other policies that are adopted by various regulatory authorities of the Australian government, foreign governments and international agencies. The nature and impact of future changes in such policies are not predictable and are beyond the Issuer's control.

Integration risk associated with Promina Merger

The merger of Suncorp and Promina was implemented on 20 March 2007 and resulted in the formation of the Suncorp Group (See "Group Overview" on page 84). Combining two groups of the size and complexity of Suncorp and Promina carries integration risks. There is a risk that the merged Suncorp Group will lose customers and market share, or face operational disruptions, if the integration is not achieved in an orderly and timely fashion.

In addition, the ability to achieve targeted synergies on time or at all and to their fullest extent is subject to a number of risks, including the following:

1. unforeseen difficulties in the amalgamation of business sites and physical business locations;
2. unforeseen difficulties in integrating management information systems;
3. unforeseen difficulties in integrating existing or introducing new information technology platforms;
4. lower than expected cost savings; and
5. any differences in the cultures or management styles of the two organisations.

If, as a consequence of the integration, any damage occurs to the reputation of the Promina or Suncorp brands, this could have an adverse impact on the future financial position of Suncorp Group.

Any failure to achieve targeted synergies may impact on the financial performance and position of the Suncorp Group. Suncorp has estimated the total pre-tax cost of integration at around A\$375 million. There is no guarantee that integration costs will not exceed the expected amount. There is a risk that costs could increase due to unforeseen complications. Such an increase may have a material adverse impact on the future financial position and performance of the Suncorp Group.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**The Notes may not be a suitable investment for all investors**

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) 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;
- (iii) 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;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) 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, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Notes

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

Notes subject to optional redemption by the Issuer

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

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

Any redemption of the Subordinated Notes or Subordinated Perpetual Notes is subject to the prior written approval of APRA.

Index Linked Notes and Dual Currency Notes

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

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Variable Rate Notes with a multiplier or other leverage factor

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

Inverse Floating Rate Notes

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

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. 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 may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate 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.

The Issuer's obligations under Subordinated Notes are subordinated

The Issuer's obligations under Subordinated Notes will be unsecured and subordinated and will rank junior in priority of payment to claims of Unsubordinated Creditors as defined and more fully described in Condition 3(b) of the Terms and Conditions of the Notes contained in this Offering Circular. Although Subordinated Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a substantial risk that an investor in Subordinated Notes will lose all or some of his investment should the Issuer become insolvent.

The Issuer's obligations under Subordinated Perpetual Notes are subordinated

The Issuer's obligations under Subordinated Perpetual Notes will be unsecured and subordinated and will rank junior in priority of payment to claims of Unsubordinated Creditors and the Subordinated Creditors as defined and more fully described in Condition 3(b) of the Terms and Conditions of the Notes contained in this Offering Circular. Although Subordinated Perpetual Notes may pay a higher rate of interest than comparable Notes which are not subordinated, there is a substantial risk that an investor in Subordinated Perpetual Notes will lose all or some of its investment should the Issuer become insolvent.

If the Issuer is wound up, it will have to meet its obligations to all its other creditors which rank in priority to the holders of the Subordinated Perpetual Notes in full before it can make any payments on the relevant Subordinated Perpetual Notes. In such circumstances, it may be that the Issuer will not have enough assets remaining after these payments to pay amounts due under the relevant Subordinated Perpetual Notes.

In addition, prior to the Winding-Up of the Issuer:

- (a) it will be under no obligation to redeem the Subordinated Perpetual Notes at any time (as the Subordinated Perpetual Notes are perpetual and do not have a maturity date);
- (b) may defer the payments of interest at any time; and
- (c) is only allowed (but not obliged) to make payments of interest, Deferred Interest (as defined in Condition 6(i)) and any Additional Amounts (if any) on the relevant Subordinated Perpetual Notes, if it is Solvent (in accordance with, and as defined in, Condition 6(i) of the Notes) at the time of such payment and if it would be Solvent immediately after any such payment and if the amount of such payments do not exceed its Distributable Profits (as defined in Condition 6(i)).

Failure by the Issuer to make a payment of interest when due on the relevant Subordinated Perpetual Notes will not:

- (a) constitute a Subordinated Perpetual Note Event of Default (as defined in Condition 10(c)(iv)); or
- (b) give a Holder of a Subordinated Perpetual Note any right to either apply for the winding up or administration of the Issuer or to cause a receiver or receiver and manager to be appointed in respect of the Issuer.

Any deferral of interest payments in respect of a Subordinated Perpetual Note is likely have an adverse effect on the market price of such Notes. The Issuer's right to defer interest payments under the Subordinated Perpetual Notes may make:

- (i) the market price of such Notes more volatile than the market price of other debt securities which do not vest the Issuer with such a right; and
- (ii) the Subordinated Perpetual Notes more sensitive generally to adverse changes in the Issuer's financial condition.

The Issuer will also be restricting from making an interest payment under the Subordinated Perpetual Notes in the circumstances set out in Condition 6(j).

There is a risk that an investor in Subordinated Perpetual Notes may receive no return on the Subordinated Perpetual Notes or a lesser return compared to other Notes where interest is not deferred nor restricted from being paid.

Risks related to Notes generally

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

Modification and waiver

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

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

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

Change of law

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

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 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 at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, 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.

Risks related to the market generally

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

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would

Risk Factors

have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

In addition, Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Offering Circular), whereby there is 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.

Exchange rate risks and exchange controls

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

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

Interest rate risks

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

Credit ratings may not reflect all risks

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

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.

Documents Incorporated by Reference

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

- the auditors' report and the published audited consolidated financial statements of the Issuer in respect of the years ended 30 June 2006 and 30 June 2007;
- the auditors' report and the published reviewed consolidated financial statements of the Issuer in respect of the six months ended 31 December 2006 and 31 December 2007; and
- the constitution of Suncorp-Metway Limited as adopted on 24 April 2007 and effective from 26 April 2007.

Following the publication of this Offering Circular a supplement may be prepared by the Issuer and approved by the UK Listing Authority in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular can be obtained from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in London, set out at the end of this Offering Circular.

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

Form of the Notes

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

Bearer Notes

Each Tranche of Bearer Notes will initially be represented by either a temporary bearer global Note (a “Temporary Bearer Global Note”) or a permanent bearer global note (a “Permanent Bearer Global Note”) as indicated in the applicable Final Terms which, in either case will be delivered on or prior to the original issue date of the Tranche to a common depository (the “Common Depository”) for Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, société anonyme (“Clearstream, Luxembourg”). Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer 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 Principal Paying Agent. Any reference in this section “Form of the Notes” to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Principal Paying Agent specified in the applicable Final Terms.

On and after the date (the “Exchange Date”) which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note without receipts, interest coupons or talons or (ii) for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms) in each case against certification of beneficial ownership as described above unless such certification has already been given, provided that purchasers in the United States and certain U.S. persons will not be able to receive definitive Bearer Notes. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, and interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification. The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either (i) not less than 60 days’ written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein or (ii) only upon the occurrence of an Exchange Event. For these purposes, “Exchange Event” means that (i) a Senior Note Event of Default, a Subordinated Note Event of Default or a Subordinated Perpetual Event of Default (as each such term is defined in Condition 10) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the 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 Principal Paying Agent.

The following legend will appear on all Bearer Notes, which have an original maturity of more than 365 days and on all receipts, interest coupons and talons relating to such Notes:

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

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest 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, receipts or interest coupons.

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

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a “Regulation S Global Note”). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions to “qualified institutional buyers” within the meaning of Rule 144A under the Securities Act (“QIBs”). The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form (a “Rule 144A Global Note” and, together with a Regulation S Global Note, the “Registered Global Notes”).

Registered Global Notes will either (i) be deposited with a custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream, Luxembourg or (ii) be deposited with a common depository for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

The Rule 144A Global Note will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 6(d)) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 6(d)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, “Exchange Event” means that (i) Senior Note Event of Default, a Subordinated Note Event of Default or a Subordinated Perpetual Event of Default (as each such term is defined in Condition 10) (as applicable) has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act, (iii) in the case of Notes registered in the name of a nominee for a common depository for Euroclear and Clearstream, Luxembourg, 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, in any such case, no successor clearing system is available or (iv) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see “Subscription and Sale and Transfer and Selling Restrictions”.

General

Pursuant to the Agency Agreement (as defined under “Terms and Conditions of the Notes”), the Principal Paying Agent or the Registrar 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 and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS 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 and its 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 nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and its 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.

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

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

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 10. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg and DTC on and subject to the terms of a deed of covenant (the “MTN Deed of Covenant”) dated 15 September 2005 and executed by the Issuer. In addition, holders of interests in such Global Note credited to their accounts with DTC may require DTC to deliver Definitive Notes in registered form in exchange for their interest in such Global Note in accordance with DTC’s standard operating procedures.

Applicable Final Terms

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of less than EUR 50,000 (or its equivalent in another currency).

[Date]

SUNCORP-METWAY LIMITED

(ABN 66 010 831 722)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the U.S.\$15,000,000 Programme for the issuance of Medium Term Notes, Euro-commercial Paper and other debt instruments

[The Offering Circular referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly, any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 36 of Part A below, provided such person is one of the persons mentioned in Paragraph 36 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]¹

[The Offering Circular referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.]

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 5 June 2008 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular is available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at <http://londonstockexchange.com/en-gb/pricenews/marketnews> under the name of the Issuer and the headline “*Publication of Prospectus*”, and copies may be obtained from the offices of the Principal Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB.

¹ Consider including this legend where a non-exempt offer of Notes is anticipated.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Offering Circular dated [original date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”) and must be read in conjunction with the Offering Circular dated [current date] which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circulars dated [current date] and [original date]. Copies of such Offering Circulars are available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at <http://londonstockexchange.com/en-gb/pricenews/marketnews> under the name of the Issuer and the headline “*Publication of Prospectus*”, and copies may be obtained from the offices of the Principal Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

1. Issuer: Suncorp-Metway Limited
2. (i) Series Number []
(ii) Tranche Number []
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
(i) Series: []
(ii) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [Insert date] (in the case of fungible issues only, if applicable)]
6. (a) Specified Denominations: []
(In the case of Registered Notes, this means the minimum integral amount in which transfers can be made)

(N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €[1,000] minimum denomination is not required.)
(b) Calculation Amount: []
*(If only one Specified Denomination, insert the Specified Denomination.
If more than one Specified Denomination, insert the highest*

common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)

7. (i) Issue Date: []
[specify/Issue Date/Not Applicable]
- (ii) Interest Commencement Date: *(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*
8. Maturity Date: [Fixed rate — specify date/
Floating rate — Interest Payment Date falling in or nearest to
[specify month]]/
Not Applicable *(If the Note is a Subordinated Perpetual Note.)*
9. Interest Basis: [[] per cent. Fixed Rate]
[[LIBOR/EURIBOR] +/- [] per cent. Floating Rate]
[Zero Coupon]
[Index-Linked Interest]
[Dual Currency Interest]
[specify other]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Index-Linked Redemption]
[Dual Currency Redemption]
[Partly Paid]
[Instalment]
[specify other]

(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
11. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
13. (i) Status of the Notes: [Senior/Subordinated]/Subordinated Perpetual]
- (ii) [Date [Board] approval for issuance of Notes obtained: [] [and [], respectively]]

(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) AND PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate(s) of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear]
(If payable other than annually, consider amending Condition 5)
 - (ii) Interest Payment Date(s): [[] in each year up to and including the Maturity Date]/
[[] in each year up to and including the date on which the Notes described herein are redeemed by the Issuer in accordance with the Terms and Conditions set out in the Offering Circular *(Only insert if the relevant Note is a Subordinated Perpetual Note.)*]/[specify other]
(NB: This will need to be amended in the case of long or short coupons)
 - (iii) Fixed Coupon Amount(s): [] per Calculation Amount
(Applicable to Notes in definitive form.)
 - (iv) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] []
(Applicable to Notes in definitive form.)
 - (v) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or specify other]
 - (vi) Determination Date(s): [] in each year
[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]
(NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration)
(NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA))
 - (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]
16. Floating Rate Note Provisions [Applicable/Not applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Specified Period(s)/Specified Interest Payment Dates: []
 - (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]/[specify other]
 - (iii) Additional Business Centre(s): []
 - (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
 - (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): []

(vi) Screen Rate Determination:

- Reference Rate: []
(Either LIBOR, EURIBOR or other, although additional information is required if other — including fallback provisions in the Agency Agreement)
- Interest Determination Date(s): []
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
- Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)

(vii) ISDA Determination:

- Floating Rate Option: []
- Designated Maturity: []
- Reset Date: []

(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/365 (Sterling)
Actual/360
30/360
30E/360
30E/360 (ISDA)
Other]
(See Condition 5 for alternatives)

(xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:

[]

17. Zero Coupon Note Provisions

[Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Accrual Yield: [] per cent. per annum

(ii) Reference Price: []

(iii) Any other formula/basis of determining amount payable: []

- (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 7(f)(iii) and 7(k) *apply/specify other*] (*Consider applicable day count fraction if not U.S. dollar denominated*)
- 18. Index Linked Interest Note Provisions** [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (*N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.*)
- (i) Index/Formula: [give or annex details]
- (ii) Calculation Agent: [give name (and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address)]
- (iii) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): []
- (iv) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [*need to include a description of market disruption or settlement disruption events and adjustment provisions*]
- (v) Specified Period(s)/Specified Interest Payment Date: []
- (vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
- (vii) Additional Business Centre(s): []
- (viii) Minimum Rate of Interest: [] per cent. per annum
- (ix) Maximum Rate of Interest: [] per cent. per annum
- (x) Day Count Fraction: []
- 19. Dual Currency Interest Note Provisions** [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (*N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.*)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
- (ii) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): []

(iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]

(iv) Person at whose option Specified Currency(ies) is/are payable: []

20. Right of Issuer to defer interest: [Applicable/Not Applicable]
(N.B. Always insert "Applicable" if the relevant Note is a Subordinated Perpetual Note. For all other Notes, always insert "Not Applicable".)

PROVISIONS RELATING TO REDEMPTION

21. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Optional Redemption Date(s): []

(ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount/specify other/see Appendix]

(iii) If redeemable in part:

(a) Minimum Redemption Amount: []

(b) Maximum Redemption Amount: []

(iv) Notice period (if other than as set out in the Conditions): []
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

22. Investor Put: [Applicable/Not Applicable]
(Always insert "Not Applicable" if the relevant Note is a Subordinated Perpetual Note.)
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

(i) Optional Redemption Date(s): []

(ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount/specify other/see Appendix]

(iii) Notice period (if other than as set out in the Conditions): []
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

23. Final Redemption Amount: [[] per Calculation Amount/specify other/see Appendix]
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
24. Early Redemption Amount payable on redemption for taxation reasons, (in the case of Subordinated Notes or Subordinated Perpetual Notes) redemption for regulatory or other reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7(f)): [] per Calculation Amount/specify other/see Appendix

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes: [Bearer Notes:
Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]

[Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/ at any time at the request of the Issuer]]

(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000].")

[Registered Notes:
Regulation S Global Note (U.S.\$[] nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg]/
Rule 144A Global Note (U.S.\$[] nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg] (specify nominal amounts)]
26. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details]
(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 16(iii) and 18(vii) relate)
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]

28. Details relating to Partly Paid Notes:
amounts of each payment comprising
the Issue Price and date on which each
payment is to be made and
consequences of failure to pay,
including any right of the Issuer to
forfeit the Notes and interest due on
late payment: [Not Applicable/give details. NB: new forms of Temporary
Global Note may be required for Partly Paid issues]
29. Details relating to Instalment Notes:
- (i) Instalment Amount(s): [Not Applicable/give details]
- (ii) Instalment Date(s): [Not Applicable/give details]
30. Redenomination applicable: Redenomination [not] applicable
[[If Redenomination is applicable, specify the applicable Day
Count Fraction and any provisions necessary to deal with
floating rate interest calculation (including alternative reference
rates)]]
31. Other final terms: [Not Applicable/give details]
- (When adding any other final terms consideration should be
given as to whether such terms constitute “significant new
factors” and consequently trigger the need for a supplement to
the Offering Circular under Article 16 of the Prospectus
Directive.)
- (Consider including a term providing for tax certification if
required to enable interest to be paid gross by issuers)

DISTRIBUTION

32. (i) If syndicated, names of
Managers: [Not Applicable/give names]
- (ii) Date of [Subscription] Agreement: []
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name]
33. If non-syndicated, name of relevant
Dealer: [Not Applicable/give name and address]
34. U.S. Selling Restrictions: Reg S Compliance Category: [TEFRA D/TEFRA C/TEFRA not
applicable]
35. Additional selling restrictions: [Not Applicable/give details]
36. Non-exempt Offer: [Not Applicable] [An offer of the Notes may be made by the
Managers and [specify names of other financial intermediaries/
placers making non-exempt offers, to the extent known OR
consider a generic description of other parties involved in non-
exempt offers (e.g. “other parties authorised by the Managers”)
or (if relevant) note that other parties may make non-exempt
offers in the Public Offer Jurisdictions during the Offer Period,
if not known]] (together with the Managers, the “Financial
Intermediaries”) other than pursuant to Article 3(2) of the
Prospectus Directive in [specify relevant Member State(s) —
which must be jurisdictions where the Offering Circular and
any supplements have been passported (in addition to the
jurisdiction where approved and published)] (“Public Offer
Jurisdictions”) during the period from [specify date] until a

[specify date or a formula such as “the Issue Date” or “the date which falls [●] Business Days thereafter”] (“Offer Period”). See further Paragraph 10 of Part B below.

(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.)

37. Additional selling restrictions: [Not Applicable/[give details]]

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange’s regulated market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)]] of the Notes described herein pursuant to the U.S.\$15,000,000,000 Programme for the issue of Medium Term Notes, Euro-commercial Paper and other debt instruments of Suncorp-Metway Limited.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:
Duly authorised

PART B — OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange's regulated market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)] with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange's regulated market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)] with effect from [].] [Not Applicable.]

2. RATINGS

Ratings:

The Notes to be issued have been rated:

[S & P: []]
[Moody's: []]
[Fitch: []]
[[Other]: []]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

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

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i)] Reasons for the offer []

[(ii)] Estimated net proceeds: []

[(iii)] Estimated total expenses: [].

(N.B. If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)

5. YIELD (Fixed Rate Notes only)

Indication of yield: []

[Calculated as *[include details of method of calculation in summary form]* on the Issue Date.]**

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. HISTORIC INTEREST RATES (*Floating Rate Notes only*)**

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

7. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (*Index-Linked Notes only*)

[If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

(N.B. The requirements below only apply if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

[Need to include details of where past and future performance and volatility of the index/formula can be obtained.]

[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.]

[Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

[(When completing the above paragraphs, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]

The Issuer [intends to provide post-issuance information *[specify what information will be reported and where it can be obtained]*] [does not intend to provide post-issuance information]

8. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT (*Dual Currency Notes only*)

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]

[If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]

(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]

9. OPERATIONAL INFORMATION

(i) ISIN Code: []

(ii) Common Code: []

- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of additional Paying Agent(s) (if any): []

10. TERMS AND CONDITIONS OF THE OFFER

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

Applicable Final Terms

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least EUR 50,000 (or its equivalent in another currency).

[Date]

SUNCORP-METWAY LIMITED

(ABN 66 010 831 722)

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] under the U.S.\$15,000,000,000 Programme for the issuance of Medium Term Notes, Euro-commercial Paper and other debt instruments

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 5 June 2008 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular is available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at <http://londonstockexchange.com/en-gb/pricenews/marketnews> under the name of the Issuer and the headline “*Publication of Prospectus*”, and copies may be obtained from the offices of the Principal Paying Agent at Winchester House, 1 Great Whinchester Street, London EC2N 2DB.

