Information Memorandum

A$10,000,000,000 Debt Issuance Programme

Issuer
Barclays Bank PLC
Australian Branch
(ABN 86 062 449 585)

Arranger
Barclays
(ABN 86 062 449 585)

Dealer
Barclays
(ABN 86 062 449 585)

The date of this Information Memorandum is 27 March 2014

Contents

Important Notice

Introduction

This Information Memorandum relates to a debt issuance programme ("**Programme**") established by Barclays Bank PLC, Australian Branch ("**Issuer**") under which the following debt instruments may be issued from time to time up to the then applicable Programme Limit (as defined in the section entitled "Summary of the Programme" below):

- short term notes ("**STNs**");
- medium term notes ("**MTNs**"),

  (STNs and MTNs together referred to as, "**Notes**");
- transferable deposits and certificates of deposit (together referred to as "**Deposit Instruments**"); and
- other debt instruments,

and all of the above are collectively, referred to in this Information Memorandum as "**Debt Instruments**".

This Information Memorandum replaces the Information Memorandum dated 6 December 2010.

Issuer's Responsibility

This Information Memorandum has been prepared by, and issued with, the authority of the Issuer. The Issuer accepts responsibility for the information contained in this Information Memorandum other than information provided by the Arranger, the Dealers and the Agents (each as defined in the section entitled "Summary of the Programme" below) in relation to their respective descriptions in the section entitled "Directory" below.

Place of Issuance

Subject to applicable laws, regulations and directives, the Issuer may issue Debt Instruments under the Programme in any country, including Australia and countries in Europe and Asia, but not in the United States of America unless such Debt Instruments are registered under the United States Securities Act of 1933 (as amended) ("**U.S. Securities Act**") or an exemption from the registration requirements is available.

Debt Instruments may be lodged in the Austraclear System or such other clearing system as may be specified in the applicable Supplement for such Debt Instruments. The Issuer may also issue notes, bonds or other debt instruments (including dematerialised securities) otherwise than under the Programme.

Terms and Conditions of Issue

Debt Instruments will be issued in series (each a "**Series**"). Each Series may comprise one or more tranches (each a "**Tranche**") having one or more issue dates and on conditions that are otherwise identical (other than, to the extent relevant, in respect of the issue price and the first payment of interest).

Each issue of Debt Instruments will be made pursuant to such documentation as the Issuer may determine. A pricing supplement and/or another supplement to this Information Memorandum ("**Supplement**") will be issued for each Tranche or Series of Debt Instruments (unless otherwise agreed between the Issuer and a relevant Dealer). A Supplement will contain details of the initial aggregate principal amount, issue price, issue date, maturity date, details of interest (if any) payable

together with any other terms and conditions not set out in this Information Memorandum that may be applicable to that Tranche or Series of Debt Instruments.

The terms and conditions ("**Conditions**") applicable to the Debt Instruments are included in this Information Memorandum and may be supplemented, amended, modified or replaced by the Supplement applicable to those Debt Instruments. The Issuer may also publish a supplement to this Information Memorandum (or additional information memoranda) which describes the issue of Debt Instruments (or particular classes of Debt Instruments) not otherwise described in this Information Memorandum. A Supplement may also supplement, amend, modify or replace any statement or information set out in this Information Memorandum.

Priority of deposit liabilities and other amounts

The depositor protection provisions of Division 2 of Part II of the Banking Act 1959 of Australia ("**Australian Banking Act**") do not apply to Barclays Bank PLC (including the Issuer acting through its Australian Branch). The Debt Instruments are neither "protected accounts" nor "deposit liabilities" within the meaning of the Australian Banking Act. However, under section 11F of the Australian Banking Act, if Barclays Bank PLC (whether in or outside Australia) suspends payment or becomes unable to meet its obligations, the assets of Barclays Bank PLC in Australia are to be available to meet its liabilities in Australia (including where those liabilities are in respect of the Debt Instruments) in priority to all other liabilities of Barclays Bank PLC. Further, under section 86 of the Reserve Bank Act 1959 of Australia, debts due by Barclays Bank PLC to the Reserve Bank of Australia shall in a winding-up of Barclays Bank PLC have priority over all other debts of Barclays Bank PLC.

Information incorporated by reference

This Information Memorandum is to be read in conjunction with all documents which are deemed to be incorporated into it by reference as set out below. This Information Memorandum shall, unless otherwise expressly stated, be read and construed on the basis that such documents are so incorporated and form part of this Information Memorandum. References to "**Information Memorandum**" are to this Information Memorandum and any other document incorporated by reference and to any of them individually.

The following information has been filed with the Financial Conduct Authority of the United Kingdom ("**FCA**") and shall be deemed to be incorporated in, and to form part of, this Information Memorandum:

- the sections set out below from the joint Annual Report of Barclays Bank PLC ("**Bank**") and Barclays PLC, as filed with the U.S. Securities and Exchange Commission ("**SEC**") on Form 20-F in respect of the years ended 31 December 2012 and 31 December 2013 ("**Joint Annual Report**"), with the exception of the information incorporated by reference in the Joint Annual Report referred to in the Exhibit Index of the Joint Annual Report, which shall not be deemed to be incorporated in this Information Memorandum. The table below sets out the relevant page references for all of the information contained within the Joint Annual Report as filed on Form 20-F:

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- the Annual Reports of the Bank containing the audited consolidated accounts of the Bank and the independent auditors' reports in respect of the years ended 31 December 2012 (the "**2012 Bank Annual Report**") and 31 December 2013 (the "**2013 Bank Annual Report**"), respectively; and

- the announcement by Barclays PLC of its leverage plan as filed with the SEC on Form 6-K on Film Number 13995561 on 30 July 2013.

Each of the Bank and Barclays PLC has applied International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the European Union ("**IFRS**") in the financial statements incorporated by reference above. A summary of the significant accounting policies for each of the Bank and Barclays PLC is included in each of the Joint Annual Report, the 2012 Bank Annual Report and the 2013 Bank Annual Report.

Any statement contained in this Information Memorandum or in any documents incorporated by reference in, and forming part of, this Information Memorandum, shall be modified or superseded in this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement (including whether expressly or by implication).

In addition, the Issuer, and certain of its affiliates, may make filings with regulatory authorities from time to time and such filings may include information material to investors. Copies of such filings are available from the Issuer on request.

Copies of documents incorporated by reference in this Information Memorandum may be obtained from the offices of the Issuer or such other person specified in a Supplement.

References to internet site addresses

Any internet site addresses provided in this Information Memorandum are for reference only and the content of any such internet site is not incorporated by reference into, and does not form part of, this Information Memorandum, except as expressly stated in this Information Memorandum.

No offer

This Information Memorandum does not, and is not intended to, constitute an offer or invitation by or on behalf of the Issuer, any of its affiliates, the Arranger, the Dealers or any Agent to any person to subscribe for, purchase or otherwise deal in any Debt Instruments.

No independent verification

The only role of the Arranger, the Dealers and the Agents in the preparation of this Information Memorandum has been to confirm to the Issuer that their respective descriptions in the section entitled "Directory" below are accurate as at the Preparation Date (as defined below).

Apart from the foregoing, none of the Arranger, the Dealers or the Agents has independently verified the information contained in this Information Memorandum. Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility is accepted, by them as to the accuracy or completeness of this Information Memorandum or any further information supplied by the Issuer in connection with the Programme or any Debt Instruments.

The Arranger, the Dealers and the Agents expressly do not undertake to review the financial condition or affairs of the Issuer, or any of its affiliates at any time or to advise any holder of a Debt Instrument of any information coming to their attention with respect to the Issuer.

Intending purchasers to make independent investment decision and obtain tax advice

This Information Memorandum contains only summary information concerning the Debt Instruments. Neither the information contained in this Information Memorandum nor any other information supplied in connection with the Programme or the issue of any Debt Instruments is intended to provide the basis of any credit or other evaluation in respect of the Issuer or any Debt Instruments and should not be considered or relied on as a recommendation or a statement of opinion (or a report of either of these things) by any of the Issuer, any of its affiliates, the Arranger, the Dealers or the Agents that any recipient of this Information Memorandum or any other information supplied in connection with the Programme or the issue of any Debt Instruments should subscribe for, purchase or otherwise deal in any Debt Instruments, or otherwise acquire any rights in respect of any Debt Instruments.

Each investor contemplating subscribing for, purchasing or otherwise dealing in any Debt Instruments, or any rights in respect of any Debt Instruments, should:

- make and rely upon (and shall be taken to have made and relied upon) its own independent investigation of the financial condition and affairs of, and its own appraisal of the creditworthiness of, the Issuer and its affiliates;

- determine for themselves the relevance of the information contained in this Information Memorandum and any other information supplied in connection with the Programme or the issue of any Debt Instruments, and must base their investment decision solely upon their independent assessment and such investigations as they consider necessary; and

- consult their own tax advisers concerning the application of any tax laws applicable to their particular situation.

No advice is given in respect of the taxation treatment of investors or purchasers in connection with an investment in any Debt Instruments or rights in respect of them and each investor is advised to consult its own professional adviser.

Selling restrictions and no disclosure

Neither this Information Memorandum nor any other disclosure document in relation to the Debt Instruments has been, or will be, lodged with the Australian Securities and Investments Commission ("**ASIC**") or any other government agency. No action has been taken which would permit an offering of the Debt Instruments in circumstances that would require disclosure under Parts 6D.2 or 7.9 of the Corporations Act 2001 of Australia ("**Corporations Act**").

The Information Memorandum is not a prospectus or other disclosure document for the purposes of the Corporations Act.

The distribution and use of this Information Memorandum, including any Supplement, advertisement or other offering material, and the offer or sale of Debt Instruments may be restricted by law in certain jurisdictions and intending purchasers and other investors should inform themselves about, and observe any, such restrictions.

For a description of certain restrictions on offers, sales and deliveries of the Debt Instruments, and on distribution of this Information Memorandum, any Supplement or other offering material relating to the Debt Instruments, see the section entitled "Selling Restrictions" below.

None of the Issuer, any of its affiliates, the Arranger, the Dealers or the Agents represents that this Information Memorandum may be lawfully distributed, or that any Debt Instruments may be lawfully offered in compliance with any applicable registration or other requirements in any jurisdiction, or under an exemption available in such jurisdiction, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by any of those parties which would permit a public offering of any Debt Instruments or distribution of this Information Memorandum in any jurisdiction where action for that purpose is required.

A person may not (directly or indirectly) offer for subscription or purchase or issue an invitation to subscribe for or buy Debt Instruments, nor distribute this Information Memorandum or any other

offering material relating to the Debt Instruments except if the offer or invitation complies with all applicable laws and regulations.

No authorisation

No person has been authorised to give any information or make any representations not contained in or consistent with this Information Memorandum in connection with the Issuer, any of its affiliates, the Programme or the issue or sale of the Debt Instruments and, if given or made, such information or representation must not be relied on as having been authorised by the Issuer, any of its affiliates, the Arranger, the Dealers or any of the Agents.

No registration in the United States

The Debt Instruments have not been, and will not be, registered under the U.S. Securities Act. The Debt Instruments may not be offered, sold, delivered or transferred, at any time, within the United States of America, its territories or possessions or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act) unless such Debt Instruments are registered under the U.S. Securities Act or an exemption from the registration requirements thereof is available.

Stabilisation

In connection with any issue of Debt Instruments outside Australia, a Dealer (if any) designated as stabilising manager in any relevant Supplement may over-allot or effect transactions outside Australia and on a financial market operated outside Australia or New Zealand which stabilise or maintain the market price of the Debt Instruments of the relevant Series at a level which might not otherwise prevail for a limited period after the issue date and only if such transactions occur outside Australia and have no relevant jurisdictional connection to Australia. Such stabilising shall be in compliance with all relevant laws and regulations.

Agency and distribution arrangements

The Issuer has agreed to pay fees to the Agents for undertaking their respective roles and reimburse them for certain of their expenses incurred in connection with the Programme.

The Issuer may also pay a Dealer a fee in respect of the Debt Instruments subscribed by it, may agree to reimburse the Dealers for certain expenses incurred in connection with this Programme and may indemnify the Dealers against certain liabilities in connection with the offer and sale of Debt Instruments.

The Issuer, the Arranger, the Dealers and the Agents, and their respective related entities, directors, officers and employees may have pecuniary or other interests in the Debt Instruments and may also have interests pursuant to other arrangements and may receive fees, brokerage and commissions and may act as a principal in dealing in any Debt Instruments.

References to credit ratings

There may be references in this Information Memorandum to credit ratings. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant assigning organisation. Each credit rating should be evaluated independently of any other credit rating.

Credit ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located. Anyone who is not such a person is not entitled to receive this Information Memorandum and anyone who receives this Information Memorandum must not distribute it to any person who is not entitled to receive it.

Currencies

In this Information Memorandum references to "**A$**" or "**Australian Dollars**" are to the lawful currency of the Commonwealth of Australia.

Currency of information

The information contained in this Information Memorandum is prepared as of its Preparation Date. Neither the delivery of this Information Memorandum nor any offer, issue or sale made in connection with this Information Memorandum at any time implies that the information contained in it is correct at any time subsequent to the Preparation Date, that any other information supplied in connection with the Programme is correct as of any time subsequent to the Preparation Date or that there has not been any change (adverse or otherwise) in the financial conditions or affairs of the Issuer at any time subsequent to the Preparation Date. In particular, neither the Issuer nor any of its affiliates is under any obligation to the holders of any Debt Instruments to update this Information Memorandum at any time after an issue of Debt Instruments.

In this Information Memorandum, "**Preparation Date**" means:

- in relation to this Information Memorandum, the date indicated on its face or, if the Information Memorandum has been amended, supplemented or replaced, the date indicated on the face of that amendment, supplement or replacement;

- in relation to annual reports and any financial statements incorporated in this Information Memorandum, the date up to, or as at, the date on which such annual reports and financial statements relate; and

- in relation to any other item of information which is to be read in conjunction with this Information Memorandum, the date indicated on its face as being its date of release or effectiveness.

Investors should review, amongst other things, the documents which are deemed to be incorporated in this Information Memorandum by reference when deciding whether or not to subscribe for, purchase or otherwise deal in any Debt Instruments or any rights in respect of any Debt Instruments.

Summary of the Programme

The following is a brief summary only and should be read in conjunction with the rest of this Information Memorandum and, in relation to any Debt Instruments, the applicable Conditions and any applicable Supplement. A term used below but not otherwise defined has the meaning given to it in the Conditions. A reference to a "Supplement" does not limit the provisions or features of this Programme which may be supplemented, amended, modified or replaced by a Supplement in relation to a particular Tranche or Series of Debt Instruments.

Issuer:	Barclays Bank PLC, Australian Branch (ABN 86 062 449 585). *Barclays Bank PLC, Australian Branch is regulated as a foreign authorised deposit-taking institution for the purposes of the Banking Act of Australia 1959 ("**Australian Banking Act**").* The Debt Instruments are neither "protected accounts" nor "deposit liabilities" within the meaning of the Australian Banking Act. The Debt Instruments are not the obligations of either the Australian Government nor of any other government and, in particular, are not guaranteed by the Commonwealth of Australia.
Description:	A non-underwritten debt issuance programme ("**Programme**") under which, subject to applicable laws, regulations and directives, the Issuer may elect to issue a variety of debt instruments (collectively, "**Debt Instruments**") including short and medium term notes ("**Notes**"), transferable deposits and certificates of deposit ("**Deposit Instruments**"), or other debt instruments to purchasers or investors in any jurisdiction as specified in the relevant Supplement (if any) or (in other cases) as agreed between the Issuer and the relevant Dealer(s) and subject to all applicable laws, regulations and directives.
Arranger:	Barclays Bank PLC, Australian Branch.
Initial Dealer:	Barclays Bank PLC, Australian Branch. Additional Dealers may be appointed from time to time for any Tranche of Debt Instruments or to the Programme generally. *Details of the Arranger's and the initial Dealer's Australian Business Number and Australian Financial Services Licence number are set out in the section entitled "Directory" below.*
Programme Limit:	A$10,000,000,000 (or its equivalent in other currencies and as that amount may be increased from time to time). The Programme Limit may be increased by the Issuer from time to time and will be set out in a supplement to this Information Memorandum.
Programme Term:	The term of the Programme continues until terminated by the Issuer giving 30 days notice to the Arranger and any Dealers appointed to the Programme generally or earlier by agreement between such parties.
Registrar and Issuing and Paying Agent:	BTA Institutional Services Australia Limited (ABN 48 002 916 396) ("**Registrar**") or any other persons appointed by the Issuer under an Agency Agreement to establish and maintain a Register (as defined below) on the Issuer's behalf from time to time and/or to perform issuing and paying agency functions, each a "**Registrar**" and together, the "**Registrars**".

	Details of any other appointments of any person(s) appointed by the Issuer to act as a registrar, issuing agent, paying agent or other agent on the Issuer's behalf from time to time outside Australia in respect of a Tranche or Series ("**Offshore Agent**") will be notified in the relevant Supplement.
Calculation Agents:	If a Calculation Agent is required for the purpose of calculating any amount or making any determination under a Debt Instrument, such appointment will be notified in the applicable Supplement. The Issuer may terminate the appointment of the Calculation Agent, appoint additional or other Calculation Agents or elect to have no Calculation Agent. Where no Calculation Agent is appointed the calculation of interest, principal and other payments in respect of the relevant Debt Instruments will be made by the Issuer.
Agents:	Each Registrar, Calculation Agent and any other person appointed by the Issuer to perform other registry or agency functions with respect to any Series or Tranche of Debt Instruments.
Currencies:	Debt Instruments may be denominated in Australian Dollars or, subject to any applicable legal or regulatory requirements, any alternate currency as may be agreed between the Issuer and the relevant Dealer.
Denomination:	Subject to all applicable laws, regulations and directives, Debt Instruments will be issued in denominations of A$10,000 (or its equivalent in other currencies) or, in each case, such other single denominations as may be specified in the relevant Supplement or determined by the Issuer in compliance with all applicable laws and directives.
Status and ranking in a winding-up of the Issuer:	It is intended that Debt Instruments will be direct, unsubordinated and unsecured obligations of the Issuer, and in a winding-up of the Issuer, will rank at least equally with all other direct, unsubordinated and unsecured obligations of the Issuer, except liabilities mandatorily preferred by law.
Clearing Systems:	Debt Instruments may be transacted either within or outside any Clearing System (as defined below). The Issuer may apply to Austraclear Limited (ABN 94 002 060 773) ("**Austraclear**") for approval for Debt Instruments to be traded on the settlement system operated by Austraclear ("**Austraclear System**"). Approval by Austraclear for the trading of Debt Instruments in the Austraclear System is not a recommendation or endorsement by Austraclear of such Debt Instruments. Transactions relating to interests in Debt Instruments may also be carried out through the settlement system operated by Euroclear Bank S.A./N.V. ("**Euroclear**"), the settlement system operated by Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") or any other clearing system outside Australia specified in the relevant Supplement (and together with the Austraclear System, Euroclear and Clearstream, Luxembourg and any clearing system specified in the relevant Supplement, each a "**Clearing System**"). Interests in Debt Instruments traded in the Austraclear System may also be held for the benefit of Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in Debt Instruments in Euroclear would be held in the Austraclear System by a nominee of Euroclear (currently HSBC Custody Nominees (Australia) Limited) while entitlements in respect of holdings of interests in Debt Instruments in Clearstream, Luxembourg would be held in the Austraclear

System by a nominee of J.P. Morgan Chase Bank, N.A. as custodian for Clearstream, Luxembourg.

The rights of a holder of interests in a Debt Instrument held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations for accountholders of Euroclear and Clearstream, Luxembourg, the terms and conditions of agreements between Euroclear and Clearstream, Luxembourg and their respective nominee and the rules and regulations of the Austraclear System. In addition, any transfer of interests in a Debt Instrument , which is held through Euroclear or Clearstream, Luxembourg will, to the extent such transfer will be recorded on the Austraclear System, be subject to the Corporations Act and the requirements for minimum consideration as set out in the Conditions.

The Issuer will not be responsible for the operation of the clearing arrangements which is a matter for the clearing institutions, their nominees, their participants and the investors.

Form: The form of a Series of Debt Instruments will be determined by the Issuer and any relevant Dealer prior to their issue date and will be specified in any relevant Supplement.

Debt Instruments will be issued in registered uncertificated form. Such Debt Instruments will be debt obligations of the Issuer which are constituted by, and owing under the deed poll dated 5 June 2008 or, such other deed or deed poll made by the Issuer as is specified in an applicable Supplement. Such Debt Instruments take the form of entries in a register ("**Register**") maintained by a Registrar.

Title: Entry of the name of the person in the Register in respect of a Debt Instrument in registered form constitutes the obtaining or passing of title and is conclusive evidence that the person so entered is the registered holder of that Debt Instrument subject to correction for fraud or error.

Title to Debt Instruments which are held in a Clearing System will be determined in accordance with the rules and regulations of the relevant Clearing System. Debt Instruments which are held in the Austraclear System will be registered in the name of Austraclear.

No certificate or other evidence of title will be issued to holders of Debt Instruments issued in Australia unless the Issuer determines that certificates should be available or it is required to do so pursuant to any applicable law or regulation.

Title to other Debt Instruments will depend on the form of those Debt Instruments as specified in the relevant Supplement.

Use of proceeds: The net proceeds realised from the issue of Debt Instruments will be used for the Bank's general corporate purposes.

Transfer procedure: Debt Instruments may only be transferred in whole.

Debt Instruments may only be transferred between persons if the transfer is in compliance with the laws and directives of the jurisdiction in which the transfer takes place.

Transfers of Debt Instruments held in a Clearing System will be made in accordance with the rules and regulations of the relevant Clearing System.

Payments:	Payments to persons who hold Debt Instruments through a Clearing System will be made in accordance with the rules and regulations of the relevant Clearing System. If Debt Instruments are not lodged in a Clearing System, payments will be made to the account of the registered holder noted in the Register. If no account is notified, then payments will be made by cheque mailed on the Business Day immediately preceding the relevant payment date to the registered holder at its address appearing in the Register on the Record Date or in such other manner as the Issuer considers appropriate.
Stamp duty:	Any stamp duty incurred at the time of issue of the Debt Instruments will be for the account of the Issuer. Any stamp duty incurred on a transfer of Debt Instruments will be for the account of the relevant investors. As at the date of this Information Memorandum, no *ad valorem* stamp duty is payable in any Australian State or Territory on the issue, transfer or redemption of the Debt Instruments. However, investors are advised to seek independent advice regarding any stamp duty or other taxes imposed by another jurisdiction upon the transfer of Debt Instruments, or interests in Debt Instruments, in any jurisdiction.
Taxes:	A brief overview of the Australian and United Kingdom taxation treatment of payments of interest on Debt Instruments is set out in the section entitled "Taxation" below. However, investors should obtain their own taxation advice regarding the taxation status of investing in Debt Instruments.
Selling restrictions:	The offer, sale and delivery of Debt Instruments and the distribution of this Information Memorandum and other material in relation to any Debt Instruments are subject to such restrictions as may apply in any country relevantly connected with that offer and sale. In particular, restrictions on the offer or sale of Debt Instruments in Australia, the United Kingdom, New Zealand, the European Economic Area, the United States of America, Japan, Singapore and Hong Kong are set out in the section entitled "Selling Restrictions" below. Restrictions on the sale and/or distribution of a particular Tranche or Series of Debt Instruments may also be set out in an applicable Supplement.
Direct issues by Issuer:	The Issuer may issue Debt Instruments directly to purchasers or investors (as applicable) procured by it. Such purchasers may be required to confirm and acknowledge to the Issuer in writing that the issue of the Debt Instruments resulted from the Debt Instruments being offered for issue as a result of negotiations being initiated publicly in electronic form (e.g. Reuters or Bloomberg) or in another form that was used by financial markets for dealing in securities.
Listing:	It is not currently intended that Debt Instruments will be listed on any stock exchange.
Investors to obtain Independent advice with respect to investment risks:	This Information Memorandum does not describe all of the risks of an investment in the Debt Instruments. Prospective investors or purchasers should consult their own financial and legal advisers about risks associated with an investment in a particular Tranche of Debt Instruments and the suitability of investing in the Debt Instruments in light of their particular circumstances.

Governing law:	Unless expressly specified otherwise, the Debt Instruments, and all related documents, will be governed by the laws of New South Wales, Australia.

Corporate Profile

THE BANK AND THE GROUP

Barclays Bank PLC ("**Bank**") and its subsidiary undertakings (taken together, the "**Bank Group**") is a public limited company registered in England and Wales under number 1026167. The liability of the members of the Bank is limited. It has its registered and head office at 1 Churchill Place, London, E14 5HP, United Kingdom (telephone number + 44 (0)20 7116 1000). The Bank was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, the Bank was re-registered as a public limited company and its name was changed from "Barclays Bank International Limited" to "Barclays Bank PLC".

The Group is a major global financial services provider engaged in retail and commercial banking, credit cards, investment banking, wealth management and investment management services with an extensive international presence in Europe, United States, Africa and Asia. Together with its predecessor companies, the Bank Group has over 300 years of history and expertise in banking. Today the Bank Group operates in over 50 countries and as at 31 December 2013, employed approximately 140,000 people. The Bank Group moves, lends, invests and protects money for customers and clients worldwide. The whole of the issued ordinary share capital of the Bank is beneficially owned by Barclays PLC. Barclays PLC together with its subsidiary undertakings (taken together, the "**Group**") is the ultimate holding company of the Group and is one of the largest financial services companies in the world by market capitalisation.

The short term unsecured obligations of the Bank are rated A-1 by Standard & Poor's Credit Market Services Europe Limited, P-1 by Moody's Investors Service Ltd. and F1 by Fitch Ratings Limited and the long-term obligations of the Bank are rated A by Standard & Poor's Credit Market Services Europe Limited, A2 by Moody's Investors Service Ltd. and A by Fitch Ratings Limited.

