

FINAL TERMS

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Covered Bonds, from 1 January 2018, are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the **EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (**MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC (**IMD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the **Prospectus Directive**). Consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Covered Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Covered Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

16 October 2017

ASB Finance Limited

**Issue of €500,000,000 Series 2017-1 0.625 per cent. Fixed Rate Covered Bonds due 2024
unconditionally guaranteed by ASB Bank Limited and
irrevocably and unconditionally guaranteed as to payment of principal and interest by
ASB Covered Bond Trustee Limited under the
€7,000,000,000 ASB Covered Bond Programme**

PART A – CONTRACTUAL TERMS

Terms used herein will be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Prospectus dated 21 September 2017 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the final terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus. Full information on the Issuer, the Guarantor and the Covered Bond Guarantor and the offer of the Covered Bonds is only available on the basis of the combination of this Final Terms and the Prospectus. Copies of the Prospectus are available for viewing during normal business hours at the head office of the Issuer at ASB Finance Limited, London Branch, 1 New Ludgate, 60 Ludgate Hill, London EC4M 7AW and copies may be obtained free of charge to the public from the specified office of the Principal Paying Agent. The Prospectus has been published on the website of the London Stock Exchange in accordance with Article 14 of the Prospectus Directive.

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| 1. | Issuer: | ASB Finance Limited |
| 2. | (i) Guarantor: | ASB Bank Limited |
| | (ii) Covered Bond Guarantor: | ASB Covered Bond Trustee Limited |
| 3. | (i) Series of which Covered Bonds are to be treated as forming part: | 2017-1 |
| | (ii) Tranche Number: | 1 |
| | (iii) Date on which the Covered Bonds will be consolidated and form a single series: | Not Applicable |
| 4. | Specified Currency or Currencies: | EURO or € |
| 5. | Aggregate Nominal Amount of Covered Bonds: | |
| | (i) Series: | €500,000,000 |
| | (ii) Tranche: | €500,000,000 |

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| 6. | Issue Price of Tranche: | 100.00 per cent. of the Aggregate Nominal Amount |
| 7. | (i) Specified Denominations: | €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Covered Bonds in definitive form will be issued with a denomination above €199,000 |
| | (ii) Calculation Amount (in relation to calculation of interest on Covered Bonds in global form, see Terms and Conditions): | €1,000 |
| 8. | (i) Issue Date: | 18 October 2017 |
| | (ii) Interest Commencement Date: | Issue Date |
| 9. | Final Maturity Date: | 18 October 2024 |
| 10. | Extended Due for Payment Date of Guaranteed Amounts corresponding to the Final Redemption Amount under the Covered Bond Guarantee: | Interest Payment Date falling in or nearest to October 2025 |
| 11. | Interest Basis: | <p>(a) 0.625 per cent. per annum Fixed Rate from, and including, the Issue Date, to, and excluding, the Final Maturity Date payable annually in arrears.</p> <p>(b) If applicable (see paragraph 16 below), 1 Month EURIBOR plus 0.27 per cent. per annum Floating Rate with respect to the period from, and including, the Final Maturity Date to the earlier of:</p> <p style="margin-left: 40px;">(i) (and excluding) the date on which the Covered Bonds are redeemed in full; and</p> <p style="margin-left: 40px;">(ii) (and excluding) the Extended Due for Payment Date,</p> <p style="margin-left: 40px;">payable monthly in arrears.</p> <p style="margin-left: 40px;">(further particulars specified below).</p> |
| 12. | Redemption/Payment Basis: | 100 per cent. of the nominal amount |
| 13. | Change of Interest Basis or Redemption/Payment Basis: | Applicable in accordance with paragraphs 15 and 16 below |
| 14. | Put/Call Options: | Not Applicable |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 15. | Fixed Rate Covered Bond Provisions | Applicable from the Interest Commencement Date to the Final Maturity Date |
| | (i) Rate of Interest: | 0.625 per cent. per annum payable annually in arrears |

on each Interest Payment Date

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| (ii) | (A) | Interest Payment Date(s): | 18 October in each year up to and including the Final Maturity Date (provided however, that after the Final Maturity Date, the Interest Payment Date shall be monthly up to and including the Extended Due for Payment Date (if applicable as set out in paragraph 16 below)) |
| | (B) | Interest Periods | Unadjusted |
| (iii) | | Fixed Coupon Amount(s) for Covered Bonds in definitive form (and in relation to Covered Bonds in global form, see Terms and Conditions): | €6.25 per Calculation Amount |
| (iv) | | Business Day Convention: | Following Business Day Convention |
| (v) | | Additional Business Centre(s): | London, New York, Sydney, Wellington and TARGET2 |
| (vi) | | Broken Amount(s) for Covered Bonds in definitive form (and in relation to Covered Bonds in global form, see Terms and Conditions): | Not Applicable |
| (vii) | | Day Count Fraction: | Actual/Actual (ICMA), unadjusted |
| (viii) | | Determination Date(s): | 18 October in each year |
| 16. | | Floating Rate Covered Bond Provisions | Applicable from the Final Maturity Date to the Extended Due for Payment Date (if the Final Redemption Amount is not paid in full on the Final Maturity Date) |
| (i) | | Specified Period(s)/Specified Interest Payment Date(s): | <p>The period from, and including, each Specified Interest Payment Date to, but excluding, the following Specified Interest Payment Date provided that the first Specified Period shall be from, and including, the Final Maturity Date to, but excluding, the next Specified Interest Payment Date.</p> <p>The Specified Interest Payment Dates shall be monthly on the 18th day of each month from, and including, 18 November 2024 to, and including, the earlier of (i) the date on which the Final Redemption Amount is paid in full and (ii) the Extended Due for Payment Date</p> |
| (ii) | | Business Day Convention: | Modified Following Business Day Convention |
| (iii) | | Additional Business Centre(s): | London, New York, Sydney, Wellington and TARGET2 |
| (iv) | | Manner in which the Rate of | Screen Rate Determination |