The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Offering Circular dated [original date]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”) and must be read in conjunction with the Offering Circular dated [current date] which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Offering Circular dated [original date] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circulars dated [current date] and [original date]. Copies of such Offering Circulars are available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at <http://londonstockexchange.com/en-gb/pricenews/marketnews> under the name of the Issuer and the headline “*Publication of Prospectus*”, and copies may be obtained from the offices of the Principal Paying Agent at Winchester House, 1 Great Whinchester Street, London EC2N 2DB.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination [must/may need to] be £100,000 or its equivalent in any other currency.]

1. Issuer: Suncorp-Metway Limited
2. (i) Series Number: []

- (ii) Tranche Number: []
(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
- (i) Series: []
- (ii) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
6. (i) Specified Denominations: []
(Note — where multiple denominations above [€50,000] or equivalent are being used the following sample wording should be followed:

“[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]. No Notes in definitive form will be issued with a denomination above [€99,000].”

(N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the [€50,000] minimum denomination is not required.)
- (ii) Calculation Amount: []
(If only one Specified Denomination, insert the Specified Denomination.

If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)
7. (i) Issue Date: []
- (ii) Interest Commencement Date: *[specify/Issue Date/Not Applicable]*

(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)
8. Maturity Date: *[Fixed rate — specify date/
Floating rate — Interest Payment
Date falling in or nearest to [specify month]/
Not Applicable (If the Note is a Subordinated Perpetual Note.)*
9. Interest Basis: *[[] per cent. Fixed Rate]
[[LIBOR/EURIBOR] +/- [] per cent. Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Dual Currency Interest]
[specify other]
(further particulars specified below)*

10. Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Dual Currency Redemption]
[Partly Paid]
[Instalment]
[specify other]
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
11. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[[further particulars specified below]]
13. (i) Status of the Notes: [Senior/Subordinated/Subordinated Perpetual]
(ii) [Date [Board] approval for issuance of Notes [and Guarantee] obtained: [] [and [], respectively]]
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate(s) of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly/other (specify)] in arrear]
(If payable other than annually, consider amending Condition 5)
- (ii) Interest Payment Date(s): [[] in each year up to and including the Maturity Date/
[[] in each year up to and including the date on which the Notes described herein are redeemed by the Issuer in accordance with the Terms and Conditions set out in the Offering Circular.
(Only insert if the relevant Note is a Subordinated Perpetual Note.)/[specify other]
(N.B. This will need to be amended in the case of long or short coupons)
- (iii) Fixed Coupon Amount(s): [] per Calculation Amount
(Applicable to Notes in definitive form.)
- (iv) Broken Amount(s): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [-]
(Applicable to Notes in definitive form.)
- (v) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or [specify other]]

- (vi) [Determination Date(s): [] in each year
(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]
16. Floating Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Specified Period(s)/Specified Interest Payment Dates: []
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (iii) Additional Business Centre(s): []
- (iv) Manner in which the Rate of Interest and Interest Amount are to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): []
- (vi) Screen Rate Determination:
- Reference Rate: []
(Either LIBOR, EURIBOR or other, although additional information is required if other — including fallback provisions in the Agency Agreement)
 - Interest Determination Date(s): []
(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
 - Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (vii) ISDA Determination:
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []

- (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/365 (Sterling)
Actual/360
30/360
30E/360
30E/360 (ISDA)
Other]
(See Condition 5 – for alternatives)
- (xii) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []
17. Zero Coupon Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Accrual Yield: [–] per cent. per annum
- (ii) Reference Price: []
- (iii) Any other formula/basis of determining amount payable: []
- (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 7(f)(iii) and 7(k) apply/specify other]
(Consider applicable day count fraction if not U.S. dollar denominated)
18. Index Linked Interest Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
- (i) Index/Formula: [give or annex details]
- (ii) Calculation Agent [give name (and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address)]
- (iii) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): []

- (iv) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (v) Specified Period(s)/Specified Interest Payment Dates: []
- (vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/specify other]
- (vii) Additional Business Centre(s): []
- (viii) Minimum Rate of Interest: [] per cent. per annum
- (ix) Maximum Rate of Interest: [] per cent. per annum
- (x) Day Count Fraction: []
19. Dual Currency Interest Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
- (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): []
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (iv) Person at whose option Specified Currency(ies) is/are payable: []
20. Right of Issuer to defer interest: [Applicable/Not Applicable]
(N.B. Always insert “Applicable” if the relevant Note is a Subordinated Perpetual Note. For all other Notes, always insert “Not Applicable”.)

PROVISIONS RELATING TO REDEMPTION

21. Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount/specify other/see Appendix]

- (iii) If redeemable in part:
 - (i) Minimum Redemption Amount: []
 - (ii) Maximum Redemption Amount: []
- (iv) Notice period (if other than as set out in the Conditions): []

(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

22. Investor Put: [Applicable/Not Applicable]
*(Always insert “Not Applicable” if the relevant Note is a Subordinated Perpetual Note.)
(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[] per Calculation Amount/specify other/see Appendix]
- (iii) Notice period (if other than as set out in the Conditions): []

(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

23. Final Redemption Amount: [[] per Calculation Amount/specify other/see Appendix]

(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

24. Early Redemption Amount payable on redemption for taxation reasons, (in the case of Subordinated Notes or Subordinated Perpetual Notes) redemption for regulatory or other reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7(f)): [[] per Calculation Amount/specify other/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]
- [Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]
- (Ensure that this is consistent with the wording in the "Form of the Notes" section in the Offering Circular and the Notes themselves. N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€50,000] and integral multiples of [€1,000] in excess thereof up to and including [€99,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)*
- [Registered Notes: Regulation S Global Note (U.S.\$[] nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg]/ Rule 144A Global Note (U.S.\$[] nominal amount registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg] (*specify nominal amounts*)]
26. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/[give details]
(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 16(iii) and 18(g) relate)
27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues]
29. Details relating to Instalment Notes:
- (i) Instalment Amount(s): [Not Applicable/[give details]
- (ii) Instalment Date(s): [Not Applicable/[give details]

30. Redenomination applicable: Redenomination [not] applicable
[[*If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates)*]]*[[if Redenomination is applicable, specify the terms of the redenomination in an Annex to the Final Terms]]*
31. Other final terms: [Not Applicable/*give details*]
[[*When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.*]]
- (Consider including a term providing for tax certification if required to enable interest to be paid gross by issuers.)*

DISTRIBUTION

32. (i) If syndicated, names of Managers: [Not Applicable/*give names*]
(If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)
- (ii) Date of [Subscription] Agreement: []
(The above is only relevant if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies).
- (iii) Stabilising Manager(s) (if any): [Not Applicable/*give name*]
33. If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
34. U.S. Selling Restrictions: [Reg. S Compliance Category; TEFRA D/TEFRA C/TEFRA not applicable]
35. Additional selling restrictions: [Not Applicable/*give details*]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on [*specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange’s regulated market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)*] of the Notes described herein pursuant to the U.S.\$15,000,000,000 Programme for the issue of Medium Term Notes, Euro-Commercial Paper and other debt instruments of Suncorp-Metway Limited.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:
Duly authorised

PART B — OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange’s regulated market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)] with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [specify relevant regulated market (for example the Bourse de Luxembourg, the London Stock Exchange’s regulated market or the Regulated Market of the Irish Stock Exchange) and, if relevant, listing on an official list (for example, the Official List of the UK Listing Authority)] with effect from [].] [Not Applicable.]
- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

Ratings: The Notes to be issued have been rated:

[S&P: []]
[Moody’s: []]
[Fitch: []]
[[Other]: []]

(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

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

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- [(i)] Reasons for the offer []
- [(ii)] Estimated net proceeds: []
- [(iii)] Estimated total expenses: []

(N.B.: Delete unless the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, in which case (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)

5. YIELD (*Fixed Rate Notes only*)

Indication of yield:

[]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING (*Index-linked Notes only*)

[Need to include details of where past and future performance and volatility of the index/formula can be obtained.]

[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained.]

[Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

[(When completing the above paragraphs, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

(N.B. This paragraph 6 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

7. PERFORMANCE OF RATE[S] OF EXCHANGE (*Dual Currency Notes only*)

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]

(N.B. This paragraph 7 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

8. OPERATIONAL INFORMATION

(i) ISIN Code: []

(ii) Common Code: []

(iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

(iv) Delivery: Delivery [against/free of] payment

(v) Names and addresses of additional Paying Agent(s) (if any): []

Terms and Conditions of the Notes

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions (excluding the italicised paragraphs). The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to “Form of the Notes” above for a description of the content of Final Terms 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 Suncorp-Metway Limited (the “Issuer”) pursuant to the Agency Agreement (as defined below).

References herein to the “Notes” shall be references to the Notes of this Series and shall mean:

- (i) in relation to any Notes represented by a global Note (a “Global Note”), units of each Specified Denomination in the Specified Currency;
- (ii) any Global Note;
- (iii) any definitive Notes in bearer form (“Bearer Notes”) issued in exchange for a Global Note in bearer form; and
- (iv) any definitive Notes in registered form (“Registered Notes”) (whether or not issued in exchange for a Global Note in registered form).

References herein to a “Condition” means a term or condition of these Terms and Conditions.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) 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 5 June 2008 and made among the Issuer, Deutsche Bank AG, London Branch as principal paying agent and issue and paying agent (the “Principal Paying Agent” and “Issue and Paying Agent”, which expression shall include any successor principal paying agent, Deutsche Bank Luxembourg S.A. (together with the Principal Paying Agent, the Issue and Paying Agent and the Registrar, the “Paying Agents”, which expression shall include any additional or successor paying agents), Bankers Trust Company as exchange agent (the “Exchange Agent”, which expression shall include any successor exchange agent) and as registrar (the “Registrar”, which expression shall include any successor registrar) and Deutsche Bank AG as transfer agent and the other transfer agents named therein (together with the Registrar, the “Transfer Agents”, which expression shall include any additional or successor transfer agents).

Interest bearing definitive Bearer Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons (“Coupons”) and, if indicated in the applicable Final Terms, talons for further Coupons (“Talons”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts (“Receipts”) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Final Terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References herein to the “applicable Final Terms” are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

Any reference to “Noteholders” or “holders” in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to “Receiptholders” shall mean the holders of the Receipts and any reference herein to “Couponholders” shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

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

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the MTN Deed of Covenant (the “MTN Deed of Covenant”) dated 15 September 2005 and made by the Issuer. The original of the MTN Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement, a deed poll (the “Deed Poll”) dated 8 September 2004 and made by the Issuer and the MTN Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Principal Paying Agent, the Registrar and the other Paying Agents and Transfer Agents (such Agents and the Registrar being together referred to as the “Agents”). Copies of the applicable Final Terms are available for viewing at, and copies may be obtained from, the offices of the Principal Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be available for inspection by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Issuer or the relevant Agent, as the case may be, as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed Poll, the MTN Deed of Covenant and the applicable Final Terms which are applicable to them. The Statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

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

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index-Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest/Payment Basis shown in the applicable Final Terms. This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

This Note is either a Senior Note, a Subordinated Note or a Subordinated Perpetual Note as indicated in the applicable Final Terms.

Definitive Bearer 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 Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer and any Agent may deem and treat the bearer of any Bearer Note, Receipt or

Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank 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 and the 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 Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and the Agents as the holder 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.

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

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear or of Clearstream, Luxembourg, as the case may be. References to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

2. TRANSFERS OF REGISTERED NOTES

(a) Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor’s nominee.

(b) Transfers of Registered Notes in definitive form

Subject as provided in paragraphs (e), (f) and (g) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (i) the holder or holders must (A) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 12 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a

day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(c) Registration of transfer upon partial redemption

In the event of a partial redemption of Notes under Condition 7, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(d) Costs of registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(e) Transfers of interests in Regulation S Global Notes

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made:

- (i) upon receipt by the Registrar of a written certification substantially in the form set out in the Agency Agreement, amended as appropriate (a "Transfer Certificate"), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or
- (ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of (e)(i) above, such transferee may take delivery through a Legended Note in global or definitive form. After expiry of the applicable Distribution Compliance Period (i) beneficial interests in Regulation S Global Notes registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (ii) such certification requirements will no longer apply to such transfers.

(f) Transfers of interests in Legended Notes

Transfers of Legended Notes or beneficial interests therein may be made:

- (i) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that in the case of a Regulation S Global Note registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or
- (ii) to a transferee who takes delivery of such interest through a Legended Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

(iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Notes or refuse to remove the Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

(g) Exchanges and transfers of Registered Notes generally

Holders of Registered Notes in definitive form may exchange such Notes for interests in a Registered Global Note of the same type at any time.

(h) Definitions

In this Condition, the following expressions shall have the following meanings:

“Distribution Compliance Period” means the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

“Legended Note” means Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A;

“QIB” means a “qualified institutional buyer” within the meaning of Rule 144A;

“Regulation S” means Regulation S under the Securities Act;

“Regulation S Global Note” means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

“Rule 144A” means Rule 144A under the Securities Act;

“Rule 144A Global Note” means a Registered Global Note representing Notes sold in the United States or to QIBs; and

“Securities Act” means the United States Securities Act of 1933, as amended.

3. STATUS OF THE NOTES

(a) Status of the Senior Notes

This Condition 3(a) only applies to Senior Notes and references to Noteholders, Receiptholders and Couponholders shall be construed accordingly.

The Senior Notes and any relative Receipts and/or 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 Section 13A(3) of the Banking Act 1959 of Australia).

Section 13A(3) of the Banking Act provides that, in the event of an ADI becoming unable to meet its obligations or suspending payment, the assets of the ADI in Australia are to be available to meet its deposit liabilities in Australia in priority to all other liabilities of the ADI. The Senior Notes, Receipts and Coupons do not constitute deposit liabilities in Australia of the Issuer. Section 86 of the RBA Act provides that debts due to the Reserve Bank of Australia by an ADI shall, in a winding-up, but subject to the aforesaid Section 13A(3) of the Banking Act, have priority over all other debts other than debts due to the Commonwealth of Australia. For the purposes of this paragraph, the following terms have the following meanings:

“ADI” means “authorised deposit-taking institution” as defined in the RBA Act and of which the Issuer is one;

“Banking Act” means the Banking Act 1959 of Australia; and

“RBA Act” means the Reserve Bank Act 1959 of Australia.

(b) Status of the Subordinated Notes

This Condition 3(b) only applies to Subordinated Notes and, unless expressly stated otherwise, references to Noteholders, Receiptholders and Couponholders shall be construed accordingly.

The Subordinated Notes and any relative Receipts and/or Coupons are direct, unsecured and subordinated obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves. The claims of the Noteholders, the Receiptholders and the Couponholders against the Issuer will, in the event of a Winding Up (as defined below) of the Issuer, be subordinated in right of payment to the claims of any Unsubordinated Creditors (as defined below) in the manner provided in this Condition 3(b). The Subordinated Notes do not constitute deposit liabilities of the Issuer.

Subject to the provisions of Condition 6(b) on the Winding-Up of the Issuer the rights of the Noteholders, Receiptholders and Couponholders against the Issuer to recover any sums payable in respect of such Notes, Receipts or Coupons:

- (i) shall be subordinate and junior in right of payment to the claims against the Issuer of any Unsubordinated Creditors, to the intent that all such claims of Unsubordinated Creditors shall be entitled to be paid in full before any payment shall be paid on account of any sums payable in respect of such Notes, Receipts or Coupons; and
- (ii) shall rank at least *pari passu* and rateably (as to its due proportion only) with the claims of other subordinated creditors of the Issuer other than the holders of any Subordinated Perpetual Notes and any other subordinated creditors which are expressed to rank subordinate and junior in right of payment to the claims under the Subordinated Notes.

On a Winding-Up of the Issuer, the Noteholders, Receiptholders and Couponholders shall only be entitled to prove for any sums payable in respect of the Notes, Receipts or Coupons as a debt which is subject to and contingent upon prior payment in full of the Unsubordinated Creditors; and the Noteholders, Receiptholders and Couponholders waive to the fullest extent permitted by law any right to prove in any such Winding-Up as a creditor ranking for payment in any other manner.

No Noteholder, Receiptholder or Couponholder shall be entitled to contractual set-off against any amounts due in respect of the Notes, Receipts or Coupons held by such Noteholder, Receiptholder or Couponholder any amount held by the Noteholder, Receiptholder or Couponholder to the credit of the Issuer whether in any account, in cash or otherwise, nor any deposits with, advances to or debts of the Issuer, nor any other amount owing by the Noteholder, Receiptholder or Couponholder to the Issuer on any account whatsoever, nor shall any Noteholder, Receiptholder or Couponholder be entitled to effect any reduction of the amount due to such Noteholder, Receiptholder or Couponholder in respect of a Note, Receipt or Coupon by merger of accounts or lien or the exercise of any other rights the effect of which is or may be to reduce the amount due in respect of that a Note, Receipt or Coupon in breach of these Terms and Conditions.

Any payment whether voluntary or in any other circumstances received by a Noteholder, Receiptholder or Couponholder from or on account of the Issuer (including by way of credit, set-off or otherwise howsoever) or from any liquidator, administrator, receiver, manager or statutory manager of the Issuer in breach of this Condition 3 or Condition 10(b) will be held by the relevant Noteholder, Receiptholder or Couponholder in trust for and to the order of the Unsubordinated Creditors. The trust hereby created shall be for a term expiring on the earlier of the date on which all Unsubordinated Creditors have been paid in full or eighty years from the date of the issue of the Notes, Receipts or Coupons.

For the purposes of these Terms and Conditions, the following terms shown have the following meanings:

“Subordinated Creditors” means:

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

“Subordinated Perpetual Creditors” means:

- (i) the holders of any Subordinated Perpetual Notes and any relative Receipts and Coupons; and
- (ii) creditors whose claims against the Issuer rank, or are expressed to rank, *pari passu* with the claims of the holders of Subordinated Perpetual Notes [and any relative Receipts and Coupons], which creditors shall be deemed to include all creditors, present and future, to whom the Issuer is indebted where the terms of such indebtedness (A) provide that such indebtedness will become due and payable on a specified or determinable date or at the end of a specified or determinable period, and that in the event of a Winding-Up of the Issuer the claims of those creditors against the Issuer will be, or are expressed to be, subordinated in right of payment to the claims of all Unsubordinated Creditors and Subordinated Creditors, and (B) do not provide that in the event of a Winding-Up of the Issuer the claims of those creditors against the Issuer will rank, or are expressed to rank, ahead of the claims of any holder of Subordinated Perpetual Notes [and any relative Receipts and Coupons] to whom the Issuer is indebted.

“Unsubordinated Creditors” means all creditors of the Issuer (including but not limited to the depositors of the Issuer) other than:

- (i) the Subordinated Creditors;
- (ii) the Subordinated Perpetual Creditors; and
- (iii) creditors whose claims against the Issuer rank, or are expressed to rank, after the claims of the Subordinated Perpetual Creditors.

“Winding-Up” shall mean any procedure whereby the Issuer may be wound-up, dissolved, liquidated or cease to exist as a body corporate whether brought or instigated by a Noteholder or any other person, but shall exclude any Winding-Up which results in there being a successor to the Issuer and the obligations under the Notes are assumed by that successor.

