



**Final Term Sheet**  
**People First Bank**  
 (a trading name of Heritage and People’s Choice Limited)  
**A\$100 million**  
**Floating Rate Subordinated Notes**  
**Due 23 May 2035**

*This is not intended to be a complete description of all the terms and conditions of, or attaching to, the Notes. This document summarises certain indicative terms for the proposed transaction. This term sheet should be read in conjunction with the Information Memorandum dated 21 March 2025 (“**Information Memorandum**”) as amended by the Pricing Supplement for full terms and conditions (“**Pricing Supplement**”) and the other relevant Note Documents before making any investment decision.*

*Capitalised terms referred to in this term sheet are defined in the Information Memorandum and the relevant Note Documents. In the event of any inconsistency between this term sheet and the Information Memorandum or the Note Documents, the Note Documents shall prevail.*

Issuer:	Heritage and People’s Choice Limited (ACN 087 651 125)
Programme:	A\$ Debt Issuance Programme dated 21 March 2025
Format:	Floating Rate Subordinated Notes (“ <b>Notes</b> ”)
Issuer Rating:	Moody’s: Baa1 (Stable) S&P: BBB+ (Stable)
Expected Issue Rating:	Moody’s: Baa3
Joint Lead Managers:	Barrenjoey Markets Pty Limited (ABN 66 636 976 059) National Australia Bank Limited (ABN 12 004 044 937) Westpac Banking Corporation (ABN 33 007 457 141)
Ranking:	The Notes constitute direct, subordinated and unsecured obligations of the Issuer, ranking: a) ahead of the claims of all members of the Issuer other than in their capacity as depositors; b) ahead of all Relevant Tier 1 Capital Instruments; c) equally among themselves;

	<p>d) equally with all other Relevant Tier 2 Capital Instruments; and</p> <p>e) behind the claims of Senior Creditors and all liabilities mandatorily preferred by law.</p> <p>It is a requirement under APRA’s prudential standards that any term subordinated debt, in order to be eligible for inclusion as regulatory capital, contains provisions for conversion or write-off in the event of non-viability.</p> <p>If a Non-Viability Trigger Event occurs, the Notes will be subject to Write-off. If the Notes have been Written-off on account of a Non-Viability Trigger Event, the Issuer’s accrued and future obligations to make payments will cease and Noteholders shall have no right or claim against the Issuer in respect of the principal of, interest on or Additional Amounts relating to their Notes.</p> <p>There is no provision for conversion.</p>
No Deposits or Protected Accounts:	<p>The Notes are not:</p> <p>a) deposits with, nor deposit liabilities of, the Issuer for the purposes of the Banking Act;</p> <p>b) protected accounts for the purposes of the depositor protection provisions of the Banking Act or the financial claims scheme established under the Banking Act; nor</p> <p>c) guaranteed or insured by the Australian Government or under any compensation scheme of the Australian Government, or by any other government, under any other compensation scheme or by any government agency or any other party.</p>
Currency:	Australian Dollars (“A\$” or “AUD”)
Issue Size:	A\$100,000,000
Denominations:	<p>Denominations of A\$10,000</p> <p>The minimum subscription price for Notes issued by the Issuer in Australia will be A\$500,000 (or its equivalent in another currency, but in either case, disregarding moneys lent by the Issuer or its associates) or the issue or transfer does not otherwise require disclosure to investors under Part 6D.2 or 7.9 of the Corporations Act and the issue or transfer complies with all other applicable laws, regulations and directives.</p>
Pricing Date:	16 May 2025
Settlement Date:	23 May 2025 (T+5)
Maturity Date:	23 May 2035
Benchmark Rate:	<p>3m BBSW Rate, rounded to 4 decimal places</p> <p>The Benchmark Rate is determined, and subject to substitution or adjustment, in accordance with Condition 3.8 (Floating Rate Notes) and Condition 3.9 (Benchmark Rate fallback) in all cases without the need for any Noteholder consent.</p>