Based on the Bank Group's audited financial information for the year ended 31 December 2013, the Bank Group had total assets of £1,312,840 million (2012: £1,488,761 million), total net loans and advances[1] of £468,664 million (2012: £464,777 million), total deposits[2] of £482,770 million (2012: £462,512 million), and total shareholders' equity of £63,220 million (2012: £59,923 million) (including non-controlling interests of £2,211 million (2012: £2,856 million)). The profit before tax from continuing operations of the Bank Group for the year ended 31 December 2013 was £2,855 million (2012: £650 million) after credit impairment charges and other provisions of £3,071 million (2012: £3,340 million). The financial information in this paragraph is extracted from the audited consolidated financial statements of the Bank for the year ended 31 December 2013.

Acquisitions, Disposals and Recent Developments

Strategic combination of Barclays Africa with Absa Group Limited

On 6 December 2012, the Bank entered into an agreement to combine the majority of its Africa operations ("**African Business**") with Absa Group Limited ("**Absa**"). Under the terms of the combination, Absa acquired Barclays Africa Limited, the holding company of the African Business, for a consideration of 129,540,636 Absa ordinary shares (representing a value of approximately £1.3bn for Barclays Africa Limited). The combination completed on 31 July 2013 and, on completion, the Bank's stake in Absa increased from 55.5% to 62.3%. Absa was subsequently renamed Barclays Africa Group Limited but continues to trade under the name Absa.

PRA Capital Adequacy Review

In 2013 the UK Financial Policy Committee asked the PRA to take steps to ensure that, by the end of 2013, major UK banks and building societies, including the Group, held capital resources equivalent to 7% of their risk weighted assets. As part of its review, the PRA also introduced a 3% leverage ratio target, which the PRA requested the Group plan to achieve by 30 June 2014. The PRA's calculations for both capital and leverage ratios were based on CRD IV definitions, applied on a fully loaded basis with further prudential adjustments.

In order to achieve these targets within the PRA's expected timeframes the Group formulated and agreed with the PRA a plan comprised of capital management and leverage exposure actions which was announced on 30 July 2013. The Group executed on this plan in 2013 by completing an underwritten rights issue to raise approximately £5.8bn (net of expenses) in common equity tier 1 capital; issuing £2.1bn (equivalent) CRD IV qualifying contingent convertible Additional Tier 1 securities with a 7% fully loaded CET1 ratio trigger; and reducing PRA leverage exposure to £1,363bn. These actions resulted in the Group reporting a fully loaded CRD IV CET1 ratio of 9.3% and an estimated PRA leverage ratio of just under 3% as at 31 December 2013.

Legal, Competition and Regulatory Matters

The Group faces legal, competition and regulatory challenges, many of which are beyond the Group's control. The extent of the impact on the Group of the legal, competition and regulatory matters in which the Group is or may in the future become involved, cannot always be predicted but may materially impact the Group's results of operations, financial condition and prospects.

Lehman Brothers

(i) Background Information

In September 2009, motions were filed in the United States Bankruptcy Court for the Southern District of New York ("**Bankruptcy Court**") by Lehman Brothers Holdings Inc. ("**LBHI**"), the SIPA Trustee for Lehman Brothers Inc. ("**Trustee**") and the Official Committee of Unsecured Creditors of Lehman Brothers Holdings Inc. ("**Committee**"). All three motions challenged certain aspects of the transaction pursuant to which Barclays Capital Inc. ("**BCI**") and other companies in the Group acquired most of the assets of Lehman Brothers Inc. ("**LBI**") in September 2008, as well as the court order approving the sale ("**Sale**"). The claimants sought an order voiding the transfer of certain assets to BCI, requiring BCI to return to the LBI estate any excess value BCI allegedly received, and declaring that BCI is not entitled to certain assets that it claims pursuant to the Sale documents and order approving the Sale ("**Rule 60 Claims**"). In January 2010, BCI filed its response to the motions and also filed a motion seeking delivery of certain assets that LBHI and LBI had failed to deliver as required by the Sale documents and the court order approving the Sale (together with the Trustee's competing claims to those assets, Contract Claims).

(ii) Status

In February 2011, the Bankruptcy Court issued an Opinion rejecting the Rule 60 Claims and deciding some of the Contract Claims in the Trustee's favour and some in favour of the Group. In July 2011, the Bankruptcy Court entered final Orders implementing its Opinion. The Group and the Trustee each appealed the Bankruptcy Court's adverse rulings on the Contract Claims to the US District Court for the Southern District of New York ("**SDNY**"). LBHI and the Committee did not appeal the Bankruptcy Court's ruling on the Rule 60 Claims. After briefing and argument, the SDNY issued an Opinion in June 2012, reversing one of the Bankruptcy Court's rulings on the Contract Claims that had been adverse to the Group and affirming the Bankruptcy Court's other rulings on the Contract Claims. In July 2012, the SDNY issued an amended Opinion, correcting certain errors but not otherwise modifying the rulings, along with an agreed judgement implementing the rulings in the Opinion ("**Judgement**"). Under the Judgement, the Group is entitled to receive: (i) $1.1bn (£0.7bn) from the Trustee in respect of 'clearance box' assets ("**Clearance Box Assets**"); and (ii) property held at various institutions in respect of the exchange traded derivatives accounts transferred to BCI in the Sale (ETD Margin). The Trustee has appealed the SDNY's adverse rulings to the US Court of Appeals for the Second Circuit ("**Second Circuit**"). The current Judgement is stayed pending resolution of the Trustee's appeal.

Approximately $4.3bn (£2.6bn) of the assets to which the Group is entitled as part of the acquisition had not been received by 31 December 2013, approximately $2.7bn (£1.6bn) of which have been recognised as a receivable on the balance sheet as at that date. The unrecognised amount, approximately $1.6bn (£1.0bn) as of 31 December 2013 effectively represents a provision against the uncertainty inherent in the litigation and potential post-appeal proceedings and issues relating to the recovery of certain assets held by an institution outside the US. To the extent the Group ultimately receives in the future assets with a value in excess of the approximately $2.7bn (£1.6bn) recognised on the balance sheet as of 31 December 2013, it would result in a gain in income equal to such

excess. It appears that the Trustee may dispute the Group's entitlement to certain of the ETD Margin even in the event the Group prevails in the pending Second Circuit appeal proceedings. Moreover, there is uncertainty regarding recoverability of a portion of the ETD Margin not yet delivered to the Group that is held by an institution outside the US. Thus, the Group cannot reliably estimate how much of the ETD Margin the Group is ultimately likely to receive. Nonetheless, if the SDNY's rulings are unaffected by future proceedings, but conservatively assuming the Group does not receive any ETD Margin that the Group believes may be subject to a post-appeal challenge by the Trustee or to uncertainty regarding recoverability, the Group will receive assets in excess of the $2.7bn (£1.6bn) recognised as a receivable on the Group's balance sheet as at 31 December 2013. In a worst case scenario in which the Second Circuit reverses the SDNY's rulings and determines that the Group is not entitled to any of the Clearance Box Assets or ETD Margin, the Group estimates that, after taking into account its effective provision, its total losses would be approximately $6bn (£3.6bn). Approximately $3.3bn (£2bn) of that loss would relate to Clearance Box Assets and ETD Margin previously received by the Group and prejudgement and post-judgement interest on such Clearance Box Assets and ETD Margin that would have to be returned or paid to the Trustee. In this context, the Group is satisfied with the valuation of the asset recognised on its balance sheet and the resulting level of effective provision.

(iii) Other

In May 2013 Citibank N.A. ("**Citi**") filed an action against the Bank in the SDNY alleging breach of an indemnity contract. In November 2008, the Bank provided an indemnity to Citi in respect of losses incurred by Citi between 17 and 19 September 2008 in performing foreign exchange settlement services for LBI as LBI's designated settlement member with CLS Bank International. Citi did not make a demand for payment under this indemnity until 1 February 2013 when it submitted a demand that included amounts which the Group concluded it was not obligated to pay. Citi proceeded to file the action in May 2013, in which it claimed that the Group was responsible for a 'principal loss' of $90.7m, but also claimed that the Bank was obligated to pay Citi for certain alleged 'funding losses' from September 2008 to December 2012. In a June 2013 filing with the Court, Citi claimed that, in addition to the $90.7m principal loss claim, it was also claiming funding losses in an amount of at least $93.5m, consisting of alleged interest losses of over $55m and alleged capital charges of $38.5m. Both parties filed motions for partial summary judgement, and in November 2013 the SDNY ruled that: (i) Citi may only claim statutory prejudgment interest from 1 February 2013, the date upon which it made its indemnification demand on the Bank; (ii) to the extent that Citi can prove it incurred actual funding losses in the form of interest and capital charges between September 2008 and December 2012, it is entitled to recover these losses under the indemnity provided by the Bank; and (iii) the Bank is entitled under the contract to demonstrate, as a defence to the funding loss claim, that Citi had no funding losses between September 2008 and December 2012 due to the fact that it held LBI deposits during that period in an amount greater than the principal amount Citi claims it lost in performing CLS services for LBI between 17 and 19 September 2008. Citi and the Bank have reached an agreement in principle to settle this action (subject to negotiation and execution of definitive documentation).

American Depositary Shares

(i) Background Information

Barclays PLC, the Bank and various current and former members of Barclays PLC's Board of Directors have been named as defendants in five proposed securities class actions consolidated in the SDNY. The consolidated amended complaint, filed in February 2010, asserted claims under Sections 11, 12(a)(2) and 15 of the Securities Act of 1933, alleging that registration statements relating to American Depositary Shares representing preferred stock, series 2, 3, 4 and 5 ("**Preferred Stock ADS**") offered by the Bank at various times between 2006 and 2008 contained misstatements and omissions concerning (amongst other things) the Bank's portfolio of mortgage-related (including US subprime-related) securities, the Bank's exposure to mortgage and credit market risk, and the Bank's financial condition.

(ii) Status

In January 2011, the SDNY granted the defendants' motion to dismiss the complaint in its entirety, closing the case. In February 2011, the plaintiffs filed a motion asking the SDNY to reconsider in part its dismissal order, and, in May 2011, the SDNY denied in full the plaintiffs' motion for

reconsideration. The plaintiffs appealed both the dismissal and the denial of the motion for reconsideration to the Second Circuit.

In August 2013, the Second Circuit upheld the dismissal of the plaintiffs' claims related to the series 2, 3 and 4 offerings, finding that they were time barred. However, the Second Circuit ruled that the plaintiffs should have been permitted to file a second amended complaint in relation to the series 5 offering claims, and remanded the action to the SDNY for further proceedings consistent with the Second Circuit's decision. In September 2013, the plaintiffs filed a second amended complaint, which purports to assert claims concerning the series 5 offering as well as dismissed claims concerning the series 2, 3 and 4 offerings, and the defendants have moved to dismiss.

The Bank considers that these Preferred Stock ADS-related claims against it are without merit and is defending them vigorously.

Mortgage-Related Activity and Litigation

The Group's activities within the US residential mortgage sector during the period of 2005 through 2008 included sponsoring and underwriting approximately $39bn of private-label securitisations; economic underwriting exposure of approximately $34bn for other private-label securitisations; sales of approximately $0.2bn of loans to government sponsored enterprises ("**GSEs**"); and sales of approximately $3bn of loans to others. In addition, during this time period, approximately $19.4bn of loans (net of approximately $500m of loans sold during this period and subsequently repurchased) were also originated and sold to third parties by mortgage originator affiliates of an entity that the Group acquired in 2007 ("**Acquired Subsidiary**").

In connection with the Group's loan sales and sponsored private-label securitisations, the Group provided certain loan level representations and warranties ("**R&Ws**") generally relating to the underlying mortgages, the property, mortgage documentation and/or compliance with law. The Group was the sole provider of R&Ws with respect to approximately $5bn of Group sponsored securitizations, approximately $0.2bn of sales of loans to GSEs, and approximately $3bn of loans sold to others. In addition, the Acquired Subsidiary was the sole provider of R&Ws on all of the loans it sold to third parties. Other than approximately $1bn of loans sold to others for which R&Ws expired prior to 2012, there are no stated expiration provisions applicable to the R&Ws made by the Group or the Acquired Subsidiary. The Group's R&Ws with respect to the $3bn of loans sold to others are related to loans that were generally sold at significant discounts and contained more limited R&Ws than loans sold to GSEs, the loans sold by the Acquired Subsidiary or those provided by the Group on approximately $5bn of the Group's sponsored securitisations discussed above. R&Ws on the remaining approximately $34bn of the Group's sponsored securitisations were primarily provided by third party originators directly to the securitisation trusts with a Group subsidiary, as depositor to the securitisation trusts, providing more limited R&Ws. Under certain circumstances, the Group and/or the Acquired Subsidiary may be required to repurchase the related loans or make other payments related to such loans if the R&Ws are breached. The unresolved repurchase requests received on or before 31 December 2013 associated with all R&Ws made by the Group or the Acquired Subsidiary on loans sold to GSEs and others and private-label activities had an original unpaid principal balance of approximately $1.7bn at the time of such sale.

(i) Repurchase Claims

Substantially all of the unresolved repurchase requests discussed above relate to civil actions that have been commenced by the trustees for certain residential mortgage-backed securities ("**RMBS**") securitisations, in which the trustees allege that the Group and/or the Acquired Subsidiary must repurchase loans that violated the operative R&Ws. The trustees in these actions have alleged that the operative R&Ws may have been violated with respect to a greater (but unspecified) amount of loans than the amount of loans previously stated in specific repurchase requests made by such trustees.

(ii) Residential Mortgage-Backed Securities Claims

The US Federal Housing Finance Agency ("**FHFA**"), acting for two US government-sponsored enterprises, Fannie Mae and Freddie Mac, filed lawsuits against 17 financial institutions in connection with Fannie Mae's and Freddie Mac's purchases of RMBS. The lawsuits allege, amongst other

things, that the RMBS offering materials contained materially false and misleading statements and/or omissions. The Bank and/or certain of its affiliates or former employees are named in two of these lawsuits, relating to sales between 2005 and 2007 of RMBS in which a Group subsidiary was lead or co-lead underwriter.

Both complaints demand, amongst other things: rescission and recovery of the consideration paid for the RMBS; and recovery for Fannie Mae's and Freddie Mac's alleged monetary losses arising out of their ownership of the RMBS. The complaints are similar to a number of other civil actions filed against the Bank and/or certain of its affiliates by a number of other plaintiffs relating to purchases of RMBS. The Group considers that the claims against it are without merit and intends to defend them vigorously.

The original face amount of RMBS related to the claims against the Group in the FHFA actions and the other civil actions referred to above against the Group totalled approximately $9bn, of which approximately $2.6bn was outstanding as at 31 December 2013. Cumulative losses reported on these RMBS as at 31 December 2013 were approximately $0.5bn. If the Group were to lose these actions the Group believes it could incur a loss of up to the outstanding amount of the RMBS at the time of judgement (taking into account further principal payments after 31 December 2013), plus any cumulative losses on the RMBS at such time and any interest, fees and costs, less the market value of the RMBS at such time and less any reserves taken to date. The Group has estimated the total market value of these RMBS as at 31 December 2013 to be approximately $1.6bn. The Group may be entitled to indemnification for a portion of such losses.

(iii) Regulatory Inquiries

The Group has received inquiries, including subpoenas, from various regulatory and governmental authorities regarding its mortgage-related activities, and is cooperating with such inquiries.

Devonshire Trust

(i) Background Information

In January 2009, the Bank commenced an action in the Ontario Superior Court seeking an order that its early terminations of two credit default swaps under an ISDA Master Agreement with the Devonshire Trust ("**Devonshire**"), an asset-backed commercial paper conduit trust, were valid. On the same day that the Bank terminated the swaps, Devonshire purported to terminate the swaps on the ground that the Bank had failed to provide liquidity support to Devonshire's commercial paper when required to do so.

(ii) Status

In September 2011, the Ontario Superior Court ruled that the Bank's early terminations were invalid, Devonshire's early terminations were valid and, consequently, Devonshire was entitled to receive back from the Bank cash collateral of approximately C$533m together with accrued interest. The Bank appealed the Ontario Superior Court's decision to the Court of Appeal for Ontario. In July 2013, the Court of Appeal delivered its decision dismissing the Bank's appeal. In September 2013, the Bank sought leave to appeal the decision to the Supreme Court of Canada. In January 2014, the Supreme Court of Canada denied the Bank's application for leave to appeal the decision of the Court of Appeal. The Bank is considering its continuing options with respect to this matter. If the Court of Appeal's decision is unaffected by any future proceedings, the Bank estimates that its loss would be approximately C$500m, less any impairment provisions recognised to date. These provisions take full account of the Court of Appeal's decision.

LIBOR and other Benchmarks Civil Actions

Following the settlements of the investigations referred to below in '*Investigations into LIBOR, ISDAfix, other benchmarks and foreign exchange rates*', a number of individuals and corporates in a range of jurisdictions have threatened or brought civil actions against the Group in relation to LIBOR and/or other benchmarks. The majority of the USD LIBOR cases, which have been filed in various US jurisdictions, have been consolidated for pre-trial purposes in the US District Court for the Southern District of New York ("**MDL Court**"). The complaints are substantially similar and allege,

amongst other things, that the Bank and the other banks individually and collectively violated provisions of the US Sherman Act, the US Commodity Exchange Act ("**CEA**"), the US Racketeer Influenced and Corrupt Organizations Act ("**RICO**") and various state laws by manipulating USD LIBOR rates. The lawsuits seek unspecified damages with the exception of three lawsuits, in which the plaintiffs are seeking a combined total of approximately $910m in actual damages against all defendants, including the Bank, plus punitive damages. Some of the lawsuits seek trebling of damages under the US Sherman Act and RICO. Certain of the civil actions are proposed class actions that purport to be brought on behalf of (amongst others) plaintiffs that (i) engaged in USD LIBOR-linked over-the-counter transactions ("**OTC Class**"); (ii) purchased USD LIBOR-linked financial instruments on an exchange ("**Exchange-Based Class**"); (iii) purchased USD LIBOR-linked debt securities ("**Debt Securities Class**"); (iv) purchased adjustable-rate mortgages linked to USD LIBOR; or (v) issued loans linked to USD LIBOR.

In March 2013, the MDL Court issued a decision dismissing the majority of claims against the Bank and the other banks in three lead proposed class actions ("**Lead Class Actions**") and three lead individual actions ("**Lead Individual Actions**"). Following the decision, plaintiffs in the Lead Class Actions sought permission to either file an amended complaint or appeal an aspect of the March 2013 decision. In August 2013, the MDL Court denied the majority of the motions presented in the Lead Class Actions. As a result, the Debt Securities Class has been dismissed entirely; the claims of the Exchange-Based Class have been limited to claims under the CEA; and the claims of the OTC Class have been limited to claims for unjust enrichment and breach of the implied covenant of good faith and fair dealing. Subsequent to the MDL Court's March 2013 decision, the plaintiffs in the Lead Individual Actions filed a new action in California state court (since moved to the MDL Court) based on the same allegations as those initially alleged in the proposed class action cases discussed above. Various plaintiffs may attempt to bring appeals of some or all of the MDL Court's decisions in the future.

Additionally, a number of other actions before the MDL Court remain stayed, pending further proceedings in the Lead Class Actions.

Until there are further decisions, the ultimate impact of the MDL Court's decisions will be unclear, although it is possible that the decisions will be interpreted by courts to affect other litigation, including the actions described below, some of which concern different benchmark interest rates.

The Bank and other banks also have been named as defendants in other individual and proposed class actions filed in other US District Courts in which plaintiffs allege, similar to the plaintiffs in the USD LIBOR cases referenced above, that in various periods defendants either individually or collectively manipulated the USD LIBOR, Yen LIBOR, Euroyen TIBOR and/or EURIBOR rates. Plaintiffs generally allege that they transacted in loans, derivatives and/or other financial instruments whose values are affected by changes in USD LIBOR, Yen LIBOR, Euroyen TIBOR and/or EURIBOR, and assert claims under federal and state law. In October 2012, the US District Court for the Central District of California dismissed a proposed class action on behalf of holders of adjustable rate mortgages linked to USD LIBOR. Plaintiffs have appealed, and briefing of the appeal is complete.

Barclays PLC has been granted conditional leniency from the Antitrust Division of the US Department of Justice ("**DOJ-AD**") in connection with potential US antitrust law violations with respect to financial instruments that reference EURIBOR. As a result of that grant of conditional leniency, Barclays PLC is eligible for (i) a limit on liability to actual rather than treble damages if damages were to be awarded in any civil antitrust action under US antitrust law based on conduct covered by the conditional leniency and (ii) relief from potential joint-and-several liability in connection with such civil antitrust action, subject to Barclays PLC satisfying the DOJ-AD and the court presiding over the civil litigation of its satisfaction of its cooperation obligations.

Barclays PLC, the Bank and BCI have also been named as defendants along with four former officers and directors of the Bank in a proposed securities class action pending in the SDNY in connection with the Bank's role as a contributor panel bank to LIBOR. The complaint asserts claims under Sections 10(b) and 20(a) of the US Securities Exchange Act 1934, principally alleging that the Bank's Annual Reports for the years 2006 to 2011 contained misstatements and omissions concerning (amongst other things) the Bank's compliance with its operational risk management processes and certain laws and regulations. The complaint also alleges that the Bank's daily USD LIBOR submissions constituted false statements in violation of US securities law. The complaint was

brought on behalf of a proposed class consisting of all persons or entities that purchased Barclays PLC-sponsored American Depositary Receipts on a US securities exchange between 10 July 2007 and 27 June 2012. In May 2013, the court granted the Bank's motion to dismiss the complaint in its entirety. Plaintiffs have appealed, and briefing of the appeal is complete.

In addition to US actions, legal proceedings have been brought or threatened against the Group in connection with alleged manipulation of LIBOR and EURIBOR, in a number of jurisdictions. The first of which in England and Wales, brought by Graiseley Properties Limited, is set down for trial in the High Court of Justice in April 2014. The number of such proceedings, the benchmarks to which they relate, and the jurisdictions in which they may be brought are anticipated to increase over time.

Civil Actions in Respect of Foreign Exchange Trading

Since November 2013, a number of civil actions have been filed in the SDNY on behalf of proposed classes of plaintiffs alleging manipulation of foreign exchange markets under the US Sherman Antitrust Act and New York state law and naming several international banks as defendants, including the Bank.

Please see below 'Investigations into LIBOR, ISDAfix, other benchmarks and foreign exchange rates' for a discussion of competition and regulatory matters connected to 'LIBOR and other Benchmark Civil Actions'.

Investigations into LIBOR, ISDAfix, other Benchmarks and Foreign Exchange Rates

The Financial Conduct Authority ("**FCA**"), the CFTC, the SEC, the US Department of Justice ("**DOJ**") Fraud Section ("**DOJ-FS**") and Antitrust Division ("**DOJ-AD**"), the European Commission ("**Commission**"), the UK Serious Fraud Office ("**SFO**"), the Monetary Authority of Singapore, the Japan Financial Services Agency, the prosecutors' office in Trani, Italy and various US state attorneys general are amongst various authorities conducting investigations ("**Investigations**") into submissions made by the Bank and other financial institutions to the bodies that set or compile various financial benchmarks, such as LIBOR and EURIBOR.

On 27 June 2012, the Bank announced that it had reached settlements with the Financial Services Authority ("**FSA**") (as predecessor to the FCA), the CFTC and the DOJ-FS in relation to their Investigations and the Bank agreed to pay total penalties of £290m, which were reflected in operating expenses for 2012. The settlements were made by entry into a Settlement Agreement with the FSA, a Non-Prosecution Agreement ("**NPA**") with the DOJ-FS and a Settlement Order Agreement with the CFTC ("**CFTC Order**"). In addition, the Bank was granted conditional leniency from the DOJ-AD in connection with potential US antitrust law violations with respect to financial instruments that reference EURIBOR.

The terms of the Settlement Agreement with the FSA are confidential. However, the Final Notice of the FSA, which imposed a financial penalty of £59.5m, is publicly available on the website of the FCA. This sets out the FSA's reasoning for the penalty, references the settlement principles and sets out the factual context and justification for the terms imposed. Summaries of the NPA and the CFTC Order are set out below. The full text of the NPA and the CFTC Order are publicly available on the websites of the DOJ and the CFTC, respectively.

In addition to a $200m civil monetary penalty, the CFTC Order requires the Bank to cease and desist from further violations of specified provisions of the US Commodity Exchange Act and take specified steps to ensure the integrity and reliability of its benchmark interest rate submissions, including LIBOR and EURIBOR, and improve related internal controls. Amongst other things, the CFTC Order requires the Bank to:

- make its submissions based on certain specified factors, with the Bank's transactions being given the greatest weight, subject to certain specified adjustments and considerations;

- implement firewalls to prevent improper communications including between traders and submitters;

- prepare and retain certain documents concerning submissions and retain relevant communications;

- implement auditing, monitoring and training measures concerning its submissions and related processes;

- make regular reports to the CFTC concerning compliance with the terms of the CFTC Order;

- use best efforts to encourage the development of rigorous standards for benchmark interest rates; and

- continue to cooperate with the CFTC's ongoing investigation of benchmark interest rates.

As part of the NPA, the Bank agreed to pay a $160m penalty. In addition, the DOJ agreed not to prosecute the Bank for any crimes (except for criminal tax violations, as to which the DOJ cannot and does not make any agreement) related to the Bank's submissions of benchmark interest rates, including LIBOR and EURIBOR, contingent upon the Bank's satisfaction of specified obligations under the NPA. In particular, under the NPA, the Bank agreed for a period of two years from 26 June 2012, amongst other things, to:

- commit no US crime whatsoever;

- truthfully and completely disclose non-privileged information with respect to the activities of the Bank, its officers and employees, and others concerning all matters about which the DOJ inquires of it, which information can be used for any purpose, except as otherwise limited in the NPA;

- bring to the DOJ's attention all potentially criminal conduct by the Bank or any of its employees that relates to fraud or violations of the laws governing securities and commodities markets; and

- bring to the DOJ's attention all criminal or regulatory investigations, administrative proceedings or civil actions brought by any governmental authority in the US by or against the Bank or its employees that alleges fraud or violations of the laws governing securities and commodities markets.

A breach of any of the NPA provisions could lead to prosecutions in relation to the Group's benchmark interest rate submissions and could have significant consequences for the Group's current and future business operations in the US.

The Bank also agreed to cooperate with the DOJ and other government authorities in the US in connection with any investigation or prosecution arising out of the conduct described in the NPA, which commitment shall remain in force until all such investigations and prosecutions are concluded. The Bank also continues to cooperate with the other ongoing investigations.