*In the event of the Winding-Up of the Issuer, the rights of the holders of Subordinated Notes, Receipts and Coupons will rank in preference only to the rights of (i) any holders of Subordinated Perpetual Notes (ii) preferred and ordinary shareholders, (iii) creditors of the nature referred to in paragraph (iii) of the definition of Unsubordinated Creditors whose claims against the Issuer rank, or are expressed to rank, after the claims of the Noteholders, the Receiptholders and the Couponholders, and (iv) creditors whose claims against the Issuer may at any future time be expressed to rank after the claims of the Noteholders, the Receiptholders and the Couponholders while not necessarily ranking *pari passu* with the claims of creditors of the nature referred to in paragraph (iii) of the definition of Unsubordinated Creditors.*

(c) Status of the Subordinated Perpetual Notes

This Condition 3(c) only applies to Subordinated Perpetual Notes and references to Noteholders, Receiptholders and Couponholders shall be construed accordingly.

The Subordinated Perpetual Notes and any relative Receipts and/or Coupons are direct, unsecured and subordinated obligations of the Issuer and, unless otherwise specified in the applicable Final Terms:

- (i) rank and will rank *pari passu* without any preference among themselves; and
- (ii) rank at least *pari passu* with all other unsecured subordinated obligations incurred or assumed by the Issuer other than the Subordinated Notes and any other unsecured subordinated obligations mandatorily preferred by law.

The Subordinated Perpetual Notes do not constitute deposit liabilities of the Issuer.

Subject to the provisions of Condition 6(i), on the Winding-Up (as defined in Condition 3(b)) of the Issuer:

- (i) the rights of the Noteholders, Receiptholders and Couponholders against the Issuer to recover any sums payable in respect of such Subordinated Perpetual Notes and any relative Receipts or Coupons shall (A) be subordinate and junior in right of payment to the claims against the Issuer of Unsubordinated Creditors and Subordinated Creditors (as each such term is defined in Condition 3(b)), to the intent that all such claims of Unsubordinated Creditors and Subordinated Creditors shall be entitled to be paid in full before any payment shall be paid on account of any sums payable, and (B) rank at least *pari passu* and rateably (as to its due proportion only) with the claims of other subordinated creditors of the Issuer other than (1) the Subordinated Creditors, and (2) those creditors of the Issuer which are expressed to rank subordinate and junior in right of payment to the claims under the Subordinated Perpetual Notes; and
- (ii) the Noteholders, Receiptholders and Couponholders shall only be entitled to prove for any sums payable in respect of the Subordinated Perpetual Notes and any relative Receipts or Coupons, as a debt which is subject to and contingent upon prior payment in full of the Unsubordinated Creditors and the Subordinated Creditors, and the Noteholders, Receiptholders and Couponholders waive to the fullest extent permitted by law any right to prove in any such Winding-Up as a creditor ranking for payment in any other manner.

No Noteholder, Receiptholder or Couponholder shall, at any time, be entitled:

- (i) to any contractual right to set-off any amounts due in respect of the Subordinated Perpetual Notes and any relative Receipts or Coupons against (A) any amount held by the Noteholder, Receiptholder or Couponholder to the credit of the Issuer whether in any account, in cash or otherwise, (B) any deposits with, advances to or debts of the Issuer or (C) any other amount owing by the Noteholder, Receiptholder or Couponholder to the Issuer on any account whatsoever; or
- (ii) to effect any reduction of the amount due to such Holder in respect of a Subordinated Perpetual Note, Receipt or Coupon by merger of accounts or lien or the exercise of any other rights the effect of which is or may be to reduce the amount due in respect of that Subordinated Perpetual Note, Receipt or Coupon in breach of these Terms and Conditions.

Any payment whether voluntary or in any other circumstances received by a Noteholder, Receiptholder or Couponholder from or on account of the Issuer (including by way of credit, set-off or otherwise howsoever) or from any liquidator, administrator, receiver, manager or statutory manager of the Issuer in breach of this Condition 3(c) or Condition 10(c) will be held by the relevant Noteholder, Receiptholder or Couponholder in trust for and to the order of firstly the Unsubordinated Creditors and secondly the Subordinated Creditors. The trust hereby created shall be for a term expiring on the earlier of the date on which all Unsubordinated Creditors and Subordinated Creditors have been paid in full or 80 years from the date of the issue of the Subordinated Perpetual Notes and any relative Receipts or Coupons.

In the event of the Winding-Up of the Issuer, the rights of the holders of Subordinated Perpetual Notes, Receipts and Coupons will rank in preference only to the rights of (i) preferred and ordinary shareholders, (ii) creditors of the nature referred to in paragraph (iii) of the definition of “Unsubordinated Creditors” in Condition 3(b) whose claims against the Issuer rank, or are expressed to rank, after the claims of the Noteholders, the Receiptholders and the Couponholders and (iii) creditors whose claims against the Issuer may at any future time be expressed to rank after the claims of the Noteholders, the Receiptholders and the Couponholders while not necessarily ranking pari passu with the claims of creditors of the nature referred to in paragraph (iii) of the definition of “Unsubordinated Creditors” in Condition 3(b).

4. REDENOMINATION

(a) Redenomination

Where redenomination is specified in the applicable Final Terms as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Principal Paying Agent, Euroclear and Clearstream, Luxembourg and at least 30 days’ notice to the Noteholders in accordance with Condition 14, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in euro.

The election will have effect as follows:

- (i) the Notes and the Receipts shall be deemed to be redenominated in euro in the denomination of euro 0.01 with a nominal amount for each Note and Receipt equal to the principal amount of that Note or Receipt in the Specified Currency, converted into euro at the Established Rate, provided that, if the Issuer determines, with the agreement of the Principal Paying Agent, that the then market practice in respect of the redenomination in euro of internationally offered securities is different from the provisions specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange or other relevant authority (if any) on which the Notes may be listed or by which they have been admitted to listing and the Agents of such deemed amendments;
- (ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest euro 0.01;
- (iii) if definitive Notes are required to be issued after the Redenomination Date, they shall be issued at the expense of the Issuer in the denomination of euro 1,000, euro 10,000, euro 100,000 and (but only to the extent of any remaining amounts less than euro 1,000 or such smaller denominations as the Principal Paying Agent may approve) euro 0.01 and such other denominations as the Principal Paying Agent shall determine and notify to the Noteholders;
- (iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the “Exchange Notice”) that replacement euro-denominated Notes, Receipts and Coupons are available for exchange (provided that such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Principal Paying Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;
- (v) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in euro as though references in the Notes to the Specified Currency were to euro. Payments will be made in euro by credit or transfer to a euro account (or any other account to

which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque;

(vi) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date, it will be calculated:

(i) in the case of the Notes represented by a Global Note, by applying the Rate of Interest to the aggregate outstanding nominal amount of the Notes represented by such Global Note; and

(ii) in the case of definitive Notes, by applying the Rate of Interest to the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding; and

(vii) if the Notes are Floating Rate Notes, the applicable Final Terms will specify any relevant changes to the provisions relating to interest.

(b) Definitions

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

“Established Rate” means the rate for the conversion of the Specified Currency (including compliance with rules relating to roundings in accordance with applicable European Community regulations) into euro established by the Council of the European Union pursuant to Article 123 of the Treaty;

“euro” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty;

“Redenomination Date” means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to paragraph (a) above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

“Treaty” means the Treaty establishing the European Community, as amended.

5. 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 Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date or, in the case of the Subordinated Perpetual Notes, the date on which the Subordinated Perpetual Notes are redeemed by the Issuer in accordance with these Terms and Conditions.

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

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

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Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

In these Terms and Conditions the following terms have the following meanings:

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 5(a):

- (i) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
 - (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “Accrual Period”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

“Determination Period” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); 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, one cent.

(b) Interest on Floating Rate Notes and Index-Linked Interest Notes

(i) Interest Payment Dates

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

- (A) the Specified Interest Payment Date(s) in each year as specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (together with the Specified Interest Payment Date(s), each an “Interest Payment Date”) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

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

- (1) in any case where Specified Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period (specified in the applicable Final Terms) after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In 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 and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; 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 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 (if other than London and any Additional Business Centre and which, if the Specified Currency is Australian dollars, shall be Melbourne), or (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the “TARGET2 System”) is open.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index-Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

(A) ISDA Determination for Floating Rate Notes

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

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) (unless the relevant Note is a Subordinated Perpetual Note) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (“LIBOR”) or on the Euro-zone inter-bank offered rate (“EURIBOR”), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

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

(B) Screen Rate Determination for Floating Rate Notes

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

- (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 as at 11.00 a.m. (London time in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that 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 time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(iii) Minimum and/or Maximum Interest Rate

If the applicable Final Terms specifies a Minimum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of

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

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

The Principal Paying Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index-Linked Interest Notes, 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. In the case of Index-Linked Interest Notes, the Calculation Agent will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Principal Paying Agent will calculate the amount of interest (the Interest Amount) payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

- (i) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (ii) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest 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 each Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

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

- (1) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (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);
- (2) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (3) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (4) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (5) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

- “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;

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- “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;

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

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

where:

- “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;

- (7) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

- “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 (if applicable) or (ii) such number would be 31, in which case D₂ will be 30.

(v) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes or Index-Linked Interest Notes are for the time being listed and notice thereof

to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day (as defined below) 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 or other relevant authority on which the relevant Floating Rate Notes or Index-Linked Interest Notes are for the time being listed or by which they have been admitted to listing and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression “London Business Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(vi) 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 5(b), whether by the Principal Paying Agent or, if applicable, the Calculation Agent, 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 Principal Paying Agent, the Calculation Agent (if applicable), the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of the above) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or (if applicable) the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions under this Condition.

(c) Interest on Dual Currency Interest Notes

In the case of Dual Currency Interest Notes, if the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the applicable Final Terms.

(d) Interest on Partly Paid Notes

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

(e) Accrual of Interest

Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 14.

(f) Interest Accrual on Unpaid Interest in relation to Subordinated Notes

Interest accrues on each amount of interest which is due but unpaid as a result of the operation of Condition 6(b) at the Rate of Interest applicable to the relevant Subordinated Note in relation to which the interest is due, from the relevant Interest Payment Date up to, but excluding, the date of actual payment.

(g) Deferred interest on Subordinated Perpetual Notes

- (i) If and to the extent that an interest payment in respect of the Subordinated Perpetual Notes is not paid (in full or in part) when due on any Interest Payment Date, the unpaid amount will be deferred and will, subject to Condition 6(i) automatically become due and payable on the next Interest Payment Date or any earlier date (A) on which the Subordinated Perpetual Notes are redeemed, or (B) approved by APRA in writing.
- (ii) Any interest payment made by the Issuer in part will be paid to the Noteholders of the Subordinated Perpetual Notes *pro rata*.
- (iii) Deferred Interest does not accrue interest for the period during which it remains unpaid and no Noteholder of a Subordinated Perpetual Note has any claim in respect of interest on any Deferred

Interest. In these Terms and Conditions, “Deferred Interest” means, in relation to any Subordinated Perpetual Notes, any unpaid interest which has, at any time, been deferred by the Issuer in accordance with Condition 5(g)(i).

- (iv) The Issuer will as soon as practicable notify the Noteholders of Subordinated Perpetual Notes of any non-payment of interest on the Subordinated Perpetual Notes on any Interest Payment Date. That notice will specify (A) the amount of interest being deferred, and (B) (if relevant) the cumulative amount of unpaid Deferred Interest immediately following that Interest Payment Date.

(h) Dividend restrictions and Subordinated Perpetual Notes

- (i) For the purposes of this Condition 5(h):

“Controlled Entity” has the meaning given to it in Condition 6(i).

“Permitted Payment” means

(A) any proportionate payments on any other securities of the Issuer that rank or are expressed to rank for interest payment, dividends or distributions equally with the Subordinated Perpetual Notes, or

(B) any repurchases (including buy backs), redemptions or other acquisitions of Suncorp Shares in connection with:

- (1) any employment contract, employee share scheme, benefit plan, share option plan or other similar arrangement with or for the benefit of any one or more employees, officers, directors or consultants of the Issuer or any Controlled Entity;
- (2) a dividend reinvestment plan or shareholder share purchase plan;
- (3) the issuance of Suncorp Shares, or securities convertible into or exercisable for such shares, as consideration in an acquisition transaction entered into prior to the non-payment of interest referred to in Condition 5(h)(ii);
- (4) an exchange, redemption or conversion of any class or series of Suncorp Shares, or any securities of a subsidiary or of any other entity whose financial results are required to be consolidated with the Issuer’s financial statements, for any class or series of Suncorp Shares, or of any class or series of the Issuer’s indebtedness for any class or series of Suncorp Shares;
- (5) the purchase of fractional interests in Suncorp Shares under the conversion or exchange provisions of the shares or the security being converted or exchanged;
- (6) any payment or declaration of a dividend in connection with any shareholder’s rights plan, or the issuance of rights, shares or other property under any shareholder’s rights plan, or the redemption or repurchase of rights pursuant to the plan; or
- (7) any dividend in the form of shares, warrants, options or other rights where the dividend shares or the shares issuable upon exercise of such warrants, options or other rights are the same class or series of shares as those on which the dividend is being paid or rank equal or junior to those shares; or

(C) any payment made with the prior consent of those Noteholders whose Subordinated Perpetual Notes represent, at the relevant time and with reference to the nominal amount outstanding, the majority of Subordinated Perpetual Notes at that time.

“Suncorp Shares” means ordinary shares in the capital of the Issuer.

- (ii) Subject to Condition 5(h)(iii), if, on any Interest Payment Date, the Issuer fails to pay interest (in full) on the Subordinated Perpetual Notes, the Issuer may not pay any interest on, declare or pay any dividends, distributions or interest (or arrears thereof) from the income or capital of the Issuer on, or return any capital or undertake any buy-backs, redemptions, repurchases or other acquisitions of any other securities or instruments of the Issuer that by their terms rank or are expressed to rank, equally with or junior to the Subordinated Perpetual Notes for payment of interest, dividend or similar payments.

- (iii) The restriction in Condition 5(b)(ii) will (A) apply from the relevant Interest Payment Date until the date on which the Issuer pays the applicable Deferred Interest in full, and (B) not restrict any Permitted Payment.
- (iv) Nothing in these Conditions prohibits the Issuer or a Controlled Entity from purchasing Suncorp Shares (or an interest in such shares) in connection with (A) transactions for the account of customers of the Issuer or customers of that Controlled Entity, or (B) the distribution or trading of Suncorp Shares in the ordinary course of business, including, without limitation, any acquisition resulting from taking security over Suncorp Shares in the ordinary course of business or acting as trustee for another person where neither the Issuer nor any Controlled Entity has a beneficial interest in the trust (other than a beneficial interest that arises from a security given for the purposes of a transaction entered into in the ordinary course of business).

6. PAYMENTS

(a) Method of Payment

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars, shall be Melbourne); 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 any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8.

(b) Presentation of definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside Australia and the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes or Index-Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in

respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date (or, in the case of any Fixed Rate Notes which are Subordinated Perpetual Notes the date on which the Subordinated Perpetual Notes are redeemed by the Issuer in accordance with these Terms and Conditions), all unmaturing 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, Dual Currency Note or Index-Linked Note or Long Maturity (as defined below) Note in definitive form becomes due and repayable, unmaturing Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A “Long Maturity Note” is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

(c) Payments in respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States and Australia. A record of each payment made against presentation or surrender of such Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

(d) Payments in respect of Registered Notes

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the “Register”) at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Notes held by a holder is less than U.S.\$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, “Designated Account” means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and “Designated Bank” means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars shall be Melbourne) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the “Record Date”) at his address shown in the Register on the Record Date and at his risk. Upon application of the

holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Agency Agreement.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(e) General provisions applicable to payments

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

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (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 Bearer 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.

(f) Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Payment Day" means any day which (subject to Condition 9) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) the relevant place of presentation;

- (B) London; and
- (C) any Additional Financial Centre specified in the applicable Final Terms;
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Specified Currency is Australian dollars shall be Melbourne) or (2) in relation to any sum payable in euro, a day on which the TARGET2 system is open; and
- (iii) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

(g) 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 8;
- (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 Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7(f)); and
- (vii) 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 8.

(h) Solvency Requirement – Subordinated Notes

This Condition 6(h) applies only to Subordinated Notes and any reference to “principal” is a reference to principal which is due prior to the Maturity Date.

Prior to the Winding-Up of the Issuer (as defined in Condition 3(b)):

- (i) the obligations of the Issuer to make payments of any principal or interest due in respect of the Notes and any Receipts or Coupons shall be conditional upon the Issuer being Solvent (as defined below) at the time of payment by the Issuer;
- (ii) no principal or interest due shall be payable in respect of the Notes except to the extent that the Issuer could make such payment and still be Solvent immediately thereafter; and
- (iii) failure to make payments of any principal or interest due, if the Issuer is not Solvent at the time of payment or if the Issuer can not make such payment and still be Solvent immediately thereafter, does not constitute a Subordinated Note Event of Default (as defined in Condition 10(b)).

For purposes of this Condition 6(h), the Issuer shall be considered to be “Solvent” if:

- (A) it is able to pay its debts to Unsubordinated Creditors as they fall due; and
- (B) its Assets (as defined below) exceed its Liabilities (as defined below).

In this Condition 6(b), the following terms shall have the following meanings:

“Assets” means the non-consolidated gross assets of the Issuer;

“Auditors” means the auditors for the time being of the Issuer or, in the event of their being unable or unwilling promptly to carry out any action requested of them pursuant to the provisions of these Conditions, such other firm of accountants as may be nominated for the purposes of these Conditions;

“Authorised Signatory of the Issuer” means (i) any Director of the Issuer or (ii) any other officer of the Issuer authorised by the Issuer to sign any document for the purposes of these Conditions;

“Liabilities” means the non-consolidated gross liabilities of the Issuer to Unsubordinated Creditors, in each case as shown by the latest published accounts of the Issuer but adjusted for contingencies and for events subsequent to the date of such accounts in such manner and to such extent as the Directors or the Auditors may determine to be appropriate.

A report as to whether the Issuer is Solvent signed by two Authorised Signatories of the Issuer or the Auditors shall, unless the contrary is proved, be treated and accepted by the Issuer and the Noteholders, Receiptholders and Couponholders as correct and sufficient evidence of the truth of its contents.

(i) Solvency Requirement - Subordinated Perpetual Notes

This Condition 6(i) applies only to Subordinated Perpetual Notes.

Prior to the Winding-Up of the Issuer (as defined in Condition 3(b)):

- (i) the obligations of the Issuer to make payments of interest (including any Deferred Interest) or any other payments in respect of the Subordinated Perpetual Notes [and any relative Receipts or Coupons] will be at the option of the Issuer and (unless APRA has given its prior written approval) shall be conditional upon the Issuer being Solvent (as defined below) at the time of payment by the Issuer;
- (ii) (unless APRA has given its prior written approval) no interest shall be paid in respect of the Subordinated Perpetual Notes except to the extent that (A) the Issuer could make such payment and still be Solvent immediately thereafter, and (B) the amount of such payment does not exceed the Distributable Profits on the day immediately prior to the date of the proposed payment; and
- (iii) failure to make payments of any interest (including any Deferred Interest) or other payments under or in respect of any Subordinated Perpetual Note does not constitute a Subordinated Perpetual Note Event of Default (as defined in Condition 10(c)) and does not vest the holders of Subordinated Perpetual Notes with any right to apply for the winding up or administration of the Issuer, or to cause a receiver or receiver and manager to be appointed in respect of the Issuer.

