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15 June 2012

BANK OF NEW ZEALAND \$350 MILLION SUBORDINATED CALLABLE BONDS DUE 15 JUNE 2017 ("Bonds") - EARLY REPAYMENT

In accordance with NZSX/NZDX Listing Rule 7.12.1, Bank of New Zealand advises you that today it has exercised its right of early repayment and repaid the Bonds. Further details required by Rule 7.12.1 are set out below:

- a) *Class of Security and ISIN*
Subordinated bonds maturing 15 June 2017. NZBNZD0001S5.
- b) *The number issued or acquired*
350,000,000 acquired.
- c) *The nominal value (if any) and issue or acquisition price*
Nominal value \$1 per Bond. Acquisition price \$1 per Bond.
- d) *Whether payment was in cash*
Payments made in cash.
- e) *Any amount paid up (if not in full)*
N/A.
- f) *The percentage of the total Class of Securities issued or acquired*
100% acquired.
- g) *The reason for the issue or acquisition*
BNZ is exercising its contractual rights under the terms and conditions of the Bonds to pay back the holders of the Bonds.
- h) *The specific authority for the issue or acquisition (if any)*
Clause 4.2 of the Deed Poll Constituting the Issue of Subordinated Bonds dated 31 May 2007.
- i) *Any terms or details of the issue or acquisition (such as an escrow provision)*
All payments of principal and interest on each Bond were made to the person recorded on the Bond register as the holder of the Bond as at 5PM on 5 June 2012, and in accordance with the instructions recorded at that time.
- j) *The total number of Securities in the Class in existence after the issue or acquisition*
Zero.
- k) *In the case of an acquisition of shares by an Issuer which is a company registered under the Companies Act 1993, whether those shares are to be held as Treasury Stock*
N/A.
- l) *The dates of issue or acquisition*
Acquisition date 15 June 2012.

Yours faithfully

Scott McKinnon
Head of Regulatory & Secretariat