

News Release

For release: 2 April 2019

ANZ leads \$500m Housing NZ Sustainability Bond

Housing New Zealand (HNZ) has issued a \$NZ500 million Sustainability Bond to help fund investment in new or upgraded sustainable social housing.

ANZ was joint lead manager of the 7.5-year bond, issued under HNZ's Sustainability Financing Framework. The settlement date is 5 April 2019 with maturity of 5 October 2026.

ANZ Bank's head of capital markets Dean Spicer said the bond issue helps HNZ embed environmental and social considerations across its core activities, and opens opportunities for investors in New Zealand bonds to access Sustainability focussed assets.

"Social and affordable housing are areas that provide strong investment opportunities, and enable agencies such as Housing New Zealand to deliver high quality, healthy and sustainable housing, while aligning to the Government's commitments to international accords, such as the Paris Agreement and the UN's Sustainable Development Goals," Mr Spicer said.

The Sustainable Financing Framework was developed to demonstrate how HNZ intends to enter into Sustainability Financing Transactions over time, with proceeds being used to build new, or retrofit existing, social housing.

This is the second Social Bond in the housing sector to be issued in the region in the past two weeks, with Australia's National Housing Finance and Investment Corporation (NHFIC) completing its debut AUD315m 10yr issuance last week. Proceeds of NHFIC's bond, in which ANZ was also a joint lead manager, will be used to fund community housing providers to develop social and affordable housing across Australia.

ANZ's Head of Sustainable Finance, Katharine Tapley, said: "I foresee bond issuance related to social and affordable housing becoming a relatively significant asset class of its own, alongside green buildings, low carbon transport and renewable energy, in both the Australian and New Zealand markets."

ANZ has been a leader in sustainable finance solutions. This includes working with electricity generator Contact Energy to develop its world-first \$1.8 billion Green Borrowing Programme. Contact's financing now reflects its reduction in greenhouse emissions by 50% over the last five years and commitment to transitioning to renewable energy.

ANZ also was the arranger and green bond co-ordinator for Argosy Property Limited's \$100 million, 7-year Green Bond, and for Auckland Council's \$200 million green bond to fund electric trains.

"With continued growth in market understanding and interest in instruments aimed at reducing global carbon emissions as well as addressing essential social services, bonds such as this play an important role in mobilising international savings to help close the sustainable finance gap," Mr Spicer said.

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