For the purposes of this Condition 6(i), the Issuer shall be considered to be “Solvent” if:

- (i) it is able to pay its debts to Unsubordinated Creditors as they fall due; and
- (ii) its Assets (as defined below) exceed its Liabilities (as defined below).

A report as to whether the Issuer is Solvent signed by two Authorised Signatories of the Issuer or the Auditors shall, unless the contrary is proved, be treated and accepted by the Issuer and the Noteholders as correct and sufficient evidence of the truth of its contents.

In this Condition 6(i), the following terms shall have the following meanings:

“Assets” means the non-consolidated gross assets of the Issuer as shown by the latest published accounts of the Issuer but adjusted for contingencies and for events subsequent to the date of such accounts in such manner and to such extent as the directors of the Issuer or the Auditors may determine to be appropriate.

“Auditors” means the auditors for the time being of the Issuer or, in the event of their being unable or unwilling promptly to carry out any action requested of them pursuant to the provisions of the Conditions, such other firm of accountants as may be nominated by the Issuer for the purposes of the Conditions.

“Authorised Signatory of the Issuer” means (i) any director of the Issuer or (ii) any other officer of the Issuer authorised by the Issuer to sign any document for the purposes of these Conditions.

“Controlled Entity” means any entity which the Issuer “controls” (as defined in section 9 of the Corporations Act).

“Deferred Interest” has the meaning given to it in Condition 5(g)(iii).

“Distributable Profit” means the lesser of:

- (i) Level 1 Distributable Profits; and
- (ii) Level 2 Distributable Profits.

“Group” means the Issuer and its Controlled Entities.

“Level 1” has the meaning given to that term in the Prudential Standard known as “APS III Capital Adequacy: Measurement of Capital” as amended, replaced or supplemented from time to time by APRA.

“Level 2” has the meaning given to that term in the Prudential Standard known as “APS III Capital Adequacy: Measurement of Capital” as amended, replaced or supplemented from time to time by APRA.

“Level 1 Distributable Profits” means, in relation to an Interest Payment Date, an amount calculated using the following formula:

$$\text{Level 1 Distributable Profits} = A - B$$

where:

“A” is the net profits after tax of the Issuer (on a Level 1 basis) (determined before any interest, dividends or distributions paid or payable by the Issuer on its Upper Tier 2 Capital and Residual Tier 1 Capital) (as disclosed in the latest publicly available financial results for the Issuer) for the relevant Reporting Period (or any other amount as determined by APRA in its discretion to be appropriate in the Issuer’s circumstances on a Level 1 basis for the purposes of paying interest, dividends or distributions on the Issuer’s Residual Tier 1 Capital and Upper Tier 2 Capital); and

“B” is the aggregate amount of interest, dividends, distributions or other amounts paid or payable by the Issuer in the 12 months to and including the relevant Interest Payment Date on:

- (i) the Subordinated Perpetual Notes; and
- (ii) any other Residual Tier 1 Capital or Upper Tier 2 Capital of the Issuer (on a Level 1 basis),

but excluding:

- (A) interest payable in relation to the Subordinated Perpetual Notes on the relevant Interest Payment Date;
- (B) any such interest, dividend, distribution or other amount to which the Issuer was or is beneficially entitled; and
- (C) any such interest, dividend, distribution or other amount which is included in the calculation of consolidated net profit after tax within the meaning of “A” above.

“Level 2 Distributable Profits” means, in relation to an Interest Payment Date, an amount calculated using the following formula:

$$\text{Level 2 Distributable Profits} = A - B$$

where:

“A” is the aggregate of the consolidated net profits after tax of the Group (on a Level 2 basis) (determined before any interest, dividends or distributions paid or payable by the Issuer on its Upper Tier 2 Capital and

Residual Tier 1 Capital) for the relevant Reporting Period (or any other amount as determined by APRA in its discretion to be appropriate in the Issuer's circumstances for the purposes of paying interest, dividends or distributions on the Issuer's Residual Tier 1 Capital and Upper Tier 2 Capital).

"B" is the aggregate amount of interest, dividends, distributions or other amounts paid or payable by any member of the Group in the 12 months to and including the relevant Interest Payment Date on:

- (i) the Subordinated Perpetual Notes; and
- (ii) any other Residual Tier 1 Capital or Upper Tier 2 Capital of any member of the Group (on a Level 2 basis) (as disclosed in the latest publicly available financial results for the Group) to the extent interest, dividends, distributions or other amounts on those securities are funded by the Issuer or by instruments of the Issuer

but excluding:

- (A) interest payable in relation to the Subordinated Perpetual Notes on the relevant Interest Payment Date;
- (B) any such interest, dividend, distribution or other amount to which any member of the Group was or is beneficially entitled; and
- (C) any such interest, dividend, distribution or other amount which is included in the calculation of consolidated net profit after tax within the meaning of "A" above.

"Liabilities" means the non-consolidated gross liabilities of the Issuer to Unsubordinated Creditors, in each case as shown by the latest published accounts of the Issuer but adjusted for contingencies and for events subsequent to the date of such accounts in such manner and to such extent as the Directors of the Issuer or the Auditors may determine to be appropriate.

"Reporting Period" means, in respect of any Interest Payment Date, the immediately preceding two six-monthly financial periods for which results have been publicly announced.

"Residual Tier 1 Capital" means at any time any equity, debt or other capital instrument so described by APRA.

"Upper Tier 2 Capital" means at any time any equity, debt or other capital instrument so described by APRA.

(j) Rights of holders of Subordinated Perpetual Notes

- (i) This Condition 6(j) applies only to Subordinated Perpetual Notes.
- (ii) In the event that the Issuer's retained earnings are negative for any period (a "Relevant Period"), the Holders will, in respect of the accrual and payment of interest under the Subordinated Perpetual Notes for any such Relevant Period, have the same rights (in all respects including priority of payment) as they would have in relation to the accrual and payment of dividends if (A) the whole of the Principal Outstanding on the Subordinated Perpetual Notes were during such Relevant Period converted to and paid up for the issuance of Ordinary Shares, (B) the Holders were Ordinary Shareholders of such shares during such Relevant Period, (C) interest in respect of periods antecedent to the Relevant Period accrued but unpaid at its commencement were treated as if it were part of the dividend which had become due and payable during the Relevant Period, and (D) dividends on the Ordinary Shares were declared, and became payable, as soon as permitted by law (including, without limitation, the Corporations Act and (to the extent applicable) any prudential standards published by APRA or its successors).
- (iii) In this Condition 6(j):
 - A. any reference to any "Holder" shall, unless expressly stated otherwise, be construed as references to the Holders of Subordinated Perpetual Notes;
 - B. "Ordinary Shareholder" means any holder (notional or otherwise) of any Ordinary Share; and

- C. “Ordinary Shares” means an ordinary share of the Issuer which has the following rights to dividends: (1) the right to receive, at the discretion of the directors of the Issuer, a dividend at the rate or of the amount (which may be fixed or variable) and on the conditions (including conditions which may be changed or reset at certain times or upon certain events) that would have been applicable during a Relevant Period to the interest payable under the Subordinated Perpetual Notes as set out in the applicable Final Terms (plus the amount in Condition 6(j)(ii)C) and any such dividend is calculated at such rate on the amount for which such shares are notionally issued pursuant to Condition 6(j)(ii)A), and (2) the right in a winding up of the Issuer, to payment of the amount of any dividends which are due and payable but unpaid on the ordinary shares at the date of that winding up.

(k) Order of Application

Any payment made by the Issuer in respect of a Note is deemed to be made, and will be applied, in the following order:

- (a) first, in payment of interest due but unpaid;
- (b) second, in payment of other amounts due in respect of the relevant Note, that are not principal or interest; and
- (c) third, in repayment of the principal amount of the Note.

7. REDEMPTION AND PURCHASE

(a) At Maturity

- (i) Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index-Linked Redemption Note and Dual Currency Redemption Note but excluding any Subordinated Perpetual Notes) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.
- (ii) Subordinated Perpetual Notes are perpetual instruments and do not have any Maturity Date.

(b) Redemption for Tax Reasons

Subject in the case of Subordinated Notes and Subordinated Perpetual Notes to, paragraph (l) of this Condition 7, the Issuer may, at its option, redeem the Notes in whole, but not in part, at any time (if this Note is neither a Floating Rate Note, an Index-Linked Interest Note or a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note, an Index-Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days’ notice to the Principal Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if: (i) as a result of any change in, or amendment to, the laws or regulations of the Commonwealth of Australia or the State of Queensland or any political sub-division of, or any authority in, or of, the Commonwealth of Australia or the State of Queensland having power to tax, or any change in the application or official interpretation of the laws or regulations, which change or amendment becomes effective after the Issue Date of the first Tranche of the Notes, on the occasion of the next payment due in respect of the Notes the Issuer would be required to pay Additional Amounts as provided or referred to in Condition 8, and (ii) the requirement cannot be avoided by the Issuer taking reasonable measures available to it. Prior to the publication of any notice of redemption pursuant to this Condition 7(b), the Issuer shall deliver to the Principal Paying Agent a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any notice as is referred to in this paragraph the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the provisions of this paragraph.

Notes redeemed pursuant to this Condition 7(b) will be redeemed at their Early Redemption Amount referred to in paragraph (f) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) Redemption of Subordinated Notes and Subordinated Perpetual Notes for Regulatory and other Reasons

In the case of Subordinated Notes and Subordinated Perpetual Notes subject as provided in paragraph (l) of this Condition 7, the Issuer may, at its option, redeem the Notes in whole, but not in part, at any time (if this Note is neither a Floating Rate Note, an Index-Linked Interest Note or a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note, an Index-Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if on the occasion of the next payment due in respect of the Notes:

- (i) interest payable by the Issuer in respect of the Notes is not allowed by the Australian Taxation Office as a deduction for Australian income tax purposes in accordance with the Income Tax Assessment Act 1997 of Australia;
- (ii) the Subordinated Notes cease to qualify as "Lower Tier 2 capital" under the standards and guidelines of the APRA (as defined below) or its successors; or
- (iii) the Subordinated Perpetual Notes cease to qualify as "Upper Tier 2 capital" under the standards and guidelines of the APRA (as defined below) or its successors.

Prior to the publication of any notice of redemption pursuant to this Condition 7(c), the Issuer shall deliver to the Principal Paying Agent a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and an opinion of independent tax or legal advisers of recognised standing to the effect that either of the events set out above has occurred. Upon the expiry of any notice as is referred to in this paragraph the Issuer shall, subject to the terms of this Condition 7(c), 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 7(c) will be redeemed at their Early Redemption Amount referred to in paragraph (f) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

The Issuer may redeem the Notes of any Series under this Condition 7(c) provided that the Issuer will be in a position on the relevant date to discharge all its liabilities in respect of the Notes and any amounts required to be paid in priority to or ranking equally with the Notes.

(d) Redemption at the Option of the Issuer

If Issuer Call is specified in the applicable Final Terms, the Issuer, having given (and subject, in the case of Subordinated Notes or the Subordinated Perpetual Notes, as provided in paragraph (l) of this Condition 7):

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14; and
- (ii) not less than 15 days before the giving of the notice referred to in (j), notice to the Principal Paying Agent and, in the case of a redemption of Registered Notes, the Registrar;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest (including, in the case of any Subordinated Perpetual Notes, any Deferred Interest) accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount in each case as may be specified in the applicable Final Terms. 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 and/or DTC, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (d) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 14 at least 5 days prior to the Selection Date.

(e) Redemption at the Option of the Noteholders

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the applicable Final Terms the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together (if appropriate) with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 7(e) in any multiple of their lowest specified Denomination. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of this Note the holder of this Note must deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar, falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (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 and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b). If this Note is in definitive form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption a Senior Note Event of Default or a Subordinated Note Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 10.

For the avoidance of doubt, this Condition 7(e) does not apply to any Subordinated Perpetual Notes.

(f) Early Redemption Amounts

For the purpose of paragraphs (b) and (c) above and Condition 10, each Note will be redeemed at the Early Redemption Amount calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at their nominal amount; or
- (iii) in the case of a Zero Coupon Note, at an amount (the "Amortised Face Amount") calculated in accordance with the following formula:

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

where:

"RP" means the Reference Price; and

"AY" means the Accrual Yield expressed as a decimal; and

"y" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

(g) Instalments

If the Notes are repayable in instalments, they will be redeemed in the Instalment Amounts and on the Instalment Dates (as each such term is specified in the applicable Final Terms). In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (f) above.

(h) Partly Paid Notes

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

(i) Purchases

The Issuer or any of its Subsidiaries (as defined below) may, subject, in the case of Subordinated Notes and Subordinated Perpetual Notes, as provided in paragraph (l) of this Condition, at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or Registrar for cancellation.

(j) Cancellation

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph (h) above (together with all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

(k) Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c), (d) or (e) above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (f)(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 Principal Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 14.

(l) Consent of Australian Prudential Regulation Authority ("APRA")

Unless otherwise specified in the applicable Final Terms, the Issuer has given an undertaking to the APRA not to redeem any Subordinated Notes or any Subordinated Perpetual Notes pursuant to paragraph (b), (c) or (d) of this Condition 7, nor to purchase any Subordinated Notes or any Subordinated Perpetual Notes pursuant to paragraph (i) of this Condition 7, nor to agree to any modification of these Conditions pursuant to Condition 15 in relation to any Subordinated Notes or Subordinated Perpetual Notes, without first consulting with and obtaining the prior written consent of APRA.

8. TAXATION

- (a) All payments in respect of the relevant Notes, Receipts and Coupons by the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("Taxes") imposed or levied by or on behalf of the Commonwealth of Australia or the State of Queensland, or any political sub-division of, or any authority in, or of, the Commonwealth of Australia or the State of Queensland having power to tax, unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer will pay such additional amounts ("Additional Amounts") as may be necessary in order that the net amounts received by the Noteholders, Receiptholders and Couponholders after such withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Notes or, as the case may be, Receipts 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, Receipt 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, Receipt or Coupon by reason of his having some connection with the Commonwealth of Australia or the State of Queensland other than the mere holding of the Note, Receipt 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 where, and to the extent that, such tax is payable by reason only of Section 128B(2A) of that 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, duties, assessments or governmental charges which are payable by reason of the Noteholder and/or Receiptholder and/or Couponholder being an associate of the Issuer within the meaning of Section 128F of the Income Tax Assessment Act 1936; or
- (iv) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (v) presented for payment by or on behalf of a holder who would be able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

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 Principal Paying Agent or the Registrar 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 14.

- (b) In the case of (i) any Subordinated Notes, any Additional Amounts will be subordinated in right of payment as described in Condition 3(b); and (ii) any Subordinated Perpetual Notes, any Additional Amounts will be subordinated in right of payment as described in Condition 3(c).

9. PRESCRIPTION

The Notes (whether in bearer or registered form), Receipts 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 8) therefor, subject as provided in Condition 5(b).

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 6(b).

10. EVENTS OF DEFAULT

- (a) This Condition 10(a) applies only to Senior Notes and references to Noteholders shall be construed accordingly.

If any one or more of the following events (each a “Senior Note Event of Default”) occurs and is continuing:

- (i) if the Issuer fails to pay any principal or any interest in respect of the Notes within ten 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 where the failure is incapable of remedy or which, being a default capable of remedy the failure continues for a period of 21 days following the service by a Noteholder on the Issuer of notice requiring such default to be remedied;

- (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 or the Agency Agreement;
- (iv) the Issuer or any Material Subsidiary (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 or any Subsidiary, except in any case referred to in (C) above for the purposes of a solvent reconstruction or amalgamation the terms of which have previously been approved by an Extraordinary Resolution of the Noteholders;
- (v) an order is made or an effective resolution is passed for the winding up of the Issuer or any Material Subsidiary, except in any such case for the purposes of a solvent reconstruction or amalgamation the terms of which have previously been approved by an Extraordinary Resolution of the Noteholders or an administrator is appointed to the Issuer or any Material Subsidiary by a provisional liquidator of the Issuer or that Material Subsidiary 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 any Material Subsidiary or against the assets of the Issuer or any Material Subsidiary in respect of any Financial Indebtedness of the Issuer or any Material Subsidiary in excess of A\$2,000,000 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 or any Material Subsidiary becomes enforceable and any step (including the taking of possession or the appointment of a receiver, manager or similar officer which is not vacated or discharged within 14 days) is taken to enforce that Security Interest by reason of a default or event of default (howsoever described) having occurred;
- (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; or
- (ix) any Financial Indebtedness of the Issuer or of any Material Subsidiary which in aggregate exceeds A\$20,000,000 (or its equivalent in any other currency or currencies):
 - (A) is not paid when due as a result of the default of the Issuer or a Material Subsidiary (or, if payable or to be discharged or honoured on demand, when demanded); or
 - (B) becomes due and repayable before its scheduled maturity by reason of a default or event of default (howsoever described),

then any holder of a Senior Note may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Senior Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 7(f)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

- (b) (i) Subject to Condition 10(b)(ii), no remedy against the Issuer (including, without limitation, any right to sue for a sum of damages which has the same economic effect of an acceleration of the Issuer's payment obligations), other than:
 - (A) action to recover amounts of principal, interest or other amounts due in respect of the Notes which the Issuer has failed to pay; or
 - (B) the institution of proceedings for winding-up or liquidation or proving or claiming in any winding-up or liquidation of the Issuer,

shall be available to the holders of any Subordinated Notes for the recovery of amounts owing in respect of such Notes or in respect of any breach by the Issuer of any obligation, condition or provision binding on it under the terms of the Subordinated Notes. In particular, the holder of any Subordinated Note shall not be entitled to exercise any right of set-off or counterclaim which may be available to it against amounts owing by the Issuer in respect of such Notes, Receipts, Coupons or Talons (whether prior to, or following, any bankruptcy, liquidation, winding-up or sequestration of the Issuer).

