

SCHEDULE 2 APPLICATION

A.1.1. An Application for the Guarantee needs to be made using the ADI Application Form available on www.guaranteescheme.gov.au.

A.1.2. Applications should be sent by:

a. post to:

The Scheme Administrator
Australian Government Guarantee Scheme for
Large Deposits and Wholesale Funding
c/- The Secretary
Reserve Bank of Australia
GPO Box 5367
SYDNEY NSW 2001

OR

b. email to: administrator@guaranteescheme.gov.au.

OR

c. fax to: (02) 9551 8670

B. Information

The Application needs to contain the following information:

B.1. Date

B.1.1. Date of Application

B.2. Legal Name of Applicant

B.2.1. Full legal name of the Applicant.

B.3. Contact Details

B.3.1. Contact details for the Applicant, including postal and email addresses, telephone and fax numbers.

B.4. Credit Rating

B.4.1. The long-term credit rating of the Applicant by all major ratings agencies that rate the Applicant.

B.5. Statements and Legal Documentation Required

B.5.1. The following statements and legal documents must be provided:

- a. An executed Counter-Indemnity (see B.6 below);
- b. External legal opinion in respect of the executed Counter-Indemnity (see B.7 below);
- c. Fee Letter signed on behalf of the Applicant by an authorised person (see B.8 below);
- d. Letter of prudential compliance (see B.9 below); and
- e. Details of liabilities for which the guarantee is being sought (see B.10 below).
- f. If applicable, an external legal opinion in respect of the Eligible Scheme Liabilities (see B.11 below).
- g. If applicable, the statement and external legal opinion referred to in paragraph B.12 below.

B.5.2. If B.5.1.a and B.5.1.b have been submitted as part of a previous Application they do not need to be submitted again, unless specifically requested.

B.6. Counter Indemnity

B.6.1. The Counter-Indemnity should be substantially in the form set out in Schedule 7.

B.7. External Legal Opinion in respect of the Counter-Indemnity

B.7.1. A legal opinion from external legal advisers to the Applicant, addressed to the Guarantor, in respect of the valid, binding and enforceable nature of the executed Counter-Indemnity substantially in the form set out in Schedule 9.

B.8. Fee Letter

B.8.1. The Fee Letter should be substantially in the form set out in Schedule 6.

B.9. Letter of Prudential Compliance

B.9.1. The letter of prudential compliance should take the following form:

- a. a statement by the Applicant affirming that it is in compliance in all material respects with the prudential requirements set by the Australian Prudential Regulation Authority (APRA) and that it is not aware of anything (at the time the application is made) that may make it likely that it would breach those prudential requirements in any material respect; or
- b. If the Applicant is unable to supply such a statement, then a letter from APRA stating that APRA does not object to the granting of the Guarantee; and

- c. For foreign ADIs, a statement from the Chief Executive Officer (or equivalent) of the parent bank that either:
 - i. affirms that the parent bank is in compliance in all material respects with prudential requirements in its home jurisdiction and that it is not aware, as at the time the Application is made, of circumstances that would make a future material breach likely; or
 - ii. describes the matters of non-compliance with prudential requirements in its home jurisdiction; and
- d. If a statement is provided under c.ii above, then a letter from APRA stating that APRA does not object to the granting of the Guarantee.

B.10. Details of Liabilities

- B.10.1. The statement must include the following details.

Deposit Liabilities

- a. Full legal name of the entity in which the deposits are to be held;
- b. Currency denomination of each deposit account for which the guarantee is being sought;
- c. Description of each deposit account for which the guarantee is being sought, including marketing name of each account (eg. Guaranteed Saver Account, Economysaver etc) and type of each account (e.g. transaction account, term deposit account etc);
- d. Whether or not all of the deposits in each of the deposit accounts specified in subparagraph c above will be guaranteed. (Yes/No)
- e. If the answer to (d) is no:
 - i. what will determine whether an account is guaranteed or not (eg a customer election to opt in, a customer election to opt out);
 - ii. by what mechanism(s) will the Eligible Institution tag or otherwise distinguish in its internal systems between accounts (or customers) that will have relevant sums guaranteed or not (eg database tags, list of guaranteed accounts, matching to guaranteed list etc).

Short-term Liabilities

- a. Full legal name of the issuing entity;
- b. Currency denomination(s) of the issue;
- c. Name and jurisdiction of depository/registry (state if private placement);
- d. Indicative maturity (ie 1 month, 3 months, 6 months, etc);
- e. Name of issuance program (if applicable);

- f. Approximate size of issuance program (if applicable); and
- g. Security identifiers – eg ISIN, Bloomberg identifier (if applicable).

Term-Funding Liabilities

- a. Full legal name of the issuing entity;
- b. Currency denomination(s) of the issue;
- c. Name and jurisdiction of depository/registry (state if private placement);
- d. Maturity;
- e. Coupon details, including rate, type, frequency of reset and reference rate (if applicable);
- f. Name of issuance program (if applicable);
- g. Face value of issuance program (if applicable);
- h. Security identifiers – eg ISIN, Bloomberg identifier (if applicable); and
- i. Other features of the issue.

B.11. Additional Requirement for Non-Deposit Liabilities

- B.11.1. For non-deposit liabilities, the Applicant must provide legal opinions from external legal advisers, addressed to the Guarantor, substantially in the form set out in Parts A and B of Schedule 10, stating that:
 - a. liabilities that are the subject of the Application are valid and binding obligations of, and enforceable in accordance with their terms against, the Applicant; and
 - b. the liabilities described in the Application satisfy the Eligibility Criteria.

B.12. Additional Requirements for Foreign ADIs

- B.12.1. For foreign ADIs, a statement covering the following is also required:
 - a. that the liabilities are not guaranteed by the government of, or any government agency or authority in, the foreign ADI's home jurisdiction;
 - b. that the total value of guaranteed liabilities of the Applicant, including those proposed under this Application, do not exceed 110 per cent of the average daily value of short-term wholesale liabilities and deposits held by Australian Residents in the 30 days up to and including 24 October 2008. For this calculation short-term wholesale liabilities refer to certificates of deposit, bank bills and commercial paper. The statement must specify the value of the 110 per cent cap;
 - c. that the guaranteed liabilities will not be used to support directly the foreign ADI outside Australia or the obligations of the parent or any related entity of the foreign ADI; and

d. acknowledgement that there may be periodic external verification that the conditions in b) and c) above are being met.

B.12.2. Foreign ADIs must also provide a legal opinion from external legal advisers in their home jurisdiction in respect of the application of law in the jurisdiction of incorporation to the liabilities and in support of the opinion in B.11 above.

B.13. Eligible Signatory

B.13.1. The Application form and accompanying statements by the Applicant must be signed by the Applicant's Treasurer / Chief Financial Officer (or equivalent officer) or a senior officer of the Applicant appointed by the Applicant's Treasurer / Chief Financial Officer (or equivalent officer) for the express purpose of signing an Application Form.