Following the settlements announced in June 2012, 31 US state attorneys general commenced their own investigations into LIBOR, EURIBOR and the Tokyo Interbank Offered Rate. The New York Attorney General, on behalf of this coalition of attorneys general, issued a subpoena in July 2012 to the Bank (and subpoenas to a number of other banks) to produce wide-ranging information and has since issued additional information requests to the Bank for both documents and transactional data. The Bank is responding to these requests on a rolling basis. In addition, following the settlements, the SFO announced in July 2012 that it had decided to investigate the LIBOR matter, in respect of which the Bank has received and continues to respond to requests for information.

The Commission has also been conducting investigations into the manipulation of, among other things, EURIBOR. On 4 December 2013, the Commission announced that it has reached a settlement with the Group and a number of other banks in relation to anti-competitive conduct

concerning EURIBOR. The Group had voluntarily reported the EURIBOR conduct to the Commission and cooperated fully with the Commission's investigation. In recognition of this cooperation, the Group was granted full immunity from the financial penalties that would otherwise have applied.

The CFTC and the FCA are also conducting separate investigations into historical practices with respect to ISDAfix, amongst other benchmarks. The Bank has received and continues to respond to subpoenas and requests for information.

Various regulatory and enforcement authorities, including the FCA in the UK, the CFTC, the DOJ, the SEC and the New York State Department of Financial Services in the US, and the Hong Kong Monetary Authority are investigating foreign exchange trading, including possible attempts to manipulate certain benchmark currency exchange rates or engage in other activities that would benefit their trading positions. Certain of these investigations involve multiple market participants in various countries. The Bank has received enquiries from certain of these authorities related to their particular investigations, and from other regulators interested in foreign exchange issues. The Group is reviewing its foreign exchange trading covering a several year period through October 2013 and is cooperating with the relevant authorities in their investigations.

For a discussion of litigation arising in connection with these investigations see 'LIBOR and other Benchmarks Civil Actions' and 'Civil Actions in Respect of Foreign Exchange Trading' above.

FERC

(i) Background Information

The US Federal Energy Regulatory Commission ("**FERC**") Office of Enforcement investigated the Group's power trading in the western US with respect to the period from late 2006 through 2008. In October 2012, FERC issued an Order to Show Cause and Notice of Proposed Penalties ("**Order and Notice**") against the Bank and four of its former traders in relation to this matter. In the Order and Notice, FERC asserted that the Bank and its former traders violated FERC's Anti-Manipulation Rule by manipulating the electricity markets in and around California from November 2006 to December 2008, and proposed civil penalties and profit disgorgement to be paid by the Bank. In July 2013, FERC issued an Order Assessing Civil Penalties in which it assessed a $435m civil penalty against the Bank and ordered the Bank to disgorge an additional $34.9m of profits plus interest (both of which are consistent with the amounts proposed in the Order and Notice).

(ii) Status

In October 2013, FERC filed a civil action against the Bank and its former traders in the US District Court in California seeking to collect the penalty and disgorgement amount. FERC's complaint in the civil action reiterates the allegations previously made by FERC in its October 2012 Order and Notice and its July 2013 Order Assessing Civil Penalties. The Bank is vigorously defending this action. The Bank and its former traders have filed a motion to dismiss the action for improper venue or, in the alternative, to transfer it to the SDNY, and a motion to dismiss the complaint for failure to state a claim. In September 2013, the Bank was contacted by the criminal division of the US Attorney's Office in the Southern District of New York and advised that such office is looking at the same conduct at issue in the FERC matter.

BDC Finance L.L.C.

(i) Background Information

In October 2008, BDC Finance L.L.C. ("**BDC**") filed a complaint in the Supreme Court of the State of New York ("**NY Supreme Court**") alleging that the Bank breached an ISDA Master Agreement and a Total Return Loan Swap Master Confirmation ("**Agreement**") governing a total return swap transaction when it failed to transfer approximately $40m of alleged excess collateral in response to BDC's October 2008 demand ("**Demand**"). BDC asserts that under the Agreement the Bank was not entitled to dispute the Demand before transferring the alleged excess collateral and that even if the Bank was entitled to do so, it failed to dispute the Demand. BDC demands damages totalling $297m plus attorneys' fees, expenses, and prejudgement interest.

(ii) Status

In August 2012, the NY Supreme Court granted partial summary judgement for the Bank, ruling that the Bank was entitled to dispute the Demand, before transferring the alleged excess collateral, but determining that a trial was required to determine whether the Bank actually did so. The parties cross-appealed to the Appellate Division of the NY Supreme Court ("**Appellate Division**"). In October 2013, the Appellate Division reversed the NY Supreme Court's grant of partial summary judgement to the Bank, and instead granted BDC's motion for partial summary judgement, holding that the Bank breached the Agreement. The Appellate Division did not rule on the amount of BDC's damages, which has not yet been determined by the NY Supreme Court. On 25 November 2013, the Bank filed a motion with the Appellate Division for reargument or, in the alternative, for leave to appeal to the New York Court of Appeals. In January 2014, the Appellate Division issued an order denying the motion for reargument and granting the motion for leave to appeal to the New York Court of Appeals. In September 2011, BDC's investment advisor, BDCM Fund Adviser, L.L.C. and its parent company, Black Diamond Capital Holdings, L.L.C. also sued the Bank and BCI in Connecticut state court for unspecified damages allegedly resulting from the Bank's conduct relating to the Agreement, asserting claims for violation of the Connecticut Unfair Trade Practices Act and tortious interference with business and prospective business relations. The parties have agreed to a stay of that case.

Interchange Investigations

The Office of Fair Trading, as well as other competition authorities elsewhere in Europe, continues to investigate Visa and MasterCard credit and debit interchange rates. The Group receives interchange fees, as a card issuer, from providers of card acquiring services to merchants. The key risks arising from the investigations comprise the potential for fines imposed by competition authorities, litigation and proposals for new legislation. The Group may be required to pay fines or damages and could be affected by legislation amending interchange rules.

Interest Rate Hedging Products

In 2012, the Financial Services Authority announced that a number of UK banks, including the Group, would conduct a review and redress exercise in respect of interest rate hedging products sold on or after 1 December 2001 to retail clients or private customers categorised as being 'non-sophisticated'. The Group sold interest rate hedging products to approximately 4,000 retail clients or private customers within the relevant timeframe, of which approximately 2,900 have been categorised as non-sophisticated.

As at 31 December 2013 the Group recognised a provision of $1,169m against the cost of redress for non-sophisticated customers and related costs, after cumulative utilisation of £331m to that date, primarily relating to administrative costs and £87m of redress costs incurred. An initial redress outcome had been communicated to nearly 30% of customers categorised as non-sophisticated that are being covered by the review.

While the Group expects that the provision as at 31 December 2013 will be sufficient to cover the full cost of completing the redress, the appropriate provision level will be kept under review and it is possible that the eventual costs could materially differ to the extent experience is not in line with current estimates.

Payment Protection Insurance Redress

Following the conclusion of the 2011 Judicial Review regarding the assessment and redress of PPI, the Group has raised provisions totalling £3.95bn against the cost of PPI redress and complaint handling costs. As at 31 December 2013 £2.98bn of the provision had been utilised, leaving a residual provision of £0.97bn.

The current provision is calculated using a number of key assumptions which continue to involve significant management judgement. The resulting provision represents the Group's best estimate of all future expected costs of PPI redress. However, it is possible the eventual outcome may differ from the current estimate and if this were to be material and adverse a further provision will be made, otherwise it is expected that any residual costs will be handled as part of normal operations. The provision also includes an estimate of the Group's claims handling costs and those costs associated with claims that are subsequently referred to the Financial Ombudsman Service ("**FOS**").

The Group will continue to monitor actual claims volumes and the assumptions underlying the calculation of its PPI provision. It is possible that the eventual costs may materially differ to the extent that actual experience is not in line with management estimates.

*Credit Default Swap ("**CDS**") Antitrust Investigations*

Both the Commission and the DOJ-AD have commenced investigations in the CDS market (in 2011 and 2009, respectively). In July 2013 the Commission addressed a Statement of Objections to the Bank and 12 other banks, Markit and ISDA. The case relates to concerns that certain banks took collective action to delay and prevent the emergence of exchange traded credit derivative products. If the Commission does reach a decision in this matter it has indicated that it intends to impose sanctions. The Commission's sanctions can include fines. The DOJ-AD's investigation is a civil investigation and relates to similar issues. Proposed class actions alleging similar issues have also been filed in the US. The timing of these cases is uncertain.

Swiss/US Tax Programme

In August 2013, the DOJ and the Swiss Federal Department of Finance announced the Programme for Non-Prosecution Agreements or Non-Targeted letters for Swiss Banks ("**Programme**"). This agreement is the consequence of a long-running dispute between the US and Switzerland regarding tax obligations of US Related Accounts held in Swiss banks.

Barclays Bank (Suisse) SA and Barclays Bank PLC Geneva Branch are participating in the Programme, which requires a structured review of US accounts. This review is ongoing and the outcome of the review will determine whether any agreement will be entered into or sanction applied to Barclays Bank (Suisse) SA and Barclays Bank PLC Geneva Branch. The deadline for completion of the review is 30 April 2014.

Investigations into Certain Agreements

The FCA has investigated certain agreements, including two advisory services agreements entered into by the Bank with Qatar Holding LLC ("**Qatar Holding**") in June and October 2008 respectively, and whether these may have related to the Group's capital raisings in June and November 2008.

The FCA issued warning notices ("**Warning Notices**") against Barclays PLC and the Bank in September 2013. The existence of the advisory services agreement entered into in June 2008 was disclosed but the entry into the advisory services agreement in October 2008 and the fees payable under both agreements, which amount to a total of £322m payable over a period of five years, were not disclosed in the announcements or public documents relating to the capital raisings in June and November 2008. While the Warning Notices consider that Barclays PLC and the Bank believed at the time that there should be at least some unspecified and undetermined value to be derived from the agreements, they state that the primary purpose of the agreements was not to obtain advisory services but to make additional payments, which would not be disclosed, for the Qatari participation in the capital raisings. The Warning Notices conclude that Barclays PLC and the Bank were in breach of certain disclosure-related listing rules and Barclays PLC was also in breach of Listing Principle 3 (the requirement to act with integrity towards holders and potential holders of the company's shares). In this regard, the FCA considers that Barclays PLC and the Bank acted recklessly. The financial penalty in the Warning Notices against the group is £50m. Barclays PLC and the Bank continue to contest the findings.

The FCA proceedings are now subject to a stay pending progress in an investigation by the SFO into the same agreements. The SFO's investigation is at an earlier stage and the Group has received and has continued to respond to requests for further information.

The DOJ and the SEC are undertaking an investigation into whether the Group's relationships with third parties who assist the Group to win or retain business are compliant with the United States Foreign Corrupt Practices Act. They are also investigating the agreements referred to above including the two advisory services agreements. The US Federal Reserve has requested to be kept informed.

General

The Group is engaged in various other legal, competition and regulatory matters both in the UK and a number of overseas jurisdictions which arise in the ordinary course of business from time to time. At the present time, the Group does not expect the ultimate resolution of any of these other matters to have a material adverse effect on its financial position.

The outcomes of legal, competition and regulatory matters, including those disclosed above, are difficult to predict. The Group has not disclosed an estimate of the potential financial effect on the Group of contingent liabilities arising from or associated with these matters where it is not practicable to do so or, in cases where it is practicable, where disclosure could prejudice conduct of the matters. Provisions have been recognised for those matters where the Group is able reliably to estimate the probable losses where the probable loss is not *de minimis*.

Directors

The Directors of the Bank, each of whose business address is 1 Churchill Place, London E14 5HP, United Kingdom, their functions in relation to the Group and their principal outside activities (if any) of significance to the Group are as follows:

Name	*Function(s) within the Group*	*Principal outside activities*
Sir David Walker	Chairman	Consultative Group on International Economic and Monetary Affairs, Inc. (Group of Thirty) Cicely Saunders International
Antony Jenkins	Group Chief Executive	Director, The Institute of International Finance; Member, International Advisory Panel of the Monetary Authority of Singapore
Tushar Morzaria	Group Finance Director	
Tim Breedon CBE	Non-Executive Director	Non-Executive Director, Ministry of Justice Departmental Board
Fulvio Conti	Non-Executive Director	Chief Executive Officer, Enel SpA; Director, AON PLC; Independent Director, RCS MediaGroup S.p.A; Director, Endesa SA
Simon Fraser	Non-Executive Director	Non-Executive Director, Fidelity Japanese Values Plc and Fidelity European Values Plc; Chairman, Foreign & Colonial Investment Trust PLC; Chairman, The Merchants Trust PLC; Non-Executive Director, Ashmore Group PLC
Reuben Jeffery III	Non-Executive Director	Senior Adviser, Center for Strategic & International Studies; Chief Executive Officer, Rockefeller & Co., Inc.

Name	*Function(s) within the Group*	*Principal outside activities*
Dambisa Moyo	Non-Executive Director	Non-Executive Director, SABMiller plc; Non-Executive Director, Barrick Gold Corporation
Sir Michael Rake	Deputy Chairman and Senior Independent Director	Chairman, BT Group PLC; Director, McGraw-Hill Financial Inc.; President, Confederation of British Industry; Member, Prime Minister's Business Advisory Group
Sir John Sunderland	Non-Executive Director	Chairman, Merlin Entertainments Group; Non-Executive Director, AFC Energy plc
Diane de Saint Victor	Non-Executive Director	General Counsel, Company Secretary and a member of the Group Executive Committee of ABB Limited; Advisory Board Member, world economic Forum: Davos Open Forum (2013-2015)
Frits van Paasschen	Non-Executive Director	CEO and President of Starwood Hotels and Resorts Worldwide Inc.; CEO, Coors Brewing Co.
Mike Ashley	Non-Executive Director	Member, HM Treasury Audit Committee
Wendy Lucas-Bull	Non-Executive Director; Chairman of Barclays Africa Group Limited	
Stephen Thieke	Non-Executive Director	

No potential conflicts of interest exist between any duties to the Bank of the Directors listed above and their private interests or other duties.

Employees

As at 31 December 2013, the total number of persons employed by the Group (full time equivalents) was approximately 140,000 (31 December 2012: 139,200).

Significant Change Statement

There has been no significant change in the financial or trading position of the Bank or the Group since 31 December 2013.

Material Adverse Change Statement

There has been no material adverse change in the prospects of the Bank or the Group since 31 December 2013.

Risk Factors

*Prospective investors should read the entire Information Memorandum (and, where appropriate, any relevant Supplement). In this section, the term "**Group**" means Barclays PLC together with its subsidiaries and the term "**Bank Group**" means Barclays Bank PLC together with its subsidiaries. The term "**Bank**" refers to Barclays Bank PLC. Unless otherwise indicated, words and expressions defined elsewhere in this Information Memorandum have the same meanings in this section.*

Investing in Debt Instruments involves certain risks. The Issuer believes that the factors described below represent the principal risks inherent in investing in Debt Instruments issued under the Programme, but additional risks and uncertainties not presently known to the Issuer or that the Issuer currently believes to be immaterial could also have a material impact on its respective business operations or the Debt Instruments. The Issuer does not represent that the statements below regarding the risks of holding any Debt Instruments are exhaustive.

An investment in Debt Instruments linked to one or more reference items may involve a number of risks, some of which are referred to below and are not associated with investment in a conventional debt security. The Supplement in respect of an issue of Debt Instruments may contain additional risk factors in respect of such Debt Instruments. The amount paid by the Issuer on redemption of the Debt Instruments may be less than the principal amount of the Debt Instruments and may, in certain circumstances, be zero.

Potential investors should ensure that they fully understand all of the risks relating to the relevant Debt Instruments prior to making any investment decision. Potential investors should seek independent financial advice prior to investing in Debt Instruments. Potential investors should also read the detailed information set out elsewhere in this Information Memorandum (and where appropriate, any relevant Supplement) and reach their own views prior to making any investment decision. Prospective investors should note that the risks described below are not the only risks the Issuer faces. The Issuer has described only those risks relating to its operations that it considers to be material. There may be additional risks that the Issuer currently considers not to be material or of which it is not currently aware, and any of these risks could have the effects set forth above. Prospective investors should consider, among other things, the following:

(A) Business conditions and the general economy

Weak or deteriorating economic conditions or political instability in the Group's main countries of operation could adversely affect the Group's trading performance

The Group offers a broad range of services to retail and institutional customers, including governments, and it has significant activities in a large number of countries. Consequently, the operations, financial condition and prospects of the Group, its individual business units and/or specific countries of operation could be materially adversely impacted by weak or deteriorating economic conditions or political instability in one or a number of countries in any of the Group's main business areas (being the UK, the US, the Eurozone and South Africa) or any other globally significant economy through, for example: (i) deteriorating business, consumer or investor confidence leading to reduced levels of client activity and consequently a decline in revenues and/or higher costs; (ii) mark-to-market losses in trading portfolios resulting from changes in credit ratings, share prices and solvency of counterparties; and (iii) higher levels of impairment and default rates.

The global economy continues to face an environment characterised by low growth. However, governments and central banks in advanced economies have maintained highly accommodative policies that have helped to support demand at a time of very pronounced fiscal tightening and balance sheet repair. During the next few years, a combination of forecasts of and actual recovery in private sector demand and of a reduced pace of fiscal austerity in Europe and the United States is likely to result in a return by central banks towards more conventional monetary policies. Decreasing monetary support by central banks could have a further adverse impact on volatility in the financial markets and on the performance of significant parts of the Group's business, which could, in each case, have an adverse effect on the Group's future results of operations, financial condition and prospects.

(B) Credit risk

The financial condition of the Group's customers, clients and counterparties, including governments and other financial institutions, could adversely affect the Group

The Group may suffer financial loss if any of its customers, clients or market counterparties fails to fulfil their contractual obligations to the Group. The Group may also suffer loss when the value of the Group's investment in the financial instruments of an entity falls as a result of that entity's credit rating being downgraded. In addition, the Group may incur significant unrealised gains or losses due solely to changes in the Group's credit spreads or those of third parties, as these changes may affect the fair value of the Group's derivative instruments, debt securities that the Group holds or issues, or any loans held at fair value.

Deteriorating economic conditions

The Group may continue to be adversely affected by the uncertainty around the global economy and the economies of certain areas where the Group has operations, as well as areas which may have an impact on the global economy. The Group's performance is at risk from any deterioration in the economic environment which may result from a number of uncertainties, including most significantly the following factors:

(i) Interest rate rises, including as a result of slowing of monetary stimulus, could impact on consumer debt affordability and corporate profitability

The possibility of a slowing of monetary stimulus by one or more governments has increased the uncertainty of the near term economic performance across the Group's major markets as it may lead to significant movements in market rates. Higher interest rates could adversely impact the credit quality of the Group's customers and counterparties, which, coupled with a decline in collateral values, could lead to a reduction in recoverability and value of the Group's assets resulting in a requirement to increase the Group's level of impairment allowance. Any increase in impairment resulting from, for example, higher charge-offs to recovery in the retail book and write-offs could have a material adverse effect on the Group's results of operations, financial condition and prospects.

(ii) Decline in residential prices in the UK, Western Europe and South Africa

With UK home loans representing the most significant portion of the Group's total loans and advances to the retail sector, the Group has a large exposure to adverse developments in the UK property sector. Despite a downward correction of 20% in 2009, UK house prices (primarily in London) continue to be far higher than the longer term average and house prices have continued to rise at a faster rate than income. Reduced affordability as a result of, for example, higher interest rates or increased unemployment could lead to higher impairment in the near term, in particular in the UK interest only portfolio.

The Spanish and Portuguese economies, in particular their housing and property sectors, remain under significant stress with falling property prices having led to higher LTV ratios and contributing to higher impairment charges. If these trends continue or worsen, and/or if these developments occur in other European countries such as Italy, the Group may incur significant impairment charges in the future, which may materially adversely affect the Group's results of operations, financial condition and prospects.

The economy in South Africa remains challenging and the risk remains that any deterioration in the economic environment could adversely affect the Group's performance in home loans.

(iii) Political instability or economic uncertainty in markets in which the Group operates

Political instability in less developed regions in which the Group operates could weaken growth prospects that could lead to an adverse impact on customers' ability to service debt. For example, economic and political uncertainty in South Africa continues to dampen down investment into the country with lending growth rates persisting, particularly in unsecured lending.

The referenda on Scottish independence in September 2014 and on UK membership of the European Union (expected before 2017) may affect the Group's risk profile through introducing

potentially significant new uncertainties and instability in financial markets, both ahead of the respective dates for these referenda and, depending on the outcomes, after the event.

There remain concerns in the market about credit risk (including that of sovereign states) and the Eurozone crisis. The large sovereign debts and/or fiscal deficits of a number of Eurozone countries and the sustainability of austerity programmes that such countries have introduced have raised concerns among market participants regarding the financial condition of these countries as well as financial institutions, insurers and other corporates that are located in, or have direct or indirect exposures to, such Eurozone countries.

(iv) Exit of one or more countries from the Eurozone

The Group is exposed to an escalation of the Eurozone crisis, whereby a sovereign defaults and exits the Eurozone, in the following ways:

- The direct risk arising from the sovereign default of an existing country in which the Group has significant operations and the adverse impact on the economy of that exiting country and the credit standing of the Group's clients and counterparties in that country.

- The subsequent adverse impact on the economy of other Eurozone countries and the credit standing of the Group's clients and counterparties in such other Eurozone countries.

- Indirect risk arising from credit derivatives that reference Eurozone sovereign debt.

- Direct redenomination risk on the balance sheets of the Group's local operations in countries in the Eurozone should the value of the assets and liabilities be affected differently as a result of one or more countries reverting to a locally denominated currency.

- The introduction of capital controls or new currencies by any such exiting countries.

- Significant effects on existing contractual relations and the fulfilment of obligations by the Group and/or its customers.

If some or all of these conditions arise, persist or worsen, as the case may be, they may have a material adverse effect on the Group's operations, financial condition and prospects. The current absence of a predetermined mechanism for a member state to exit the Euro means that it is not possible to predict the outcome of such an event or to accurately quantify the impact of such an event on the Group's operations, financial condition and prospects.

Specific sectors/geographies

The Group is subject to risks arising from changes in credit quality and recovery of loans and advances due from borrowers and counterparties in a specific portfolio or geography or from a large individual name. Any deterioration in credit quality could lead to lower recoverability and higher impairment in a specific sector, geography or in respect of specific large counterparties.

(i) Exit Quadrant assets

The Investment Bank holds a large portfolio of assets which the Group has determined to exit on the basis such assets are unlikely to achieve sustainable returns or are operating in segments of low attractiveness . These include, for example, certain commercial real estate and leveraged finance loans, which (i) remain illiquid; (ii) are valued based upon assumptions, judgements and estimates which may change over time; and (iii) which are subject to further deterioration and write downs.

(ii) Corporate Banking assets held at fair value

Corporate Banking holds a portfolio of longer term loans to the Education, Social Housing and Local Authority (ESHLA) sectors which are marked on a fair value basis. The value of these loans is therefore subject to market movements and may give rise to losses.

(iii) Large single name losses

In addition, the Group has large individual exposures to single name counterparties. The default of obligations by such counterparties could have a significant impact on the carrying value of these assets. In addition, where such counterparty risk has been mitigated by taking collateral, credit risk may remain high if the collateral held cannot be realised or has to be liquidated at prices which are insufficient to recover the full amount of the loan or derivative exposure. Any such defaults could have a material adverse effect on the Group's results of operations, financial condition and prospects.

(C) Market risk

The Group's financial position may be adversely affected by changes in both the level and volatility of prices

The Group is at risk from its earnings or capital being reduced due to: (i) changes in the level or volatility of positions in its trading books, primarily in the Investment Bank, including changes in interest rates, inflation rates, credit spreads, commodity prices, equity and bond prices and foreign exchange levels; (ii) the Group being unable to hedge its banking book balance sheet at prevailing market levels; and (iii) the risk of the Group's defined benefit pensions obligations increasing or the value of the assets backing these defined benefit pensions obligations decreasing due to changes in either the level or volatility of prices. These market risks could lead to significantly lower revenues, which could have an adverse impact on the Group's results of operations, financial condition and prospects.

Specific examples of scenarios where market risk could lead to significantly lower revenues and adversely affect the Group's operating results include:

(i) Reduced client activity and decreased market liquidity

The Investment Bank's business model is focused on client intermediation. A significant reduction in client volumes or market liquidity could result in lower fees and commission income and a longer time period between executing a client trade, closing out a hedge, or exiting a position arising from that trade. Longer holding periods in times of higher volatility could lead to revenue volatility caused by price changes. Such conditions could have a material adverse effect on the Group's results of operations, financial condition and prospects.

(ii) Uncertain interest rate environment

Interest rate volatility can impact the Group's net interest margin, which is the interest rate spread earned between lending and borrowing costs. The potential for future volatility and margin changes remains, and it is difficult to predict with any accuracy changes in absolute interest rate levels, yield curves and spreads. Rate changes, to the extent they are not neutralised by hedging programmes, may have a material adverse effect on the Group's results of operations, financial condition and prospects.

(iii) Pension fund risk

Adverse movements between pension assets and liabilities for defined benefit pension schemes could contribute to a pension deficit. Inflation is a key risk to the pension fund and the Group's defined benefit pension net position has been adversely affected, and could be adversely affected again, by any increase in long term inflation assumptions. A decrease in the discount rate, which is derived from yields of corporate bonds with AA ratings and consequently includes exposure both to risk-free yields and credit spreads, may also impact pension valuations and may therefore have a material adverse effect on the Group's results of operations, financial condition and prospects.

(D) Funding Risk

The ability of the Group to achieve its business plans may be adversely impacted if it does not effectively manage its capital, liquidity and leverage ratios

Funding risk is the risk that the Group may not be able to achieve its business plans due to: being unable to maintain appropriate capital ratios ("**Capital risk**"); being unable to meet its obligations as they fall due ("**Liquidity risk**"); adverse changes in interest rate curves impacting structural hedges of non-interest bearing assets/liabilities or foreign exchange rates on capital ratios ("**Structural risk**").

