



MEDIA RELEASE & NZX Announcement

18 October 2016

ASB BANK LIMITED CONSIDERS SUBORDINATED NOTES OFFER

ASB Bank Limited (“**ASB**”) announced today that it is considering making an offer (“**Offer**”) of subordinated unsecured convertible notes (“**ASB Notes 2**”) to raise up to NZ\$250 million with the ability to accept oversubscriptions of up to NZ\$150 million. Should the Offer proceed, it is expected to open on or around 3 November 2016, subject to market conditions and will be open to retail investors in New Zealand and eligible institutional investors.

ASB Notes 2 will have a term of approximately 10 years but may be repaid earlier in certain circumstances. ASB Notes 2 will be converted into ordinary shares in Commonwealth Bank of Australia ABN 48 123 123 124 (“**CBA**”) or written off if a non-viability trigger event occurs. A non-viability trigger event can occur if (among other things) ASB or CBA experience severe financial difficulty. CBA does not guarantee ASB or ASB Notes 2.

ASB is seeking preliminary indications of interest. Investors can register their interest in the proposed Offer by contacting the Arrangers, Joint Lead Managers or their financial adviser. Indications of interest will not constitute an obligation or commitment of any kind.

CBA and Forsyth Barr Limited have been appointed as Arrangers for the proposed Offer. The Joint Lead Managers are Bank of New Zealand, CBA, Deutsche Craigs Limited, Forsyth Barr Limited and Macquarie Capital (New Zealand) Limited (acting through its affiliates).

No money is currently being sought and applications for ASB Notes 2 cannot currently be made. If the Offer proceeds, it will be made in accordance with the Financial Markets Conduct Act 2013.

This investment is riskier than a bank deposit. ASB Notes 2 are complex financial products that are not suitable for many investors. If the Offer proceeds, you should read the product disclosure statement for the ASB Notes 2 in full when it becomes available. If you do not fully understand how they work or the risks associated with them, you should not invest in them. You can seek advice from a financial adviser to help you make an investment decision.

-ENDS-

For Further information contact:

Joint Arrangers & Joint Lead Managers

Commonwealth Bank of Australia
Tel: 0800 272 633

Forsyth Barr
Tel: 0800 367 227

Joint Lead Managers

BNZ
Tel: 0800 284 017

Deutsche Craigs
Tel: 0800 226 263

Macquarie
Tel: 0800 742 737