



# NZX Regulation Decision

ASB Bank Limited (“ABB”)

Application for a waiver from NZX Debt Market Listing  
Rule 5.2.3

28 August 2018



# Waiver from Listing Rules

## Decision

1. Subject to the conditions set out in paragraph 2 below, and on the basis that the information provided by ABB is complete and accurate in all material respects, NZXR grants ABB a waiver from Rule 5.2.3 in respect of the ABB070s for a period of six months from the Quotation Date, to the extent that this Rule requires the ABB070s be held by at least 100 Members of the Public holding at least 25% of the ABB070s on issue.
2. The waiver in paragraph 1 above is provided on the conditions that:
  - a. ABB clearly and prominently discloses the waiver and its implications in the Terms Sheet for the ABB070s and any other Offering Document relating to an offer of ABB070s made during the period of this waiver;
  - b. ABB clearly and prominently discloses this waiver, its conditions, and its implications in any Half Year and Annual Reports in the period the waiver is relied upon;
  - c. ABB discloses liquidity as a risk in the Terms Sheet for the ABB070s; and
  - d. ABB notifies NZXR as soon as practicable if there is a material reduction to the total number of Members of the Public holding at least a Minimum Holding of the ABB070s, and/or the percentage of ABB070s held by Members of the Public holding at least a Minimum Holding.
3. The information on which this decision is based is set out in Appendix One to this decision. This waiver will not apply if that information is not or ceases to be full and accurate in all material respects.
4. The Rules to which this decision relates are set out in Appendix Two to this decision.
5. Capitalised terms which have not been defined in this decision have the meanings given to them in the Rules.

## Reasons

6. In coming to the decision to provide the waiver set out in paragraph 1 above, NZXR has considered that:
  - a. Debt Securities are generally not subject to the same degree of trading activity as Equity Securities. NZX is satisfied that sufficient liquidity can exist in a secondary market for debt securities with a smaller number of security holders;
  - b. ABB has advised that it expects the spread of the ABB070s will increase to meet the spread requirements of Rule 5.2.3 over time. ABB may meet the spread requirements at the time of Quotation. However, ABB has advised that it is not in a position to confirm that the spread requirements will be met at the time of Quotation as at the date of this waiver;
  - c. the conditions contained in paragraph 2(a), 2(b), and 2(c) above require ABB to provide access to information about this waiver and its implications to prospective investors as part of the Offer, as well as those wishing to trade in the ABB070s for the period of this waiver. Investors can take this information into account when making their investment decision;



- d. the condition contained in paragraph 2(d) above requires ABB to provide information that will allow NZXR to monitor any material reduction in the spread of the ABB070s over the period of this waiver;
- e. the waiver is granted for six months. This gives NZXR the opportunity to reconsider the spread of the ABB070s in six months' time if ABB considers a waiver is still required; and
- f. there is precedent for this decision.

## Confidentiality

- 7. ABB has requested this decision be kept confidential until the Terms Sheet, and the form of notice to be provided by ABB under clause 20(1)(a) of Schedule 8 of the Financial Markets Conduct Regulations 2014, has been released to the market.
- 8. In accordance with Footnote 1 to Rule 1.11.2, NZXR grants ABB's request.



## Appendix One

1. ASB Bank Limited (**ABB**) is a Listed Issuer with bonds Quoted on the NZX Debt Market (**Debt Market**). These include Bonds which mature on 26 May 2021 (**ABB040s**) and Bonds which mature on 24 February 2022 (**ABB060s**).
2. ABB intends to make an offer of unsecured, unsubordinated, fixed rate notes (**ABB070s**) to be Quoted on the Debt Market (**Offer**).
3. The Offer will open on or about 3 September 2018 and close on or about 5 September 2018. The lead manager of the Offer will conduct a bookbuild on or about 5 September 2018 in order to determine the ABB070s' margin (**Bookbuild**), which will be used to determine the ABB070s' interest rate. ABB intends to Quote the ABB070s on the Debt Market on or about 10 September 2018 (**Quotation Date**).
4. The ABB070s mature on or about 7 September 2023.
5. ABB will release a terms sheet on or prior to the date the Offer opens, setting out the main terms of the ABB070s (**Terms Sheet**).
6. In accordance with NZX Regulation's (**NZXR**) Ruling on NZX Debt Market Listing Rule (**Rule**) 5.2.3 issued on 29 September 2015 (the **Ruling**), the ABB070s are required to be held by at least 100 Members of the Public holding at least 25% of the number of Securities of that Class issued, with each Member of the Public holding at least a Minimum Holding, and those requirements are maintained.
7. The Offer is structured so that all of the ABB070s are reserved for clients of the lead manager of the Offer, primary market participants and other approved financial intermediaries. There is no public pool for the Offer. ABB has sought a waiver from Rule 5.2.3 that it is uncertain whether the ABB070s will satisfy the spread requirements of Rule 5.2.3, when the ABB070s are initially Quoted on the Debt Market.



## Appendix Two

### Rule 5.2 Quotation of Securities

- 5.2.3 A Class of Securities will generally not be considered for Quotation on the NZSX or NZDX unless those Securities are held by at least 500 Members of the Public holding at least 25% of the number of Securities of that Class issued, with each Member of the Public holding at least a Minimum Holding, and those requirements are maintained, or NZX is otherwise satisfied that the Issuer will maintain a spread of Security holders which is sufficient to ensure that there is a sufficiently liquid market in the Class of Securities.

### Ruling on NZX Debt Market Listing Rule 5.2.3 – 29 September 2015

For the purposes of Rule 5.2.3, a Class of Debt Securities will generally not be considered for Quotation on the NZDX unless those Securities are held by at least 100 Members of the Public holding at least 25% of the number of Securities of that Class issued, with each Member of the Public holding at least a Minimum Holding, and those requirements are maintained.