- (ii) The remedies specified in Condition 10(b)(i) shall become exercisable in the event that there is a failure to make payment of any principal, interest or other amounts due in respect of the Subordinated Notes within 10 days of the due date provided that such remedies will not be exercisable as a result only of a failure to pay any principal which is due prior to the Maturity Date, or interest due, for the reasons specified in Condition 6(b).
- (iii) In the event (a “Subordinated Note Event of Default”) that an effective resolution is passed by shareholders or an order of a court of competent jurisdiction is made that the Issuer be wound up otherwise than for the purposes of a consolidation, amalgamation, merger or reconstruction the terms of which have previously been approved by the shareholders of the Issuer or by a court of competent jurisdiction under which the continuing corporation or the corporation formed as a result of such consolidation, amalgamation, merger or reconstruction effectively assumes the entire obligations of the Issuer under the Notes, the Receipts and the Coupons (the terms of such resolution or court order to have been approved by an Extraordinary Resolution of Noteholders), then any holder of a Subordinated Note may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any such Subordinated Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 7(f)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.
- (c) (i) This Condition 10(c) applies only to Subordinated Perpetual Notes and references to Noteholders in this Condition 10(c) shall be construed as references to the holders of Subordinated Perpetual Notes and any relative Coupon or Receipt.
 - (ii) Subject to Condition 10(c)(iii), no remedy against the Issuer (including, without limitation, any right to sue for a sum of damages which has the same economic effect of an acceleration of the Issuer’s payment obligations) shall be available to the Noteholders for the recovery of amounts owing in respect of Subordinated Perpetual Notes and any relative Coupon or Receipt or in respect of any breach by the Issuer of any obligation, condition or provision binding on it under the terms of the Subordinated Perpetual Notes other than the remedy set out in Condition 10(c)(iv).
 - (iii) No Noteholder shall be entitled to exercise any contractual right of set-off or counterclaim which may be available to it against amounts owing by the Issuer in respect of such Subordinated Perpetual Notes and any relative Receipts, Coupons or Talons (whether prior to, or following, any bankruptcy, liquidation, winding-up or sequestration of the Issuer).
 - (iv) In the event (a “Subordinated Perpetual Note Event of Default”) that an effective resolution is passed by shareholders or an order of a court of competent jurisdiction is made that the Issuer be wound up (otherwise than for the purposes of a consolidation, amalgamation, merger or reconstruction the terms of which have previously been approved by the shareholders of the Issuer or by a court of competent jurisdiction under which the continuing corporation or the corporation formed as a result of such consolidation, amalgamation, merger or reconstruction effectively assumes the entire obligations of the Issuer under the Subordinated Perpetual Notes and any relative Coupon or Receipt, the terms of such resolution or court order to have been approved by an Extraordinary Resolution of Noteholders of Subordinated Perpetual Notes), then any Noteholder of Subordinated Perpetual Notes may, by written notice to the Issuer at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any such Subordinated Perpetual Notes held by the Noteholder to be forthwith contractually due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 7(f)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

(v) For the avoidance of doubt:

- A. the making of an application to wind up the Issuer or the appointment of a receiver, administrator or official with similar powers to the Issuer (including the exercise of APRA's powers under Section 13A(1) of the Banking Act 1959 of Australia), will not be sufficient to enable any Noteholder of Subordinated Perpetual Notes to exercise the remedy specified in Condition 10(c)(iv);
- B. the event specified in Condition 10(c)(iv) is the only form of default under any Subordinated Perpetual Note and will not prejudice the subordination of any Subordinated Perpetual Note or any relative Coupon or Receipt; and
- C. the Noteholders will not have any right to apply for the winding-up and administration of the Issuer, or cause a receiver or receiver and manager to be appointed in respect of the Issuer on the grounds that the Issuer fails to pay any interest on any Interest Payment Date.

(d) For the purposes of these Terms and Conditions:

- (i) "Corporations Act" means the Corporations Act 2001 of Australia;
- (ii) "Financial Arrangement" includes a futures contract, a futures option, a currency swap, an interest rate swap, a forward exchange rate agreement, a forward interest rate agreement or any other option agreement or combination of the above or any similar arrangement;
- (iii) "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;
- (iv) "Government Agency" means any government or any governmental, semi-governmental or judicial entity or authority;
- (v) "Guarantee" means any guarantee, indemnity, letter of credit, suretyship or any other obligation (whatever called and of whatever nature):
 - (A) to pay or to purchase; or
 - (B) to provide funds (whether by the advance of money, the purchase of or subscription for 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;

(vi) “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);

(vii) “Material Subsidiary” means a Subsidiary of the Issuer in respect of which either or both of the following conditions is satisfied:

- (A) its net profits attributable to the Issuer (before taxation and extraordinary items) for its last completed financial year are not less than the greater of A\$2,000,000.00 and 5 per cent. of the consolidated net profits (before taxation and extraordinary items but after deducting minority interests in Subsidiaries) of the Issuer and its Subsidiaries for its last completed financial year; or
- (B) its gross assets attributable to the Issuer for its last completed financial year represent five per cent. or more of the consolidated gross assets (after deducting minority interests in Subsidiaries) of the Issuer and its Subsidiaries for its last completed financial year.

A certificate by the Auditors (as defined in Condition 6(b)) as to whether a Subsidiary of the Issuer is or is not, or was or was not, at any particular time a Material Subsidiary shall, in the absence of manifest error, be conclusive;

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

(ix) “Subsidiary” has the meaning given to that term in the Corporations Act.

11. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

12. AGENTS

The names of the initial Agents and their initial specified offices are set out below.

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

- (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 (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;
- (ii) there will at all times be a Principal Paying Agent and a Registrar;
- (iii) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in New York City; and
- (iv) there will at times be a Paying Agent in a Member State of the European Union that is not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to such Directive.

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 6(e). 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 14.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

13. EXCHANGE OF TALONS

On and after the Interest Payment Date on which any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9. 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.

14. NOTICES

All notices regarding the Bearer Notes will be deemed to validly given if published in a leading English language daily newspaper of general circulation in the United Kingdom (expected to be the *Financial Times*). The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange (or other relevant authority) on which the Bearer Notes are for the time being listed, or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all the required newspapers. Receiptholders and Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to Noteholders in accordance with this Condition.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange (or any other relevant authority) so require,

such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as the Global Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg and/or DTC.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any Noteholder to the Principal Paying Agent or the Registrar via Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Principal Paying Agent or the Registrar and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

15. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

(a) Meetings of Noteholders

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

(b) Modification and Waiver

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

- (a) any modification (except as mentioned above) of the Notes, the Receipts, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

(c) Notification

Any modification, waiver or authorisation shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 14.

16. FURTHER ISSUES

The Issuer is at liberty from time to time without the consent of the Noteholders, the Receiptholders 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 so that the same shall be consolidated and form a single Series with the outstanding Notes.

Any further issue of Subordinated Notes or Subordinated Perpetual Notes by the Issuer will only be permissible with APRA's prior written approval.

17. GOVERNING LAW AND SUBMISSION TO JURISDICTION

(a) Governing Law

The Agency agreement, the Deed of Covenant, the Deed Poll, the Notes, the Receipts and the Coupons are governed by, and will be construed in accordance with, English law except in the case of Subordinated Notes and Subordinated Perpetual Notes, in which case the provisions of Condition 3 as it applies to such Notes shall be governed by, and construed in accordance with, the laws of the State of Queensland, Australia.

(b) Jurisdiction

The Issuer agrees, for the exclusive benefit of the Noteholders, the Receiptholders 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 Notes, the Receipts and/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 hereby irrevocably and unconditionally waives 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 hereby further irrevocably and unconditionally agrees that a judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction. Nothing in this Condition shall 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 the taking of Proceedings in any other jurisdiction, whether concurrently or not.

(c) Agent for service of process

The Issuer irrevocably and unconditionally appoints RB Secretariat Limited, Beaufort House, 10th Floor, 15 St Botolph Street, London EC3A 7EE as its agent for service of process in England in respect of any Proceedings and undertakes that in the event of its ceasing so to act or ceasing to be registered in England, it will appoint such other person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

(d) Other documents

The Issuer has in the Agency Agreement, the MTN Deed of Covenant and the Deed Poll submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

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

Use of Proceeds

The net proceeds from each issue of Notes will be used for the general funding purposes of the Issuer which include making a profit. If in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

Suncorp-Metway Limited

GROUP OVERVIEW

Corporate Profile

Suncorp-Metway Limited (“Suncorp”) is a public limited company incorporated in the Commonwealth of Australia and registered in Queensland, Australia. Suncorp-Metway Ltd is one of Australia’s 25 largest listed companies based on market capitalisation and is the parent company of all of Suncorp’s controlled entities (as described in “Organisational Structure” on page 85) (the “Suncorp Group” or “the Group”). Suncorp’s main businesses are banking, general insurance and wealth management. Suncorp is focused on leveraging its unique diversified business mix and range of assets to deliver consistent strong returns.

As at 31 December 2007, Suncorp had assets in excess of A\$91.8 billion, and a portfolio of 26 brands that span product categories and geographies. Suncorp has extensive and varied distribution channels for reaching customers and encompassing direct and intermediated channels including a number of joint ventures.

On 21 October 2006, Suncorp and Promina Group Limited (Promina) agreed to merge by way of a Scheme of Arrangement (the “Scheme”) to create what the Company’s Directors believe will be the leading diversified financial services organisation operating in Australia and New Zealand (the “Merger”).

Promina and its controlled entities (together, the Promina Group) is a specialised and focused group of Australian and New Zealand insurance and financial services companies. Promina is authorised as a general insurance non-operating holding company under the Insurance Act 1973. Promina was floated in May 2003.

On 5 March 2007, the ordinary shareholders of Promina voted in favour of the Merger. On 12 March 2007 the Federal Court of Australia approved the Scheme of Arrangement to effect the Merger. The Merger was implemented on 20 March 2007 (“Implementation Date”).

As at 30 June 2007, Suncorp had over seven million customers, 16,450 employees, 450 offices, branches and agencies across Australia and New Zealand, and around 223,000 shareholders.

The registered office of Suncorp is located at level 17, Suncorp Centre, 36 Wickham Terrace, Brisbane QLD 4000 and its telephone number is +61 7 3835 5355.

Corporate History

On 1 December 1996, the Queensland Government owned Suncorp and Queensland Industry Development Corporation (“QIDC”) financial entities were merged into the publicly listed company Metway Bank Limited to create the new allfinanz group Suncorp-Metway Limited.

The Suncorp Group’s history goes back more than 100 years when the Queensland Government established the Agricultural Bank in 1902. The Agricultural Bank ultimately became part of the QIDC, which was formed in 1986 primarily as a rural financier. Suncorp started business in 1916 as the State Accident Insurance Office and grew into the State Government Insurance Office before becoming Suncorp. Metway Bank Limited was first established in 1959 as the Metropolitan Permanent Building Society before converting to a bank in 1988.

On 1 July 2001, Suncorp acquired AMP’s Australian general insurance interests, which increased the group’s annual premium income to \$2 billion, making it the second largest general insurer in Australia. The number of general insurance customers doubled and the business mix became more diversified, with growth in personal and commercial lines and the addition of workers compensation.

The Promina Group’s operations trace back to 1833 in Australia and 1878 in New Zealand. Shares in Promina were delisted as a consequence of the Promina Merger.

Issuer and Subsidiaries

The Suncorp Group’s main business lines are conducted by various companies in the Suncorp Group. The main companies and the business lines they carry on are:

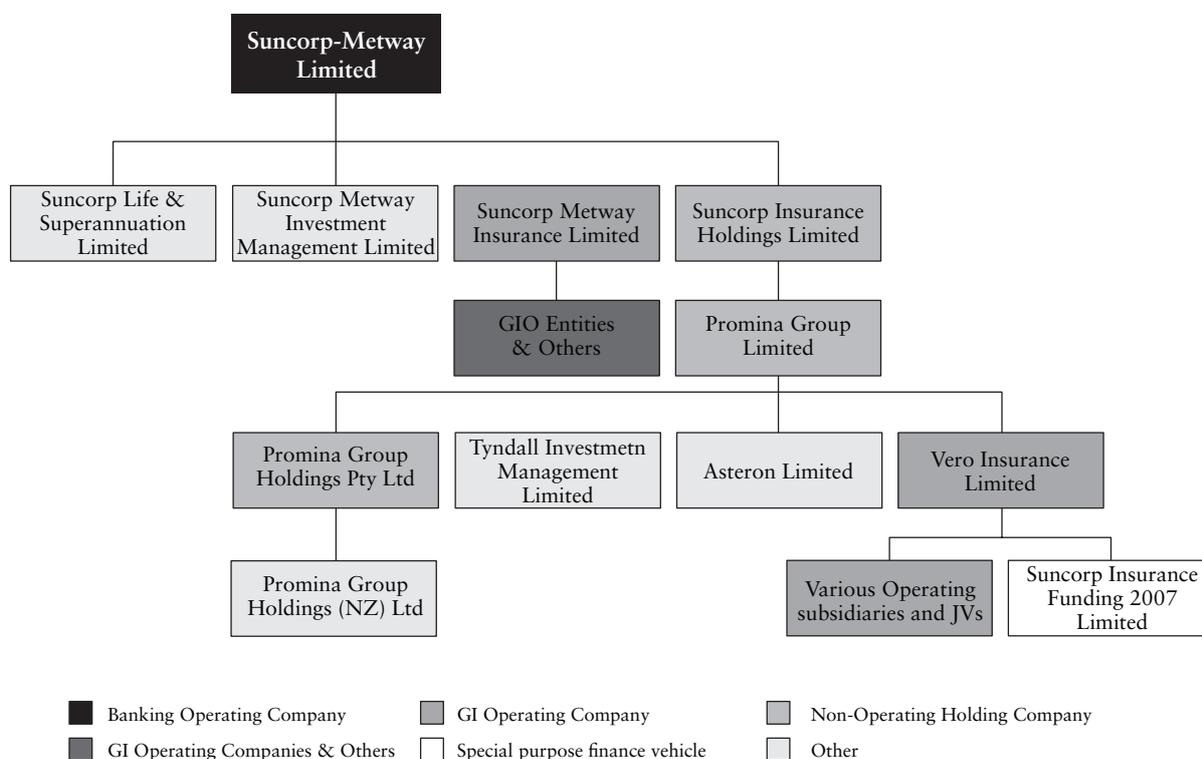
- (a) Suncorp-Metway Limited, banking business;
- (b) Suncorp Metway Insurance Ltd (“SMIL”), general insurance business (Qld);

- (c) GIO, general insurance business (NSW and other states);
- (d) Suncorp Life & Superannuation Limited (“SLSL”) and Suncorp Metway Investment Management Limited (“SMIML”), life, superannuation and managed investments business.
- (e) Promina Group Holdings Pty Ltd, NZ general insurance business;
- (f) Tyndall Investment Management Limited, wealth management business;
- (g) Vero Insurance Limited, Australian general insurance business.

ORGANISATIONAL STRUCTURE

The Promina Merger provided for all ordinary shares in Promina to be transferred to Suncorp Insurance Holdings Limited (“SIHL”), a wholly-owned Subsidiary of Suncorp and, accordingly, for Promina and its subsidiaries to become wholly-owned subsidiaries of Suncorp. As a consequence of the Promina Merger, Suncorp became the ultimate holding company of Promina on the Implementation Date.

A simplified diagram of the post-Promina Merger organisational structure of the Suncorp Group is set out below:



GROUP OPERATIONS

Suncorp-Metway Ltd and all of its controlled entities

As at 31 December 2007, Suncorp was Australia’s sixth largest bank and comprised Australia’s third largest general insurance group, with assets of more than A\$91.8 billion and total equity of A\$12.4 billion. Suncorp’s profit before tax and Promina acquisition items for the half year ended 31 December 2007 was A\$616 million. Net profit after tax and minority interests was A\$382 million.

As at 30 June 2007, Suncorp had total assets of A\$84.9 billion and total equity of A\$12.4 billion. Suncorp’s consolidated profit before tax expense for the year ended 30 June 2007 was A\$1,543 million. Net profit after income tax was A\$1,064 million.

The insurance group has a broadly diversified portfolio, comprised of personal lines insurance (home, motor, compulsory third party), commercial insurance focused on small to medium sized enterprises, and workers' compensation. Suncorp is a well-established market leader in Queensland and holds substantial market shares nationally.

Suncorp operates across the following main business lines: Banking, General Insurance and Wealth Management. Supporting divisions include Business Technology, Human Resources, Finance and Legal.

SUNCORP-METWAY LTD AND ALL OF ITS CONTROLLED ENTITIES

The Suncorp Group's primary businesses are general insurance, banking and wealth management. The banking business is carried out by Suncorp while the general insurance and wealth management businesses are carried out by wholly owned subsidiaries

The three main business divisions of the Suncorp Group are detailed as follows:

General insurance

The Suncorp Group's general insurance business provides personal insurance products such as home and contents, motor and compulsory third party personal insurance, a range of commercial insurance products for small to medium sized businesses and workers compensation insurance. These insurance products are provided to more than 6 million customers across Australia and New Zealand. Premium revenue for the half year ended 31 December 2007 was over A\$3.1 billion.

Banking

Suncorp is Australia's sixth largest ASX Limited ABN 98 008 624 691 ("ASX") listed bank, with A\$69 billion in assets as at 31 December 2007.

Suncorp's retail banking provides home and personal loans, transaction savings and investment accounts, margin lending, credit cards and foreign exchange services, to more than 800,000 customers nationally through 177 retail outlets, call centres, internet banking and ATMs.

Suncorp's business banking focuses on commercial banking, corporate banking, property investment, development finance, equipment finance and agribusiness.

Wealth management

Following the Promina merger (see Section 3.1.3), the Suncorp Group now owns a trans-Tasman financial services business, which includes Suncorp Wealth Management and Financial Planning, and brands such as Asteron (Australia and New Zealand), Tyndall (Australia and New Zealand), Standard Pacific, Guardian Financial Planning, Guardian Trust (New Zealand) and Comeron Walshe.

The wealth management business provides superannuation (personal and employer sponsored), managed investments (unit trusts and wrap services), life insurance (death, trauma and disability), and financial planning advice to over 600,000 individual and small business customers.

Total funds under management for the wealth management business was A\$27 billion as at 31 December 2007.

Financial Services

These operations provide a range of life insurance, wealth management, asset management, and custodial products through its specialised businesses in Australia and New Zealand. Promina's financial services operations include brands such as Asteron, Tyndall and New Zealand Guardian Trust.

Suncorp's financial results for the half year ended 31 December 2007

Suncorp reported a net profit after tax of A\$382 million for the half year ended 31 December 2007, down 28.9 per cent. from the previous half year, primarily as a result of the impact of a number of significant weather events and volatility in global credit and equity markets. Profit before tax and items relating to the Promina merger was down 19.9 per cent. to A\$616 million from the prior corresponding period.

General insurance half year profit before tax and Promina merger items was A\$172 million with an insurance trading ratio for the half year of 5.1 per cent., reflecting a number of external events occurring during the half.

Wealth management's half year profit before tax and Promina merger items was A\$125 million, down 4.6 per cent. on the prior half primarily as a result of volatility in global credit and equity markets.

Banking half-year profit before tax was up 9.6 per cent. to A\$307 million from the prior period, reflecting above system lending growth in all segments, despite substantially increased funding costs.

Suncorp declared an interim fully franked dividend of 52 cents per Ordinary Share, with the dividend reinvestment plan underwritten to 65 per cent.

Summary of Suncorp's merger with Promina

On 20 March 2007, the Suncorp Group completed its merger with Promina. The assessed merger consideration was A\$7,908 million, represented by A\$1,896 million in cash and the issue of 280 million Ordinary Shares in Suncorp to Promina shareholders. The merger with Promina significantly expanded the Suncorp Group's product offering in general insurance and wealth management across Australia and New Zealand.

The Suncorp Group is now one year into what is expected to be a three-year process to integrate the Suncorp Group and Promina businesses. The integration program is expected to deliver improved performance through:

- implementing a business model which reflects the Suncorp Group's customer-led strategy;
- enhancing capabilities to lift performance; and
- delivering value for ordinary shareholders through realisation of synergies.

The integration program consists of three phases, which are:

- **Phase 1:** Settling in phase - understanding the brands and business that now form part of the larger Suncorp Group;
- **Phase 2:** Design phase - developing a portfolio of integration initiatives which would realise the benefits of bringing the two businesses together; and
- **Phase 3:** Implementation phase - implementing the agreed integration initiatives and ensuring benefits are delivered.

During the half year to 31 December 2007, the Suncorp Group completed Phase 2 of its integration with Promina.

TREND INFORMATION

There has been no material adverse change in the prospects of Suncorp since the date of its last published reviewed financial statements as at 31 December 2007 (as incorporated by reference into this document).

There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on Suncorp's prospects for at least the current fiscal year, other than as disclosed in the full-year and half-year results of Suncorp (as incorporated by reference in this document).

PROFIT FORECASTS OR ESTIMATES

Suncorp does not intend to make or imply any profit forecast or profit estimates in this Offering Circular. No statement contained in this Offering Circular should be interpreted as such a forecast or estimate.

RECENT DEVELOPMENTS AND REGULATORY CHANGES

In recent years we have seen some very significant regulatory changes.

Compliance with the Basel II framework has required Suncorp to develop and improve its systems capability through the use of better data management.

