



30 January 2024

SBS BANK CONSIDERS OFFER OF SUBORDINATED BONDS

Southland Building Society, trading as SBS Bank (**SBS Bank**) is considering an offer of up to \$60 million of unsecured, subordinated debt securities which are issued as redeemable shares (**Bonds**) to institutional investors and New Zealand retail investors. The Bonds will be issued as redeemable shares but will be treated as debt securities under New Zealand securities law.

The Bonds are expected to constitute Tier 2 Capital for SBS Bank's Regulatory Capital requirements. The Bonds are expected to have a ten and a half year maturity date, but may be redeemed early in some circumstances. If certain conditions are met, SBS Bank may redeem the Bonds after five and a half years and on any quarterly Interest Payment Date thereafter, or on any quarterly Interest Payment Date for tax or regulatory reasons. The Bonds are expected to have a credit rating of BB+ from Fitch Australia Pty Limited.

It is expected that full details of the offer will be released the week commencing 5 February 2024.

SBS Bank has appointed Westpac Banking Corporation (ABN 33 007 457 141) (acting through its New Zealand branch) (**Westpac**) as Arranger, and Bank of New Zealand, Forsyth Barr Limited, Jarden Securities Limited and Westpac as Joint Lead Managers in relation to the offer. Investors can register their interest in the offer by contacting a Joint Lead Manager or their usual financial advice provider. Indications of interest will not be an obligation or commitment to buy the Bonds.

No money is currently being sought and applications for the Bonds cannot currently be made. If SBS Bank offers the Bonds, the offer will be made in accordance with the Financial Markets Conduct Act 2013. The Bonds are expected to be quoted on the NZX Debt Market.

Arranger and Joint Lead Manager



0800 772 142

Joint Lead Managers



0800 284 017



FORSYTH BARR

0800 367 227



JARDEN

0800 005 678

ENDS

For further information, please contact:

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This document has been authorised for release by Mark McLean, Group Chief Executive