

FINAL TERMS

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Covered Bonds are not intended to be offered, sold or otherwise made available to and 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 (as amended **MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the **Insurance Mediation Directive**), 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 (as amended, 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.

MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Covered Bonds has led to the conclusion that: (i) the target market for the Covered Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Covered Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Covered Bonds (a **distributor**) should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Covered Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

5 October 2018

ASB Finance Limited

Issuer Legal Entity Identifier (LEI): 549300A8V0FZJN79NH08
Issue of €500,000,000 Series 2018-1 0.750 per cent. Fixed Rate Covered Bonds due 2025
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 30 August 2018 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: | 2018-1 |

	(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
6.		Issue Price of Tranche:	99.458 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:	€1,000
8.	(i)	Issue Date:	9 October 2018
	(ii)	Interest Commencement Date:	Issue Date
9.		Final Maturity Date:	9 October 2025
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 2026
11.		Interest Basis:	<p>(a) 0.750 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 0.28 per cent. per annum Floating Rate with respect to the period from, and including, the Final Maturity Date to the earlier of:</p> <p>(i) (and excluding) the date on which the Covered Bonds are redeemed in full; and</p> <p>(ii) (and excluding) the Extended Due for Payment Date,</p> <p>payable monthly in arrears.</p> <p>(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

15. Fixed Rate Covered Bond Provisions Applicable from the Interest Commencement Date to the Final Maturity Date
- (i) Rate of Interest: 0.750 per cent. per annum payable annually in arrears on each Interest Payment Date
 - (ii) (A) Interest Payment Date(s): 9 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): €7.50 per Calculation Amount
 - (iv) Business Day Convention: Following Business Day Convention
 - (v) Additional Business Centre(s): London, New York, Sydney, Wellington and TARGET2
 - (vi) Calculation to be on a Calculation Amount Basis: Applicable
 - (vii) Broken Amount(s) for Covered Bonds in definitive form (and in relation to Covered Bonds in global form, see Terms and Conditions): Not Applicable
 - (viii) Day Count Fraction: Actual/Actual (ICMA), unadjusted
 - (ix) Determination Date(s): 9 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): 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.

The Specified Interest Payment Dates shall be monthly on the 9th day of each month from, and including, 9 November 2025 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
(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 Interest and Interest Amount are to be determined:	Screen Rate Determination
(v)	Calculation to be on a Calculation Amount Basis:	Applicable
(vi)	Party responsible for calculating the Rate of Interest and Interest Amount (if not the Principal Paying Agent):	Not Applicable
(vii)	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
(viii)	ISDA Determination:	Not Applicable
	– Floating Rate Option:	Not Applicable
	– Designated Maturity:	Not Applicable
	– Reset Date:	Not Applicable
(ix)	Margin(s):	+ 0.28 per cent. per annum
(x)	Minimum Rate of Interest:	Not Applicable
(xi)	Maximum Rate of Interest:	Not Applicable
(xii)	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

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| 22. | Form of Covered Bonds: | Bearer Covered Bonds:
Temporary Bearer Global Covered Bond
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

- (i) 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 effective 9 October 2018
- (ii) Estimate of total expenses related to admission to trading: £4,500

2. 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 any 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: 0.830 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: XS1887485032
- (ii) CUSIP: Not Applicable
- (iii) Common Code: 188748503
- (iv) CFI: Not Applicable
- (v) FISN: Not Applicable
- (vi) Any clearing system(s) other than Not Applicable

Euroclear Bank SA/NV and Clearstream Banking S.A. and the Depository Trust Company and the relevant identification number(s):

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|--------|---|---|
| (vii) | Name and address of initial Paying Agent | Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom |
| (viii) | Names and addresses of additional Paying Agent(s) (if any): | Not Applicable |
| (ix) | Prohibition of Sales to EEA Retail Investors: | Applicable |
| (x) | Relevant Benchmark: | <p>EURIBOR is provided by European Money Markets Institute.</p> <p>As at the date hereof, EURIBOR does not appear in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks Regulation. As far as the Issuer is aware, as at the date hereof, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that European Money Markets Institute is not currently required to obtain authorisation/registration..</p> |

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

.....

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