Coupon:	3m BBSW rate +250 bps, rounded to 4 decimal places
Interest Payment Dates:	Interest is paid quarterly in arrear on each 23 February, 23 May, 23 August and 23 November until (and including) the Maturity Date (or earlier redemption date), subject to adjustment in accordance with the Business Day Convention. The first Interest Payment Date will be 23 August 2025
Re-offer Price:	100%
Day Count Fraction:	Actual/365 (Fixed)
Business Day Convention:	Modified Following
Business Days:	Sydney
Call Date – Issuer Call Option:	Subject to obtaining prior written approval from APRA, the Issuer may redeem the Notes on 23 May 2030, or on any Interest Payment Date thereafter.
Redemption in Other Circumstances:	The Issuer may redeem the Notes before the Maturity Date for tax reasons ( <i>Condition 6.5</i> ) or on the occurrence of a Regulatory Event ( <i>Condition 6.6</i> ). Noteholders have no right to request redemption before the Maturity Date.
Conditions to Early Redemption:	<p>Any early redemption is subject to a number of conditions which are set out in Condition 6 of the Information Memorandum, including APRA’s prior written approval. The Solvency Condition would also need to be satisfied (see below).</p> <p>Noteholders should note that any approval is at APRA’s discretion and may not be given.</p> <p>The Issuer will not be permitted to redeem the Notes prior to the Maturity Date unless, before or concurrently with redemption:</p> <p>a) the Issuer replaces the Notes with a capital instrument which is of the same or better quality (for the purposes of APRA’s prudential standards) than the Notes and the replacement of the Notes is done under conditions that are sustainable for the income capacity of the Issuer; or</p> <p>b) the Issuer obtains confirmation from APRA that APRA is satisfied, having regard to the Level 1 and Level 2 capital position of the Issuer, that the Issuer does not have to replace the Notes.</p>
Payment subject to Solvency Condition:	Payment by the Issuer of interest, principal or any other amount owing to a Noteholder in connection with a Subordinated Note is conditional upon the Issuer being Solvent at the time the payment is due and the Issuer must not pay an amount owing to a Noteholder in connection with a Subordinated Note except to the extent that the Issuer may pay that amount and still be Solvent immediately after paying that amount.
Cumulative Amounts:	<p>Unpaid amounts will accrue interest until paid and will be payable on the first date on which the Issuer meets the Solvency Condition.</p> <p>However, if Notes have been Written-off on account of a Non-Viability Trigger Event, the Issuer’s accrued and future obligations to make</p>

	<p>payments will cease and holders of Notes will have no rights to recover any unpaid amounts.</p>
Non-Viability Trigger Event:	<p>A Non-Viability Trigger Event will occur when APRA notifies the Issuer in writing that it believes:</p> <p>a) Write-off of all or some Notes or conversion or write-off of all or some of the Relevant Capital Instruments of the Issuers is necessary because, without it, the Issuer would become non-viable; or</p> <p>b) a public sector injection of capital, or equivalent support, is necessary because, without it, the Issuer would become non-viable.</p> <p>Potential investors should refer to Condition 7 (<i>Subordination and Write-Off of Subordinated Notes</i>) where the non-viability provisions are set out. Investors should consult with their own financial, legal, tax and/or other professional advisors concerning the implications of investing and holding Notes which are subject to Write-off on the occurrence of a Non-Viability Trigger Event.</p> <p>There is only one method of loss absorption for the Notes – Write-off.</p>
Write-Off following a Non-Viability Trigger Event:	<p>The method of loss absorption for the Notes is Write-Off. If a Non-Viability Trigger Event occurs, and the Notes are required to be Written-Off (refer below), the Notes (including the right to payments of accrued but unpaid interest or future interest and repayment of the Outstanding Principal Amount) will be immediately and irrevocably written-off and terminated. Noteholders' investment will be lost and no compensation paid to them.</p>
Priority in Loss Absorption:	<p>If a Non-Viability Trigger Event occurs under item 1 of the description of a Non-Viability Trigger Event, and only an amount (not all) of the Issuer's Relevant Capital Instruments is required to be converted or written-off, the amount of Relevant Capital Instruments which will be converted or written-off will be determined as follows:</p> <p>1) first, all Relevant Tier 1 Capital Instruments will be converted or written-off before the Notes are Written-Off to any extent (if the Issuer has any outstanding Relevant Tier 1 Capital Instruments at that time);</p> <p>2) second, if the conversion or write-off of Relevant Tier 1 Capital Instruments is less than the amount sufficient to satisfy APRA that the Issuer would not become non-viable, Notes will be Written-Off and other Relevant Tier 2 Capital Instruments (if any) will be converted or written-off, on a pro-rata basis or in a manner that is otherwise, in the opinion of the Issuer, fair and reasonable, in an aggregate amount which, when added to the amount of Relevant Tier 1 Capital Instruments converted or written-off will satisfy APRA that the Issuer would not become non-viable.</p> <p>As at the date of this Term Sheet, the Issuer (i) does not have any Relevant Tier 1 Capital Instruments on issue and (ii) has two series of Relevant Tier 2 Capital Instruments on issue. APRA has given approval for one series of Relevant Tier 2 Capital Instruments to be redeemed on 24 June 2025.</p>
Negative Pledge:	<p>The Notes are not subject to a negative pledge provision.</p>
Events of Default:	<p>An Event of Default occurs if:</p> <p>a) the Issuer fails to pay any interest or principal due in respect of the Notes and such default continues for a period of 5 Business Days; or</p> <p>b) a Winding-Up in Australia occurs.</p>

