



Media Release

Tuesday 25 March 2014

ASB Bank Limited sets rate on subordinated note offer

ASB Bank Limited ("**ASB**") today announced the interest rate applicable to its offer of subordinated unsecured debt securities ("**ASB Notes**") to raise up to NZ\$300 million, with the ability to accept oversubscriptions of up to NZ\$100 million ("**Offer**").

The interest rate until the Call Option Date (15 June 2019) has been set at 6.65% p.a. This reflects a margin of 2.05% p.a. over the five year swap rate on 24 March 2014 of 4.60% p.a. The interest rate will be reset on the Call Option Date, but the margin of 2.05% p.a. will not change over the term of the ASB Notes.

Applications to subscribe for ASB Notes must be for a minimum principal amount of NZ\$5,000 (and in multiples of NZ\$1,000 thereafter).

ASB Notes are due to be repaid in full on the maturity date (15 June 2024). ASB Notes may, depending on the circumstances, be repaid earlier, exchanged into ordinary shares in Commonwealth Bank of Australia ("**CBA**"), or if this exchange cannot occur, holders' rights under the relevant ASB Notes will be terminated.

Investments in ASB Notes are an investment in ASB and may be affected by the ongoing performance, financial position and solvency of ASB. ASB Notes may also be affected by the ongoing performance, financial position and solvency of CBA. They are not deposit liabilities or protected accounts of CBA for the purposes of the Banking Act 1959 (Cth). CBA does not guarantee ASB or the ASB Notes.

The full details of the Offer are contained in an investment statement dated 17 March 2014 and may be viewed at www.asb.co.nz/subordinated-notes.

Application has been made to NZX for permission to quote ASB Notes on the NZX Debt Market and all the requirements of NZX relating thereto that can be complied with on or before the date of this media release have been duly complied with. However, ASB Notes have not yet been approved for trading and NZX accepts no responsibility for any statement in this media release. NZX is a registered exchange and the NZX Debt Market is a registered market under the Securities Markets Act 1988.

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Released by: **Christian May, ASB Corporate Communications**
Mobile: 021 305 398, christian.may@asb.co.nz