(i) Maintaining capital strength in increasingly challenging environment

Should the Group be unable to maintain or achieve appropriate capital ratios this could lead to: an inability to support business activity; a failure to meet regulatory requirements; changes to credit ratings, which could also result in increased costs or reduced capacity to raise funding; and/or the need to take additional measures to strengthen the Group's capital or leverage position. Basel III and CRD IV have increased the amount and quality of capital that the Group is required to hold. CRD IV requirements adopted in the UK may change, whether as a result of further changes to CRD IV agreed by EU legislators, binding regulatory technical standards being developed by the European Banking Authority or changes to the way in which the PRA interprets and applies these requirements to UK banks (including as regards individual model approvals granted under CRD II and III). Such changes, either individually and/or in aggregate, may lead to further unexpected enhanced requirements in relation to the Group's CRD IV capital.

Additional capital requirements will also arise from other proposals, including the recommendations of the UK Independent Commission on Banking, the EU High Level Expert Group Review ("**Liikanen Review**") and section 165 of the Dodd-Frank Act. It is not currently possible to predict with accuracy the detail of secondary legislation or regulatory rulemaking expected under any of these proposals, and therefore the likely consequences to the Group. However, it is likely that these changes in law and regulation would require changes to the legal entity structure of the Group and how its businesses are capitalised and funded and/or are able to continue to operate and as such could have an adverse impact on the operations, financial condition and prospects of the Group. Any such increased capital requirements or changes to what is defined to constitute capital may also constrain the Group's planned activities, lead to forced asset sales and/or balance sheet reductions, increase costs and/or impact on the Group's earnings. Moreover, during periods of market dislocation, or when there is significant competition for the type of funding that the Group needs, increasing the Group's capital resources in order to meet targets may prove more difficult and/or costly.

(ii) Changes in funding availability and costs

Should the Group fail to manage its liquidity and funding risk sufficiently, this may result in: an inability to support normal business activity; and/or a failure to meet liquidity regulatory requirements; and/or changes to credit ratings. Any material adverse change in market liquidity (such as that experienced in 2008), or the availability and cost of customer deposits and/or wholesale funding, in each case whether due to factors specific to the Group (such as due to a downgrade in credit rating) or to the market generally, could adversely impact the Group's ability to maintain the levels of liquidity required to meet regulatory requirements and sustain normal business activity. In addition, there is a risk that the Group could face sudden, unexpected and large net cash outflows, for example from customer deposit withdrawals, or unanticipated levels of loan drawdowns under committed facilities, which could result in (i) forced reductions in the Group's balance sheet; (ii) members of the Group being unable to fulfil their lending obligations; and (iii) a failure to meet the Group's liquidity regulatory requirements. During periods of market dislocation, the Group's ability to manage liquidity requirements may be impacted by a reduction in the availability of wholesale term funding as well as an increase in the cost of raising wholesale funds. Asset sales, balance sheet reductions and increased costs of raising funding could all adversely impact the results of operations, financial condition and prospects of the Group.

(iii) Changes in foreign exchange and interest rates

The Group has capital resources and risk weighted assets denominated in foreign currencies; changes in foreign exchange rates result in changes in the Sterling equivalent value of foreign currency denominated capital resources and risk weighted assets. As a result, the Group's regulatory

capital ratios are sensitive to foreign currency movements. The Group also has exposure to non-traded interest rate risk, arising from the provision of retail and wholesale (non-traded) banking products and services. This includes current accounts and equity balances which do not have a defined maturity date and an interest rate that does not change in line with base rate changes. Failure to appropriately manage the Group's balance sheet to take account of these risks could result in: (i) in the case of foreign exchange risk, an adverse impact on regulatory capital ratios; and (ii) in the case of non-traded interest rate risk, an adverse impact on income. Structural risk is difficult to predict with accuracy and may have a material adverse effect on the Group's results of operations, financial condition and prospects.

(E) Operational risk

The operational risk profile of the Group may change as a result of human factors, inadequate or failed internal processes and systems, and external events

The Group is exposed to many types of operational risk, including fraudulent and other criminal activities (both internal and external), the risk of breakdowns in processes, controls or procedures (or their inadequacy relative to the size and scope of the Group's business) and systems failure or non-availability. The Group is also subject to the risk of disruption of its business arising from events that are wholly or partially beyond its control (for example natural disasters, acts of terrorism, epidemics and transport or utility failures) which may give rise to losses or reductions in service to customers and/or economic loss to the Group. The operational risks that the Group is exposed to could change rapidly and there is no guarantee that the Group's processes, controls, procedures and systems are sufficient to address, or could adapt promptly to, such changing risks. All of these risks are also applicable where the Group relies on outside suppliers or vendors to provide services to it and its customers.

(i) Infrastructure and technology resilience

The Group's technological infrastructure is critical to the operation of the Group's businesses and delivery of products and services to customers and clients. Any disruption in a customer's access to their account information or delays in making payments will have a significant impact on the Group's reputation and may also lead to potentially large costs to both rectify the issue and reimburse losses incurred by customers. Technological efficiency and automation is also important to the control environment and improvement is an area of focus for the Group (for example, via updating of legacy systems, and introducing additional security, access management and segregation of duty controls).

(ii) Ability to hire and retain appropriately qualified employees

The Group is largely dependent on highly skilled and qualified individuals. Therefore, the Group's continued ability to manage and grow its business, to compete effectively and to respond to an increasingly complex regulatory environment is dependent on attracting new talented and diverse employees and retaining appropriately qualified employees. In particular, as a result of the work repositioning compensation while ensuring the Group remains competitive and as the global economic recovery continues, there is a risk that some employees may decide to leave the Group. This may be particularly evident amongst those employees due to be impacted by the introduction of role based pay and bonus caps in response to new legislation and employees with skill sets that are currently in high demand.

Failure by the Group to prevent the departure of appropriately qualified employees, to retain qualified staff who are dedicated to oversee and manage current and future regulatory standards and expectations, or to quickly and effectively replace such employees, could negatively impact the Group's results of operations, financial condition, prospects and level of employee engagement.

(iii) Cyber-security

The threat to the security of the Group's information and customer data from cyber-attacks is real and continues to grow at pace. Activists, rogue states and cyber criminals are among those targeting computer systems. Risks to technology and cyber-security change rapidly and require continued focus and investment. Given the increasing sophistication and scope of potential cyber-attack, it is possible that future attacks may lead to significant breaches of security. Failure to adequately

manage cyber-security risk and continually review and update current processes in response to new threats could adversely affect the Group's reputation, operations, financial condition and prospects.

(iv) Critical accounting estimates and judgments

The preparation of financial statements in accordance with IFRS requires the use of estimates. It also requires management to exercise judgement in applying relevant accounting policies. The key areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the consolidated and individual financial statements, include credit impairment charges for amortised cost assets, impairment and valuation of available-for-sale investments, calculation of income and deferred tax, fair value of financial instruments, valuation of goodwill and intangible assets, valuation of provisions and accounting for pensions and post-retirement benefits. There is a risk that if the judgement exercised or the estimates or assumptions used subsequently turn out to be incorrect then this could result in significant loss to the Group, beyond that anticipated or provided for, which could have an adverse impact on the Group's operations, financial results and condition.

In accordance with International Accounting Standard ("**IAS**") 37 'Provisions, Contingent Liabilities and Contingent Assets' where provisions have already been taken in published financial statements or results announcements for on-going legal or regulatory matters (including in relation to payment protection insurance ("**PPI**") and interest rate hedging products.), these have been recognised as the best estimate of the expenditure required to settle the obligation as at the reporting date. Such estimates are inherently uncertain and it is possible that the eventual outcomes may differ materially from current estimates, resulting in future increases to the required provisions (as has, for example, been the case in relation to the provisions that the Group has made in relation to PPI redress payments), or actual losses that exceed the provisions taken.

In addition, provisions have not been taken where no obligation (as defined in IAS 37) has been established, whether associated with a known or potential future litigation or regulatory matter. Accordingly, an adverse decision in any such matters could result in significant losses to the Group which have not been provided for. Such losses would have an adverse impact on the Group's operations, financial results and condition and prospects.

Observable market prices are not available for many of the financial assets and liabilities that the Group holds at fair value and a variety of techniques to estimate the fair value are used. Should the valuation of such financial assets or liabilities become observable, for example as a result of sales or trading in comparable assets or liabilities by third parties, this could result in a materially different valuation to the current carrying value in the Group's financial statements.

The further development of standards and interpretations under IFRS could also significantly impact the financial results, condition and prospects of the Group. For example, the introduction of IFRS 9 Financial Instruments is likely to have a material impact on the measurement and impairment of financial instruments held.

(v) Risks arising from legal, competition and regulatory matters

The Group operates in highly regulated industries, and the Group's businesses and results may be significantly affected by the laws and regulations applicable to it and by proceedings involving the Group

As a global financial services firm, the Group is subject to extensive and comprehensive regulation under the laws of the various jurisdictions in which it does business. These laws and regulations significantly affect the way that the Group does business, can restrict the scope of its existing businesses and limit its ability to expand its product offerings or to pursue acquisitions, or can result in an increase in operating costs for the business and/or make its products and services more expensive for clients and customers. There has also been an increased focus on regulation and procedures for the protection of customers and clients of financial services firms. This has resulted, moreover, in increased willingness on the part of regulators to investigate past practices, vigorously pursue alleged violations and impose heavy penalties on financial services firms.

The Group is exposed to many forms of risk relating to legal, competition and regulatory matters, including that: (i) business may not be, or may not have been, conducted in accordance with applicable laws and regulations in the relevant jurisdictions around the world and financial and other

penalties may result; (ii) contractual obligations may either not be enforceable as intended or may be enforced in a way adverse to the Group; (iii) intellectual property may not be protected as intended or the Group may use intellectual property which infringes, or is alleged to infringe, the rights of third parties; and (iv) liability may be incurred to third parties harmed by the conduct of the Group's business.

Risks arising from material legal, competition and regulatory matters

The Group, in common with other global financial services firms, has in recent years faced a risk of increased levels of legal proceedings in jurisdictions in which it does business. This is particularly true in the US where the Group is facing and may in the future face legal proceedings relating to its business activities, including in the form of class actions.

The Group also faces existing regulatory and other investigations in various jurisdictions as well as the risk of potential future regulatory and other investigations or proceedings and/or further private actions and/or class actions being brought by third parties.

The outcome of current (and any future) material legal, competition and regulatory matters is difficult to predict. However, it is likely that the Group will incur significant expense in connection with such matters, regardless of the ultimate outcome, and one or more of such matters could expose the Group to any of the following: substantial monetary damages and/or fines; other penalties and injunctive relief; additional civil or private litigation; criminal prosecution in certain circumstances; the loss of any existing agreed protection from prosecution; regulatory restrictions on the Group's business; increased regulatory compliance requirements; suspension of operations; public reprimands; loss of significant assets; and/or a negative effect on the Group's reputation.

Potential financial and reputational impacts of other legal, competition and regulatory matters

The Group is engaged in various other legal, competition and regulatory matters both in the UK and a number of overseas jurisdictions. It is subject to legal proceedings by and against the Group which arise in the ordinary course of business from time to time, including (but not limited to) disputes in relation to contracts, securities, debt collection, consumer credit, fraud, trusts, client assets, competition, data protection, money laundering, employment, environmental and other statutory and common law issues. The Group is also subject to enquiries and examinations, requests for information, audits, investigations and legal and other proceedings by regulators, governmental and other public bodies in connection with (but not limited to) consumer protection measures, compliance with legislation and regulation, wholesale trading activity and other areas of banking and business activities in which the Group is or has been engaged.

There may also be legal, competition and regulatory matters currently not known to the Group or in respect of which it is currently not possible to ascertain whether there could be a material adverse effect on the Group's position. In light of the uncertainties involved in legal, competition and regulatory matters, there can be no assurance that the outcome of a particular matter or matters will not be material to the Group's results of operations or cashflow for a particular period, depending on, among other things, the amount of the loss resulting from the matter(s) and the amount of income otherwise reported for the reporting period. Non-compliance by the Group with applicable laws, regulations and codes of conduct relevant to its businesses in all jurisdictions in which it operates, whether due to inadequate controls or otherwise, could expose the Group, now or in the future, to any of the consequences set out above as well as withdrawal of authorisations to operate particular businesses.

Non-compliance may also lead to costs relating to investigations and remediation of affected customers. The latter may, in some circumstances, exceed the direct costs of regulatory enforcement actions. In addition, reputational damage may lead to a reduction in franchise value.

There is also a risk that the outcome of any legal, competition or regulatory matters, investigations or proceedings to which the Group is subject and/or a party could (whether current or future, specified in this risk factor or not) may give rise to changes in law or regulation as part of a wider response by relevant law makers and regulators. An adverse decision in any one matter, either against the Group or another financial institution facing similar claims, could lead to further claims against the Group.

Any of these risks, should they materialise, could have an adverse impact on the Group's results of operations, financial condition and prospects.

(vi) Regulatory risk

The financial services industry continues to be the focus of significant regulatory change and scrutiny which may adversely affect the Group's business, financial performance, capital and risk management strategies

Regulatory risk arises from a failure or inability to comply fully with the laws, regulations or codes applicable specifically to the financial services industry which are currently subject to significant changes. Non-compliance could lead to fines, public reprimands, damage to reputation, increased prudential requirements, changes to the Group's structure and/or strategy, enforced suspension of operations or, in extreme cases, withdrawal of authorisations to operate. Non-compliance may also lead to costs relating to investigations and remediation of affected customers. The latter may exceed the direct costs of regulatory enforcement actions. In addition, reputational damage may lead to a reduction in franchise value.

Regulatory change

The Group, in common with much of the financial services industry, continues to be subject to significant levels of regulatory change and increasing scrutiny in many of the countries in which it operates (including, in particular, the UK and the US and in light of its significant investment banking operations). This has led to a more intensive approach to supervision and oversight, increased expectations and enhanced requirements, including with regard to: (i) capital, liquidity and leverage requirements (for example arising from Basel III and CRDIV): (ii) structural reform and recovery and resolution planning; and (iii) market infrastructure reforms such as the clearing of over-the-counter derivatives. As a result, regulatory risk will continue to be a focus of senior management attention and consume significant levels of business resources. Furthermore, this more intensive approach and the enhanced requirements, uncertainty and extent of international regulatory coordination as enhanced supervisory standards are developed and implemented may adversely affect the Group's business, capital and risk management strategies and/or may result in the Group deciding to modify its legal entity structure, capital and funding structures and business mix or to exit certain business activities altogether or to determine not to expand in areas despite their otherwise attractive potential.

Implementation of Basel III/CRD IV and additional PRA supervisory expectations

CRD IV introduces significant changes in the prudential regulatory regime applicable to banks including: increased minimum capital ratios; changes to the definition of capital and the calculation of risk weighted assets; and the introduction of new measures relating to leverage, liquidity and funding. CRD IV entered into force in the UK on 1 January 2014. CRD IV permits a transitional period for certain of the enhanced capital requirements and certain other measures, such as the CRD IV leverage ratio, which are not expected to be finally implemented until 2018. Notwithstanding this, the PRA's supervisory expectation is for the Group to meet certain capital and leverage ratio targets within certain prescribed timeframes. The Group met the PRA's expectation to have an adjusted fully loaded CET 1 ratio of 7% by 31 December 2013 and will be expected to meet a PRA Leverage Ratio of 3% by 30 June 2014.

There is a risk that CRD IV requirements adopted in the UK may change, whether as a result of further changes to global standards, EU legislation (including the CRDIV text and/or via binding regulatory technical standards being developed by the European Banking Authority) or changes to the way in which the PRA interprets and applies these requirements to UK banks, including as regards individual models approvals granted under CRD II and III. For example, further guidelines published by the Basel Committee in January 2014 regarding the calculation of the leverage ratio are expected to be incorporated into EU and UK law during 2014.

In addition the Financial Policy Committee of the Bank of England has legal powers, where this is required to protect financial stability, to make recommendations about the application of prudential requirements, and has, or may be given, other powers including powers to direct the PRA and FCA to adjust capital requirements through sectoral capital requirements. Directions would apply to all UK banks and building societies, rather than to the Group specifically.

Such changes, either individually or in aggregate, may lead to unexpected enhanced requirements in relation to the Group's capital, leverage, liquidity and funding ratios or alter the way such ratios are calculated. This may result in a need for further management actions to meet the changed requirements, such as: increasing capital, reducing leverage and risk weighted assets, modifying legal entity structure (including with regard to issuance and deployment of capital and funding for the Group) and changing the Group's business mix or exiting other businesses and/or undertaking other actions to strengthen the Group's position.

Structural reform

A number of jurisdictions have enacted or are considering legislation and rule making that could have a significant impact on the structure, business risk and management of the Group and of the financial services industry more generally. Key developments that are relevant to the Group include:

- The UK Financial Services (Banking Reform) Act 2013 gives UK authorities the power to implement key recommendations of the Independent Commission on Banking, including: (i) the separation of the UK and EEA retail banking activities of the largest UK banks into a legally, operationally and economically separate and independent entity (so called 'ring fencing'); (ii) statutory depositor preference in insolvency; (iii) a reserve power for the PRA to enforce full separation of the retail operations of UK banks to which the reforms apply under certain circumstances; and (iv) a 'bail-in' stabilisation option as part of the powers of the UK resolution authority;

- The European Commission proposals of January 2014 for a directive to implement recommendations of the Liikanen Review, would apply to EU globally significant financial institutions and envisages, among other things: (i) a ban on engaging in proprietary trading in financial instruments and commodities; (ii) giving supervisors the power and, in certain instances, the obligation to require the transfer of other trading activities deemed to be 'high risk' to separate legal trading entities within a banking group; and (iii) rules governing the economic, legal, governance and operational links between the separated trading entity and the rest of the banking group;

- The US Board of Governors of the Federal Reserve System ("**FRB**") issued final rules in February 2014 (to implement various enhanced prudential standards introduced under Section 165 of the Dodd Frank Wall Street Reform and Consumer Protection Act 2010) applicable to certain foreign banking organisations and their US operations, including the Group. Because its total US and non-US assets exceed $50bn, the Group would be subject to the most stringent requirements of the final rules, including the requirement to create a US intermediate holding company ("**IHC**") structure to hold its US banking and non-banking subsidiaries, including Barclays Capital Inc. the Group's US broker-dealer subsidiary). The IHC would generally be subject to supervision and regulation, including as to regulatory capital and stress testing, by the FRB as if it were a US bank holding company of comparable size. In particular, under the final rules, the consolidated IHC would be subject to a number of additional supervisory and prudential requirements, including: (i) subject to certain limited exceptions, FRB regulatory capital requirements and leverage limits that are the same as those applicable to US banking organisations of comparable size; (ii) mandatory company-run and supervisory stress testing of capital levels and submission of a capital plan to the FRB; (iii) supervisory approval of and limitations on capital distributions by the IHC to the Bank; (iv) additional substantive liquidity requirements (including monthly internal liquidity stress tests and maintenance of specified liquidity buffers) and other liquidity risk management requirements; and (v) overall risk management requirements, including a US risk committee and a US chief risk officer. The effective date of the final rule is 1 June 2014, although compliance with most of its requirements will be phased-in between 2015 and 2018. The Group will not be required to form its IHC until 1 July 2016. The IHC will be subject to the US generally applicable minimum leverage capital requirement (which is different than the Basel III international leverage ratio, including to the extent that the generally applicable US leverage ratio does not include off-balance sheet exposures) starting 1 January 2018;

- Final rules (issued in December 2013) implementing the requirements of Section 619 of the Dodd-Frank Act – the so-called 'Volcker Rule', once fully effective, will prohibit banking

entities, including Barclays PLC, the Bank and their various subsidiaries and affiliates from undertaking certain 'proprietary trading' activities and will limit the sponsorship of, and investment in, private equity funds and hedge funds, in each case broadly defined, by such entities. These restrictions are subject to certain important exceptions and exemptions, as well as exemptions applicable to transactions and investments occurring 'solely outside of the United States'. The rules will also require the Group to develop an extensive compliance and monitoring programme (both inside and outside of the United States), subject to various executive officer attestation requirements, addressing proprietary trading and covered fund activities, and the Group therefore expects compliance costs to increase. Subject entities are generally required to be in compliance by July 2015 (with certain provisions subject to possible extensions); and

- In December 2013, the European Parliament and the EU Council Presidency negotiators reached a political agreement on the draft legislative proposal for a directive providing for the establishment of a European-wide framework for the recovery and resolution of credit institutions and investment firms ("**Recovery and Resolution Directive**" or "**RRD**"), which is expected to be finalised in 2014.

These laws and regulations and the way in which they are interpreted and implemented by regulators may have a number of significant consequences, including changes to the legal entity structure of the Group, changes to how and where capital and funding is raised and deployed within the Group, increased requirements for loss-absorbing capacity within the Group and/or at the level of certain legal entities or sub-groups within the Group and potential modifications to the business mix and model (including potential exit of certain business activities). These and other regulatory changes and the resulting actions taken to address such regulatory changes, may have an adverse impact on the Group's profitability, operating flexibility, flexibility of deployment of capital and funding, return on equity, ability to pay dividends and/or financial condition. It is not yet possible to predict the detail of such legislation or regulatory rulemaking or the ultimate consequences to the Group which could be material.

Recovery and resolution planning

There continues to be a strong regulatory focus on resolvability from international and UK regulators. The Group continues to work with all relevant authorities on recovery and resolution plans ("**RRP**") and the detailed practicalities of the resolution process. This includes the provision of information that would be required in the event of a resolution, in order to enhance the Group's resolvability. The Group made its first formal RRP submissions to the UK and US regulators in mid-2012 and has continued to work with the relevant authorities to identify and address any impediments to resolvability. The second US resolution plan was submitted in October 2013 and the Group anticipates annual submissions hereafter.

The EU has agreed the text of the RRD and expects to finalise the legislation in 2014. The RRD establishes a framework for the recovery and resolution of credit institutions and investment firms. The aim of this regime is to provide authorities with the tools to intervene sufficiently early and quickly in a failing institution so as to ensure the continuity of the institution or firm's critical financial and economic functions while minimising the impact of its failure on the financial system. The regime is also intended to ensure that shareholders bear losses first and that certain creditors bear losses after shareholders, provided that no creditor should incur greater losses than it would have incurred if the institution had been wound up under normal insolvency proceedings. The RRD provides resolution authorities with powers to require credit institutions to make significant changes in order to enhance recovery or resolvability. These include, amongst others, the powers to require the Group to: make changes to its legal or operational structures (including demanding that the Group be restructured into units which are more readily resolvable); limit or cease specific existing or proposed activities; hold a specified minimum amount of liabilities subject to write down or conversion powers under the so-called 'bail-in' tool. The proposal is to be implemented in all European Member States by 1 January 2015, with the exception of the bail-in powers which must be implemented by 1 January 2016.

In the UK, recovery and resolution planning is now considered part of continuing supervision. Removal of barriers to resolution will be considered as part of the PRA's supervisory strategy for

each firm, and the PRA can require firms to make significant changes in order to enhance resolvability. The UK will also need to consider how it will transpose the RRD into UK law.

Whilst the Group believes that it is making good progress in reducing impediments to resolution, should the relevant authorities ultimately decide that the Group or any significant subsidiary is not resolvable, the impact of such structural changes (whether in connection with RRP or other structural reform initiatives) could impact capital, liquidity and leverage ratios, as well as the overall profitability of the Group, for example via duplicated infrastructure costs, lost cross-rate revenues and additional funding costs.

Market infrastructure reforms

The European Market Infrastructure Regulation ("**EMIR**") introduces requirements to improve transparency and reduce the risks associated with the derivatives market. Certain of these requirements came into force in 2013 and others will enter into force in 2014. EMIR requires entities that enter into any form of derivative contract to: report every derivative contract entered into to a trade repository; implement new risk management standards for all bi-lateral over-the-counter derivative trades that are not cleared by a central counterparty; and clear, through a central counterparty, over-the-counter derivatives that are subject to a mandatory clearing obligation. CRD IV aims to complement EMIR by applying higher capital requirements for bilateral, over-the-counter derivative trades. Lower capital requirements for cleared trades are only available if the central counterparty is recognised as a 'qualifying central counterparty', which has been authorised or recognised under EMIR (in accordance with related binding technical standards). Further significant market infrastructure reforms will be introduced by amendments to the EU Markets in Financial Instruments Directive that are being finalised by the EU legislative institutions and are expected to be implemented in 2016.

In the US, the Dodd-Frank Act also mandates that many types of derivatives now traded in the over-the- counter markets must be traded on an exchange or swap execution facility and must be centrally cleared through a regulated clearing house. In addition, participants in these markets are now made subject to US Commodity Futures Trading Commission ("**CFTC**") and US Securities and Exchange Commission regulation and oversight. Entities required to register with the CFTC as 'swap dealers' or 'major swap participants' and/or with the SEC as 'security-based swap dealers' or 'major security-based swap dealers' are or will be subject to business conduct, capital, margin, record keeping and reporting requirements. The Bank has registered with the CFTC as a swap dealer.

It is possible that other additional regulations, and the related expenses and requirements, will increase the cost of and restrict participation in the derivative markets, thereby increasing the costs of engaging in hedging or other transactions and reducing liquidity and the use of the derivative markets.

The new regulation of the derivative markets could adversely affect the Group's business in these markets and could make it more difficult and expensive to conduct hedging and trading activities, which could in turn reduce the demand for swap dealer and similar services of the Group. In addition, as a result of these increased costs, the new regulation of the derivative markets may also result in the Group deciding to reduce its activity in these markets.

(vii) Losses due to additional tax charges

The Group is subject to the tax laws in all countries in which it operates, including tax laws adopted at the EU level, and is impacted by a number of double taxation agreements between countries.
There is risk that the Group could suffer losses due to additional tax charges, other financial costs or reputational damage due to: failure to comply with, or correctly assess the application of, relevant tax law; failure to deal with tax authorities in a timely, transparent and effective manner (including in relation to historic transactions which might have been perceived as aggressive in tax terms); incorrect calculation of tax estimates for reported and forecast tax numbers; or provision of incorrect tax advice. Such charges, or conducting any challenge to a relevant tax authority, could lead to adverse publicity, reputational damage and potentially to costs materially exceeding current provisions, in each case to an extent which could have an adverse effect on the Group's operations, financial conditions and prospects.