This has resulted in the Bank implementing improved risk management systems which are now driving improved measurements and management of risk through the application of the Basel II capital requirements across the banking operations of Suncorp.

As at January 2008, Suncorp is now reporting for regulatory capital purposes under the Basel II standardised approach.

It is a principle of Basel II that, beyond compliance, there is a strong focus on the implementation and use of operational and strategic outcomes in achieving internationally accepted best banking practices.

SHAREHOLDING

Ordinary Shares

At 31 December 2007, the 20 largest holders of fully paid Ordinary Shares held 454,408,793 shares, equal to 48.80 per cent. of the 931,078,472 total fully paid shares on issue.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Suncorp is responsible for the Corporate Governance of the Suncorp Group. This statement outlines the main Corporate Governance practices and policies that have been established by the Board and were in place throughout the 2007 financial year, unless otherwise stated, to ensure the interests of shareholders are protected and the confidence of the investment market in the Suncorp is maintained. Those practices and policies are current as at the date of this Offering Circular.

In establishing the Corporate Governance framework, the Board has considered best practice governance standards, including the “Principles of Good Corporate Governance and Best Practice Recommendations” published by the ASX Corporate Governance Council (“Council”) in March 2003.

That document articulated 10 core principles and 28 recommendations that the Council believes underlie good corporate governance and included guidelines to assist companies in complying with the principles and best practice recommendations.

All listed companies are required to disclose the extent to which they depart from these principles and recommendations during the reporting period.

The Corporate Governance policies, procedures and practices of the Group have been developed and implemented by the Board and management over many years and are consistent with the principles and best practice recommendations published by the Council. During the 2006/07 financial year there were no departures from those recommendations which should be disclosed to shareholders.

A more detailed description of the structures and practices the Group has in place to address each of the principles and best practice recommendations is available on Suncorp’s website at www.suncorp.com.au.

BOARD OF DIRECTORS

Role of the Board

The Board is accountable to shareholders for the performance of the Group and has overall responsibility for its operations.

The Group conducts a diverse and complex range of business including banking, general insurance, life insurance and funds management, which means an important feature of the work of the Board is to ensure compliance with the prudential and solvency requirements of the Australian Prudential Regulation Authority (“APRA”). Board members of Suncorp-Metway Ltd also undertake roles as directors of Suncorp Metway Insurance Ltd, GIO General Limited, Suncorp Life & Superannuation Limited, Asteron Life Limited, Australian Associated Motor Insurers Limited, Vero Insurance Ltd, Promina Group Ltd and Australian Alliance Insurance Company Ltd which are all subject to APRA regulation.

The Board generally meets on a monthly basis to consider matters relevant to the operations and performance of the Group however additional meetings are held as required. The Board also meets with senior management at least twice a year to consider matters of strategic importance to the Group.

Prior to each meeting of directors, the non-executive directors meet in the absence of executive directors and any other management representatives.

The Board has adopted a Charter, which sets out the principles for the operation of the Board of Directors and provides a description of the functions of the Board and the functions delegated to management. A copy of that Charter is available on Suncorp's website under 'Corporate Governance', however the key functions of the Board and the functions delegated to management, as described in the Charter, are summarised below:

- Approve the strategic direction and related objectives for the Group;
- Approve annual budgets;
- Monitor executive management performance in the implementation and achievement of strategic and business objectives and financial performance;
- Ensure business risks are identified and approve systems and controls to manage those risks and monitor compliance;
- Appoint and remove the Managing Director and ratify the appointment and removal of executives reporting directly to the Managing Director (senior executives);
- Approve the Managing Director's and senior executives' performance targets, monitor performance, set remuneration and manage succession plans;
- Determine and approve the level of authority to be granted to the Managing Director in respect of operating and capital expenditure and credit facilities;
- Authorise the further delegation of those authorities to management by the Managing Director; and
- Approve major operating and capital expenditure and credit facilities in excess of the limits delegated to management.

Composition of the Board

At the date of this Offering Circular, the Board comprises ten non-executive directors, and two executive directors, (the Managing Director and the Chief Financial Officer). Following completion of the Merger, four members of the board of directors of Promina, Leo Tutt (Promina's Chairman), Ewoud Kulk, Paula Dwyer and Geoffrey Ricketts, joined Suncorp's Board. Three of those appointments were effective 20 March 2007 while the appointment of Paula Dwyer was effective 26 April 2007.

The composition of the Board is subject to review in a number of ways, as outlined below:

- The Suncorp Constitution provides that at every Annual General Meeting, one third of the directors, excluding the Managing Director, shall retire from office but may stand for re-election. The Board confirm to shareholders whether they support the election of each retiring director in a statement that accompanies the Notice of Meeting.
- Board composition is reviewed periodically by the Nomination & Remuneration Committee, either when a vacancy arises or if it is considered that the Board would benefit from the services of a new director, given the existing mix of skills and experience of the Board and the ongoing need to align those skills with the strategic demands of the Group.
- A Board appraisal is conducted annually, as explained elsewhere in this Statement, which includes an assessment of future requirements in relation to Board composition based on the above criteria and overall Board performance.

Once it has been agreed that a new director is to be appointed, a search is undertaken, usually using the services of external consultants. Nominations are subsequently received and reviewed by the Board. When undertaking such a review, the following principles, which form part of the Board Charter, are applied:

- The Board shall comprise no more than 13 directors and no less than seven;
- A majority of directors must be independent, non-executive directors; and

- The directors shall appoint as Chairman of the Board, one of the non-executive directors whom is deemed by the Board to be independent.

Director independence and conflicts of interest

The Board has adopted a policy in regard to director independence, which includes:

- Criteria for determining the independence of directors; and
- Criteria for determining the materiality of a director's association or business relationship with the Suncorp.

Based on these criteria, which are summarised below and which are consistent with the ASX guidelines, the Board considers all current directors, other than the Managing Director John Mulcahy, (director since January 2003) and the Chief Financial Officer, Chris Skilton (director since November 2002), to be independent.

The names of the directors considered to be independent at the date of this Offering Circular are:

<i>Director</i>	<i>Term in Office (at the date of this Offering Circular)</i>
John Story (Chairman)	13 years 4 months
Bill Bartlett	4 years 11 months
Ian Blackburne	7 years 10 months
Paula Jane Dwyer	1 year 1 month
Cherrell Hirst	6 years 4 months
Ewoud Jacobus Kulk	1 year 2 months
Martin Kriewaldt	11 years 6 months
Geoffrey Thomas Ricketts	1 year 2 months
Ziggy Switkowski	2 years 9 months
Leo Edward Tutt	1 year 2 months

The Board considers a director to be independent if the director is a non-executive director and:

- Is not a substantial shareholder of Suncorp or a company that has a substantial shareholding in Suncorp or an officer of or is otherwise associated with, either directly or indirectly, a shareholder holding more than 10 percent of the fully paid ordinary shares on issue in Suncorp;
- Within the last three years has not been employed in an executive capacity by the Suncorp Group or been a director of a Suncorp subsidiary after ceasing to hold any such employment;
- Within the last three years has not been a principal or employee of a professional advisor or a consultant whose annual billings to the Suncorp Group represent greater than 1 percent of Suncorp's annual (before tax) profit or greater than 5 percent of the professional advisor's or consultant's total annual billings;
- Is not a supplier or customer whose annual revenues from the Suncorp Group represent greater than 1 percent of Suncorp's annual (before tax) profit or greater than 5 percent of the supplier's or customer's total annual revenue;
- Has no material contractual relationship with the Suncorp Group other than as a director of Suncorp; and
- Has no other interest or relationship that could interfere with the director's ability to act in the best interests of Suncorp and independently of management.

The assessment of director independence made by the Board included reference to the following circumstances:

(a) Director Associations with a Professional Advisor or Consultant

Two directors, Messrs Story and Bartlett have, in the last three years, held or continue to hold, a position of principal with firms providing professional advisory services to the Group.

Mr Story was, until 30 June 2006, a partner of Corrs Chambers Westgarth Lawyers, which provided legal services to the Suncorp Group throughout the year.

Mr Bartlett was, until 30 June 2003, a partner of Ernst & Young, a firm that provided audit and consultancy services to a Group controlled entity until October 2002. During the period those services were provided, Mr Bartlett did not act as signing partner or appointed auditor for any Group subsidiary. Ernst & Young continued to provide some non-audit services to the Group during the year.

Another director, Mr Kriewaldt provided advice to AON Holdings Australia Limited and Allens Arthur Robinson Lawyers throughout the year. Those firms provided insurance brokerage and legal services respectively to the Group.

Mr Ricketts is a director of Spotless Group Limited, the parent entity of a company that provided catering services to the Group over the course of the year. The contractual arrangements between the Company and Spotless Services Australia Limited were in place prior to the date Mr Ricketts joined the Suncorp Board.

In all the above circumstances, none of the relationships or the services provided were or are deemed material in that they were within the Board determined policy limits referred to above.

The Board does not believe these relationships could affect the respective directors' independence in relation to any matter other than in the selection of a service provider.

However, the selection of a service provider, other than for the provision of audit services or for matters of a strategic nature, is the responsibility of management and such decisions are made in the ordinary course of business, without any reference to any directors or the Board.

Such a determination regarding independence does not however change a director's obligations in relation to addressing matters of conflict of interest, and it is important from a corporate governance standpoint to distinguish between those concepts.

The procedures adopted by the Board to address actual or potential conflicts of interest are included in the Board Charter and require directors to keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Suncorp. Where the Board believes that a conflict exists, the director concerned does not take part in any decision associated with the matter, including, as appropriate, not receiving the relevant Board papers, not being present at the meeting when the item is considered and not being informed of the decision taken.

(b) Tenure in Office

The ASX guidelines also suggest that a director will be independent if the director "*has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of the company*".

As disclosed previously in this Statement, the longest tenure of a director on the Group parent entity Board is thirteen years and four months, although Mr Kriewaldt was a director of Suncorp Insurance & Finance for some seven years prior to the merger with Metway Bank Limited in December 1996. Also, Mr Kulk was Managing Director of the Australian General Insurance Group (a predecessor of Promina Group Limited) from 1994 to 1998 and was appointed Group Director, Asia Pacific for Promina's former parent, Royal & Sun Alliance Insurance Group Plc in 1998, a role he held until his retirement in September 2003.

The Board do not consider those service periods to have in any way interfered with the respective directors' ability to act independently and in the best interests of the Company.

Board appraisal

An appraisal of the Board is conducted annually, with an independent consultant engaged to facilitate the process every second year. The Chairman of the Board conducts the appraisal every other year, however the same methodology and processes (as summarised below) are followed each year.

There was no appraisal conducted during the 2006/07 financial year due to the impact of the merger, which was conducted over a six month period commencing in October 2006 and which resulted in significant changes to the structure of the Group and the composition of the executive management team and the

Board in the second half of the year. The changes to the Board included the retirement of one non-executive director and the appointment of four new non-executive directors.

It is expected that an appraisal will be conducted in the 2007/08 financial year and in accordance with the practice adopted by the Board, that appraisal will include interviews with each director and senior executive, with the main aims being to:

- Assess the effectiveness of the Board as a whole in meeting the requirements of its Charter;
- Assess the performance and contributions of individual directors, including the Chairman, in assisting the Board fulfil its role; and
- Identify aspects of Board or director performance that require improvement.

A summary of the views expressed during the interviews in relation to each of the above matters or any other matters that directors believe are relevant, is provided to directors in a report prepared by the consultants and the Board as a whole discusses the report and any recommendations for change or improvement are agreed. Progress against each of the recommendations is assessed in subsequent Board reviews.

Following the interview process and where applicable, the Chairman may also meet with individual directors to discuss any issues that may have arisen during the interview stage in relation to that director's performance.

Director remuneration

A Remuneration Report, which explains the remuneration policies and structures in place for Suncorp non-executive directors over the reporting period and includes full details of directors' benefits and interests, is provided in the Directors' Report section of the 2007 Suncorp Annual Report.

Director and senior management dealings in Suncorp securities

The Suncorp Constitution permits directors to acquire securities in the Suncorp, however the Board has adopted a share dealing policy that prohibits directors and senior management from dealing in the Suncorp's securities any time whilst in possession of price sensitive information and for a 30 day period prior to:

- The release of Suncorp's half-year and annual results to the ASX;
- The annual general meeting;
- Any major announcements.

The following approvals must also be obtained before a director or officer can deal in Suncorp securities:

- Directors (including the executive directors) must advise the Chairman of the Board;
- The Chairman must advise the Chairman of the Audit Committee; and
- Senior managers must advise the Managing Director.

The share dealing policy also extends to dealing in a financial product which operates to limit the economic risk of a holding in Suncorp securities. Dealing in those type of securities is prohibited unless the transaction has been approved by either the Chairman (for directors) or the CEO (senior executives) and the security is fully vested.

The granting of approval to deal in Suncorp's securities is co-ordinated by the company secretary who is also responsible for reporting all transactions by directors and senior managers to the Board.

In accordance with the provisions of the Corporations Act 2001 and the Listing Rules of the ASX, Suncorp advises the ASX of any transaction conducted by directors in securities in Suncorp.

The share dealing policy is made available to employees through Suncorp's internal compliance and governance intranet sites and an advice on the terms of that policy is issued to all senior managers at least twice a year, usually in the month prior to the release of Suncorp's annual and half-year financial results.

Full details of this policy are also available on Suncorp's website under 'Corporate Governance'.

Independent professional advice

In accordance with the terms of its Charter, the Board collectively and each director individually, may take, at Suncorp's expense, such independent professional advice as is considered necessary to fulfil their relevant duties and responsibilities. A director seeking such advice must obtain the approval of the Chairman and such approval may not be unreasonably withheld. A copy of advice received by a director is made available to all other members of the Board except where the circumstances make that inappropriate.

Director education

Suncorp has an informal process to educate new and existing directors about the nature of the business, current issues, and the corporate strategy. For new directors, this is achieved through meetings with the CEO and members of the Group Executive which are held soon after their appointment to the Board.

Throughout each year, presentations are provided to the Board and Board committees by management or industry experts on matters relevant to the Suncorp business. Furthermore, each non-executive director served for a period of time on all main Board committees (Audit and Risk) during the course of the year, which has provided them with wider exposure to the Group's operations and business.

Directors also participate in off-site strategy sessions at least twice a year.

BOARD COMMITTEES

In order to provide adequate time for the Board to concentrate on strategy, planning and performance enhancement, the Board has delegated certain specific duties to Board committees. To this end three Board committees have been established to assist and support the Board in the conduct of its duties and obligations.

The committees form an important part of the Group's overall governance structure and therefore, as stated above, each non-executive director has served on each of the Risk and Audit committees for some period during the course of the year. However, due to the increase in the size of the board and the increased workload associated with the expansion of the Group's operations following the merger with Promina, it was decided to restructure the committee membership on the basis outlined below, effective 1 July 2007.

Each of the committees has its own charter, which is approved by the Board and which defines the respective committees' roles and responsibilities. Copies of the charters are available on Suncorp's website under 'Corporate Governance'.

The number of meetings held by each committee over the year and details of directors' attendance at those meetings are provided in the section 3 of the Directors' Report.

Audit Committee

The primary role of this Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities with respect to oversight of the Suncorp Group's financial and operational control environment.

Specific issues addressed by the Committee throughout the year, in accordance with its Charter included:

- Reviewing prudential supervision reports and monitoring management responses;
- Reviewing statutory reports and returns for lodgement with APRA;
- Reviewing half-year and annual financial statements and reports prior to consideration by the Board;
- Reviewing and assessing reports from management, the Approved Actuary, the Appointed Actuary and the external auditors in relation to matters impacting on the half-year and annual financial statements;
- Implementation of Australian equivalents to International Financial Reporting Standards and associated accounting policy changes;
- Audit planning — reviewing and approving audit plans as submitted by both internal and external auditors and agreeing areas of audit emphasis and audit approach; and

- Reviewing internal and external audit reports to ensure that where weaknesses in controls or procedures have been identified, that appropriate and prompt remedial action is taken by management.

Independence

At all times throughout the reporting period, the members of the Audit Committee, as detailed below, were independent, non-executive directors. To further enhance the independence of the audit functions, (both internal and external) there were no management representatives on the Committee during the year,

However the Managing Director, Chief Financial Officer, and the internal and external auditor are invited to Committee meetings at the discretion of the Committee.

The Committee also holds discussions with the auditors in the absence of management on a regular basis and the provision of non-audit services by the external auditor is reviewed by the Committee to ensure the integrity of the auditor's independence is not prejudiced.

Membership

As stated earlier, all non-executive directors of Suncorp have served as members of the Audit Committee for some period over the course of the year and Mr W J Bartlett acted as Chairman of the Committee throughout the year.

Messrs Kulk, Ricketts and Tutt were appointed to the Audit Committee on 28 March 2007, following their appointment as directors of the Company on 20 March 2007 and Ms Dwyer was appointed a member of the committee following confirmation of her appointment as a director on 24 April 2007. Mr J Kennedy was a member of the Committee until 31 December 2006 when he retired as a director of Suncorp.

At the date of this Statement, the qualifications of the members of the Committee satisfy the requirements of the ASX guidelines. Details of those qualifications are provided in the Directors' Profile section of the 2007 Annual Review.

Effective 1 July 2007, the membership of the committee will comprise Messrs Bartlett (Chairman), Dwyer, Kriewaldt and Tutt.

Risk Committee

The role of the Risk Committee is to provide an oversight across the Group for all categories of risk through the identification, assessment and management of risk and monitoring adherence to internal risk management policies and procedures.

Specific issues addressed by the Committee throughout the year, in accordance with its Charter included:

- Enterprise Risks — monitoring the Basel II program of work and implementation and effectiveness of the group wide risk management framework;
- Balance Sheet, Liquidity and Market Risk — reviewing and monitoring prudential reports, performance reports and compliance with policy limits. Assessing and approving investment strategies and mandates;
- Credit Risk — reviewing and assessing loan portfolio reports, asset quality reports, credit and counterparty limits, bad debt provisioning and reinsurance counterparty provisioning. Assessing credit approvals and monitoring and approval of delegated credit authorities;
- Insurance Risk — reviewing and monitoring pricing and underwriting delegations and limits, performance reports and reinsurance debtor reports;
- Operational Risk — reviewing and assessing operational risk reports and assessing business continuity plans; and
- Compliance Risk — reviewing due diligence reports and monitoring compliance with regulatory requirements including Financial Services Reforms.

Membership

As stated earlier, all non-executive directors of Suncorp have served as members of the Risk Committee for some period over the course of the year and Dr I D Blackburne acted as Chairman of the Committee throughout the year.

Messrs Kulk, Ricketts and Tutt were appointed to the Risk Committee on 28 March 2007, following their appointment as directors of Suncorp on 20 March 2007 and Ms Dwyer was appointed a member of the committee following confirmation of her appointment as a director on 24 April 2007. Mr J Kennedy was a member of the Committee until 31 December 2006 when he retired as a director of the Company.

Effective 1 July 2007, the membership of the committee will comprise Messrs Blackburne (Chairman), Hirst, Kulk, and Switkowski.

The board Chairman, Mr John Story, will remain as an ex-officio member of the Audit and Risk Committees.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee is responsible for making recommendations to the Board on:

- Appointment and removal of directors;
- The remuneration of directors and the remuneration and performance targets of the Managing Director;
- Appointments to and terminations from Senior Executive positions reporting to the Managing Director;
- Remuneration and human resource policy matters; and
- Board and management succession planning.

