



## **Exchange announcement**

2 April 2020

### **RBNZ news release affecting BNZ Subordinated Notes**

Bank of New Zealand (**BNZ**) notes today's news release by the Reserve Bank of New Zealand (**RBNZ**) entitled "Longer-term funding to support business lending".

In the news release, the RBNZ notes that it has agreed with the New Zealand banks (including BNZ) that during this period of economic uncertainty, there will be no payment of dividends on ordinary shares and that banks should not redeem non-CET1 capital instruments.

The RBNZ has confirmed to BNZ that non-CET1 capital instruments includes BNZ's \$550 million of subordinated unsecured notes (**BNZ Subordinated Notes**) (ticker code BNZ090). Under the terms of the BNZ Subordinated Notes, BNZ has the option, subject to certain conditions, including obtaining the approval of the RBNZ, to redeem all or some of the BNZ Subordinated Notes on any interest payment date on or after 17 December 2020. Holders of BNZ Subordinated Notes should not expect that RBNZ approval will be given should BNZ choose to exercise this option to redeem. The agreement with the RBNZ does not affect BNZ's ability to pay interest on the BNZ Subordinated Notes.

These measures will remain in place until further notice. The RBNZ has indicated its aim of relaxing these measures when the economic outlook has sufficiently recovered.

## **Ends**

For further information, please contact:

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