In addition, any changes to the tax regimes applicable to the Group could have a material adverse effect on it. For example, depending on the terms of the final form of legislation as implemented, the introduction of the proposed EU Financial Transaction Tax could adversely affect certain of the Group's businesses and have a material adverse effect on the Group's operations, financial conditions and prospects.

(viii) Implementation of the Transform programme and other strategic plans

The 'Transform programme' represents the current strategy of the Group, both for improved financial performance and cultural change, and the Group expects to incur significant restructuring charges and costs associated with implementing this strategic plan. The successful development and implementation of such strategic plans requires difficult, subjective and complex judgements, including forecasts of economic conditions in various parts of the world, and is subject to significant execution risks. For example, the Group's ability to implement successfully the Transform programme and other such strategic plans may be adversely impacted by a significant global macroeconomic downturn, legacy issues, limitations in the Group's management or operational capacity or significant and unexpected regulatory change in countries in which the Group operates. Moreover, progress on the various components of Transform (including reduction in costs relative to net operating income) is unlikely to be uniform or linear, and certain targets may be achieved slower than others, if at all.

Failure to implement successfully the Transform programme could have a material adverse effect on the Group's ability to achieve the stated targets, estimates (including with respect to future capital and leverage ratios and dividends payout ratios) and other expected benefits of the Transform programme and there is also a risk that the costs associated with implementing the strategy may be higher than the financial benefits expected to be achieved through the programme. In addition, the goals of embedding a culture and set of values across the Group and achieving lasting and meaningful change to the Group's culture may not succeed, which could negatively impact the Group's operations, financial condition and prospects.

(F) Conduct risk

Detriment may be caused to the Group's customers, clients, counterparties or the Group and its employees because of inappropriate judgement in the execution of the Group's business activities

Ineffective management of conduct risk may lead to poor outcomes for the Group's customers, clients and counterparties or damage to market integrity. It may also lead to detriment to the Group and its employees. Such outcomes are inconsistent with the Group's purpose and values and may negatively impact the Group's results of operations, financial condition and prospects. They may lead to negative publicity, loss of revenue, litigation, higher scrutiny and/or intervention from regulators, regulatory or legislative action, loss of existing or potential client business, reduced workforce morale, and difficulties in recruiting and retaining talent. This could reduce – directly or indirectly – the attractiveness of the Group to stakeholders, including customers.

There are a number of areas where the Group has sustained financial and reputational damage due to conduct related matters, and where the consequences are likely to endure. These include matters relating to London interbank offered rates ("**LIBOR**"), interest rate hedging products and Payment Protection Insurance ("**PPI**"). Provisions totalling £650m were raised in respect of interest rate hedging products in 2013, bringing the cumulative provisions as at 31 December 2013 to £1.5bn. Provisions of £1.35bn were raised against PPI in 2013, bringing cumulative provisions to £3.95bn. To the extent that future experience is not in line with management's current estimates, additional provisions may be required and further reputational damage may be incurred.

In addition the Group has identified certain issues with the information contained in historic statements and arrears notices relating to certain consumer loan accounts and has therefore implemented a plan to return interest incorrectly charged to customers. The Group is also undertaking a review of all its businesses where similar issues could arise, including Business Banking, Barclaycard, Wealth and Investment Management and Corporate Bank, to assess any similar or related issues. There is currently no certainty as to the outcome of this review. The findings of such review could have an adverse impact on the Group's operations, financial results and prospects.

Furthermore, the Group is from time to time subject to regulatory investigations which carry the risk of a finding that the Group has been involved in some form of wrongdoing. It is not possible to foresee the outcome or impact of such findings other than fines or other forms of regulatory censure would be possible. There is a risk that there may be other conduct issues, including in business already written, of which the Group is not presently aware.

Anti-money laundering, anti-bribery, sanctions and other compliance risks

A major focus of government policy relating to financial institutions in recent years (including, in particular, the UK and the US) has been combating money laundering, bribery and terrorist financing and enforcing compliance with economic sanctions. In particular, regulations applicable to the US operations of the Group impose obligations to maintain appropriate policies, procedures and internal controls to detect, prevent and report money laundering and terrorist financing. In addition, such regulations in the US require the Group to ensure compliance with US economic sanctions against designated foreign countries, organisations, entities and nationals among others.

The risk of non-compliance for large global banking groups, such as the Group, is high given the nature, scale and complexity of the organisation and the challenges inherent in implementing robust controls. The Group also operates in some newer markets, such as Africa, Asia and the Middle East, where the risks of non-compliance are higher than in more established markets. Failure by the Group to maintain and implement adequate programs to combat money laundering, bribery and terrorist financing or to ensure economic sanction compliance could have serious legal and reputational consequences for the organisation, including exposure to fines, criminal and civil penalties and other damages, as well as adverse impacts on the Group's ability to do business in certain jurisdictions.

(G) Reputation risk

Damage may occur to the Group's brand arising from any association, action or inaction which is perceived by stakeholders to be inappropriate or unethical

Failure to appropriately manage reputation risk may reduce – directly or indirectly – the attractiveness of the Group to stakeholders, including customers and clients, and may lead to negative publicity, loss of revenue, litigation, higher scrutiny and/or intervention from regulators, regulatory or legislative action, loss of existing or potential client business, reduced workforce morale, and difficulties in recruiting and retaining talent. Sustained damage arising from conduct and reputation risks could have a materially negative impact on the Group's ability to operate fully and the value of the Group's franchise, which in turn could negatively affect the Group's results of operations, financial condition and prospects.

(H) U.K. Bail-in Power

Investors in Debt Instruments should consider the additional risk factors outlined below concerning the application of the U.K. Bail-in Power (as defined below).

For the purposes of this section, the phrase "**U.K. Bail-in Power**" means any statutory write-down and/or conversion power existing from time to time under any laws, directives, regulations, rules or requirements relating to the resolution of banks, banking group companies, credit institutions and/or investment firms incorporated in the United Kingdom in effect and applicable in the United Kingdom to the Issuer or other members of the Group (as defined below), including but not limited to any such laws, directives, regulations, rules or requirements that are implemented, adopted or enacted within the context of a European Union directive or regulation of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms and/or within the context of a U.K. resolution regime under the Banking Act 2009 of the United Kingdom, as amended ("**U.K. Banking Act**"), or otherwise, pursuant to which obligations of a bank, banking group company, credit institution or investment firm or any of its affiliates can be reduced, cancelled and/or converted into shares or other securities or obligations of the obligor or any other person (and a reference to the "**relevant U.K. resolution authority**" is to any authority with the ability to exercise a U.K. Bail-in Power, and a reference to the "**Group**" refers to Barclays PLC (or any successor entity) and its consolidated subsidiaries).

Risks relating to regulatory actions in the event of bank failure, including the U.K. Bail-In Power

Regulatory action in the event of a bank failure could materially adversely affect the value of the Debt Instruments

European resolution regime and loss absorption at the point of non-viability

The draft RRD will need to be formally adopted by the EU Council and the European Parliament and is expected to enter into force on in 2015. The stated aim of the RRD is to provide supervisory authorities, including the relevant U.K. resolution authority, with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses.

The powers proposed to be granted to supervisory authorities under the draft RRD include (but are not limited to) the introduction of a statutory "write-down and conversion power" and a "bail-in" power, which would give the relevant U.K. resolution authority the power to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities (which could include the Debt Instruments) of a failing financial institution and/or to convert certain debt claims (which could include the Debt Instruments) into another security, including ordinary shares of the surviving Group entity, if any. It is currently contemplated that the majority of measures set out in the draft RRD will be implemented with effect from 1 January 2015, with the bail-in power for eligible liabilities (which could include any Debt Instruments) expected to be introduced by 1 January 2016. However, the draft RRD is not in final form, and changes could be made to it in the course of the final legislative process and anticipated implementation dates could change. Moreover, as discussed under "Bail-in option in the U.K. Banking Act" below, the amendments to the U.K. Banking Act, are likely to accelerate the implementation timeframe of some or all of these resolution powers in the United Kingdom.

In addition to a "write-down and conversion power" and a "bail-in" power, the powers currently proposed to be granted to the relevant U.K. resolution authority under the draft RRD include the power to (i) direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply, (ii) transfer all or part of the business of the relevant financial institution to a "bridge bank" (a publicly controlled entity) and (iii) transfer the impaired or problem assets of the relevant financial institution to an asset management vehicle to allow them to be managed over time. In addition, the draft RRD proposes, among the broader powers proposed to be granted to the relevant resolution authority, to provide powers to the relevant resolution authority to amend the maturity date and/or any interest payment date of debt instruments or other eligible liabilities of the relevant financial institution and/or impose a temporary suspension of payments.

The draft RRD contains proposed safeguards for shareholders and creditors in respect of the application of the "write down and conversion" and "bail-in" powers which aim to ensure that they do not incur greater losses than they would have incurred had the relevant financial institution been wound up under normal insolvency proceedings.

There remains uncertainty regarding the ultimate nature and scope of these powers and, when implemented, how they would affect the Issuer, the Group and the Debt Instruments. Accordingly, it is not yet possible to assess the full impact of the draft RRD on the Issuer, the Group and on holders of Debt Instruments, and there can be no assurance that, once it is implemented, the manner in which it is implemented or the taking of any actions by the relevant U.K. resolution authority currently contemplated in the draft RRD would not adversely affect the rights of holders of Debt Instruments, the price or value of an investment in Debt Instruments and/or the Issuer's ability to satisfy its obligations under the Debt Instruments.

The exercise of any such power or any suggestion of such exercise could, therefore, materially adversely affect the value of any Debt Instruments subject to the RRD and could lead to the holders of the Debt Instruments losing some or all of their investment in the Debt Instruments.

U.K. resolution regime

In the United Kingdom, the U.K. Banking Act provides for a regime (the "**resolution regime**") to allow the Bank of England (or, in certain circumstances, U.K. HM Treasury (the "**U.K. Treasury**")) to resolve failing banks in the United Kingdom, in consultation with the Prudential Regulation Authority of the United Kingdom ("**PRA**"), the Financial Conduct Authority of the United Kingdom ("**FCA**") and U.K. Treasury, as appropriate. Under the U.K. Banking Act, these authorities are given powers, including (a) the power to make share transfer orders pursuant to which all or some of the securities issued by a U.K. bank may be transferred to a commercial purchaser or the U.K. government; and (b) the power to transfer all or some of the property, rights and liabilities of a U.K. bank to a commercial purchaser or Bank of England entity. A share transfer order can extend to a wide range of securities, including shares and bonds issued by a U.K. bank (including the Issuer) or its holding company (Barclays PLC) and warrants for such shares and bonds. Certain of these powers have been extended to companies within the same group as a U.K. bank.

The U.K. Banking Act also gives the authorities powers to override events of default or termination rights that might be invoked as a result of the exercise of the resolution powers. The U.K. Banking Act powers apply regardless of any contractual restrictions and compensation may be payable in the context of both share transfer orders and property appropriation.

The U.K. Banking Act also gives the Bank of England the power to override, vary or impose contractual obligations between a U.K. bank, its holding company and its group undertakings for reasonable consideration, in order to enable any transferee or successor bank to operate effectively. There is also power for the U.K. Treasury to amend the law (excluding provisions made by or under the U.K. Banking Act) for the purpose of enabling it to use the regime powers effectively, potentially with retrospective effect.

If these powers were to be exercised in respect of the Issuer (or any member of the Group), there could be a material adverse effect on the rights of holders of Debt Instruments, including through a material adverse effect on the price of the Debt Instruments.

Bail-in option in the U.K. Banking Act

In December 2013, the U.K. Financial Services (Banking Reform) Act 2013 (the "**U.K. Banking Reform Act**") became law in the United Kingdom. Among the changes introduced by the U.K. Banking Reform Act, the U.K. Banking Act is amended to insert a bail-in option as part of the powers of the U.K. resolution authority. The bail-in option will come into force when stipulated by the U.K. Treasury. On 13 March 2014, the UK Treasury published a consultation on three statutory instruments relating to the bail-in powers, which remains open until 7 May 2014. In its consultation, the Government noted that in order to complete the legislation and commence the bail-in powers in the UK Banking Reform Act, a number of pieces of secondary legislation are to be made.

The bail-in option is introduced as an additional power available to the U.K. resolution authority, to enable it to recapitalise a failed institution by allocating losses to its shareholders and unsecured creditors in a manner that ought to respect the hierarchy of claims in an insolvency of a relevant financial institution, consistent with shareholders and creditors of financial institutions not receiving less favourable treatment than they would have done in insolvency. The bail-in option includes the power to cancel a liability or modify the terms of contracts for the purposes of reducing or deferring the liabilities of the bank under resolution and the power to convert a liability from one form to another. The conditions for use of the bail-in option are, in summary, that (i) the regulator determines that the bank is failing or likely to fail, (ii) it is not reasonably likely that any other action can be taken to avoid the bank's failure and (iii) the U.K. resolution authority determines that it is in the public interest to exercise the bail-in power.

The U.K. Government has expressed that the bail-in powers in the UK Banking Reform Act will require some minor modifications in order to fully transpose the RRD requirements, however, the Government's view is that such amendments will not change the fundamental characteristic of the bail-in tool.

However, the RRD is still in draft form and changes could be made to the expected powers, which may require amendments to the bail-in option included in the U.K. Banking Act. In addition, the U.K.

Banking Act may be amended and/or other legislation may be introduced in the United Kingdom to amend the resolution regime that would apply in the event of a bank failure or to provide regulators with other resolution powers.

The circumstances under which the relevant U.K. resolution authority would exercise its proposed U.K. Bail-in Power are currently uncertain.

Despite there being proposed pre-conditions for the exercise of the U.K. Bail-in Power, there remains uncertainty regarding the specific factors which the relevant U.K. resolution authority would consider in deciding whether to exercise the U.K. Bail-in Power with respect to the relevant financial institution and/or securities, such as the Debt Instruments, issued by that institution.

Moreover, as the final criteria that the relevant U.K. resolution authority would consider in exercising any U.K. Bail-in Power are expected to provide it with considerable discretion, holders of the Debt Instruments may not be able to refer to publicly available criteria in order to anticipate a potential exercise of any such U.K. Bail-in Power and consequently its potential effect on the Issuer, the Group and the Debt Instruments.

The rights of holders of the Debt Instruments to challenge the exercise of any U.K. Bail-in Power by the relevant U.K. resolution authority are likely to be limited.

There is some uncertainty as to the extent of any due process rights or procedures that will be provided to holders of securities (including the Debt Instruments) subject to the U.K. Bail-in Power and to the broader resolution powers of the relevant U.K. resolution authority when the final RRD rules are implemented in the United Kingdom. Holders of the Debt Instruments may have only limited rights to challenge and/or seek a suspension of any decision of the relevant U.K. resolution authority to exercise its U.K. Bail-in Power or to have that decision reviewed by a judicial or administrative process or otherwise.

(l) APRA Regulation

The depositor protection provisions of Division 2 of Part II of the Australian Banking Act do not apply to Barclays Bank PLC (including the Issuer acting through its Australian Branch. The Debt Instruments are neither "protected accounts" nor "deposit liabilities" within the meaning of the Australian Banking Act. However, under section 11F of the Australian Banking Act, if Barclays Bank PLC (whether in or outside Australia) suspends payment or becomes unable to meet its obligations, the assets of Barclays Bank PLC in Australia are to be available to meet its liabilities in Australia (including where those liabilities are in respect of the Debt Instruments) in priority to all other liabilities of Barclays Bank PLC. Further, under section 86 of the Reserve Bank Act 1959 of Australia, debts due by Barclays Bank PLC to the Reserve Bank of Australia shall in a winding-up of Barclays Bank PLC have priority over all other debts of Barclays Bank PLC.

Debt Instrument Conditions

The following is a composite text of the terms and conditions which, as supplemented, amended, modified or replaced by the relevant Supplement, will apply to the Debt Instruments. References to a "Supplement" in these conditions do not limit the provisions which may be supplemented, amended, modified or replaced by the Supplement in relation to a particular Tranche or Series of Debt Instruments. Terms used in the relevant Supplement will, unless the contrary intention appears, have the same meaning where used in these Conditions but will prevail to the extent of any inconsistency.

Part 1 Definitions

1 Interpretation

1.1 Definitions

Unless the contrary intention appears:

Additional Amount means an additional amount payable by the Issuer under Condition 15.2 ("Withholding tax");

Agency Agreement means:

(a) the Registry Services Agreement;

(b) another agreement between the Issuer and a Registrar in relation to the Debt Instruments and specified in a Supplement; or

(c) another agency agreement between the Issuer and another Agent in relation to the Debt Instruments under the Programme;

Agent means the Registrar, the Calculation Agent and any additional agent appointed under an Agency Agreement;

Amortised Face Amount means, in relation to Zero Coupon Debt Instrument, an amount equal to the sum of:

(a) the issue price specified in the Supplement; and

(b) the amount resulting from the application of the amortisation yield specified in the Supplement (compounded annually) to the issue price (as specified in the Supplement) from (and including) the Issue Date specified in the Supplement to (but excluding) the date fixed for redemption or (as the case may be) the date the Debt Instrument becomes due and repayable.

If the calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year must be made on the basis of the Day Count Fraction specified in the Supplement;

Austraclear means Austraclear Limited (ABN 94 002 060 773);

Austraclear Regulations means the regulations known as the "Austraclear Regulations", together with any instructions or directions (as amended or replaced from time to time), established by Austraclear to govern the use of the Austraclear System and binding on the participants in that system;

Austraclear System means the system operated by Austraclear in Australia for holding securities and electronic recording and settling of transactions in those securities between members of the system;

Australian Tax Act means the Income Tax Assessment Act 1936 of Australia and where applicable the Income Tax Assessment Act 1997 of Australia;

Business Day means a day (not being a Saturday, Sunday or public holiday in the relevant place) on which banks are open for general banking business in Sydney and:

(a) any Relevant Financial Centre specified in an applicable Supplement; and

(b) if a Debt Instrument held in a Clearing System is to be issued or a payment made in respect of a Debt Instrument held in a Clearing System on that day, a day on which each Clearing System for the relevant Debt Instrument is operating;

Business Day Convention means a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day and the following conventions, where specified in the Supplement in relation to any date applicable to any Debt Instrument, have the following meanings:

(a) **Floating Rate Convention** means that the date is postponed to the next following day which is a Business Day unless that day falls in the next calendar month, in which event:

(i) such date is brought forward to the first preceding day that is a Business Day; and

(ii) each subsequent Interest Payment Date is the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the Supplement after the preceding applicable Interest Payment Date occurred;

(b) **Following Business Day Convention** means that the date is postponed to the first following day that is a Business Day;

(c) **Modified Following Business Day Convention or Modified Business Day Convention** means that the date is postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is brought forward to the first preceding day that is a Business Day;

(d) **Preceding Business Day Convention** means that the date is brought forward to the first preceding day that is a Business Day; and

(e) **No Adjustment** means that the relevant date must not be adjusted in accordance with any Business Day Convention;

If no convention is specified in the Supplement, the Following Business Day Convention applies. Different conventions may be specified in relation to, or apply to, different dates;

Calculation Agent means the Registrar or any other person specified in the Supplement as the party responsible for calculating the Interest Rate and other amounts required to be calculated under these Conditions;

Certificate means a certificate issued under clause 3.2 (”Certificates for Debt Instruments”) representing a Debt Instrument;

Clearing System means:

(a) the Austraclear System;

(b) Euroclear;

(c) Clearstream, Luxembourg; or

(d) any other clearing system specified in the Supplement;

Clearstream, Luxembourg means Clearstream Banking, société anonyme as operator of the Clearstream, Luxembourg clearing and settlement system;

Conditions means, in relation to a Debt Instrument, these terms and conditions as supplemented, amended, modified or replaced by the Supplement applicable to such Debt Instrument and references to a particular numbered Condition shall be construed accordingly;

Day Count Fraction means, in respect of the calculation of interest on a Debt Instrument for any period of time ("**Calculation Period**"), the day count fraction specified in the Supplement and:

(a) if "**Actual/Actual (ICMA)**" is so specified, means:

(i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period, and (2) the number of Regular Periods normally ending in any year; and

(ii) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year;

(b) if "**Actual/Actual**" **or "Actual/Actual (ISDA)** " is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:

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

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

(c) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(d) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

(e) if "**30/360**", "**360/360**" or "**Bond Basis"** is so specified, means the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

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

where:

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

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

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

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

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(f) if "30E/360" or "Eurobond basis" is so specified, means, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

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

where:

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

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

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

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

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29 in which case D_2 will be 30;

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

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

where:

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

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

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

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30; and

(h) if "**RBA Bond Basis**" or "**Australian Bond Basis**" is so specified, means one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:

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

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

(i) any other day count fraction specified in the Supplement;

Debt Instrument means each Note, each Deposit and such other form of bond, note, security debt instrument or debt obligation specified in a Supplement and issued or to be issued by the Issuer which is constituted by, and owing under, the Deed Poll, the details of which are recorded in and evidenced by entry in, the Register. References to any particular type of "Debt Instrument" or "Debt Instruments" shall be read and construed accordingly. All references to Debt Instruments must, unless the context otherwise requires, be read and construed as references to the Debt Instruments of a particular Series;

Deed Poll means:

(a) the deed poll entitled "Deed Poll" and dated 5 June 2008; and

(b) such other deed poll that supplements, amends, amends and restates, modifies or replaces the deed poll referred to above, or which is otherwise acknowledged in writing to be a deed poll for the purposes of the Programme,

and in each case, executed by the Issuer;

Deposit means, in relation to a Series, any transferable deposit or certificate of deposit issued or to be issued which:

(a) contains the terms and conditions specified in the relevant Supplement; and

(b) is issued by the Issuer.

All references in this agreement to Deposits must, unless the context otherwise requires, be read and construed as references to the Deposits of a particular Series.

For the avoidance of doubt, where a Deposit is held in a Clearing System, references to a Holder include the operator of that system or a nominee for such operator or a common depository for one or more Clearing Systems (in each case acting in accordance with the rules and regulations of the Clearing System or Systems);

Equity Linked Note means a Note in respect of which the amount payable in respect of interest is calculated by reference to the value of certain equities as specified in the Supplement;

Euroclear means Euroclear Bank S.A./N.V., as operator of Euroclear clearing and settlement system;

Event of Default means the happening of any event set out in Condition 12 ("Events of Default");

Extraordinary Resolution has the meaning given in the Meetings Provisions;

Fixed Rate Note means a Note on which interest is calculated at a fixed rate payable in arrear on a fixed date or fixed dates in each year and on redemption or on any other dates as specified in the Supplement;

Floating Rate Note means a Note on which interest is calculated at a floating rate payable 1, 2, 3, 6, or 12 monthly or in respect of any other period or on any other date specified in the Supplement;

Holder means the person in whose name a Debt Instrument is registered;

Index Linked Note means a Note in respect of which the amount payable in respect of interest is calculated by reference to an index or a formula or both as specified in the Supplement;

Information Memorandum in, respect of a Debt Instrument, means:

(a) the Information Memorandum dated 27 March 2014 or the then latest information memorandum which replaces that document; or

(b) the information memorandum, disclosure document (as defined in the Corporations Act) or other offering document referred to in the Supplement,

in each case prepared by, or on behalf of, and approved in writing by, the Issuer in connection with the issue of that Debt Instrument and all documents incorporated by reference in it, including a Supplement and any other amendments or supplements to it;

Instalment Amounts has the meaning given in the Supplement;

Instalment Date means has the meaning given in the Supplement;

Instalment Note means a Note which is redeemable in one or more instalments, as specified in the Supplement;

Interest Commencement Date means, for a Debt Instrument, the Issue Date of the Debt Instrument or any other date so specified in the Supplement;

Interest Determination Date has the meaning given in the Supplement;

Interest Payment Date means each date so specified in, or determined in accordance with, the Supplement;

Interest Period means each period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next Interest Payment Date. However:

(a) the first Interest Period commences on (and includes) the Interest Commencement Date; and

(b) the final Interest Period ends on (but excludes) the Maturity Date;

Interest Rate means, for a Debt Instrument, the interest rate (expressed as a percentage per annum) payable in respect of that Debt Instrument specified in the Supplement or calculated or determined in accordance with these Conditions and the Supplement;

ISDA Definitions means the 2000 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (as supplemented, amended and updated as at the Issue Date of the first Tranche of the Debt Instruments of the Series);

Issue Date means the date on which a Debt Instrument is, or is to be issued, and as may be specified, or determined, in accordance with, the applicable Supplement;

Issuer means Barclays Bank PLC, Australian Branch (ABN 86 062 449 585);

Margin means the margin specified in, or determined in accordance with, the Supplement;

Maturity Date means, the date so specified in, or determined in accordance with, the Supplement;

Meetings Provisions means the provisions relating to meetings of Holders and set out in the schedule to the Deed Poll;

Note means any Debt Instrument other than a Deposit.