Membership:

Membership: J D Story (Chairman), I D Blackburne, C Hirst. Mr L Tutt was appointed a member of this committee on 28 March 2007 and as part of the restructure of the Board committees following the merger, Dr Switkowski will replace Dr Blackburne as a member of the Committee effective 1 July 2007.

RISK MANAGEMENT AND INTERNAL CONTROLS

Suncorp is required to manage a diverse and complex range of significant risks. Details of those risks and the type of controls and structures that are in place to ensure they are effectively managed, are set out in the 'Risk Management' sections of the notes to the 2007 Consolidated Financial Report.

However the Board has also established the following internal control framework:

- *Financial Reporting* — The Board receives reports monthly from management on the financial performance of each business unit within the Suncorp Group. The reports include details of all key financial and business results reported against budget, with regular updates on yearly forecasts. The Managing Director and Chief Financial Officer attest to the integrity of the financial reports provided to the Board each month and provide a written statement to the Board, in relation the Suncorp Group's half-year and annual statutory accounts, that meets the requirements of ASX recommendations 4.1, 7.2.1 and 7.2.2.
- *Continuous Disclosure* — Suncorp has in place policies and procedures to ensure all shareholders and investors have equal access to Suncorp's information and that all price sensitive information in relation to Suncorp's listed securities is disclosed to the ASX, in accordance with the continuous disclosure requirements of the Corporations Act and ASX Listing Rules.

The General Manager Investor & Government Relations has primary responsibility for all communications with the ASX and all Suncorp announcements are available via Suncorp's website at www.suncorp.com.au, following release to the ASX. A copy of Suncorp's disclosure policy is available on that website under 'Corporate Governance'.

- *Compliance* — Policies and procedures are also in place to ensure the affairs of the Group are being conducted in accordance with good corporate governance practices. These procedures also ensure

executive management and the Board are made aware, in a timely manner, of any material matters affecting the operations of the Group that may need to be disclosed in accordance with Suncorp's disclosure policy, referred to above.

These policies and procedures require all senior management personnel to complete a 'due diligence' report on a monthly basis, using an automated reporting system. Those reports are designed to identify any areas of non-compliance with legislative and regulatory requirements as well as internal policies and procedures.

All matters identified are retained on each subsequent monthly report until the matter is finalised to the satisfaction of the appropriate level of management or in some circumstances a Board Committee or the Board. A due diligence report for the Group is signed by the Managing Director each month and a copy of that report is provided to the members of the Risk Committee.

Procedures are also in place to ensure all material correspondence between group entities and their primary regulators, including APRA and ASIC, is referred to the Board or relevant Board Committee in a timely manner.

Code of Conduct

Directors, management and staff are expected to perform their duties for the Group in a professional manner and act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group.

The various policies and procedures that are in place to support this philosophy, are contained in the Suncorp Group Code of Conduct (Code) which is available on Suncorp's website under 'Corporate Governance'.

Suncorp monitors compliance with the Code and its various other policies using an internal due diligence system, as described earlier in this Statement under 'Risk Management and Internal Controls'.

DIRECTORS' PROFILES

John D Story

Chairman

Age 62

Director since January 1995, Deputy Chairman since June 2002 and Chairman since March 2003. John Story is a director of CSR Limited, Chairman of TABCORP Holdings Limited and Chairman of the board of directors of the Australian Institute of Company Directors.

William J Bartlett

Age 59

Director since 1 July 2003, Bill Bartlett is a director of Reinsurance Group of America Inc., RGA Reinsurance Company of Australia Limited, Abacus Property Group Limited and GWA International Limited. He has had 35 years' experience in accounting and was a partner of Ernst & Young in Australia for 23 years, retiring on 30 June 2003. Mr Bartlett also has extensive experience in the actuarial, insurance and financial services sectors through membership of many industry and regulatory advisory bodies including the Life Insurance Actuarial Standards Board.

Ian D Blackburne

Age 62

Director since August 2000, Ian Blackburne is Chairman of CSR Limited and is a director of Teekay Shipping Corporation. He is the former Managing Director of Caltex Australia Limited and spent 25 years in the petroleum industry.

Cherrell Hirst

Age 62

Director since February 2002. Cherrell Hirst is a medical doctor and was a leading practitioner in the area of breast cancer diagnosis. She is Deputy Chairman of Queensland BioCapital Funds Pty Ltd, a director of Peplin Limited, Avant Insurance Limited and Avant Mutual, and Opera Queensland Limited. Dr Hirst was a director of Metway Bank from July 1995 to December 1996.

Martin D Kriewaldt

Age 58

Director since 1 December 1996, Martin Kriewaldt was also a director of the Suncorp Group from 1990 and Chairman at the time of the merger that formed the Suncorp-Metway Limited Group in 1996.

He is Chairman of Opera Queensland Limited, and a director of Campbell Brothers Limited, GWA International Limited, Impedimed Limited and Oil Search Limited. Mr Kriewaldt provides advice to Allens Arthur Robinson and Aon Holdings Australia Limited and is a member of the Redeemer Lutheran College Council.

Zygmunt E Switkowski

Age 59

Director since September 2005, Dr Switkowski is a director of Healthscope Ltd and TABCORP Holdings Limited. He has extensive commercial and public company experience and was previously the Chief Executive Officer of Telstra Corporation Limited and Optus Communications Limited.

Chris Skilton

Executive Director

Chief Financial Officer

Age 54

Director since 13 November 2002. Chris Skilton was appointed Chief Financial Officer of Suncorp-Metway Limited in June 2001. He has over 20 years' experience in various senior roles in the finance sector.

He was previously Deputy Chief Financial Officer and then Group Executive for New Zealand and the Pacific Islands with Westpac Banking Corporation, Managing Director and Chief Executive Officer of AIDC Ltd, during which time Chris was also appointed as acting Chief Executive Officer of the Australian Submarine Corporation, one of Australia's largest and most complex engineering projects. He has also held executive positions with Security Pacific Australia and Barclay Group of Companies.

John F Mulcahy

Executive Director

Chief Executive Officer

Age 58

Director since joining Suncorp on 6 January 2003 as Chief Executive Officer. John Mulcahy is President of the Insurance Council of Australia, a member of the Business Council of Australia, the Australian Bankers Association Council and the Future Fund Board of Guardians. He previously held a number of executive roles at the Commonwealth Bank since 1995 and ranks as one of the most widely experienced financial services executives in Australia. Mr Mulcahy also has broad management experience, having served as Chief Executive of Lend Lease Property Investment Services and Chief Executive of Civil & Civic prior to 1995.

Leo Edward Tutt

Age 70

Leo Tutt was Chairman of Promina Group Limited at the date of merger with Suncorp. Mr Tutt was appointed Chairman in 1996 of the entity that became Promina and has been a non-executive director of Promina and other companies within Promina Group in Australia since February 1994. Prior to joining the Promina Board, Mr Tutt was an executive director and the Chief Executive Australasia and Asia of Rexam plc (formerly Bowater plc) of the United Kingdom, from 1978 to 1996. Mr Tutt has over 32 years experience in the insurance sector as a non-executive director or Chairman with Phoenix Assurance Company Australia (1974 — 1982), Chairman of Friends Provident Life Assurance Co Ltd and a director of Friends Provident (UK) Life Office (1984 — 1994). He was also a director of Metway Bank Limited (1992 — 1996) and formerly Chairman of MIM Holdings Limited until that company's acquisition in 2003. Mr Tutt is also Chairman of Crane Group Limited.

Geoffrey Thomas Ricketts

Age 62

Geoffrey Ricketts was appointed a non-executive director of Promina in February 2003. Prior to joining Promina, Mr Ricketts was Chairman of Royal & Sun Alliance's New Zealand (R&SA NZ) operations, having been a non-executive director of R&SA NZ for over ten years. Mr Ricketts is also Chairman of

Lion Nathan Limited and a non-executive director of Spotless Group Limited, Todd Corporation Limited, Taylors Group Limited (NZ), Southern Cross Building Society (NZ) and the Centre of Independent Studies Limited. Mr Ricketts is a lawyer and a consultant for Russell McVeagh, Solicitors (Auckland and Wellington, New Zealand) and was a partner in that firm from 1973 until 2000.

Ewoud Jacobus Kulk

Age 62

Ewoud Kulk was appointed a director of the entity that became Promina in June 1994. Mr Kulk has worked for entities that now comprise Promina Group in Australia since 1989 and was Managing Director of the Australian General Insurance Group from 1994 to 1998. Mr Kulk was appointed Group Director, Asia Pacific for Royal & Sun Alliance Insurance Group plc in March 1998 and continued in that role until his retirement in September 2003, whereupon he became a non-executive director of Promina. Mr Kulk is also a past president of the Insurance Council of Australia, and has over 25 years' experience in the insurance industry.

Paula Jane Dwyer

Age 47

Paula Dwyer was appointed a non-executive director of Promina in February 2003 and has served as Chairman of the Promina Board Audit Risk and Compliance Committee since then. Ms Dwyer is a chartered accountant by profession and during her 20 year executive career held senior positions in the securities, investment management and investment banking sectors. In particular, Ms Dwyer specialised in the provision of corporate financial advice to companies operating in regulated industries, including financial institutions and utilities. Ms Dwyer is also a non-executive director of Tabcorp Holdings Limited and Babcock & Brown Japan Property Management Limited and was formerly a non-executive director of David Jones Limited. Ms Dwyer is a member of the ASIC Business Consultative Panel (Melbourne Chapter) and Vice President of the Baker Heart Research Institute.

The business address of each of the Directors is that of the principle office of Suncorp (as set out below).

No director has any actual or potential conflict of interest between his or her duties to Suncorp and his or her private interests or other duties.

The business address of each of the Directors is that of the principle office of Suncorp (as set out below).

No director has any actual or potential conflict of interest between his or her duties to Suncorp and his or her private interests or other duties.

Suncorp's principal office is the same as its registered office, and is located at level 17, Suncorp Centre, 36 Wickham Terrace, Brisbane QLD 4000. Its telephone number is +61 7 3835 5355.

Regulation and Supervision of Banking, General and Life Insurance and Superannuation Businesses in Australia

OVERVIEW

The Issuer is the parent company of a diversified financial services group that operates in three business segments:

- banking;
- general insurance; and
- wealth management including life insurance and superannuation.

This section provides a description of the regulatory and supervisory environment in which the Suncorp Group operates.

The Australian Prudential Regulation Authority (“APRA”) is responsible for the prudential supervision of authorised deposit taking institutions (“ADIs”), life and general insurance companies and superannuation funds. APRA has powers to act decisively in the interests of depositors, policy holders or fund members if a supervised institution is in difficulty.

The Australian Securities and Investments Commission (“ASIC”) is responsible for the administration and enforcement of the Australian laws in relation to Australian companies and financial services providers. ASIC is also responsible for consumer protection, monitoring and promoting market integrity.

The financial services regulatory regime applies to financial services providers, including the Suncorp Group. The purpose of the regime is to provide:

- a uniform licensing framework for all financial service providers;
- uniform disclosure obligations for all financial products provided to retail clients;
- at least a minimum standard of conduct for financial service providers dealing with retail clients; and
- uniform authorisation procedures for financial exchanges and clearing and settlement facilities.

This regime has a broad impact on the Suncorp Group’s operations, including banking, insurance, managed investments and superannuation, and is administered by ASIC.

The Suncorp Group has in place the necessary policies, systems and procedures to ensure compliance with the regulatory and supervisory requirements, and companies in the Suncorp Group hold the necessary licences to operate the businesses described below.

BANKING BUSINESS

General banking operations are carried on in Australia by banks authorised under the Banking Act 1959 of Australia (the “Banking Act”). It is not permissible to carry on any banking business without either an authority or exemption under the Banking Act.

The banking industry is subject to supervision and regulation by APRA and ASIC. In addition, the Reserve Bank of Australia (the “RBA”) has a role relating to the objectives of monetary policy, overall financial system stability and regulation of the payments system. It has no obligation to protect the interests of bank depositors and will not supervise any individual financial institution. The RBA does have the discretion to provide emergency liquidity support to the financial system.

APRA has issued a number of harmonised prudential standards, which apply to all ADIs (as well as licensed General Insurers and Life Insurance Companies). The prudential standards and associated guidance notes establish the minimum prudential standards that ADIs are required to observe. They cover:

- Capital Adequacy;

- Funds Management and Securitisation;
- Liquidity;
- Credit Quality;
- Large Exposures;
- Associations with Related Entities;
- Audit and Related Arrangements for Prudential Reporting;
- Outsourcing;
- Business Continuity Management;
- Governance;
- Risk Management of Credit Card Activities;
- Fit and Proper Requirements; and
- Prudential Requirements for Providers of Purchased Payment Facilities.

GENERAL INSURANCE

General insurance includes: all risks or special risks insurance covering loss or damage to specified items of property; aviation and marine insurance; fire insurance; household contents insurance; motor vehicle insurance; public and other liability insurance; and personal accident, sickness and disability insurance which does not qualify as life insurance.

General insurers carrying on insurance business in Australia must be either authorised by APRA under the Insurance Act 1973, be a Lloyds underwriter carrying on a general insurance business in Australia in accordance with the Insurance Act 1973 or a body corporate otherwise exempt by APRA (subject to review by APRA and except for some forms of general insurance, such as workers compensation and health insurance, which are separately regulated under specific legislation).

The general insurance industry is prudentially supervised and regulated by APRA. General insurers authorised by APRA must meet prescribed capital adequacy and solvency standards, lodge audited accounts and returns with APRA, and have their reinsurance arrangements approved by APRA. ASIC is responsible for consumer protection of retail clients in relation to certain types of insurance.

WEALTH MANAGEMENT

Life Insurance

Life insurance is, broadly, insurance payable on an event that is in some way related to the life of a human being. It includes: term life insurance; trauma insurance; disability insurance (lump sum and income replacement); and some investment products where the benefit is payable on death or on death before a specified date.

Life insurers must be registered by APRA under the Life Insurance Act 1995. Similarly to the general insurance industry, the life insurance industry in Australia is prudentially supervised and regulated by APRA. Life insurers must meet prescribed capital adequacy and solvency standards; maintain, and keep separate from other funds, a statutory fund into which the insurer deposits all amounts received for its life insurance business; and have their financial condition investigated by an actuary at least once every 12 months. APRA also requires life insurers to lodge audited financial reports and returns with APRA. ASIC is responsible for consumer protection regulation in relation to life insurance companies.

Superannuation

The term “superannuation entity” encompasses a number of investment products aimed at providing benefits for investors on their retirement, either by way of a lump sum or pension benefit. Superannuation entities are subject to concessional rates of income tax in return for complying with prescribed standards which are additional to the standards imposed on other forms of investment.

Most superannuation entities are regulated under the Superannuation Industry (Supervision) Act 1993 and are required to hold a registrable superannuation entity (“RSE”) licence issued by APRA. If a superannuation product is offered to the public, the trustee must hold an RSE public offer entity licence issued by APRA. RSE licensees must either comply with prescribed capital adequacy requirements or arrange for all of the assets of the superannuation entity to be held by a custodian which does comply with those requirements, ensure that the superannuation funds comply with prescribed funding and solvency standards and comply with a range of standards in relation to acceptance of contributions, retention and

payment of benefits, requirements for appointment of service providers and requirements for formulation and implementation of investment strategies.

The superannuation industry in Australia is prudentially supervised and regulated by APRA and the Commissioner of Taxation. ASIC is responsible for consumer protection, disclosure and enforcement issues in relation to superannuation. APRA, The Commissioner of Taxation and ASIC have various powers to monitor and intervene in the affairs of a superannuation trustee.

Australian Taxation

The following is a summary of the Australian taxation treatment at the date of this Offering Circular of payments of interest (as defined in the *Income Tax Assessment Act 1936* of Australia (“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). Prospective Noteholders should be aware that the particular terms of issue of any Series of Notes may affect the tax treatment of that and other Series of Notes. The following is a general guide and should be treated with appropriate caution. Noteholders who are in any doubt as to their tax positions should consult their professional advisers.

Interest payable when Notes are treated as debt for tax purposes

The following summary of Australian interest withholding tax laws is relevant where the Notes qualify as “debt instruments” for Australian tax purposes, which provisions are expected to apply to all securities subject to what is said below in relation to Subordinated Perpetual Notes.

The requirements for obtaining an exemption from Australian interest withholding tax set out in Section 128F of the Australian Tax Act have, in recent years, been amended substantially. So far as it applies to the Programme, the Australian Tax Act contains the following key features:

- (a) in order to qualify for the exemption from Australian interest withholding tax, the Issuer must be either:
 - (i) 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; or
 - (ii) a non-resident of Australia that is carrying on business at or through a permanent establishment in Australia when it issues the Notes and when interest (as defined in Section 128A(1AB) of the Australian Tax Act) is paid;
- (b) the Issuer is required to self assess the availability of the exemption from interest withholding tax;
- (c) there are five public offer tests (of which one must be satisfied), the purpose of which is to ensure that lenders in overseas capital markets are aware that the Issuer is offering Notes for issue. In summary, the five public offer tests are:
 - (i) offers to 10 or more unrelated financiers or securities dealers;
 - (ii) offers to 100 or more investors;
 - (iii) offers of listed Notes;
 - (iv) offers via publicly available information sources; and
 - (v) offers to the Dealers who on-sell the Notes within 30 days by one of the preceding methods.

In addition, the issue of a global bond in a way which satisfies one of the five public offer tests will also satisfy the public offer test;

- (d) no public offer test will be satisfied if, at the time of the issue, the Issuer knew or had reasonable grounds to suspect that the Notes would be, or would later be, acquired either directly or indirectly by an associate of the Issuer and:
 - (i) either:
 - A. the associate is a non-resident and the Notes were not, or would not be, acquired by the associate in carrying on a business in Australia at or through a permanent establishment of the associate in Australia; or
 - B. the associate is a resident of Australia and the Notes were, or would be, acquired by the associate in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country; and

- (ii) the Notes were not, or would not be, acquired by an associate in the capacity of a dealer, manager, underwriter, clearing house, custodian, funds manager or responsible entity of a registered scheme; and
- (e) the Section 128F exemption will also not be available if the Issuer knew, or had reasonable grounds to suspect, at the time of payment of interest, that the interest would be paid to an associate and:
 - (i) either:
 - A. the associate is a non-resident and the payment is not received by the associate in respect of Notes that the associate acquired in carrying on a business in Australia at or through a permanent establishment of the associate in Australia; or
 - B. the associate is a resident of Australia and the payment is received by the associate in respect of Notes that the associate acquired in carrying on a business in a country outside Australia at or through a permanent establishment of the associate in that country; and
 - (ii) the associate does not receive the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme.

The Issuer intends (where appropriate) to issue Notes in a manner which will satisfy one of the five public offer tests or the requirements for a global bond and which otherwise meets the requirements of Section 128F of the Australian Tax Act.

Section 126 of the Australian Tax Act imposes a form of withholding tax at the rate of 45 per cent. on the payment of or crediting of interest on certain bearer debt securities (other than certain promissory notes) if the Issuer fails to disclose the names and addresses of the holders to the Australian Taxation Office. Section 126 does not apply to the extent that the debenture is held by a non-resident who is not engaged in carrying on a business in Australia at or through a permanent establishment in Australia where the issue of the Notes satisfied the requirements of Section 128F of the Australian Tax Act or interest withholding tax is payable. In relation to Notes held by other persons, the Australian Taxation Office has confirmed that for the purposes of Section 126, the holder of the Notes means the person in possession of the Notes. Therefore, where interests in Notes are held through the Euroclear or Clearstream systems, the operators of the systems are the holders of the Notes for the purposes of Section 126.