	For the avoidance of doubt, non-payment of any amount due to the application of the Solvency Condition does not constitute an Event of Default.
Consequences of an Event of Default:	<p>If the Event of Default in paragraph (a) above occurs, a Noteholder may institute proceedings:</p> <p>a) to recover any amount then due and payable but unpaid on the Notes (subject to the Solvency Condition);</p> <p>b) to obtain an order for specific performance of any other obligation under its Note; or</p> <p>c) unless the issuer is already in Winding Up, for a Winding Up of the Issuer.</p> <p>If the Event of Default in paragraph (c) above occurs, the Notes will, without further action, become immediately due and payable and a Noteholder may, subject to the Winding-Up provisions, prove or claim in the Winding-Up of the Issuer in Australia for any amount then due and payable.</p>
Further Issues:	The Issuer may create and issue further Notes without the consent of any existing Noteholder.
Time Limit for Claims:	A claim against the Issuer for a payment under the Notes is void unless made within 10 years (in the case of principal) or 5 years (in the case of interest and other amounts) of the due date for that payment or the date, if later, on which that payment is fully provided for by the Issuer.
Form:	Registered, uncertificated
Transfer Procedure:	<p>Notes may only be transferred in whole and in accordance with all applicable laws, regulations and directives of each relevant jurisdiction where the transfer takes place.</p> <p>In the case of Notes to be transferred in, or into, Australia, the aggregate consideration payable must be at least A\$500,000 (or its equivalent in an alternative currency, in each case, disregarding moneys lent by the transferor or its associates), unless the transfer is effected in another way that does not require disclosure to investors in accordance with Parts 6D.2 or 7.9 of the Corporations Act and the transfer does not constitute an offer to a “retail client” for the purposes of section 761G of the Corporations Act.</p>
Settlement:	<p>Austraclear</p> <p>Interests in the Notes may also be traded through Euroclear and Clearstream, Luxembourg</p>
Registrar and Paying Agent:	Austraclear
Calculation Agent:	Austraclear
Listing:	Unlisted
Governing Law:	The Notes and all related documents will be governed by the laws of the State of New South Wales.

Withholding Tax:	<p>The Notes are intended to be issued in a manner which complies with the exemption from Australian interest withholding tax in section 128F of the Income Tax Assessment Act 1936 (Cth).</p> <p>See Information Memorandum for further information on Australian withholding tax.</p>
Selling Restrictions:	<p>The offering, sale and delivery of the Notes and the distribution of the Information Memorandum and other material in relation to any of the Notes will be subject to such restrictions as may apply in any jurisdiction in connection with the offering and sale of a particular Tranche of Notes. See the section headed 'Selling and Transfer Restrictions' in the Information Memorandum.</p>
Singapore:	<p>Section 309B(1)(c) of the Securities and Futures Act (Chapter 289 of Singapore) Notification – The Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) 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).</p>
ISIN:	AU3FN0098836
Common Code:	307804271

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