

BRAMWELL BROWN LTD

INVESTMENT ADVISERS – SHAREBROKERS

Director: Brett Dymond – BBS, GradDipBusStud (Personal Financial Planning)

Bramwell Brown Limited – Newsletter – August 2025

Contact Energy/Manawa Energy

The merger between Contact Energy and Manawa Energy was approved by the Commerce Commission, with the transaction being completed on July 15th. Manawa Energy shareholders received the following:

- \$1.12 per Manawa share in cash
- 0.583 Contact Energy shares for each Manawa share held on the record date

This gives an implied consideration of \$6.37 per Manawa share, which is significantly above the trading price prior to the merger announcement.

Holders of Manawa Energy bonds will be repaid in full on August 5th. The bonds affected are:

Bond	Interest Rate	Maturity Date
MNW180	3.35%	29/07/2026
MNW190	5.36%	08/09/2027
MNW170	6.56%	22/02/2029

The price paid for the bonds will be the greater of \$1.00 (plus accrued interest), or the average price of all trades of bonds through the NZX in the ten business days leading up to July 15th 2025. Holders of MNW180 should receive just the capital value plus accrued interest, however holders of MNW 190 and MNW 170 should receive slightly more, because they were both trading at a premium to their capital value in the ten days leading up to July 15th.

When approving the merger, the Commerce Commission cited economies of scale, which would lead to lower average costs of generation and operations, which can strengthen profitability, and potentially be passed on to consumers in competitive pricing. I won't be holding my breath for this to happen.

Depositor Compensation Scheme

The Reserve Bank introduced the Depositor Compensation Scheme on July 1st. The scheme is designed to guarantee your bank deposits if a financial institution fails.

What does the scheme cover?

- Transaction accounts
- Savings and notice accounts
- Term deposits

What is not covered by the scheme?

- Foreign currency accounts
- KiwiSaver accounts

How much money does the scheme protect?

The scheme is designed to protect \$100,000 per individual depositor, per deposit-taker.

What is a deposit-taker?

- Banks
- Credit Unions
- Building Societies
- Some finance companies

How is the scheme funded?

The Reserve Bank will collect a levy from deposit-takers to fund the scheme. Of course, what happens in practice is that the financial institutions offer slightly lower interest rates to pay that levy, so ultimately the consumer is paying for the scheme.

Are my deposits that are held in a custodial account (e.g. JB Were) covered by the scheme?

Yes, they are.

To ensure you gain the maximum protection from the scheme you are best to spread your funds across multiple banks. If you have a total of \$200,000 invested with one bank, and it fails, you will only receive \$100,000 in compensation. However, if that \$200,000 was spread across two banks, and they both failed, you would be fully compensated. The risk of our banks failing is minimal in my opinion. They are now heavily regulated, and are required to hold substantial levels of reserves. The lesser institutions

(building societies and finance companies) may be more susceptible to failure, and it will be interesting to see how much money flows into these institutions now that the scheme is in place.

Here is a list of the financial institutions currently covered by the scheme. To check this in the future, go to [Deposit takers that offer DCS-protected deposits - Reserve Bank of New Zealand - Te Pūtea Matua](#)

ANZ Bank New Zealand Limited

ASB Bank Limited

Bank of Baroda (New Zealand) Limited

Bank of China (New Zealand) Limited

Bank of India (New Zealand) Limited

Bank of New Zealand

China Construction Bank (New Zealand) Limited

Christian Savings Limited

Finance Direct Limited

First Credit Union Incorporated

General Finance Limited

Gold Band Finance Limited

Heartland Bank Limited

Heretaunga Building Society

Industrial and Commercial Bank of China (New Zealand) Limited

Kiwibank Limited

Liberty Financial Limited

Mutual Credit Finance Limited

Nelson Building Society

Police and Families Credit Union Incorporated

Rabobank New Zealand Limited

Southland Building Society

The Co-operative Bank Limited

TSB Bank Limited

Unity Credit Union

Wairarapa Building Society

Welcome Limited

Westpac New Zealand Limited

Xceda Finance Limited

Current Bond Yields

Here is a selection of the current yields on commonly traded bonds listed on the NZX.

Company	Coupon	Maturity Date	Yield
Infratil	6.78%	December 2028	5.64%
Summerset	6.43%	March 2030	5.05%
Wellington Airport	6.02%	September 2030	4.59%
Infratil	6.00%	December 2030	5.74%
Heartland Bank Limited	7.51%	April 2033	5.78%
Kiwibank Limited	6.40%	May 2033	4.80%
Infratil	5.93%	June 2030	5.80%
Property for Industry	5.43%	September 2030	5.00%
Infratil	7.08%	March 2031	5.85%
Summerset	5.70%	May 2031	5.00%
Infratil	7.06%	December 2031	5.84%
Infratil	6.16%	June 2032	5.62%
NZX	6.80%	June 2033	5.60%
Genesis Energy	5.66%	June 2052	5.04%
Genesis Energy	6.50%	July 2053	5.23%
Mercury Energy	6.42%	July 2054	5.23%
Chorus	5.90%	June 2056	5.05%

Bank Term Deposit Rates

Here is a list of the current bank term deposit rates that are available.

	1 Year	2 Years	3 Years	4 Years	5 Years
ANZ	3.80%	3.90%	4.00%	4.10%	4.15%
ASB	3.85%	3.90%	4.05%	4.20%	4.25%
BNZ	3.85%	3.90%	4.00%	4.10%	4.20%
Heartland	3.85%	4.00%	4.15%	4.25%	4.35%
Kiwibank	3.80%	3.90%	4.00%	4.10%	4.20%
Rabobank	3.90%	3.90%	4.00%	4.15%	4.20%
Westpac	3.80%	4.00%	4.10%	4.10%	4.10%

DISCLOSURE STATEMENT AVAILABLE ON REQUEST AND FREE OF CHARGE