	Interest and Interest Amount are to be determined:	
(v)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	Not Applicable
(vi)	Screen Rate Determination:	
	– Reference Rate and Relevant Financial Centre:	Reference Rate: 1 month EURIBOR Relevant Financial Centre: London
	– Interest Determination Date(s):	The second day on which TARGET2 is open prior to the start of each Interest Period
	– Relevant Screen Page:	Reuters Screen Page EURIBOR01
(vii)	ISDA Determination:	Not Applicable
	– Floating Rate Option:	Not Applicable
	– Designated Maturity:	Not Applicable
	– Reset Date:	Not Applicable
(viii)	Margin:	+ 0.27 per cent. per annum
(ix)	Minimum Rate of Interest:	Not Applicable
(x)	Maximum Rate of Interest:	Not Applicable
(xi)	Day Count Fraction:	Actual/360, adjusted

PROVISIONS RELATING TO REDEMPTION

17.	Notice periods for Condition 5.2 (<i>Redemption for Tax Reasons</i>) or Condition 5.5 (<i>Redemption due to Illegality</i>)	Minimum Period: 30 days Maximum Period: 60 days
18.	Issuer Call:	Not Applicable
19.	Investor Put:	Not Applicable
20.	Final Redemption Amount:	€1,000 per Calculation Amount
21.	Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same:	€1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS

22.	Form of Covered Bonds:	Bearer Covered Bonds: Temporary Bearer Global Covered Bond
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exchangeable for a Permanent Bearer Global Covered Bond which is exchangeable for Bearer Definitive Covered Bonds upon an Exchange Event

23. Additional Financial Centre(s) or other special provisions relating to Payment Dates: London, New York, Sydney, Wellington and TARGET2
24. Talons for future Coupons to be attached to Definitive Covered Bonds (and dates on which such Talons mature): No

THIRD PARTY INFORMATION

Not Applicable

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

Application for admission to the Official List of the UK Listing Authority and for admission to trading on the London Stock Exchange's Regulated Market has been made by the Issuer or on its behalf

Date from which admission is to be effective 18 October 2017

Estimate of total expenses related to admission to trading: £3,600

2. RATINGS

Ratings:

The Covered Bonds to be issued are expected to be rated:

Fitch Australia Pty Ltd: AAA

Moody's Investors Service Pty Limited: Aaa

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

Save for the fees payable to the Dealers, no person involved in the issue of the Covered Bonds has an interest material to the offer. The Dealers and their affiliates have engaged, and may in future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, each Issuer, the Covered Bond Guarantor and their affiliates.

4. TOTAL EXPENSES

(i) Estimated total expenses of the issue: £200,000

5. DISTRIBUTION

U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA D

6. YIELD (Fixed Rate Covered Bonds only)

Indication of yield: 0.625 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.

7. OPERATIONAL INFORMATION

(i) ISIN: XS1699732704

(ii) CUSIP: Not Applicable

(iii) Common Code: 169973270

(iv) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the Not Applicable

Depository Trust Company and the relevant identification number(s):

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| (v) | Name and address of initial Paying Agent | Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom |
| (vi) | Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |
| (vii) | Prohibition of Sales to EEA Retail Investors: | Not Applicable |

Signed on behalf of **ASB FINANCE LIMITED** acting through its **London Branch** as **Issuer** by its attorneys in the presence of:

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Signature of Attorney

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Name of Attorney

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Signature of Attorney

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Name of Attorney

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Signature of Witness

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Name of Witness

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Occupation

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Address

Signed on behalf of **ASB BANK LIMITED** as **Guarantor** by its attorneys in the presence of:

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Signature of Attorney

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Name of Attorney

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Signature of Attorney

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Name of Attorney

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Signature of Witness

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Name of Witness

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Occupation

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Address

Signed on behalf of **ASB COVERED BOND TRUSTEE LIMITED** as **Covered Bond Guarantor** by its attorney in the presence of:

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Signature of Attorney

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Name of Attorney

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Signature of Witness

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Name of Witness

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Occupation

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Address