For the avoidance of doubt, where a Note is held in a Clearing System, references to a Holder include the operator of that system or a nominee for such operator or a common depository for one or more Clearing Systems (in each case acting in accordance with the rules and regulations of the Clearing System or Clearing Systems);

Offshore Associate means an associate (as defined in section 128F(9) of the Australian Tax Act) of the Issuer that is either:

(a) a non-resident of Australia which does not acquire the Debt Instruments in carrying on a business at or through a permanent establishment in Australia; or

(b) a resident of Australia that acquires the Debt Instruments in carrying on a business at or through a permanent establishment outside Australia;

Partly Paid Note means as Note in relation to which the initial subscription moneys are payable to the Issuer in two or more instalments;

Record Date means, the close of business in the place where the Register is maintained on the date which is seven clear days before the payment date or any other date so specified in the Supplement;

Redemption Amount means:

(a) for a Debt Instrument (other than a Zero Coupon Note or a Structured Note), the outstanding principal amount as at the date of redemption;

(b) for a Zero Coupon Note, the Amortised Face Amount calculated as at the date of redemption; and

(c) for a Structured Note, the amount determined by the Calculation Agent in the manner specified in the Supplement,

and also includes any final instalment and any other amount in the nature of a redemption amount specified in, or determined in accordance with, the relevant Supplement or these Conditions;

Reference Banks means the institutions so described in the Supplement or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

Reference Rate has the meaning given in the Supplement;

Register means the register, including any branch register, of holders of Debt Instruments established and maintained by or on behalf of the Issuer under an Agency Agreement;

Registrar means BTA Institutional Services Australia Limited (ABN 48 002 916 396) or any other person appointed by the Issuer under an Agency Agreement to maintain the Register and perform any payment and other duties as specified in that agreement;

Registry Services Agreement means the agreement titled "Agency and Registry Services Agreement" dated 5 June 2008 between the Issuer and BTA Institutional Services Australia Limited (ABN 48 002 916 396) in relation to the Debt Instruments;

Regular Period means:

(a) in the case of Debt Instruments where interest is scheduled to be paid only by means of regular payments, each Interest Period;

(b) in the case of Debt Instruments where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and

(c) in the case of Debt Instruments where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

Related Entity has the meaning given to it in the Corporations Act;

Relevant Screen Page means:

(a) the page, section or other part of a particular information service specified as the Relevant Screen Page in the Supplement; or

(b) any other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

Relevant Tax Jurisdiction means Australia or the United Kingdom, or any political sub-division of either of them;

Relevant Time has the meaning given in the Supplement;

Series means an issue of Debt Instruments made up of one or more Tranches all of which form a single Series and are issued on the same Conditions except that the Issue Date and Interest Commencement Date may be different in respect of a different Tranche of a Series;

The Issuer is **Solvent** if:

(a) it is able to pay its debts when they fall due; and

(b) its total consolidated gross assets (as shown by its latest published audited financial statements) exceed its total consolidated gross liabilities (as shown by its latest published audited financial statements), in each case adjusted for events subsequent to the date of such financial statements in such manner and to such extent as its directors, its auditors or, as the case may be, its liquidator may determine to be appropriate;

Specified Office means, in respect of a person, the office specified in the Information Memorandum or any other address notified to Holders from time to time;

Structured Note means:

(a) an Index Linked Note;

(b) an Instalment Note; or

(c) an Equity Linked Note;

Supplement means, in respect of a Tranche, the supplement specifying the relevant issue details in relation to that Tranche and which may be substantially in the form set out in the Information Memorandum, duly completed and signed by the Issuer;

Taxes means taxes, levies, imposts, charges and duties (including stamp and transaction duties) imposed by any tax authority, together with any related interest, penalties, fines and expenses in connection with them, except if imposed on or calculated having regard to, the net income of the Holder;

Tranche means an issue of Debt Instruments specified as such in the applicable Supplement issued on the same Issue Date and on the same Conditions; and

Zero Coupon Note means a Note which does not carry entitlement to periodic payment of interest before the redemption date of the Note and which is issued at a discount to its principal amount.

1.2 References to certain general terms

Unless the contrary intention appears, a reference in these Conditions to:

(a) a group of persons is a reference to any two or more of them jointly and to each of them individually;

(b) an agreement, representation or warranty in favour of two or more persons is for the benefit of them jointly and each of them individually;

(c) an agreement, representation or warranty by two or more persons binds them jointly and each of them individually, but an agreement, representation or warranty by the Arranger or a Dealer binds the Arranger or Dealer, individually only;

(d) anything (including an amount) is a reference to the whole and each part of it;

(e) a document (including this deed poll) includes any variation or replacement of it;

(f) "**law**" means common law, principles of equity, and laws made by parliament (and laws made by parliament include federal or state laws and regulations and other instruments under them, and consolidations, amendments, re-enactments or replacements of any of them);

(g) a "**directive**" includes a treaty, official directive, request, regulation, guideline or policy (whether or not having the force of law) with which responsible participants in the relevant market generally comply;

(h) the "**Corporations Act**" is to the Corporations Act 2001 of Australia;

(i) an accounting term is a reference to that term as it is used in accounting standards under the Corporations Act, or, if not inconsistent with those standards, in accounting principles and practices generally accepted in Australia;

(j) "**Australian dollars**" or "**A$**" is a reference to the lawful currency of the Commonwealth of Australia;

(k) a time of day is a reference to Sydney time;

(l) the word "**person**" includes an individual, a firm, a body corporate, an unincorporated association and an authority;

(m) a particular person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns; and

(n) the words "**including**", "**for example**" or "**such as**" when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

1.3 Number

The singular includes the plural and vice versa.

1.4 Headings

Headings (including those in brackets at the beginning of paragraphs) are for convenience only and do not affect the interpretation of these Conditions.

1.5 References to "issue"

References in these Conditions to the "**issue**" of Debt Instruments are to be read to include a reference to the "**accepting**" of Debt Instruments in the case of any Deposits and references to the "**subscribing**" or "**purchasing**" of Debt Instruments are to be read to include a reference to the "**making**" of Debt Instruments in the case of any Deposits and related expressions shall be construed accordingly.

1.6 References to particular terms

Unless the contrary intention appears, in these Conditions:

(a) a reference to the Agency Agreement is a reference to the Agency Agreement applicable to the Debt Instruments of the relevant Series;

(b) a reference to a Debt Instrument is a reference to a Debt Instrument of a particular Series issued by the Issuer specified in the Supplement;

(c) a reference to a Holder is a reference to the holder of Debt Instruments of a particular Series; and

(d) if the Notes are Zero Coupon Notes, references to interest are not applicable.

1.7 References to principal and interest

Unless the contrary intention appears, in these Conditions:

(a) any reference to "principal" is taken to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 15 ("Taxation"), any premium payable by the Issuer in respect of Debt Instrument, and

any other amount in the nature of principal payable in respect of the Debt Instruments under these Conditions;

(b) the principal amount of a Debt Instrument issued at a discount is to be taken as at any time to equal the lesser of:

(i) its Denomination; and

(ii) if specified in the relevant Supplement, its Amortised Face Amount at that time;

(c) the principal amount of a Debt Instrument which is to vary by reference to a schedule or formula (where such determination has been previously made in accordance with these Conditions) is to be taken as at any time to equal its varied amount;

(d) the principal amount of a Partly Paid Note is to be taken to equal its paid up principal amount;

(e) the principal amount of an Instalment Note at any time is to be taken to be its Denomination less the total instalments repaid to the extent that such instalments relate to a repayment of principal; and

(f) any reference to "interest" is taken to include any Additional Amounts and any other amount in the nature of interest payable in respect of the Debt Instruments under these Conditions.

1.8 Terms defined in Supplement

Terms which are specified in the Supplement as having a defined meaning have the same meaning when used in these Conditions, but if the Supplement gives no meaning or specifies that the definition is "Not Applicable", then that definition is not applicable to the Debt Instruments.

Part 2 Introduction

2 Introduction

2.1 Programme

Debt Instruments are issued under a debt issuance programme established by the Issuer.

2.2 Supplement

The Issuer will issue the Debt Instruments on the terms set out in these Conditions as supplemented, amended, modified or replaced by the Supplement applicable to those Debt Instruments. If there is any inconsistency between these Conditions and such Supplement, the Supplement prevails.

Debt Instruments are issued in Series. A Series may comprise one or more Tranches having one or more Issue Dates and on conditions otherwise identical (other than, to the extent relevant, in respect of the issue price and the first payment of interest).

Copies of the Supplement are available for inspection or upon request by a Holder or prospective Holder during normal business hours at the Specified Office of the Issuer, the Registrar or each Agent.

2.3 Types of Debt Instruments

A Debt Instrument is either:

(a) a Note issued at a discount to its principal amount;

(b) a Fixed Rate Note;

(c) a Floating Rate Note;

(d) a Zero Coupon Note;

(e) a Structured Note;

(f) an interest bearing Deposit; or

(g) a non-interest bearing Deposit,

or any other type of debt obligation (including a combination of the above) as specified in the applicable Supplement.

2.4 Issue restrictions and tenor

Unless otherwise specified in any applicable Supplement, Debt Instruments may only be offered (directly or indirectly) for issue, or applications invited for the issue of Instruments, if:

(a) in the case of issues to a subscriber who is an individual or a non-corporate institution, the aggregate consideration payable to the Issuer by that subscriber is at least A$250,000;

(b) in the case of Instruments to be offered for issue, or where the invitation is made, in Australia:

(i) the aggregate consideration payable to the Issuer by the relevant subscriber is at least A$500,000 (or its equivalent in an alternative currency, and in either case, disregarding moneys lent by the Issuer or its associates to the subscriber) or the offer or invitation for the issue of the Debt Instruments otherwise does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act; and

(ii) the offer or invitation does not constitute an offer to a “retail client” for the purposes of section 761G of the Corporations Act; and

(c) in all cases, the offer or invitation (including any resulting issue) complies with all applicable laws and directives in the jurisdiction in which the issue takes place.

2.5 Denomination

The Debt Instruments of each Series will be issued in a single Denomination as specified in the applicable Supplement.

2.6 Currency

Subject to compliance with all applicable legal and regulatory requirements, Debt Instruments may be denominated in Australian dollars or such other freely transferable and freely available currency or currencies specified in the relevant Supplement.

2.7 Clearing Systems

If the Debt Instruments are held in a Clearing System, the rights of a person holding an interest in those Debt Instruments are subject to the rules and regulations of the Clearing System. The Issuer is not responsible for anything the Clearing System does or omits to do.

Part 3 The Debt Instruments

3 Form

3.1 Constitution

(a) Debt Instruments are debt obligations of the Issuer constituted by, and owing under, the Deed Poll, the details of which are recorded in, and evidenced by entry in, the Register.

(b) Holders of the Debt Instruments are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Deed Poll.

(c) Debt Instruments are issued in registered form by entry in the Register.

3.2 Certificates for Debt Instruments

(a) Unless specified in an applicable Supplement, no certificates will be issued to Holders in respect of a Series of Debt Instruments unless the Issuer determines that certificates should be available or are required by any applicable law.

(b) Any certificates issued will be in such form as the Issuer may specify. Each certificate represents a holding of one or more such Debt Instruments by the same Debt Instrument Holder.

3.3 Effect of entries in Register

Each entry in the Register in respect of a Debt Instrument constitutes:

(a) an irrevocable undertaking by the Issuer to the Holder to:

(i) pay principal, any interest and any other amounts in accordance with these Conditions; and

(ii) otherwise to comply with the Conditions; and

(b) an entitlement to the other benefits given to Holders under these Conditions in respect of the Debt Instrument.

3.4 Ownership and non-recognition of interests

(a) Entries in the Register in relation to a Debt Instrument constitute conclusive evidence that the person so entered is the absolute owner of such Debt Instrument subject to correction for fraud or error.

(b) No notice of any trust or other interest in, or claim to, any Note will be entered in a Register. Neither the Issuer nor the relevant Registrar need take notice of any trust or other interest in, or claim to, any Note, except as ordered by a court of competent jurisdiction or required by law. This Condition 3.4(b) applies whether or not a Note is overdue.

3.5 Joint holders

Where two or more persons are entered in the Register as the joint holders of a Debt Instrument then they are taken to hold that Debt Instrument as joint tenants with rights of survivorship, but the Registrar is not bound to register more than four persons as joint holders of a Debt Instrument.

4 Status

4.1 Status of Debt Instruments

The Debt Instruments constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer.

4.2 Ranking of Debt Instruments

In a winding-up of the Issuer, the Debt Instruments rank equally among themselves and at least equally with all other unsubordinated and unsecured obligations of the Issuer, present and future, except for obligations preferred by mandatory provisions of applicable law.

*Section 11F of the Banking Act 1959 of Australia ("**Australian Banking Act**"), the effect of which is that the assets of a foreign authorised deposit-taking institution ("**foreign ADI**"), which includes the Issuer, in Australia are, in the event of the foreign ADI becoming unable to meet its obligations or suspending payment, available to meet that foreign ADI's liabilities in Australia in priority to all other liabilities of that foreign ADI. Further, under section 86 of the Reserve Bank Act 1959 of Australia, debts due by a foreign ADI, which includes the Issuer, to the Reserve Bank of Australia shall in a winding-up of that foreign ADI have priority over all other debts of that foreign ADI.*

5 Title and transfer of Debt Instruments

5.1 Transfer

Holders may only transfer Debt Instruments in accordance with these Conditions.

5.2 Title

Title to Debt Instruments passes when details of the transfer are entered in the Register.

5.3 Transfers in whole

Debt Instruments may be transferred in whole but not in part.

5.4 Compliance with law

Debt Instruments may only be transferred if:

(a) in the case of Instruments to be transferred in, or into, Australia:

(i) the offer or invitation giving rise to the transfer:

(A) is for an aggregate consideration of at least A$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the transferor or its associates to the transferee) or if the offer or invitation for the transfer of the Debt Instruments otherwise does not require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act; and

(B) does not constitute an offer to a "retail client" as defined for the purposes of section 761G of the Corporations Act; and

(ii) at all times, the transfer complies with all applicable laws and directives of the jurisdiction where the transfer takes place.

5.5 Transfer procedures

(a) Interests in Debt Instruments held in a Clearing System will be transferable only in accordance with the rules and regulations of that Clearing System. If the Debt Instruments are lodged in the Austraclear System, neither the Issuer nor the relevant Registrar will recognise any such interest other than the interest of Austraclear Australia as the Holder while the relevant Debt Instrument is lodged in the Austraclear System.

(b) Application for the transfer of Debt Instruments not held in a Clearing System must be made by the lodgment of a transfer form with the Registrar at its Specified Office. Transfer forms must be in the form available from the Registrar and:

(i) each transfer form must be:

(A) duly completed and stamped (if applicable);

(B) accompanied by any evidence the Registrar may require to establish that the transfer form has been duly executed; and

(C) signed by, or on behalf of, both the transferor and the transferee; and

(ii) transfers will be registered without charge provided all applicable Taxes have been paid.

5.6 Restrictions on transfers

Transfers of Debt Instruments which are not lodged in a Clearing System cannot be made between a Record Date and the relevant Interest Payment Date if a redemption of such Debt Instrument is to occur during that period in accordance with these Conditions.

5.7 Effect of transfer

Upon registration and entry of the transferee in the Register the transferor ceases to be entitled to future benefits under these Conditions in respect of the transferred Debt Instrument and the transferee becomes so entitled in accordance with Condition 3.3 ("Effect of entries in Register").

5.8 CHESS

Debt Instruments which are listed on the Australian Securities Exchange operated by ASX Limited (ABN 98 008 624 691) will not be transferred through, or registered on, the Clearing House Electronic Subregister System ("**CHESS**") operated by ASX Settlement Pty Limited (ABN 49 008 504 532) and will not be "Approved Financial Products" for the purposes of that system.

5.9 Austraclear as Holder

If Austraclear is recorded in the Register as the Holder, each person in whose Security Record (as defined in the Austraclear Regulations) a Debt Instrument is recorded is taken to acknowledge in favour of the Issuer, the Registrar and Austraclear that:

(a) the Registrar's decision to act as the Registrar of that Debt Instrument is not a recommendation or endorsement by the Registrar or Austraclear in relation to that Debt Instrument, but only indicates that the Registrar considers that the holding of the Debt Instrument is compatible with the performance by it of its obligations as Registrar under the Registry Services Agreement; and

(b) the Holder does not rely on any fact, matter or circumstance contrary to paragraph (a).

5.10 Estates

A person becoming entitled to a Debt Instrument as a consequence of the death or bankruptcy of a Holder or of a vesting order or a person administering the estate of a Holder may, upon producing such evidence as to that entitlement or status as the Registrar considers sufficient, transfer the Debt Instrument or, if so entitled, become registered as the holder of the Debt Instrument.

5.11 Unincorporated associations

A transfer of a Debt Instrument to an unincorporated association is not permitted.

5.12 Transfer of unidentified Debt Instruments

If a Holder transfers some but not all of the Debt Instruments it holds and the transfer form does not identify the specific Debt Instruments transferred, the relevant Registrar may choose which Debt Instruments registered in the name of Holder have been transferred. However, the aggregate principal amounts of the Debt Instruments registered as transferred must equal the aggregate principal amount of the Debt Instruments expressed to be transferred in the transfer form.

Part 4 Interest on Deposits

6 Interest on Deposits

The relevant Supplement in respect of each Tranche of Deposits will specify whether Deposits are "Interest bearing" or "Non-interest bearing".

6.1 Interest bearing Deposits

(a) Deposits which are specified in the Supplement as being interest-bearing bear interest from their Interest Commencement Date at the Interest Rate and such interest is payable in arrears on each Interest Payment Date.

(b) Interest accrues from the Interest Commencement Date on the outstanding principal amount. Interest will cease to accrue on the Maturity Date of a Deposit unless default is made in the payment of any principal amount in which case interest continues to accrue on the principal amount in respect of which payment has been improperly withheld or refused (as well after as before any demand or judgment) at the Interest Rate then applicable or such other rate as may be specified for this purpose in the Supplement until the date on which the relevant payment is made.

6.2 Non-interest bearing Deposits

In respect of Deposits which are specified in the Supplement as being non-interest-bearing, if any Redemption Amount in respect of any such Deposit is not paid when due, interest shall accrue on the overdue amount at a rate per annum (expressed as a percentage per annum) equal to the Amortisation Yield or at such other rate as may be specified for this purpose in the relevant Supplement.

Part 5 Interest on Notes

The Supplement in respect of each Tranche of Notes will specify which of the following Conditions apply.

7 Fixed Rate Notes

This Condition 7 applies to Notes only if the Supplement states that it applies.

7.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate. Interest is payable in arrear on each Interest Payment Date.

7.2 Fixed Coupon Amount

Unless otherwise provided in the Supplement, the amount of interest payable on each Interest Payment Date in respect of the preceding Interest Period will be the Fixed Coupon Amount specified in the Supplement.

7.3 Calculation of interest payable

The amount of interest payable in respect of a Fixed Rate Note for any period for which a Fixed Coupon Amount is not specified in the Supplement is calculated by multiplying the Interest Rate for that period, the outstanding principal amount of the Fixed Rate Note and the applicable Day Count Fraction.

8 Floating Rate Notes

This Condition 8 applies to Notes only if the Supplement states that it applies.

8.1 Interest on Floating Rate Notes

Each Floating Rate Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrear:

(a) on each Interest Payment Date; or

(b) if no Interest Payment Date is specified in the Supplement, each date which falls the number of months or other period specified as the Specified Period in the Supplement after the preceding Interest Payment Date, or in the case of the first Interest Payment Date, after the Interest Commencement Date.

8.2 Interest Rate determination

The Interest Rate payable in respect of a Floating Rate Note must be determined by the Calculation Agent in accordance with these Conditions.

8.3 Fallback Interest Rate

Unless otherwise specified in the Supplement, if, in respect of an Interest Period, the Calculation Agent is unable to determine a rate in accordance with Condition 8.2 (“Interest Rate determination”), the Interest Rate for the Interest Period will be the Interest Rate applicable to the Floating Rate Notes during the immediately preceding Interest Period.

8.4 ISDA Determination

If ISDA Determination is specified in the Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate Notes for each Interest Period is the sum of the Margin and the ISDA Rate.

In this Condition 8:

(a) "**ISDA Rate**" means for an Interest Period, a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction if the Calculation Agent for the Floating Rate Notes were acting as Calculation Agent for that Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i) the Floating Rate Option, the Designated Maturity and the Reset Date are as specified in the Supplement; and

(ii) the Period End Dates are each Interest Payment Date, the Spread is the Margin and the Floating Rate Day Count Fraction is the Day Count Fraction; and

(b) "**Swap Transaction**", "**Floating Rate**", "**Calculation Agent**" (except references to "**Calculation Agent for the Floating Rate Notes**"), "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**", "**Period End Date**", "**Spread**" and "**Floating Rate Day Count Fraction**" have the meanings given to those terms in the ISDA Definitions.

8.5 Screen Rate Determination

If Screen Rate Determination is specified in the Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate Notes for each Interest Period is the sum of the Margin and the Screen Rate.

In this Condition 8, "**Screen Rate**" means, for an Interest Period, the quotation offered for the Reference Rate appearing on the Relevant Screen Page at the Relevant Time on the Interest Determination Date. However:

(a) if there is more than one offered quotation displayed on the Relevant Screen Page at the Relevant Time on the Interest Determination Date, the "**Screen Rate**" means the rate calculated by the Calculation Agent as the average of the offered quotations. If there are more than five offered quotations, the Calculation Agent must exclude the highest and lowest quotations (or in the case of equality, one of the highest and one of the lowest quotations) from its calculation;

(b) if an offered quotation is not displayed by the Relevant Time on the Interest Determination Date or if it is displayed but the Calculation Agent determines that there is an obvious error in that rate, the "**Screen Rate**" means:

(i) the rate the Calculation Agent calculates as the average mean of the Reference Rates that each Reference Bank quoted to the leading banks in the Relevant Financial Centre specified in the Supplement at the Relevant Time on the Interest Determination Date; or

(ii) where the Calculation Agent is unable to calculate a rate under paragraph (i) because it is unable to obtain at least two quotes, the rate the Calculation Agent calculates as the average of the rates (being the nearest equivalent to the Reference Rate) quoted by two or more banks chosen by the Calculation Agent in the Relevant Financial Centre at approximately the Relevant Time on the Interest Determination Date for a period equivalent to the Interest Period to leading banks carrying on business in the Relevant Financial Centre in good faith; or

(c) if the Supplement specifies an alternative method for the determination of the Screen Rate Determination, then that alternative method will apply.

8.6 Bank Bill Rate Determination

If Bank Bill Rate Determination is specified in the Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate applicable to the Floating Rate Notes for each Interest Period is the sum of the Margin and the Bank Bill Rate.

In this Condition 8:

(a) **Bank Bill Rate** means, for an Interest Period, the average mid rate for Bills having a tenor closest to the Interest Period as displayed at approximately 10:10 am on the "BBSW" page (or any replacement page) of the Reuters Monitor System on the first day of that Interest Period.

However, if the average mid rate is not displayed by 10:30 am on that day, or if it is displayed but the Issuer or the Calculation Agent determines that there is an obvious error in that rate, **Bank Bill Rate** means the rate determined by the Calculation Agent in good faith at approximately 10:30 am on that day, having regard, to the extent possible, to the rates otherwise bid and offered for bank accepted Bills of that tenor at or around that time (including any displayed on the "BBSY" or "BBSW" page of the Reuters Monitor System); and

(b) **Bill** has the meaning it has in the Bills of Exchange Act 1909 of Australia and a reference to the acceptance of a Bill is to be interpreted in accordance with that Act.

8.7 Interpolation

If the Supplement states that "Linear Interpolation" applies to an Interest Period, the Interest Rate for that Interest Period will be determined through the use of straight line interpolation by reference to two ISDA Rates, Screen Rates, Bank Bill Rates or other floating rates specified in the Supplement, one of which shall be determined as if the Interest Period were the period of time for which rates are available next shorter than the length of the Interest Period (or any alternative Interest Period specified in the Supplement) and the other of which shall be determined as if the Interest Period were the period of time for which rates are available next longer than the length of the Interest Period (or any alternative Interest Period specified in the Supplement).

9 Structured Notes

This Condition 9 applies to Notes only if the Supplement states that it applies.

9.1 Interest on Structured Notes

Each interest bearing Structured Note bears interest on its outstanding principal amount from (and including) its Interest Commencement Date to (but excluding) its Maturity Date at the Interest Rate.

Interest is payable in arrear:

(a) on each Interest Payment Date; or

(b) if no Interest Payment Date is specified in the Supplement, each date which falls the number of months or other period specified as the Specified Period in the Supplement after the preceding Interest Payment Date (or in the case of the first Interest Payment Date, after the Interest Commencement Date).

9.2 Interest Rate

The Interest Rate payable in respect of an interest bearing Structured Note must be determined in the manner specified in the Supplement.

Part 6 General interest provisions

10 General provisions applicable to interest

10.1 Maximum or Minimum Interest Rate

If the Supplement specifies a Maximum Interest Rate or Minimum Interest Rate for any Interest Period then, the Interest Rate for the Interest Period must not be greater than the maximum, or be less than the minimum, so specified.

10.2 Calculation of Interest Rate and interest payable

(a) The Calculation Agent must:

(i) in relation to each Interest Period for each Floating Rate Note and interest bearing Structured Note, as soon as practicable after determining the Interest Rate, calculate the amount of interest payable for the Interest Period in respect of the outstanding principal amount of such Note; or

(ii) calculate the amount of interest payable for the Interest Period in respect of the outstanding principal amount of each other Debt Instrument.

(b) Unless otherwise specified in the Supplement, the amount of interest payable is calculated by multiplying the product of the Interest Rate for the Interest Period and the outstanding principal amount of the Debt Instrument by the applicable Day Count Fraction.

(c) The rate determined by the Calculation Agent must be expressed as a percentage rate per annum.

10.3 Calculation of other amounts

If the Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent must, as soon as practicable after the time at which that amount is to be determined, calculate the amount in the manner specified in the Supplement.

10.4 Notification of Interest Rate, interest payable and other items

(a) The Calculation Agent must notify the Issuer, the Registrar, the Holders, each other Agent and any stock exchange or other relevant authority on which the Debt Instruments are listed of:

(i) each Interest Rate, the amount of interest payable and each other amount, item or date calculated or determined by it together with the Interest Payment Date; and

(ii) any amendment to any amount, item or date referred to in paragraph (i) arising from any extension or reduction in any Interest Period or calculation period.

(b) The Calculation Agent must give notice under this Condition 10.4 as soon as practicable after it makes its determination. However, it must give notice of each Interest Rate, the amount of interest payable and each Interest Payment Date by the fourth day of the Interest Period.

(c) The Calculation Agent may amend its determination of any amount, item or date (or make appropriate alternative arrangements by way of adjustment) as a result of the extension or reduction of the Interest Period or calculation period without prior notice but must notify the Issuer, the Registrar, the Holders, each other Agent and each stock exchange or other relevant authority on which the Debt Instruments are listed after doing so.

10.5 Determination final

The determination by the Calculation Agent of all amounts, rates and dates falling to be determined by it under these Conditions is, in the absence of wilful default, bad faith or manifest or proven error, final and binding on the Issuer, the Registrar, each Holder and each other Agent.

10.6 Rounding

For the purposes of any calculations required under these Conditions (unless otherwise specified in the Supplement):

(a) all percentages resulting from the calculations must be rounded, if necessary, to the nearest one ten-thousandth of a percentage point (with 0.00005 per cent. being rounded up to 0.0001 per cent.);

(b) all figures must be rounded to four decimal places (with halves being rounded up); and

(c) all amounts that are due and payable must be rounded (with halves being rounded up) to:

(i) in the case of Australian dollars, one cent; and

(ii) in the case of any other currency, the lowest amount of that currency available as legal tender in the country of that currency.

