



## Exchange announcement

17 December 2020

### **BNZ Subordinated Notes (BNZ090) - Interest Rate Reset Notice**

Bank of New Zealand (**BNZ**) advises that the interest rate on the \$550 million of subordinated unsecured notes (**BNZ Subordinated Notes**) (ticker code BNZ090) has been reset at 2.728% per annum for the period from (and including) 17 December 2020 until 17 December 2025 (**Maturity Date**). This interest rate equals the five year swap rate on 17 December 2020 plus a margin of 2.250% per annum, calculated in accordance with the Deed Poll in relation to BNZ Subordinated Notes dated 11 November 2015.

Under the terms of the BNZ Subordinated Notes, BNZ has the option, subject to certain conditions, including obtaining the approval of the Reserve Bank of New Zealand (**RBNZ**), to redeem all or some of the BNZ Subordinated Notes on any of the remaining scheduled quarterly interest payment dates prior to the Maturity Date. Holders of BNZ Subordinated Notes should not expect that the conditions to early redemption (including obtaining the approval of the RBNZ) will be met should BNZ choose to exercise an option to redeem the BNZ Subordinated Notes early.

As previously noted, the RBNZ has announced that the current restriction on redeeming non-Common Equity Tier 1 (CET1) capital instruments (which includes the BNZ Subordinated Notes) will be retained until 31 March 2021, or later if required, to support the stability of the New Zealand financial system and holders of BNZ Subordinated Notes should not expect that RBNZ approval will be given should BNZ choose to exercise an option to redeem the BNZ Subordinated Notes early.

Full details of the BNZ Subordinated Notes are contained in an Investment Statement dated 11 November 2015 and at [www.bnz.co.nz/about-us/bnz-subordinated-notes](http://www.bnz.co.nz/about-us/bnz-subordinated-notes).

## Ends

For further information, please contact:

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