



## Final Terms Sheet dated 12 October 2018

### NZ\$300,000,000 Medium Term Notes

This Terms Sheet is a summary only. Full details of the offer are set out in the Offer Documentation described in this Terms Sheet and can be obtained by contacting ANZ Bank New Zealand Limited, Bank of New Zealand or Westpac Banking Corporation (ABN 33 007 57 141) (acting through its New Zealand branch) as Joint Lead Managers for the offer.

<b>Issuer</b>	Housing New Zealand Limited (“HNZ” or “Issuer”)		
<b>Joint Lead Managers</b>	ANZ Bank New Zealand Limited Bank of New Zealand Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch) (together, the “Joint Lead Managers”)		
<b>Instrument</b>	Unsubordinated, unsecured medium term notes (“Notes”)		
<b>Status</b>	The Notes are to be issued pursuant to the Note Deed Poll dated 21 December 2017 (“Note Deed Poll”). Principal amounts of, and interest on, the Notes will be direct, unsubordinated, unsecured and unconditional obligations of the Issuer, ranking equally among themselves and at least equally with all other present and unsubordinated and unsecured obligations of the Issuer, except for liabilities mandatorily preferred by law		
<b>Negative Pledge</b>	The Notes contain a negative pledge as described in Condition 14 of the Terms and Conditions contained in Schedule 1 of the Note Deed Poll		
<b>Purpose</b>	The net proceeds of this offer are for general corporate purposes		
<b>Credit Ratings</b>	<b>Credit Rating Agency</b>	<b>Issuer Credit Rating</b>	<b>Expected Issue Credit Rating</b>
	S&P Global Ratings	AA+ (Stable)	AA+
	A rating is not a recommendation by any rating organisation to buy, sell or hold Notes. The above Issuer rating is current as at the date of this Terms Sheet and may be subject to suspension, revision or withdrawal at any time by S&P Global Ratings		
<b>Issue Amount</b>	NZ\$300,000,000 in aggregate across two tranches		
<b>Opening Date</b>	Thursday, 11 October 2018		
<b>Closing Date</b>	Friday, 12 October 2018		
<b>Tranche</b>	2023 Notes (to be consolidated, form a single series and be interchangeable for trading purposes with the existing Fixed Rate Notes due 12 June 2023)		2028 Notes
<b>Tranche Amount</b>	NZ\$50,000,000, taking outstandings to \$300,000,000		NZ\$250,000,000
<b>Rate Set Date</b>	Friday, 12 October 2018		
<b>Issue Date</b>	Thursday, 18 October 2018		Thursday, 18 October 2018
<b>Maturity Date</b>	Monday, 12 June 2023		Wednesday, 18 October 2028





<b>Interest Rate / Coupon</b>	2.97% per annum	3.42% per annum
<b>Issue Yield</b>	2.53% per annum	3.42% per annum
<b>Base Rate</b>	The semi-annual mid-market swap rate for an interest rate swap from the Issue Date to the relevant Maturity Date as calculated by the Joint Lead Managers in conjunction with the Issuer on the Rate Set Date in accordance with market convention, by reference to Bloomberg page ICNZ4 (or any successor page) and expressed on a semi-annual basis, rounded to 2 decimal places if necessary, with 0.005 being rounded up	
<b>Final Issue Margin</b>	0.17% per annum	0.50% per annum
<b>Issue Price</b>	\$1.01916963 + 128 days accrued interest	Par (\$1.00)
<b>Interest Payments</b>	Semi-annually in arrear in two equal payments on 12 June and 12 December each year up to and including the Maturity Date, subject to adjustment in accordance with the Business Day Convention	Semi-annually in arrear in two equal payments on 18 April and 18 October each year up to and including the Maturity Date, commencing on <i>Thursday, 18 April 2019</i> , subject to adjustment in accordance with the Business Day Convention
<b>Business Day Convention</b>	Following Business Day (unadjusted)	
<b>Day Count Convention</b>	Actual/Actual (ICMA) for any broken period	
<b>ISIN</b>	NZHNZD0623L8	NZHNZD0628L7
<b>Settlement Price Formula</b>	RBNZ pricing formula	
<b>Record Date</b>	5pm on the date that is 10 days before the due date for a payment or, if that day is not a Business Day, the immediately preceding Business Day	
<b>Business Days</b>	A day (other than a Saturday or Sunday) on which registered banks are generally open for business in Wellington and Auckland	
<b>Minimum Holding</b>	Minimum holding of NZ\$50,000 with multiples of NZ\$10,000 thereafter	
<b>Registrar and Paying Agent</b>	Link Market Services Limited The Notes may be cleared, settled, held and transferred via NZClear and by way of sub-custodial cross-trading through Euroclear and Clearstream, Luxembourg	
<b>Offer Documentation</b>	Final Terms for the 2023 Notes and the 2028 Notes dated 12 October 2018 Information Memorandum dated 17 January 2018 Note Deed Poll dated 21 December 2017 Registrar and Paying Agency Agreement dated 21 June 2017 By subscribing for or acquiring Notes, each Holder agrees to be bound by the terms of the above Offer Documentation	
<b>Withholding Tax</b>	Issuer to pay approved issuer levy (“AIL”) on its own account where such payment removes the liability to deduct New Zealand non-resident withholding tax, provided the Issuer is lawfully able to make such payment of AIL (and unless otherwise directed by the relevant holder in writing). AIL payable by the Issuer will not be deducted from the relevant interest payment. Payments in respect of Notes will otherwise be subject to deduction of any New Zealand resident or non-	



resident withholding tax as may be applicable (unless in the case of resident withholding tax, the relevant holder produces to the Issuer or Registrar a valid certificate of exemption on or before the record date for the relevant payment).