Part 7 Redemption and purchase

11 Redemption and purchase

11.1 Scheduled redemption

Each Debt Instrument is redeemable by the Issuer on the Maturity Date at its Redemption Amount unless:

(a) the Debt Instrument has been previously redeemed;

(b) the Debt Instrument has been purchased and cancelled; or

(c) the Supplement states that the Debt Instrument has no fixed Maturity Date.

11.2 Partly Paid Notes

Partly Paid Notes will be redeemed on their Maturity Date in accordance with the Supplement.

11.3 Instalment Notes

Instalment Notes will be partially redeemed in the Instalment Amounts and on the Instalment Dates specified in the Supplement. The principal amount of each Instalment Note is reduced by the Instalment Amount with effect from the related Instalment Date.

11.4 Purchase

The Issuer and any of its Related Entities may at any time purchase Debt Instruments in the open market or otherwise and at any price. If purchases are made by tender, tenders must be available to all Holders alike. Debt Instruments purchased under this Condition 11.4 may be held, resold or cancelled at the discretion of the purchaser and, if the Debt Instruments are to be cancelled, the Issuer, subject in all cases to compliance with any applicable law or regulatory requirement.

11.5 Early redemption for taxation reasons

The Issuer may redeem all (but not some) of the Debt Instruments of a Series in whole before their Maturity Date at the Redemption Amount and any interest accrued on it to (but excluding) the redemption date if the Issuer is required under Condition 15.2 ("Withholding tax") to increase the amount of a payment in respect of a Debt Instrument.

However, the Issuer may only do so if:

(a) the Issuer has given at least 15 days' (and no more than 60 days') (or any other period specified in the Supplement) notice to the Registrar, the Holders, each other Agent and any stock exchange or other relevant authority on which the Debt Instruments are listed;

(b) before the Issuer gives the notice under paragraph (a), the Registrar has received an opinion of independent legal advisers of recognised standing in the applicable Relevant Tax Jurisdiction, that the Issuer would be required under Condition 15.2 ("Withholding tax") to increase the amount of the next payment due in respect of the Debt Instruments;

(c) in the case of non-interest bearing Deposits and Fixed Rate Notes, no notice of redemption is given earlier than 90 days before the earliest date on which the Issuer would be obliged to pay Additional Amounts; and

(d) in the case of interest bearing Deposits, Floating Rate Notes and Structured Notes bearing a floating rate of interest:

(i) the proposed redemption date is an Interest Payment Date; and

(ii) no notice of redemption is given earlier than 60 days before the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay Additional Amounts.

The following Condition 11.6 applies to Debt Instruments only if the Supplement states that it applies.

11.6 Early redemption at the option of Holders (Holder put)

If the Supplement states that a Holder may require the Issuer to redeem all or some of the Debt Instruments of a Series held by that Holder before their Maturity Date, the Issuer must redeem the Debt Instruments specified by the Holder at the Redemption Amount and any interest accrued on it to (but excluding) the redemption date if the following conditions are satisfied:

(a) the amount of Debt Instruments to be redeemed is a multiple of their denomination specified in the relevant Supplement;

(b) the Holder has given at least 45 days' (and no more than 60 days') (or any other period specified in the Supplement) notice, to the Issuer and the Registrar by delivering to the Specified Office of the Registrar during normal business hours a completed and signed redemption notice in the form obtainable from the Specified Office of the Registrar together with any evidence the Registrar may require to establish title of the Holder to the Debt Instrument;

(c) the notice referred to in paragraph (b) specifies an account in the country of the currency in which the Debt Instrument is denominated to which the payment should be made or an address to where a cheque for payment should be sent;

(d) the redemption date is an Early Redemption Date (Put) specified in the Supplement; and

(e) any other condition specified in the Supplement is satisfied.

A Holder may not require the Issuer to redeem any Debt Instrument under this Condition 11.6 if the Issuer has given notice that it will redeem that Debt Instrument under Condition 11.5 ("Early redemption for taxation reasons") or Note Condition 11.7 ("Early redemption at the option of the Issuer (Issuer call)").

The following Condition 11.7 applies to Debt Instruments only if the Supplement states that it applies.

11.7 Early redemption at the option of the Issuer (Issuer call)

If the Supplement states that the Issuer may redeem all or some of the Debt Instruments of a Series before their Maturity Date under this Condition 11.7, the Issuer may redeem so many of the Debt Instruments specified in the Supplement at the Redemption Amount and any interest accrued on it to (but excluding) the redemption date.

However, the Issuer may only do so if:

(a) the amount of Debt Instruments to be redeemed is, or is a multiple of, their denomination specified in the relevant Supplement;

(b) the Issuer has given at least 30 days' or any other period specified in the Supplement) notice to the Registrar, the Holders, each other Agent and any stock exchange or other relevant authority on which the Debt Instruments are listed;

(c) the proposed redemption date is an Early Redemption Date (Call) specified in the Supplement; and

(d) any other condition specified in the Supplement is satisfied.

11.8 Partial redemptions

If only some of the Debt Instruments are to be redeemed under Condition 11.7 ("Early redemption at the option of the Issuer (Issuer call)"), the Debt Instruments to be redeemed will be specified in the notice and selected by the Issuer:

(a) in a fair and reasonable manner under the circumstances of the proposed redemption and having regard to prevailing market practice; and

(b) in compliance with any applicable laws or directive and the requirements of any applicable Clearing System or stock exchange or other relevant authority on which the Debt Instruments are listed.

11.9 Effect of notice of redemption

Any notice of redemption given under this Condition 11 is irrevocable.

11.10 Late payment

If an amount is not paid under this Condition 11 when due, then:

(a) for a Debt Instrument (other than a Zero Coupon Note or a Structured Note), interest continues to accrue on the unpaid amount (both before and after any demand or

judgment) at the default rate specified in the Supplement (or, if no default rate is specified, the last applicable Interest Rate) until the date on which payment is made to the Holder or as may otherwise be specified in the Supplement;

(b) for a Zero Coupon Note, the obligation to pay the amount is replaced by an obligation to pay the Amortised Face Amount recalculated as at the date on which payment is made to the Holder; and

(c) for a Structured Note as specified in the Supplement:

(i) interest continues to accrue at the default rate specified in the Supplement (or, if no default rate is specified, the last applicable Interest Rate) until the date on which payment is made to the Holder; or

(iii) the obligation to pay an amount is replaced by an obligation to pay an amount determined in the manner specified in the Supplement.

Part 8 Redemption and purchase

12 Events of Default

12.1 Events of Default

An Event of Default occurs in relation to a Series of Debt Instruments if:

(a) (**non-payment**) any principal or interest on the Debt Instruments has not been paid within 14 days from the due date for payment and such sum has not been duly paid within a further 14 days following written notice from a Holder of the Debt Instruments of the relevant Series to the Issuer requiring the non-payment to be made good. The Issuer shall not, however, be in default if during the 14 days after the Holder's notice it satisfies the Holder that such sums ("**Withheld Amounts**") were not paid in order to comply with a mandatory law, regulation or order of any court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, the Issuer will not be in default if it acts on the advice given to it during such 14 day period by independent legal advisors of international standing;

(b) (**other obligations**) the Issuer breaches any provision of the Debt Instruments (other than as stated in (a) above) and that breach has not been remedied within 21 days of receipt of written notice from the Holders requiring the same to be remedied; and

(c) (**insolvency**) an order is made or an effective resolution is passed for the winding up of the Issuer which is not successfully appealed within 30 days (otherwise than in connection with a scheme of reconstruction, merger or amalgamation the terms of which shall previously have been approved by an Extraordinary Resolution of the Holders of the relevant Series of Debt Instruments).

12.2 Consequences of an Event of Default

If any Event of Default occurs and continues unremedied in relation to the Debt Instruments and is, in the reasonable opinion of a Holder, materially prejudicial to the interests of that Holder, then such Holder may declare by notice to the Issuer (with a copy to the Registrar) that each Debt Instrument held by it is to be redeemed at its Redemption Amount (together with any accrued interest) in which case such amounts become immediately due and payable.

12.3 Notification

If an Event of Default occurs, the Issuer must promptly after becoming aware of it notify the Registrar of the occurrence of the Event of Default (specifying details of it) and use its reasonable endeavours to procure that the Registrar promptly notifies Holders, each other

Agent and any stock exchange or other relevant authority on which the Debt Instruments are listed of the occurrence of the Event of Default.

12.4 Withheld Amounts

(a) If lawful, Withheld Amounts or a sum equal to Withheld Amounts shall be placed promptly on interest bearing deposit by the Issuer opening in its books of account a separate interest bearing deposit account ("**Suspense Account**") in the name of the Issuer but designated by reference to the title of the relevant Debt Instruments to which shall be credited such Withheld Amount or such sum.

(b) The Suspense Account shall attract interest at the prevailing market rate and shall be capable of being called for repayment without penalty or seven days' notice. The Issuer will give notice to the Holders in accordance with Condition 21 ("Notices") if at any time it is lawful to pay any Withheld Amount to Holders or if such payment is possible as soon as any doubt as to the validity or applicability of any such law, regulation or order as is mentioned in Condition 12.1(a) is resolved. The notice will give the date on which such Withheld Amount and the interest accrued on it will be paid. This date will be the earliest day after the day on which it is decided Withheld Amounts can be paid on which such interest bearing deposit falls due for repayment or may be repaid without penalty. On such date, the Issuer shall be bound to pay such Withheld Amount together with interest accrued on it. For the purposes of Condition 12.1(a) above this date shall be the due date for such sums.

(c) The obligations of the Issuer under this Condition 12.4 shall be in lieu of any other remedy against it in respect of Withheld Amounts. Payment will be subject to applicable laws, regulations or court orders, but, in the case of payment of any Withheld Amount, without prejudice to Condition 15 ("Taxation").

(d) Interest accrued on any Withheld Amount shall be paid net of any taxes required by applicable law to be withheld or deducted and the Issuer shall not be obliged to pay any additional amount in respect of any such withholding or deduction.

(e) Where the Withheld amount is an amount of principal in respect of the Notes, the amount of interest referred to above shall be in lieu of any other interest in respect of the period from and including the date on which such amount of principal would have otherwise been payable to but excluding the date on which such Withheld Amount becomes payable.

Part 9 Payments

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13 General provisions

13.1 Summary of payment provisions

Payments in respect of the Debt Instruments will be made in accordance with Condition 13 ("Payments on Debt Instruments").

13.2 Payments subject to law

All payments are subject to applicable law, but without prejudice to the provisions of Condition 15 ("Taxation").

13.3 Payments on Business Days

If a payment:

(a) is due on a Debt Instrument on a day which is not a Business Day then the due date for payment will be adjusted in accordance with the applicable Business Day Convention; or

(b) is to be made to an account on a Business Day on which banks are not open for general banking business in the place in which the account is located, then the due date for payment will be the first following day on which banks are open for general banking business in that place,

and in either case, the Holder is not entitled to any additional payment in respect of that delay unless there is a subsequent failure to pay in accordance with these Conditions, in which event interest shall continue to accrue in accordance with these Conditions.

13.4 Currency indemnity

The Issuer waives any right it has in any jurisdiction to pay an amount other than in the currency in which it is due. However, if a Holder receives an amount in a currency other than the currency in which it is due:

(a) it may convert the amount received into the due currency (even though it may be necessary to convert through a third currency to do so) on the day and at such rates (including spot rate, same day value rate or value tomorrow rate) as it reasonably considers appropriate. It may deduct its usual costs in connection with the conversion; and

(b) the Issuer satisfies its obligation to pay in the due currency only to the extent of the amount of the due currency obtained from the conversion after deducting the costs of the conversion.

14 Payments on Debt Instruments

14.1 Payment of principal

Payments of the principal (including any final Instalment Amount) in respect of a Debt Instrument will be made to each person registered at 10.00 am on the payment date as the holder of a Debt Instrument (or to the first person registered in the case of joint Holders).

14.2 Payment of interest

Payments of interest and Instalment Amounts (other than the final Instalment Amount) in respect of a Debt Instrument will be made to each person registered at the close of business on the Record Date as the holder of that Debt Instrument (or to the first person registered in the case of joint Holders).

14.3 Payments to accounts

Payments in respect of the Debt Instrument will be made in Australia, unless prohibited by law, and:

(a) if the Debt Instrument is held in the Austraclear System, by crediting on the payment date, the amount due to:

(i) the account of Austraclear (as the Holder) in the country of the currency in which the Debt Instrument is denominated previously notified to the Issuer and the Registrar; or

(ii) if requested by Austraclear, the accounts of the persons in whose Security Record (as defined in the Austraclear Regulations) a Debt Instrument is recorded as previously notified by Austraclear to the Issuer and the Registrar in accordance with Austraclear Regulations; and

(b) if the Debt Instrument is not held in the Austraclear System, by crediting on the payment date, the amount then due under each Debt Instrument to an account previously notified by the Holder to the Issuer and the Registrar.

If a payment in respect of the Debt Instrument is prohibited by law from being made in Australia, such payment will be made in an international financial centre for the account of the relevant payee, and on the basis that the relevant amounts are paid in immediately available funds, freely transferable at the order of the payee.

14.4 Payments by cheque

If a Holder has not notified the Registrar of an account to which payments to it must be made by the close of business on the Record Date, payments in respect of the Debt Instrument will be made by cheque sent by prepaid post on the Business Day immediately before the payment date, at the risk of the Holder, to the Holder (or to the first named joint holder of the Debt Instrument) at its address appearing in the Register at the close of business on the Record Date. Cheques sent to the nominated address of a Holder will be taken to have been received by the Holder on the payment date and, no further amount will be payable by the Issuer in respect of the Debt Instrument as a result of the Holder not receiving payment on the due date.

15 Taxation

15.1 No set-off, counterclaim or deductions

All payments in respect of the Debt Instrument must be made in full without set-off or counterclaim, and without any withholding or deduction in respect of Taxes, unless prohibited by law.

15.2 Withholding tax

Subject to Condition 15.3 ("Withholding tax exemptions"), if a law requires the Issuer to withhold or deduct an amount in respect of Taxes from a payment in respect of the Debt Instrument such that the Holder would not actually receive on the due date the full amount provided for under the Debt Instrument, then:

(a) the Issuer agrees to deduct the amount for the Taxes (and any further withholding or deduction applicable to any further payment due under paragraph (b) below); and

(b) if the amount deducted or withheld is in respect of Taxes imposed by a Relevant Tax Jurisdiction, the amount payable is increased so that, after making the deduction and further deductions applicable to additional amounts payable under this Condition 15.2, each Holder is entitled to receive (at the time the payment is due) the amount it would have received if no deductions or withholdings had been required to be made.

15.3 Withholding tax exemptions

No Additional Amounts are payable under Condition 15.2(b) ("Withholding tax") in respect of any Debt Instrument:

(a) to, or to a third party on behalf of, a Holder who is liable to such Taxes in respect of such Debt Instrument by reason of that person having some connection with a Relevant Tax Jurisdiction other than the mere holding of such Debt Instrument or receipt of payment in respect of the Debt Instrument provided that a Holder shall not be regarded as having a connection with Australia for the reason that the Holder is a resident of Australia within the meaning of the Australian Tax Act where, and to the extent that, such taxes are payable by reason of section 128B(2A) of the Australian Tax Act;

(b) to, or to a third party on behalf of, a Holder who could lawfully avoid (but has not so avoided) such Taxes by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or similar case for exemption to any tax authority;

(c) to, or to a third party on behalf of, a Holder who is an Offshore Associate of the Issuer and not acting in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme within the meaning of the Corporations Act;

(d) to, or to a third party on behalf of an Australian resident Holder or a non-resident Holder carrying on business in Australia at or through a permanent establishment of the non-resident in Australia, if that Holder has not supplied an appropriate tax file number an Australian business number or other exemption details;

(e) presented for payment (to the extent that presentation is required) or otherwise arranging to receive payment more than 30 days after the relevant payment date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment (to the extent that presentation is required), or otherwise arranging to receive payment, on the thirtieth such day;

(f) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26th-27th November 2000 on taxation of savings income or any law implementing or complying with or introduced in order to conform to, such Directive;

(g) to, or on behalf of, a holder who would have been able to avoid such withholding or deduction by presenting the relevant Debt Instrument to (to the extent that presentation is required), or otherwise arranging to receive payment through, another paying agent in a Member State of the European Union;

(h) where such withholding or deduction would not be required but for the Debt Instrument conforming to any of the definitions of tier 1, 2 or 3 capital adopted by the Financial Conduct Authority of the United Kingdom; or

(i) in such other circumstances as may be specified in the Supplement.

16 Time limit for claims

A claim against the Issuer for a payment under a Debt Instrument is void unless made within 10 years (in the case of principal) or 5 years (in the case of interest and other amounts) from the date on which payment first became due.

Part 10 General

17 Agents

17.1 Role of Agents

In acting under an Agency Agreement, each Agent acts solely as agent of the Issuer and does not assume any obligations towards or relationship of agency or trust for or with any Holder.

17.2 Appointment and replacement of Agents

Each initial Agent for a Series of Debt Instruments is specified in the Supplement. Subject to Condition 17.4 ("Required Agents"), the Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor.

17.3 Change of Agent

Notice of any change of an Agent or its Specified Office must promptly be given to the Holders by the Issuer or the Agent on its behalf.

17.4 Required Agents

The Issuer must:

(a) at all times during which Debt Instruments are outstanding, maintain a Registrar; and

(b) if a Calculation Agent is specified in the Supplement, at all times maintain a Calculation Agent.

18 Meetings of Holders

The Meetings Provisions contain provisions (which have effect as if incorporated in these Conditions) for convening meetings of the Holders of any Series to consider any matter affecting their interests, including any variation of these Conditions or by Extraordinary Resolution.

19 Variation and substitution

19.1 Variation with consent

Unless Condition 19.2 ("Variation without consent") applies, any Condition may be varied by the Holders of the Series by Extraordinary Resolution in accordance with the Meetings Provisions.

19.2 Variation without consent

Any Condition may be amended without the consent of the Holders if the amendment:

(a) is of a formal, minor or technical nature;

(b) is made to correct a manifest or proven error;

(c) is made to cure any ambiguity or correct or supplement any defective or inconsistent provision and, in the reasonable opinion of the Issuer, is not materially prejudicial to the interests of the Holders;

(d) is to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated and, in the reasonable opinion of the Issuer, is not materially prejudicial to the interests of the Holders; or

(e) only applies to Debt Instruments issued by the Issuer after the date of amendment.

19.3 Substitution

The Issuer may effect, without the consent of the Holders, the substitution of a branch of the Issuer (the "**New Branch**") in place of the existing branch of the Issuer ("**Existing Branch**") as principal debtor under the Notes of any Series, *provided that* the New Branch executes a deed poll in favour of the Holders substantially to the effect that the New Branch undertakes to perform all of the obligations of the Existing Branch under the Conditions in respect of the Notes including, without limitation:

(a) to pay, in respect of each Note, the outstanding principal amount, any interest and any other moneys payable in accordance with the Conditions of such Note; and

(b) otherwise to comply with the Conditions of such Note,

in each case, at such time, and in such place and in such manner as if the obligation were being performed by the Existing Branch.

In the event of any such substitution, any reference in these Conditions to the Issuer shall be construed as a reference to the New Branch. Any such substitution shall be promptly notified to the relevant Holders in accordance with Condition 21. In connection with such right of substitution, the Issuer shall not be obliged to have regard to the consequences of the exercise of such right for individual Holders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory, and no Holder shall be entitled to claim from the Issuer any indemnification or payment in respect of any tax consequence of any such substitution upon such Holder.

20 Further issues

The Issuer may from time to time, without the consent of the Holders, issue further Debt Instruments having the same Conditions as the Debt Instruments of any Series in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Debt Instruments of that Series.

21 Notices

21.1 Notices for Debt Instruments

All notices and other communications in connection with a Debt Instrument to the Holders must be in writing and may be:

(a) sent by prepaid post (airmail, if appropriate) to or left at the address of the Holder (as shown in the Register at the close of business on the day which is 3 Business Days before the date of the notice or communication);

(b) given by an advertisement published in The Australian Financial Review or The Australian; or

(c) if the Supplement specifies an additional or alternate newspaper, given by an advertisement published in that newspaper.

21.2 Notices to the Issuer and the Agents

All notices and other communications to the Issuer or an Agent must be in writing and may be sent by prepaid post (airmail, if appropriate) to or left at, the Specified Office of the Issuer or the Agent.

21.3 When effective

Notices and other communications take effect from the time they are taken to be received unless a later time is specified in them.

21.4 Deemed receipt - publication in newspaper

If published in a newspaper, a notice or other communication is taken to be received on the first date that publication has been made in all the required newspapers.

21.5 Deemed receipt - postal

If sent by post, notices or other communications are taken to be received three days after posting (or seven days after posting if sent to or from a place outside Australia).

21.6 Deemed receipt - general

Despite Condition 21.5 ("Deemed receipt - postal"), if notices or other communications are received after 5.00 pm in the place of receipt or on a non-Business Day, they are taken to be received at 9.00 am on the next Business Day.

22 Governing law

22.1 Governing law

Debt Instruments are governed by the law in force in New South Wales.

22.2 Jurisdiction

The Issuer submits, and each Holder is taken to have submitted, to the non-exclusive jurisdiction of New South Wales and the courts of appeal from them. The Issuer waives any right it has to object to an action being brought in the courts of New South Wales including by claiming that the action has been bought in an inconvenient forum or that those courts do not have jurisdiction.

22.3 Serving documents

Without preventing any other method of service, any document in any action may be served on the Issuer or a Holder by being delivered or left at their registered office or address or principal place of business.

Form of Supplement for Debt Instruments

Any Supplement that will be issued in respect of each Tranche of Debt Instruments will be substantially in the form set out below.

Series No.: **[●]**

Tranche No.: **[●]**

Barclays Bank PLC
Australian Branch
ABN 86 062 449 585
("Issuer")

A$10,000,000,000
Debt Issuance Programme
("Programme")

PRICING SUPPLEMENT
in connection with the issue of [fully paid]
A$[●] [medium term notes / other notes / transferable deposits / certificates of deposit]
("**Debt Instruments**")

The date of this Supplement is [●].

This Supplement is issued to give details of the Tranche of [fully paid] Debt Instruments referred to above. It is supplementary to, and should be read in conjunction with the Information Memorandum dated [●] ("**IM**") and the Deed Poll dated [●] ("**Deed Poll**") each issued in relation to the Programme.

[If Debt Instruments are not constituted by the Deed Poll, provide details of the form of the Debt Instruments.]

This Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Debt Instruments or the distribution of this Supplement in any jurisdiction where such action is required.

Terms used but not otherwise defined in this Supplement have the meaning given in the Deed Poll. A reference to a "condition" in this Supplement is a reference to [the corresponding Condition as set out in the Deed Poll].

TERMS

The terms of the Tranche of Debt Instruments are as follows:

Issuer:	Barclays Bank PLC, Australian Branch (ABN 86 062 449 585)
Relevant Dealer(s):	[*Specify*].
Place of initial offering:	[Inside / Outside] Australia.
Issuing and Paying Agent:	[*Specify* / Not applicable].
Calculation Agent:	[*Specify* / Not applicable].
Additional Paying Agents:	[*Specify* / Not applicable].
Registrar:	[[●] (ABN [●]) / s*pecify other*].
Location of Register:	[The Register will be maintained by the Registrar in New South Wales.] / [Notwithstanding the provisions of clause 1.3 of the Deed Poll, the Register will be maintained by the Registrar in [*specify*].] [*For issues of Notes outside Australia, insert details of the place in which the Register is to be maintained.*]
Transfer Agent:	[*Specify* / Not applicable].
Status of the Debt Instruments:	Unsubordinated.
Specified Currency:	[Australian Dollars / *specify other*].
Aggregate Principal Amount of Tranche:	[A$[●]].
[If to form a single Series with existing Series, specify date on which all Debt Instruments of the Series become fungible]:	[All Debt Instruments of this Tranche are to form a single Series with Series [●] and become fungible from [*specify date*] immediately following issue / Not Applicable.]
Issue Date:	[*Specify*].
Maturity Date:	[*Specify*].
Issue Price:	[*Specify*].
[Type of Note:]	Unsubordinated [*Fixed Rate Note / Floating Rate Note / Index Linked Note /Instalment Note / specify other.*] *[If Debt Instruments are not constituted by the Deed Poll, provide details of the form of the Debt Instruments.]*
[Type of Deposit Instrument:]	[Interest bearing / Non-interest bearing] [Fixed Rate / Floating Rate / Discounted.]] [Each Deposit Instrument represents an amount deposited with the Issuer on the conditions set out in

	the Deed Poll as supplemented, amended or replaced by this Pricing Supplement]
Form of [Note/TD]:	Registered.
Denomination(s):	A$[10,000].
Business Days:	[*specify place(s)*].
Interest:	[**Fixed Rate**:] [Condition 7 will apply.] [Interest Commencement Date: [Issue Date / [*specify other*].] [Interest Payment Dates: [*Specify dates*].] [Interest Rate: [●] per cent. per annum / Not Applicable].] [Fixed Coupon Amount: A$[●] per A$[●] / Not Applicable.] [If the Issuer's call referred to in Condition 11.7 (Early redemption at the option of the Issuer (Issuer Call) is not exercised, then with effect from [*specify date*] [the Interest Rate shall be increased by [[●] per cent. per annum] / Fixed Coupon Amount shall be increased by A$[●] per A$[●].] [Business Day Convention: [*Specify*].] [Day Count Fraction: [*Specify*].] [**Floating Rate:**] [Condition 8 will apply.] [Interest Commencement Date: [Issue Date / *specify other*].] [Interest Payment Dates: [*Specify dates*].] [Specified Period: [*Specify*].] [Interest Rate: [●] per cent. per annum / Not Applicable.] [ISDA Determination: Applicable / Not Applicable.] [Floating Rate Option: [*Specify*].] [Designated Maturity: [*Specify*].] [Reset Date: [*Specify*].] [Screen Rate Determination: Applicable / Not Applicable.] [Relevant Financial Centre: [*Specify*].]

