

15 June 2016

ASB Finance Limited

Issue of EUR 500,000,000 0.50 per cent. Notes due 17 June 2020

**Guaranteed by ASB Bank Limited
under the U.S.\$70,000,000,000
Euro Medium Term Note Programme**

Part A – Contractual Terms

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Programme Circular dated 24 June 2015 and the supplements to it dated 12 August 2015, 15 September 2015 and 10 February 2016 which together constitute a base prospectus for the purposes of the Prospectus Directive (the "**Programme Circular**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Programme Circular. Full information on the Issuer and the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Programme Circular. The Programme Circular has been published on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html>.

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| 1. | (i) | Issuer: | ASB Finance Limited |
| | (ii) | Guarantor: | ASB Bank Limited |
| 2. | (i) | Series of which Notes are to be treated as forming part: | 6058 |
| | (ii) | Tranche Number: | 1 |
| | (iii) | Date on which the Notes will be consolidated and form a single Series: | Not Applicable |
| 3. | | Specified Currency or Currencies: | Euro (" EUR ") |
| 4. | | Aggregate Nominal Amount: | |
| | (i) | Series: | EUR 500,000,000 |
| | (ii) | Tranche: | EUR 500,000,000 |
| 5. | | Issue Price: | 99.968 per cent. of the Aggregate Nominal Amount |
| 6. | (i) | Specified Denominations: | EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. No Notes in |

definitive form will be issued with a denomination above EUR 199,000

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|------|---------------------------|--|--------------|
| (ii) | Calculation Amount: | EUR 1,000 | |
| 7. | (i) | Issue Date: | 17 June 2016 |
| | (ii) | Interest Commencement Date: | Issue Date |
| 8. | Maturity Date: | 17 June 2020 | |
| 9. | Interest Basis: | 0.50 per cent. Fixed Rate
(see paragraph 13 below) | |
| 10. | Redemption/Payment Basis: | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount | |
| 11. | Change of Interest Basis: | Not Applicable | |
| 12. | Put/Call Options: | Not Applicable | |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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|-----|----------------------------|--------------------------------|---|---|
| 13. | Fixed Rate Note Provisions | Applicable | | |
| | (i) | Rate of Interest: | 0.50 per cent. per annum payable annually in arrear | |
| | (ii) | (A) | Interest Payment Date(s): | 17 June in each year commencing 17 June 2017 up to and including the Maturity Date |
| | | (B) | Fixed Interest Periods: | Unadjusted; however, for payment purposes only the Business Day Convention specified below will apply |
| | (iii) | Fixed Coupon Amount(s): | EUR 5.00 per Calculation Amount | |
| | (iv) | Business Day Convention: | Following Business Day Convention | |
| | (v) | Additional Business Centre(s): | Auckland, Wellington, London and New York, in addition to TARGET2 | |
| | (vi) | Broken Amount(s): | Not Applicable | |
| | (vii) | Day Count Fraction: | Actual/Actual (ICMA) | |
| | (viii) | Determination Date(s): | 17 June in each year | |

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| 14. | Floating Rate Note Provisions | Not Applicable |
| 15. | Zero Coupon Note Provisions | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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| 16. | Issuer Call: | Not Applicable |
| 17. | Investor Put: | Not Applicable |
| 18. | Final Redemption Amount: | EUR 1,000 per Calculation Amount |
| 19. | Early Redemption Amount payable on redemption for taxation reasons or on event of default: | Condition 6(f) shall apply |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

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| 20. | Form of Notes: | Bearer Notes:

Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes only upon an Exchange Event |
| 21. | Payment Business Day Convention: | Following Business Day Convention |
| 22. | Additional Financial Centre(s): | Auckland, Wellington, London and New York, in addition to TARGET2 |
| 23. | Talons for future Coupons to be attached to Definitive Notes: | No |

PROVISIONS APPLICABLE TO RMB NOTES

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| 24. | RMB Currency Event: | Not Applicable |
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Signed on behalf of the Issuer by its attorneys in the presence of:

.....
Signature of Attorney	Signature of Attorney
.....
Name of Attorney	Name of Attorney
Signature of Witness
Name of Witness
Occupation
Address

Signed on behalf of the Guarantor by its attorneys in the presence of:

.....
Signature of Attorney	Signature of Attorney
.....
Name of Attorney	Name of Attorney
Signature of Witness
Name of Witness
Occupation
Address

Part B – Other Information

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: Application will be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and to be listed on the Official List of the UK Listing Authority with effect from the Issue Date
- (ii) Estimate of total expenses related to admission to trading: GBP 3,600

2. RATINGS

The Notes to be issued are expected to be rated:

Standard & Poor's (Australia) Pty Ltd.: AA-

Moody's Investor Service Pty Ltd.: Aa3

Fitch Australia Pty Ltd: AA-

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

Save for any fees payable to Commonwealth Bank of Australia, Credit Suisse Securities (Europe) Limited and J.P. Morgan Securities plc as joint lead managers and DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main as co-lead manager (together, the "**Managers**"), so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business

4. YIELD (*Fixed Rate Notes only*)

Indication of Yield: 0.508 per cent. per annum

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

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

Not Applicable

6. **OPERATIONAL INFORMATION**

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| (i) | ISIN: | XS1433558373 |
| (ii) | Common Code: | 143355837 |
| (iii) | CMU Instrument Number: | Not Applicable |
| (iv) | Any clearing system(s) other than Euroclear and Clearstream Luxembourg and the relevant identification number(s): | Not Applicable |
| (v) | CMU Lodging and Paying Agent: | Not Applicable |
| (vi) | Delivery: | Delivery against payment |
| (vii) | Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |
| (viii) | U.S. Selling Restrictions: | Reg. S Compliance Category 2;
TEFRA D |

7. **THIRD PARTY INFORMATION**

Not Applicable