The Issuer may call the Notes for redemption (tax call) in the event it is required to pay additional AIL amounts as a result of changes to relevant New Zealand laws, regulations or rulings

**Listing**

The Notes will not be listed on any exchange

**Repo Eligibility**

The Issuer intends to apply to the Reserve Bank of New Zealand for the 2028 Notes to be included as eligible securities for Domestic Market Operations. The 2023 Notes are already eligible securities

**Governing Law**

New Zealand

**Selling Restrictions**

The issue is a wholesale offer and no action has been taken by the Issuer to permit a public offering of Notes, or possession of offering material in respect of the Notes, in any country or jurisdiction where action for that purpose is required.

The Notes may only be offered for sale or sold in conformity with all applicable laws and regulations in any jurisdiction in which they are sold, offered or delivered. Specific selling restrictions for New Zealand, the United States, the United Kingdom, European Economic Area, Australia, Japan, Singapore, Hong Kong and Switzerland are described in the Schedule. By purchasing any Notes, each Holder agrees to indemnify the Issuer, the Joint Lead Managers and each of their respective directors, officers and employees (as applicable) for any loss, cost, liability or expense sustained or incurred by the Issuer or the Joint Lead Managers, as the case may be, as a result of the breach by that Holder of any of the selling restrictions described in this Terms Sheet



*Schedule:*

**By subscribing for Notes, each Holder represents, acknowledges and agrees that:**

- (a) it is qualified to subscribe for Notes under the selling restriction(s) described in this Terms Sheet; and
- (b) it will not sell or offer the Notes for sale to any person, or publish, deliver or distribute any information memorandum, prospectus, advertisement or other material in respect of any Note, other than in compliance with all companies legislation and any other applicable laws and regulations in New Zealand or in any other relevant jurisdiction in which the Notes are sold or offered.

**New Zealand**

No action has been taken to permit the Notes to be offered or sold to any retail investor, or otherwise under any regulated offer, in terms of the Financial Markets Conduct Act 2013 (the “**FMCA**”). In particular, no prospectus has been registered in New Zealand and no investment statement or product disclosure statement has been prepared in relation to the Notes.

No person may offer or sell Notes, or distribute or publish any offering material or advertisement in relation to any offer of Notes, to any person in New Zealand other than to wholesale investors within the meaning of clause 3(2)(a), (c) or (d) of Schedule 1 to the FMCA, which includes a person who is: (i) an “investment business”; (ii) “large”; or (iii) a “government agency”, in each case as defined in Schedule 1 to the FMCA, provided (for the avoidance of doubt) that Notes may not be offered or transferred to any “eligible investor” (as defined in clause 41 of Schedule 1 to the FMCA) or to any person who, under clause 3(2)(b) of Schedule 1 to the FMCA, meets the investment activity criteria specified in clause 38 of that Schedule.

**United States**

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (the “**Securities Act**”) and, subject to certain exceptions, may not be offered or sold within the United States.

The Notes are being offered and sold outside of the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

**United Kingdom**

No communication, invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”)) has been or may be made or caused to be made or will be made in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA would apply to the Issuer.

All applicable provisions of the FSMA with respect to anything done in relation to the Notes in, from or otherwise involving the United Kingdom must be complied with.

**Public Offer selling restriction under the Prospectus Directive**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”), no offer of Notes which are the subject of the offering contemplated by this terms sheet or any Final Terms has been or will be made to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.





For the purposes of this provision, the expression “**an offer of Notes**” to the public in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “**Prospectus Directive**” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

#### **Australia**

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the “**Corporations Act**”)) in relation to the Notes has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission or any other regulatory authority in Australia. No person may:

- (a) make or invite (directly or indirectly) an offer of the Notes for issue, sale or purchase in, to or from Australia (including an offer or invitation which is received by a person in Australia); or
- (b) distribute or publish, any Final Terms, terms sheet, information memorandum, prospectus or any other offering material or advertisement relating to the Notes in Australia,

unless:

- a) the aggregate consideration payable by each offeree or invitee (including any person who receives an offer or invitation or offering materials in Australia) is at least A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act;
- b) such action complies with all applicable laws and regulations in Australia (including without limitation, the licencing requirements set out in Chapter 7 of the Corporations Act);
- c) such action does not require any document to be lodged with the Australian Securities and Investments Commission or any other regulatory authority in Australia;
- d) the offer or invitation does not constitute an offer to a "retail client" as defined for the purposes of section 761G of the Corporations Act; and
- e) made in the circumstances specified in regulation 7.9.97 to the Corporations Regulations 2001 (Cth).

For the purposes of this selling restriction, “**the Notes**” include interests or rights in the Notes held in the Austraclear System or any other clearing system.

#### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “**Financial Instruments and Exchange Act**”). Accordingly, the Notes have not been and will not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

#### **Singapore**

This terms sheet have not been, and will not be, registered as a prospectus with the Monetary Authority of Singapore.

Accordingly, this terms sheet and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Notes have not been and will not be circulated or distributed, nor have the Notes been or will the Notes be offered or sold, or made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than:

- (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore) (the “**SFA**”)) pursuant to Section 274 of the SFA;





- (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or
- (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

*Singapore SFA Product Classification:* In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309(A)(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and ‘Excluded Investment Products’ (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

#### **Hong Kong**

The Notes have not been and will not be offered or sold in Hong Kong, by means of any document, other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**SFO**”) and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance.

No advertisement, invitation or document relating to the Notes has been or will be issued or be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under that Ordinance.

#### **Switzerland**

This document is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland and neither this document nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