	[Relevant Time: [*Specify*].] [Interest Determination Date: [*Specify date*].] [Reference Banks: [*Specify*].] [Reference Rate: [*Specify*].] [Relevant Screen Page: [*Specify*].] [Bank Bill Rate Determination: Applicable / Not Applicable.] [Margin: [*Specify*].] [Business Day Convention: [*Specify*].] [Day Count Fraction: [*Specify*].] [Linear Interpolation: Applicable / Not Applicable.] [If the Issuer's call referred to in Condition 11.7 (Early redemption at the option of the Issuer (Issuer Call) is not exercised, then with effect from [*specify date*] [*specify relevant rate*] shall be increased by [0.5 per cent. per annum.]] [**Structured [Index Linked** / **Instalment** / **Equity Linked]:**] [Condition 9 will apply.] [Interest Commencement Date: [Issue Date / s*pecify other*].] [Interest Payment Dates: [*Specify*].] [Interest Rate: [●] / Not Applicable.] [●]. [*Insert other details*] [**Other**:] [Amortisation Yield: [*Specify*].]
Minimum / Maximum Interest Rate:	[[*Specify rate*] / Not Applicable.]
Default Rate:	[[*Specify rate*] / Not Applicable.]
Calculation Agent Obligations:	[*Specify if any*]. [*See Condition 10.3*]
Rounding:	[*Specify*]. [*See Condition 10.6*]
[Early redemption at the option of Holders (Holder put):]	Not Applicable.
[Early Redemption Date (Put):]	[Applicable / Not Applicable.]
[Early redemption at the option of the Issuer (Issuer's call):]	[Applicable / Not Applicable.]

[Early Redemption Date (Call):]	[*Specify date*]. [Thereafter, the Issuer may redeem the Debt Instruments on [*specify date[s]*].]
[Minimum notice period for the exercise of the [put option / call option]:]	[*Specify*.]
[Maximum notice period for the exercise of the [put option / call option]:]	[*Specify*.]
[Specify any relevant conditions to exercise of [put option / call option]:]	[[*Specify*] / Not Applicable.]
[Specify whether redemption at [Holders' option / Issuer's option] is permitted in respect of some only of the Debt Instruments] and, if so, any minimum aggregate principal amount:]	[*Specify*].
[Minimum notice period for early redemption for taxation reasons:]	[15 days / other.]
[Maximum notice period for early redemption for taxation reasons:]	[60 days /other.]
[Structured [Notes] Redemption Amount:]	[[*Specify*].] [Instalment Amounts: [*Specify*].] [Instalment Dates: [*Specify dates*].]
[Zero Coupon [Notes] Redemption Amount:]	[Reference Price: [*Specify*].] [Accrual Yield: [*Specify*].] [Day Count Fraction: [*Specify*].]
[Redemption of Partly Paid [Notes]:]	[[*Specify*] / Not Applicable.]
Currency of payments:	[A$ / *specify other*]
Other relevant terms and conditions:	[*Specify*].
ISIN:	[*Specify*].
Common Code:	[*Specify*].
Clearing System:	[Austraclear/Euroclear and Clearstream, Luxembourg].
Other selling restrictions:	[As provided in the IM, the Debt Instruments will not be issued unless the aggregate consideration payable by each offeree is at least A$500,000 (disregarding moneys lent by the offeror or its associates) or the offer or invitation does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Corporations Act 2001 of Australia. [Section 708(19) of the Corporations Act provides that an offer of debentures for issue or sale does not

	need disclosure to investors under Part 6D.2 of the Corporations Act if the Issuer is an authorised deposit-taking institution ("**ADI**"). As at the date of this Pricing Supplement, the Issuer is a foreign ADI.] / [*Specify other*].] *[If other Debt Instruments are issued provide supplementary or additional information/disclosure as required.]*
Australian interest withholding tax:	[The Debt Instruments satisfy the public offer test as the issue resulted from the Debt Instruments being offered for issue to (a) at least 10 persons each of whom was carrying on a business of providing finance, or investing or dealing in securities, in the course of operating in financial markets, and each of those persons was not known, or suspected, by the Dealer to be an associate (as defined in section 128F(9) of the Australian Tax Act) of any other of the persons or (b) as a result of the IM being publicly available in capital markets.] [*Insert details of any other method of satisfying the public offer test if applicable*.] [The issue of the Debt Instruments has not been structured to satisfy the public offer test, Condition 15.2(b) will not apply and the Issuer is not obliged to make any additional payments in respect of any withholding or deduction required by law.] *[If other Debt Instruments are issued provide supplementary or additional information/disclosure as required.]*
Programme Documents:	[*List*].
Listing:	[[*Specify*] / Not Applicable.]
Notices:	[*Insert details of any additional newspapers*]
Additional Australian Taxation:	[*Specify*]. *[If other Debt Instruments are issued provide supplementary or additional information/disclosure as required.]*

[The following purchasers of this Tranche of Debt Instruments are not Dealers named in the IM:]

[●].

CONFIRMED

Barclays Bank PLC, Australian Branch

By: …….. and……..
Authorised Persons

Date: [●].

Selling Restrictions

*Pursuant to the Dealer Common Terms Deed dated 5 June 2008 as amended and supplemented from time to time ("**Dealer Common Terms**") and subject to the conditions contained in this Information Memorandum, Debt Instruments will be offered by the Issuer through one or more Dealers. The Issuer will have the sole right to accept any such offers to purchase Debt Instruments and may reject any such offer in whole or (subject to the terms of such offer) in part. Each Dealer has the right, in its discretion reasonably exercised, to reject any offer to purchase Debt Instruments made to it in whole or (subject to the terms of such offer) in part. The Issuer is entitled under the Dealer Agreement to appoint one or more Dealers as a dealer for a particular Tranche of Debt Instruments or for the Programme generally. At the time of any appointment, each such Dealer will be required to represent and agree to the selling restrictions applicable at that time.*

By its purchase and acceptance of Debt Instruments issued under the Dealer Agreement, each Dealer has agreed (or will agree) that it will observe all applicable laws, directives and regulations in any jurisdiction in which it may subscribe for, offer, sell, transfer or deliver Debt Instruments, and it will not directly or indirectly, subscribe for, offer, sell, resell, re-offer, transfer or deliver Debt Instruments or distribute the Information Memorandum, any Supplement, circular, advertisement or other offering material relating to the Debt Instruments in any country or jurisdiction except in accordance with these selling restrictions, any additional restrictions agreed between the Issuer and the Dealer or which are set out in the relevant Supplement and any applicable law, regulation or directive of that jurisdiction.

Neither the Issuer, any of its affiliates, the Arranger, nor any of the Dealers have represented that any Debt Instruments 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.

Restrictions on the sale and/or distribution of other Debt Instruments will be set out in the relevant Supplement.

The following selling restrictions apply to Debt Instruments:

1 General

No action has been taken in any jurisdiction that would permit a public offering of any of the Debt Instruments, or possession or distribution of the Information Memorandum or any other offering material or any Supplement, in any country or jurisdiction where action for that purpose is required.

Persons into whose hands this Information Memorandum comes are required by the Issuer, the Arranger and the Dealers to comply with all applicable laws, regulations and directives in each country or jurisdiction in which they purchase, offer, sell, resell, reoffer or deliver Debt Instruments or have in their possession or distribute or publish the Information Memorandum or other such offering material and to obtain any authorisation, consent, approval or permission required by them for the purchase, offer, sale, reoffer, resale or delivery by them of any Debt Instruments under any applicable law, regulation or directive in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales, reoffers, resales or deliveries, in all cases at their own expense, and neither Issuer nor the Arranger or any Dealer shall have responsibility for such matters. In accordance with the above, any Debt Instruments purchased by any person which it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances which would result in the Issuer being obliged to register any further prospectus or corresponding document relating to the Debt Instruments in such jurisdiction.

2 Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia ("**Corporations Act**")) in relation to the Programme or any Debt Instruments has been, or will be, lodged with the Australian Securities and Investment Commission ("**ASIC**"). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that unless the relevant Supplement (or another supplement to any Information Memorandum) otherwise provides, it:

(a) has not made or invited, and will not make or invite, an offer of the Debt Instruments for issue or sale in Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, any Information Memorandum or any other offering material or advertisement relating to any Debt Instruments in Australia,

unless:

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

(ii) such action complies with applicable laws and directives;

(iii) the offer or invitation does not constitute an offer to a "retail client" within the meaning of section 761G of the Corporations Act; and

(iv) such action does not require any document to be lodged with ASIC.

Section 708(19) of the Corporations Act provides that an offer of debentures for issue or sale does not need disclosure to investors under Part 6D.2 of the Corporations Act if the Issuer is an authorised deposit-taking institution ("**ADI**"). As at the date of this Information Memorandum, the Issuer is a foreign ADI.

3 New Zealand

No prospectus (as defined in the Securities Act 1978 of New Zealand) or other disclosure document in relation to the Programme or Debt Instruments has been or will be lodged with the Registrar of Financial Service Providers of New Zealand. Each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold, and will not offer or sell, directly or indirectly, any Debt Instruments; and

(b) it has not distributed and will not distribute, directly or indirectly, any offering materials or advertisement in relation to any offer of Debt Instruments,

in each case in New Zealand unless:

(i) to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money within the meaning of the Securities Act 1978 of New Zealand; or

(ii) to eligible persons within the meaning of the Securities Act 1978 of New Zealand; or

(iii) to persons who are each required to pay a minimum subscription price of at least NZ$500,000 for Debt Instruments before the allotment of those Debt Instruments (disregarding any amounts payable, or paid, out of money lent by the Issuer or any associated person of the Issuer); or

(iv) in other circumstances where there is no contravention of the Securities Act 1978 of New Zealand (or any statutory modification or re-enactment of, or statutory substitution for, the Securities Act 1978 of New Zealand).

4 The United Kingdom

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

(a) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000, as amended ("**FSMA**") with respect to anything done by it in relation to any Debt Instruments in, from or otherwise involving the United Kingdom; and

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Debt Instruments in circumstances in which section 21(1) of the FSMA would not, if it was not an authorised person, apply to the Issuer.

5 Public Offer Selling Restriction Under the Prospectus Directive

In relation to each Member State of the European Economic Area ("**EEA**") which has implemented the Prospectus Directive (each a **"Relevant Member State"**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **"Relevant Implementation Date"**), it has not made and will not make an offer of Debt Instruments which are the subject of the offering contemplated by the Information Memorandum, as supplemented, amended or completed by the Supplement in relation thereto, to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Debt Instruments to the public in that Relevant Member State:

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

(b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

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

provided that no such offer of Debt Instruments referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Debt Instruments to the public**" in relation to any Debt Instruments 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 Debt Instruments to be offered so as to enable an investor to decide to purchase or subscribe the Debt Instruments, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and the amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

6 The United States of America

Regulations S, Category 2

The Debt Instruments have not been and will not be registered under the Securities Act of 1933, as amended ("**U.S. Securities Act**").

Terms used in the following four paragraphs have the meanings given to them by Regulation S under the U.S. Securities Act ("**Regulation S**").

The Debt Instruments may not be offered, sold, delivered or transferred within the United States of America, its territories or possessions or to, or for the account or benefit of, U.S. Persons except in accordance with Regulation S or in transactions exempt from the registration requirements of the U.S. Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that, in connection with the offer outside the United States, it will not offer, sell or deliver the Debt Instruments:

(a) as part of their distribution at any time; and

(b) otherwise until 40 days after completion of the distribution compliance period, as determined and certified by the relevant Dealer or, in the case of an issue of Debt Instruments on a syndicated basis, the Lead Manager,

to, or for the account or benefit of, U.S. persons.

Each Dealer has further represented and agreed, and each further Dealer appointed under the Programme will be required to further represent and agree that it will have sent to each distributor to which it sells Debt Instruments during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Debt Instruments within the United States of America or to, or for the account or benefit of, U.S. Persons.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not entered and agrees that it will not enter into any contractual arrangement with any distributor (as such term is defined in Regulation S) with respect to the distribution or delivery of the Debt Instruments, except with its affiliates or with the prior written consent of the Issuer.

Structured MTNs

Each issue of structured MTNs will be subject to additional U.S. selling restrictions agreed between the relevant Issuer and the relevant Dealer as a term of the issue and purchase of such structured MTNs which are set out in an applicable Supplement. Each relevant Dealer will be required to agree that it will offer, sell or deliver those structured MTNs only in compliance with those additional U.S. selling restrictions.

7 Japan

The Debt Instruments have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No., 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**") and, accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Debt Instruments, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan. For the purposes of this paragraph, "Japanese Person" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

8 Singapore

This Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore, as amended ("**Securities and Futures Act**").

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell the Debt Instruments, nor make the Debt Instruments the subject of an invitation for subscription or purchase, nor will it circulate or distribute the Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Debt Instruments, whether directly or indirectly to persons in Singapore other than:

(a) to an institutional investor under Section 274 of the Securities and Futures Act;

(b) to a relevant person pursuant to Section 275(1) of the Securities and Futures Act, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act; or

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, to notify (whether through the distribution of this Information Memorandum or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any Debt Instruments or otherwise) each of the following relevant persons specified in Section 275 of the Securities and Futures Act which has subscribed or purchased Debt Instruments from and through that Dealer, namely a person who is:

(a) a corporation (which is not an accredited investor) (as defined in Section 4A of the of the Securities and Futures Act) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

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

that securities (as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for six months after that corporation or that trust has acquired the Debt Instruments pursuant to an offer made under Section 275 of the Securities and Futures Act except:

(A) to an institutional investor or to a relevant person defined in Section 275(2), of the Securities and Futures Act, or any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act;

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

(C) where the transfer is by operation of law;

(D) as specified in Section 276(7) of the Securities and Futures Act; or

(E) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

9 Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, unless an applicable Supplement (or another supplement to this Information Memorandum) otherwise provides:

(a) it has not offered or sold, and will not offer or sell, in Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), by means of any document, any Debt Instruments other than:

(i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong ("**SFO**") and any rules made under the SFO; or

(ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) of Hong Kong ("**CO**") or which do not constitute an offer to the public within the meaning of the CO; and

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

10 Variation

These selling restrictions may be changed by the Issuer and any change will be set out in the applicable Supplement issued in respect of the Debt Instruments to which it relates (or in another supplement to this Information Memorandum).

Taxation

Australian taxation

*The following is a general summary of certain Australian tax consequences under the Income Tax Assessment Acts of 1936 and 1997 of Australia (together, "**Australian Tax Act**"), the Taxation Administration Act 1953 of Australia ("**Taxation Administration Act**") and any relevant regulations, rulings or judicial decisions or administrative practice, at the date of this Information Memorandum, of payments of interest (as defined in the Australian Tax Act) by the Issuer under the Programme and certain other matters.*

This summary is not exhaustive and should be treated with appropriate caution. In particular, the summary does not deal with the position of certain classes of holders of Debt Instruments (including, without limitation, dealers in securities, custodians or other third parties who hold Debt Instruments on behalf of other persons). Prospective holders of Debt Instruments should also be aware that particular terms of issue of any Series of Debt Instruments may affect the tax treatment of that and other Series of Debt Instruments. In addition, unless expressly stated, the summary does not consider the Australian tax consequences for persons who hold interests in Debt Instruments through Austraclear, Euroclear, Clearstream, Luxembourg or another clearing system

This summary is not intended to be, nor should it be construed as legal or tax advice to any particular investor. Prospective holders of Debt Instruments should consult their professional advisers on the tax implications of an investment in the Debt Instruments for their particular circumstances.

1. Interest withholding tax

The Australian Tax Act characterises securities as either "debt interests" (for all entities) or "equity interests" (for companies) including for the purposes of Australian interest withholding tax ("**IWT**") and dividend withholding tax. IWT is payable at a rate of 10% of the gross amount of interest paid by the Issuer to a non-resident of Australia (other than a non-resident which holds their Debt Instruments in carrying on business at or through a permanent establishment in Australia) or a resident which holds their Debt Instruments in carrying on business at or through a permanent establishment outside Australia unless an exemption is available. For these purposes, interest is defined in section 128A(1AB) of the Australian Tax Act to include amounts in the nature of, or in substitution for, interest and certain other amounts.

An exemption from IWT is available in respect of Debt Instruments issued by the Issuer if those Debt Instruments are characterised as both "debt interests" and "debentures" and the requirements of section 128F of the Australian Tax Act are met.

The Issuer intends to issue Debt Instruments which will be characterised as both "debt interests" and "debentures" for these purposes. If Debt Instruments are issued which are not so characterised, further information on the material Australian tax consequences of payments of interest and certain other amounts on those Debt Instruments will be specified in the relevant Supplement (or another relevant supplement to this Information Memorandum).

Section 128F exemption

An exemption from Australian IWT is available under section 128F of the Australian Tax Act in respect of interest paid in respect of the Debt Instruments issued by the Issuer if the following conditions are met:

(a) the Issuer is a company and a non-resident of Australia carrying on business at or through a permanent establishment in Australia when it issues those Debt Instruments and when interest is paid;

(b) those Debt Instruments are issued in a manner which satisfies the public offer test in section 128F of the Australian Tax Act. There are five principal methods of satisfying the public offer test, the purpose of which is to ensure that lenders in capital markets are aware that the Issuer is offering those Debt Instruments for issue. In summary, the five methods are:

- offers to 10 or more unrelated financiers or securities dealers;
- offers to 100 or more investors;
- offers of listed Debt Instruments;
- offers via publicly available information sources; and
- offers to a dealer, manager or underwriter who offers to sell those Debt Instruments within 30 days by one of the preceding methods.

In addition, the issue of any of those Debt Instruments (whether in global form or otherwise) and the offering of interests in any of those Debt Instruments by one of these methods should satisfy the public offer test;

(c) the Issuer does not know, or have reasonable grounds to suspect, at the time of issue, that those Debt Instruments or interests in those Debt Instruments were being, or would later be, acquired, directly or indirectly, by an associate of the Issuer, except as permitted by section 128F(5) of the Australian Tax Act; and

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

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

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

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

(a) an onshore associate (i.e. an Australian resident associate who does not acquire the Debt Instruments in the course of carrying on business at or through a permanent establishment outside Australia, or a non-Australian resident associate who acquires the Debt Instruments in the course of carrying on business at or through a permanent establishment in Australia); or

(b) an offshore associate (i.e. an Australian resident associate who acquires the Debt Instruments in the course of carrying on business at or through a permanent establishment outside Australia, or a non-Australian resident associate who does not acquire the Debt Instruments in the course of carrying on business at or through a permanent establishment in Australia) who is acting in the capacity of:

(i) in the case of section 128F(5), a dealer, manager or underwriter in relation to the placement of the relevant Debt Instruments, or a clearing house, custodian, funds manager or responsible entity of a registered managed investment scheme; or

(ii) in the case of section 128F(6), a clearing house, paying agent, custodian, funds manager or responsible entity of a registered managed investment scheme.

Compliance with section 128F of the Australian Tax Act

Unless otherwise specified in any relevant Supplement (or another relevant supplement to this Information Memorandum), the Issuer intends to issue Debt Instruments in a manner which will satisfy the requirements of section 128F of the Australian Tax Act that are in effect at the date of the issue of the Debt Instruments.

Exemptions under recent double tax conventions

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

In broad terms, the New Treaties effectively prevent IWT being imposed on interest derived by:

- the government of the relevant Specified Country, and certain governmental authorities and agencies in the Specified Country; or

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

The Australian Federal Treasury maintains a listing of Australia's double tax conventions which provides details of country, status, withholding tax rate limits and Australian domestic implementation.

3. Other tax matters

Under Australian laws as presently in effect:

(a) *death duties* - no Debt Instruments 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;

(b) *stamp duty and other taxes* - no ad valorem stamp, issue, registration or similar taxes are payable in any Australian State or Territory on the issue or transfer of any Debt Instruments;

(c) *TFN withholding taxes* - withholding tax is imposed at the rate of 46.5% (with an increase to 47% in respect of assessments on or after 1 July 2014) on the payment of interest on certain registered securities unless the relevant payee has quoted an Australian tax file number ("**TFN**"), (in certain circumstances) an Australian Business Number ("**ABN**") or proof of some other exception (as appropriate).

Assuming the requirements of section 128F of the Australian Tax Act are satisfied with respect to the Debt Instruments, then the withholding tax will not apply to payments by the Issuer to a holder of Debt Instruments who is not a resident of Australia and does not hold those Debt Instruments in the course of carrying on business at or through a permanent establishment in Australia. Payments to other persons may be subject to a withholding where that person does not quote a TFN, (if applicable) an ABN or provide proof of an appropriate exemption;

(d) *supply withholding tax* - payments by the Issuer in respect of the Debt Instruments can be made free and clear of the "supply withholding tax" imposed under section 12-190 of Schedule 1 to the Taxation Administration Act; and

(e) *goods and services tax (GST)* – neither the issue nor receipt of the Debt Instruments will give rise to a liability for GST in Australia on the basis that the supply of Debt Instruments will comprise either an input taxed financial supply or (in the case of an offshore subscriber) a GST-free supply. Furthermore, neither the payment of principal or interest by the Issuer, nor the disposal of the Debt Instruments, would give rise to any GST liability in Australia.

United Kingdom taxation

*The following is a summary of the United Kingdom withholding taxation treatment at the date hereof in relation to payments of principal and interest in respect of the Debt Instruments. It is based on current law and the practice of Her Majesty's Revenue and Customs ("**HMRC**"), which may be subject to change, sometimes with retrospective effect. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of Debt Instruments. The comments relate only to the position of persons who are absolute beneficial owners of the Debt Instruments. Prospective holders should be aware that the particular terms of issue of any series of Debt Instruments as specified in the relevant Supplement may affect the tax treatment of that and other series of Debt Instruments. The following is a general guide and should be treated with appropriate caution. It is not intended as tax advice and does not purport to describe all the tax considerations that may be relevant to a prospective purchaser. Holders should consult their professional advisers. Holders who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal of the Debt Instruments are particularly advised to consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects of payments in respect of the Debt Instruments. In particular, holders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Debt Instruments even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.*

1. UK Withholding Tax on Interest Payments by the Issuer

Interest on the Debt Instruments may be paid without withholding or deduction for or on account of United Kingdom income tax so long as:

(a) the Issuer is (x) a ''bank'' for the purposes of section 878 of the Income Tax Act 2007, or (y) authorised for the purposes of the Financial Services and Markets Act 2000 and its business consists wholly or mainly of dealing in financial instruments (as defined by section 984 of the Income Tax Act 2007) as principal, and so long as such payments are made by the Issuer in the ordinary course of its business and further provided that the relevant Debt Instruments are not regulatory capital securities for the purposes of the UK's Taxation of Regulatory Capital Securities Regulations 2013. HMRC has indicated that such payments will be accepted as being made by the Issuer in the ordinary course of its business so long as the characteristics of the transaction giving rise to the interest are not primarily attributable to an intention to avoid United Kingdom tax; and

(b) in the case of Debt Instruments which are transferable deposits or certificates of deposit issued or to be issued (together referred to in this United Kingdom Tax Section as "**Certificates of Deposit**"), so long as the Certificates of Deposit are either:

(i) within the definition of an "uncertified eligible debt security unit" for the purposes of section 864 of the Income Tax Act 2007, the Certificates of Deposit will each be an "uncertified eligible debt security unit" if the amount payable by the Issuer under that Certificate of Deposit, exclusive of interest, is at least £50,000 (or, for a deposit denominated in a foreign currency, at least the equivalent in that currency of £50,000 at the time when the deposit is made) and the obligation of the Issuer to pay that amount arises within five years beginning with the date on which the deposit is made;

(ii) within the exemption provided by section 868(1) of the Income Tax Act 2007, the Certificates of Deposit will each be within that exemption so long as they are held at the Australian branch of the Issuer or another non-UK branch of the Issuer; or

(iii) within the exemption provided by section 870(1)(c) of the Income Tax Act 2007, the Certificates of Deposit will each be within that exemption so long as they are a debt on a debenture issued by the Issuer for the purposes of section 870(1)(c) of the Income Tax Act 2007.

In all other cases, UK interest on the Debt Instruments may fall to be paid under deduction of United Kingdom income tax at the basic rate (currently 20%) subject to such relief as may be available under the provisions of any applicable double taxation treaty or to any other exemption which may apply. However this withholding will not apply if the relevant interest is paid on the Debt Instruments other than Certificates of Deposit with a maturity of less than one year from the date of issue and which are not issued under arrangements the effect of which is to render such Debt Instruments part of a borrowing with a total term of a year or more.

2. Provision of information

HMRC have powers to obtain information, including in relation to interest or payments treated as interest and payments derived from securities. This may include details of the beneficial owners of the Debt Instruments (or the persons for whom the Debt Instruments are held), details of the persons to whom payment derived from the Debt Instruments are or may be paid and information in connection with transactions relating to the Debt Instruments. Information obtained by HMRC may be provided to tax authorities in other countries.

3. EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at a rate of 35%. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. Luxembourg has announced that it will no longer apply the withholding tax system as from 1 January 2015 and will provide details of payments of interest (or similar income) as from this date.

A number of non-EU countries, and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories. The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional adviser.

4. Other Rules Relating to United Kingdom Withholding Tax

Debt Instruments may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Debt Instruments will not generally be subject to any United Kingdom withholding tax pursuant to the provisions mentioned above in paragraph 1, but may be subject to reporting requirements as outlined in paragraphs 2 and 3 above.

Where Debt Instruments are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to United Kingdom withholding tax and reporting requirements as outlined above.

Where interest has been paid under deduction of United Kingdom income tax, holders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The references to "interest" above mean "interest" as understood in United Kingdom tax law. The statements above do not take any account of any different definitions of "interest" or “principal" which may prevail under any other law or which may be created by the terms and conditions of the Debt Instruments or any related documentation. Where a payment on a Debt Instrument does not

constitute (or is not treated as) interest for United Kingdom tax purposes and the payment has a United Kingdom source, it may be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment or a manufactured payment for United Kingdom tax purposes (which will be determined by, amongst other things, the terms and conditions specified by the Supplement of the Debt Instrument). In such a case, the payment may fall to be made under deduction of United Kingdom tax (the rate of withholding depending on the nature of the payment), subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the Issuer of the Debt Instruments and does not consider the tax consequences of any such substitution.

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