As set out in more detail under the heading “Terms and Conditions of the Notes – Taxation”, if the Issuer should at any time be compelled by law to deduct or withhold an amount in respect of any withholding taxes, the Issuer shall, subject to certain exceptions set out under the heading “Terms and Conditions of the Notes – Taxation”, pay such additional amounts of principal and interest 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 receivable had no such deduction or withholding been required.

The Issuer has been advised that, if the Notes qualify as “debt instruments” for Australian tax purposes, under Australian laws as presently in effect:

- (i) assuming the requirements of Section 128F of the Australian Tax Act are satisfied with respect to the Notes of each Series, payment of interest (or amounts in the nature of interest) to a Noteholder who is a non-resident of Australia and who, during the taxable year, has not held any Note in the course of carrying on trade or business through a permanent establishment within Australia will not be subject to Australian income taxes. However, the Issuer may be required by Section 126 of the Australian Tax Act to deduct or withhold income tax at the rate of 45 per cent., on interest paid or credited during a taxable year on Notes which, during that taxable year, are acquired by an Australian resident or by a non-resident that carries on business (whether within or outside Australia) at or through a permanent establishment in Australia;
- (ii) a Noteholder who is a non-resident of Australia and who during the taxable year has not engaged in trade or business at or through a permanent establishment within Australia will not be subject to Australian income tax on gains realised during that year on 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-Australian resident holder to another non-Australian resident where the Note is sold outside Australia and all negotiations

and documentation are conducted and executed outside Australia would not be regarded as having an Australian source;

- (iii) 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;
- (iv) no *ad valorem*, stamp duty, issue, registration or similar taxes are payable in Australia on the issue of any Notes or the transfer of any Notes (except where the transfer is not for full value and the Notes are physically in, or registered in, South Australia);
- (v) Section 12-140 of the *Taxation Administration Act 1953* of Australia (“TAA”) imposes a type of withholding tax at the rate of (currently) 46.5 per cent. on the payment of interest on Notes in registered form unless the relevant Noteholder has quoted a tax file number (“TFN”), in certain circumstances an Australian Business Number (“ABN”) or proof of some other exception (as appropriate). Assuming that the requirements of Section 128F of the Australian Tax Act are satisfied with respect to Notes in registered form, these rules should not apply to payments to a Noteholder who is not a resident of Australia for tax purposes and not holding such Notes in the course of carrying on business at or through a permanent establishment in Australia. Withholdings may be made from payments to holders of Notes in registered form who are residents of Australia or non-residents who carry on business at or through a permanent establishment in Australia but who do not quote a TFN, ABN or an appropriate exemption. For the avoidance of doubt, these provisions will not apply to Notes in bearer form;
- (vi) Section 12-190 of the TAA imposes another type of withholding obligation such that if the Issuer makes payment to a Noteholder for a supply the Noteholder has made to the Issuer in the course of furtherance of an enterprise carried on in Australia by the Noteholder, the Issuer must withhold amounts from that payment at the prescribed rate (currently 46.5 per cent.) unless the Noteholder has quoted its ABN or another exception applies. There is some uncertainty as to the precise operation of these rules. However, these rules will not apply where a TFN, ABN or proof that a relevant exemption is applicable has been provided in accordance with sub-paragraph (v) above, or a deduction is made by the Issuer for a failure to provide such information. On the basis that all Noteholders will fall within Section 12-140 (discussed above), the withholding requirements in Section 12-190 of the TAA should have no residual operation;
- (vii) there are certain provisions in the *Income Tax Assessment Act 1997* of Australia which define what constitutes equity in a company and what constitutes debt. The Notes are expected to qualify as a “debt interest” of the Issuer (subject to what is said below in relation to Subordinated Perpetual Notes) and therefore the conventional analysis as to whether the Notes are exempt from Australian interest withholding tax set out above applies;
- (viii) for Noteholders that are resident in the United States or the United Kingdom and certain other jurisdictions, the double tax conventions with Australia contain provisions which prevent interest withholding tax applying to interest derived by:
 - A. certain government bodies, authorities and agencies; and
 - B. certain financial institutions.

These provisions have not been considered in detail because it is envisaged that, if they are treated as debt instruments, the issue of the Notes will satisfy the exemption from interest withholding tax in Section 128F;

- (ix) there are certain provisions in the *Income Tax Assessment Act 1997* of Australia which deal with the taxation consequences of foreign exchange transactions. These new rules are very complicated and, generally speaking, will require Australian taxpayers, or non-residents that hold assets or incur liabilities in the course of carrying on business in Australia, to perform complex calculations to determine the foreign exchange gains and losses that they are taxed upon in respect of assets and liabilities in non-Australian currency. The object of the rules is to bring the gains and losses to account when realised regardless of whether there is an actual conversion of foreign currency amounts into Australian dollars. There are several exclusions from the rules. In particular, authorised deposit taking institutions (“ADIs”) under the *Banking Act 1959* of Australia and non-ADI financial institutions are excluded from the foreign exchange gains and losses rules. The Issuer is an ADI for the purposes of the rules. Accordingly, for so long as the Issuer has that status the foreign exchange gains or losses rules will not apply to it. However, the rules may apply to any holders of the Notes that are not ADIs or non-ADI

financial institutions and which are Australian residents or non-residents that hold those Notes in the course of carrying on business in Australia. Any holders that may be affected by the rules should consult their professional advisers for advice as to how to account for any foreign exchange gains or losses arising from the holding of the Notes; and

- (x) neither the issue of the Notes nor the payment of principal and interest by the Issuer will give rise to a liability for goods and services tax in Australia.

Interest payable when Subordinated Perpetual Notes are treated as Equity for tax purposes

As at the date of this Offering Circular, it is uncertain whether Subordinated Perpetual Notes will qualify as ‘debt instruments’ or ‘equity instruments’ for Australian tax purposes.

The 2001 Explanatory Memorandum introducing Division 974 of the Income Tax Assessment Act 1997 to classify interests as “Debt” or “Equity” for tax purposes suggests that Subordinated Perpetual Notes will commonly be a debt interest (but that the outcome depends in each case on the rate of interest paid on the relevant notes and its relationship to the benchmark interest rate at the relevant time).

However, views emerged from the Australian Taxation Office suggesting that many forms of Subordinated Perpetual Notes could well be equity particularly where they contain solvency clauses, subordination clauses and provisions for deferral of interest (where profitability does not justify an interest payment). These questions turn on the extent to which such provisions can be said to undermine an “*effectively non contingent obligation*”.

The former government issued a Press Release in 2003 saying it would move to clarify the position of “certain Upper Tier 2” instruments as debt. This regulation has not emerged and it is unclear whether it will simply be a grandfathering regulation or whether it will apply to new (as well as old) instruments.

A further Press Release in October 2005 promises regulations to resolve the “*solvency clause*” issue on a more general basis for a wider category of instruments (including presumably new instruments). This is to operate prospectively.

Neither set of regulations has yet been finalised. It appears that the regulations, if made, once in force will ensure that Subordinated Perpetual Notes will be a debt interest (assuming, in each case, that the rate of interest specified in the Final Terms in relation to the relevant Subordinated Perpetual Notes is sufficient). If that is so, the above discussion of debt interest is applicable.

However, the following discussion is provided to outline the position if the Subordinated Perpetual Notes are classified as an “equity interest” by Division 974 of the Income Tax Assessment Act 1997.

Interest may be paid by the Issuer on Subordinated Perpetual Notes as a ‘franked distribution’ if:

- (a) the Subordinated Perpetual Notes qualify as ‘equity’ for Australian tax purposes; and
- (b) the Commissioner of Taxation has not made a determination to the effect that it is not a franked distribution.

If interest is paid by the Issuer as a ‘franked distribution’, the Issuer must specify that the payment is a ‘franked distribution’. A notional ‘franking credit’ will be attached to that distribution in accordance with the applicable Final Terms. That franking credit will be the amount so stated by the Issuer when making the distribution. It is broadly intended to be an amount representative of the Australian income tax paid by the Issuer on profits from which the relevant payment is made.

To the extent interest is paid on Subordinated Perpetual Notes as a franked distribution and the holder in receipt of that interest is either a resident of Australia, or a non-resident who is an individual or corporation and whose receipt of the interest is attributable to a business carried on by the investor through a permanent establishment in Australia, that Noteholder will generally be:

- (a) subject to income tax on the amount of interest received and on the franking credit stated to be attached to the distribution; and
- (b) entitled to a tax offset equal to an amount up to the amount of the franking credit.

A holder of a Subordinated Perpetual Note who is an Australian resident may be entitled to a refund if the amount of the franking credit exceeds tax otherwise payable by that holder and (especially if that holder is a company) to include the franking credit in its own franking account, provided in each case that:

- (i) there is no arrangement which would cause certain anti-avoidance rules to apply; and
- (ii) the relevant holder has satisfied the minimum holding period (which can range from 45 days to 90, depending on the circumstances).

If, and to the extent, interest is paid on Subordinated Perpetual Notes as a franked distribution and a holder is not a resident of Australia and the receipt by it of such interest is not attributable to a business carried on through a permanent establishment in Australia, that Noteholder will generally not be subject to income tax in Australia. Unless there are arrangements which cause certain anti-avoidance rules to apply, such interest payments will not be subject to dividend withholding tax.

Book-Entry Clearance Systems

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the “Clearing Systems”) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer nor any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

BOOK-ENTRY SYSTEMS

DTC

DTC has advised the Issuer that it is a limited purpose trust company organised under the New York Banking Law, a “banking organisation” within the meaning of the New York Banking Law, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants (“Participants”) deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC System is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”).

Under the rules, regulations and procedures creating and affecting DTC and its operations (the “Rules”), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC’s book-entry settlement system (“DTC Notes”) as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes (“Owners”) have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC’s records. The ownership interest of each actual purchaser of each DTC Note (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participant’s records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial

Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "Subscription and Sale and Transfer and Selling Restrictions". For these purposes, an Event of Default means a Senior Note Event of Default, a Subordinated Note Event of Default or a Subordinated Perpetual Event of Default (as each such term is defined in Condition 10).

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

BOOK-ENTRY OWNERSHIP OF AND PAYMENTS IN RESPECT OF DTC NOTES

The Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have

accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

TRANSFERS OF NOTES REPRESENTED BY REGISTERED GLOBAL NOTES

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a direct or indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "Subscription and Sale and Transfer and Selling Restrictions", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Fiscal Agent and any custodian ("Custodian") with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Fiscal Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus

payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

Subscription and Sale and Transfer and Selling Restrictions

The Dealers have in an amended and restated programme agreement dated 5 June 2008 (such programme agreement as modified and/or supplemented and/or restated from time to time, the “Programme Agreement”), agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes, ECP or other debt instruments. 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, ECP or other debt instruments under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

In order to facilitate the offering of any Tranche of the Notes, certain persons participating in the offering of the Tranche may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Notes during and after the offering of the Tranche. Specifically such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the Issuer. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilise or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilising or other transactions. Such transactions, if commenced, may be discontinued at any time. Under U.K. laws and regulations stabilising activities may only be carried on by a Stabilising Manager named in the applicable Final Terms and must end no later than the earlier of 30 days following the Issue Date of the relevant Tranche of Notes and 60 days following the date of the allotment of the relevant Tranche of Notes.

TRANSFER RESTRICTIONS

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Global Note) or person wishing to transfer an interest from one Registered Global Note to another or from global to definitive form or *vice versa*, will be required to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

- (i) that either: (a) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware that any sale to it is being made in reliance on Rule 144A or (b) it is outside the United States and is not a U.S. person;
- (ii) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable U.S. State securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
- (iii) that, unless it holds an interest in a Regulation S Global Note and either is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date which is two years after the later of the last Issue Date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Notes, only (a) to the Issuer or any affiliate thereof, (b) inside the United States to a person whom the seller reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (c) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, (d) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (e) pursuant to an effective

registration statement under the Securities Act, in each case in accordance with all applicable U.S. State securities laws;

- (iv) it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (iii) above, if then applicable;
- (v) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes, and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Regulation S Global Notes;
- (vi) that the Notes, other than the Regulation S Global Notes, will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF, THE HOLDER (A) REPRESENTS THAT IT IS A “QUALIFIED INSTITUTIONAL BUYER” (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE SECURITIES EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND, PRIOR TO THE DATE WHICH IS TWO YEARS AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH SECURITIES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 UNDER THE SECURITIES ACT, (4) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (5) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

THIS SECURITY AND RELATED DOCUMENTATION (INCLUDING, WITHOUT LIMITATION, THE AGENCY AGREEMENT REFERRED TO HEREIN) MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, WITHOUT THE CONSENT OF, BUT UPON NOTICE TO, THE HOLDERS OF SUCH SECURITIES SENT TO THEIR REGISTERED ADDRESSES, TO MODIFY THE RESTRICTIONS ON AND PROCEDURES FOR REALES AND OTHER TRANSFERS OF THIS SECURITY TO REFLECT ANY CHANGE IN APPLICABLE LAW OR REGULATION (OR THE INTERPRETATION THEREOF) OR IN PRACTICES RELATING TO REALES OR OTHER TRANSFERS OF RESTRICTED SECURITIES GENERALLY. THE HOLDER OF THIS SECURITY SHALL BE DEEMED, BY ITS ACCEPTANCE OR PURCHASE HEREOF, TO HAVE AGREED TO ANY SUCH AMENDMENT OR SUPPLEMENT (EACH OF WHICH SHALL BE CONCLUSIVE AND BINDING ON THE HOLDER HEREOF AND ALL FUTURE HOLDERS OF THIS SECURITY AND ANY SECURITIES ISSUED IN EXCHANGE OR SUBSTITUTION THEREFOR, WHETHER OR NOT ANY NOTATION THEREOF IS MADE HEREON).”;

- (vii) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Notes), it will do so only (a)(i) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (ii) to a QIB in compliance with Rule 144A and (b) in accordance with all applicable

U.S. State securities laws; and it acknowledges that the Regulation S Global Notes will bear a legend to the following effect unless otherwise agreed to by the Issuer:

“THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR ANY OTHER APPLICABLE U.S. STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THIS NOTE FORMS PART.”; and

- (viii) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Notes as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

No sale of Legended Notes in the United States to any one purchaser will be for less than U.S.\$100,000 (or its foreign currency equivalent) principal amount and no Legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$100,000 (or its foreign currency equivalent) of Registered Notes.

SELLING RESTRICTIONS

United States

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

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulations (“Regulation S Notes”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver such Regulation S Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Regulation S Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons and it will have sent to each dealer to which it sells any Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons.

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

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.\$100,000 (or the approximate equivalent thereof in any

other currency). To the extent that the Issuer is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the Issuer has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4).

Each issue of Indexed Notes and Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer or Dealers shall agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms. Each relevant Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will offer, sell or deliver such Notes only in compliance with such additional U.S. selling restrictions.

European Economic Area

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 this Offering Circular as completed by the final terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “Non-exempt Offer”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 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
- (e) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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

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

United Kingdom

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

- (i) in relation to any Notes having a maturity of less than one year (a) 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 (b) 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;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia) in relation to the Programme or the Notes has been or will be lodged with the Australian Securities and Investments Commission or ASX Limited ABN 98 008 624 691. Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it:

- (a) has not made or invited, and will not make or invite, an offer of the Notes for issue or sale or for subscription or purchase 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 Offering Circular or any other offering material or advertisement relating to the Notes in Australia,

unless (i) the minimum aggregate consideration payable by each offeree is at least A\$500,000 (or its equivalent in an alternate currency) (disregarding moneys lent by the offeror or its associates) or the offer otherwise does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Act 2001 of Australia; (ii) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act 2001 (Cth) and (iii) such action complies with all applicable laws and regulations.

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

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

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended: the “FIEL”) and each Dealer has agreed and each further Dealer appointed under the Programme will be required to 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 (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to

Subscription and Sale and Transfer and Selling Restrictions

others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except in compliance with the FIEL and any other applicable laws and regulations of Japan.

Hong Kong

Each Dealer has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to persons whose ordinary business is to buy or sell shares or debentures (whether as principal or agent); or (ii) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (iii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purpose of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.”

GENERAL

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular or any advertisement or other offering material and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Dealer shall have any responsibility therefor.

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

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

General Information

AUTHORISATION

The establishment of the Programme and the issue of Notes, ECP and other debt instruments under the Programme have been duly authorised by a resolution of the Board of Directors of the Issuer dated 30 June 2004.

LISTING OF NOTES ON THE OFFICIAL LIST

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 London Stock Exchange's regulated market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market. The listing of the Programme in respect of Notes is expected to be granted on or before 9 June 2008.

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

DOCUMENTS AVAILABLE

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available for inspection at the registered office of the Issuer and from the specified office of the Paying Agent in London:

- (i) the constitution of the Issuer;
- (ii) the auditors' report and the audited annual consolidated financial statements of the Issuer in respect of the financial years ended 30 June 2007 and 30 June 2006;
- (iii) the auditors' report and the reviewed consolidated financial statements of the Issuer in respect of the six months ended 31 December 2007 and 31 December 2006;
- (iv) the most recently published auditors' report and audited annual consolidated financial statements of the Issuer and the most recently published interim financial statements (if any) of the Issuer;
- (v) the Programme Agreement, the Agency Agreement, the Deed of Covenant, the Deed Poll and the forms of the Global Notes, the Definitive Notes, the Receipts and the Coupons and the Talons;
- (vi) a copy of this Offering Circular;
- (vii) any future offering circulars, prospectuses, information memoranda and supplements including Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Paying Agent as to the identity of such holder) to this Offering Circular and other documents incorporated herein or therein by reference; and
- (viii) in the case of each issue of listed Notes subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

CLEARING SYSTEMS

The Notes in bearer form have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche of Bearer Notes allocated by Euroclear and

General Information

Clearstream, Luxembourg will be specified in the applicable Final Terms. In addition, the Issuer may make an application for any Notes in registered form to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and common code, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

CONDITIONS FOR DETERMINING PRICE

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

SIGNIFICANT OR MATERIAL CHANGE

There has been no significant change in the financial or trading position of the Issuer or the Suncorp Group since 31 December 2007 and there has been no material adverse change in the prospects of the Issuer or the Suncorp Group since 30 June 2007.

LITIGATION

There are no, nor have there been any, 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 which may have, or have had in the recent past, significant effects on the Issuer or the Group's financial position or profitability.

AUDITORS AND FINANCIAL REPORT

The auditor of the Issuer is KPMG, chartered accountants, who have audited the Issuer's financial report, without qualification, in accordance with auditing standards in Australia for each of the financial periods ended 30 June 2007 and 2006. In addition, the auditors of the Issuer, KPMG, have reviewed the Issuer's financial report, without qualification, in accordance with auditing standards in Australia for each of the six months ended 31 December 2007 and 2006.

APPROVALS

Pursuant to the Charter of the United Nations (Anti-terrorism Measures) Regulations, the specific approval of the Australian Minister for Foreign Affairs must be obtained in relation to transactions in connection with persons and entities identified and listed by the Minister as being associated with terrorism.

EU SAVINGS DIRECTIVE

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland adopted have similar measures (a withholding system in the case of Switzerland).

POST-ISSUANCE INFORMATION

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.

REGISTERED AND HEAD OFFICE OF THE ISSUER

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ARRANGER

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DEALERS

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London E14 5AQ

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB

Citibank International plc
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

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Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

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London EC2N 2DB

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125 London Wall
London EC2Y 5AJ

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London EC2M 2PP

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REGISTRAR

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