



China Construction Bank (New Zealand) Limited

**Disclosure Statement
for the period ended
30 June 2015**

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1. GENERAL INFORMATION AND DEFINITIONS

This is the half year Disclosure Statement of China Construction Bank (New Zealand) Limited and is for the period ended 30 June 2015. Certain information contained in this Disclosure Statement is required by section 81 of the Reserve Bank of New Zealand Act 1989 ("Reserve Bank Act") and the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (the "Order").

In this Disclosure Statement:

- the "Bank" and "CCB NZ" mean China Construction Bank (New Zealand) Limited, previously known as CCB New Zealand Limited;
- "Banking Group" means the Bank and its subsidiaries. As at the date of this Disclosure Statement, the Bank does not have any subsidiaries and is the only member of the Banking Group;
- the "Ultimate Parent Bank", "Immediate Parent Bank" and "CCB" mean China Construction Bank Corporation;
- "Board" means the Board of Directors of the Bank; and
- "Reserve Bank" means the Reserve Bank of New Zealand.

Words and phrases not defined in this Disclosure Statement, but defined by the Order, have the meaning given by the Order when used in this Disclosure Statement. All amounts referred to in this Disclosure Statement are in New Zealand Dollars unless otherwise stated.

Disclosure Statements of the Bank are available, free of charge, at the internet address <http://nz.ccb.com>. A printed copy will also be made available, free of charge, upon request and will be dispatched by the end of the second working day after the day on which the request is made.

2. GENERAL MATTERS

2.1 Registered Bank

CCB New Zealand Limited was incorporated under the Companies Act 1993 (Company Number 4929019) on 30 January 2014. It became a registered bank on 15 July 2014 and changed its name to China Construction Bank (New Zealand) Limited (the "Bank").

The Bank's registered office and address for service is Vero Centre, 48 Shortland Street, Auckland 1010, New Zealand. The Bank's website address is: <http://nz.ccb.com>.

The Bank is a wholly-owned subsidiary of China Construction Bank Corporation ("CCB") which is the Bank's ultimate parent bank (the "Ultimate Parent Bank") and ultimate holding company. CCB is incorporated in China and is subject to regulatory oversight by the China Banking Regulatory Commission (the "CBRC") and the Government of the People's Republic of China ("China"). The address for service of CCB is No. 25, Financial Street, Xicheng District, Beijing 100033, the People's Republic of China.

At 30 June 2015, the Ultimate Parent Bank has a direct qualifying interest in 100% of the voting securities of the Bank. In addition, the Ultimate Parent Bank is able to directly appoint up to 100% of the Board of Directors of the Bank. All appointments to the Board must be approved by the Reserve Bank.

2.2 Limits on material financial support by the Ultimate Parent Bank

There are no regulations, legislation or other restrictions of a legally enforceable nature in China that may materially inhibit the legal ability of CCB to provide material financial support to the Bank.

3. DIRECTORATE

3.1 Directors

The Directors of the Bank at the date when this Disclosure Statement was signed were Jenny Shipley, John Shewan, Qixin Wang, Xu Changning and Michael Allen.

Michael Allen was appointed as a director of the Bank with effect from 1 July 2015.

There have been no other changes to the Board of Directors since the signing of the 31 December 2014 Disclosure Statement.

3.2 Responsible person

All the Directors named above have authorised in writing Mr Xu Changning (Executive Director) to sign this Disclosure Statement on their behalf in accordance with section 82 of the Reserve Bank Act.

3.3 Address for communications

All communications may be sent to the Directors and the Responsible Person at the registered office of the Bank, PO Box 305, Shortland Street, Auckland 1140, New Zealand.

4. CONFLICTS OF INTEREST

The Board is responsible for ensuring that actual and potential conflicts of interest between the Directors' duty to the Bank and their personal, professional or business interests are avoided or dealt with.

Accordingly, each Director must:

- (a) Disclose to the Board any actual or potential conflicts of interest that may exist or might reasonably be thought to exist as soon as the situation arises.
- (b) If required by the Board, take steps as are necessary and reasonable to resolve any conflict of interest within an appropriate period.

The Board will determine whether or not the Director declaring a conflict should remain present when the Board discusses matters about which the conflict relates.

5. TRANSACTIONS WITH DIRECTORS

There have been no transactions entered into by any Director, or any immediate relative or close business associate of any Director, with the Bank:

- (a) on terms other than on those which would, in the ordinary course of business of the Bank, be given to any other person of like circumstances or means; or
- (b) which could otherwise be reasonably likely to materially influence the exercise of that Director's duties.

6. CREDIT RATINGS

On 30 April 2015, Moody's Investors Service has assigned A1 long-term issuer and deposit ratings and Prime-1 short-term issuer and deposit ratings to the Bank. The outlook on the ratings is stable. The Bank has the following credit ratings as at the date the Directors signed this Disclosure Statement.

	Standard & Poor's Ratings Services	Moody's Investors Service
Long-term credit rating	A	A1
Short-term credit rating	A-1	P-1
Outlook	Stable	Stable

There have been no changes to the credit ratings or rating outlook assigned by Standard & Poor's Ratings Services since the ratings were obtained on 15 July 2014.

A credit rating is not a recommendation to buy, sell or hold securities of the Bank. Such ratings are subject to revision, qualification, suspension or withdrawal at any time by the assigning rating agencies. Investors in the Bank's securities are cautioned to evaluate each rating independently of any other rating.

7. GUARANTEE ARRANGEMENTS

7.1 Details of guaranteed obligations

As at the date of this Disclosure Statement, under the terms of the Deed of Guarantee ("the Guarantee"), the obligations of the Bank are guaranteed by CCB, the Ultimate Parent Bank.

A copy of the Deed of Guarantee given by CCB is provided in the Bank's Disclosure Statement for the period ended 31 December 2014. A copy of the Disclosure Statement can be obtained from the Bank's website <http://nz.ccb.com>.

Under the Guarantee:

- (a) There are no limits on the amount of the obligations guaranteed.
- (b) There are no material conditions applicable to the Guarantee other than non-performance by the Bank.
- (c) There are no material legislative or regulatory restrictions in China that would have the effect of subordinating the claims under the Guarantee of any of the Bank's creditors on the assets of the Ultimate Parent Bank, to other claims on the Ultimate Parent Bank in a winding up of the Ultimate Parent Bank.
- (d) The Guarantee does not have an expiry date.

7.2 Details of the guarantor

The guarantor is CCB, which is not a member of the Banking Group. The address for service of the guarantor is No. 25, Financial Street, Xicheng District, Beijing 100033, the People's Republic of China.

CCB commenced to implement the advanced measurement approaches for capital management from April 2014. As disclosed in CCB's unaudited consolidated results for the period ended 31 March 2015, considering relevant rules in the transition period, CCB Group's total capital for capital adequacy purposes was RMB 1,555,130 million (NZD 368,336 million) and its total capital ratio was 14.97%. The capital ratio was calculated in accordance with the *Capital Rules for Commercial Banks (Provisional)* promulgated by the CBRC in June 2012.

CCB has the following credit ratings applicable to its long-term senior unsecured obligations payable in RMB as at the date the Directors signed this Disclosure Statement:

Rating agency	Current credit rating	Rating outlook
Standard & Poor's Ratings Services	A	Stable
Moody's Investors Service	A1	Stable
Fitch Ratings	A	Stable

There have been no changes to any of the above CCB credit ratings or rating outlooks in the two years prior to 30 June 2015.

8. PENDING PROCEEDINGS OR ARBITRATION

There are no pending legal proceedings or arbitration at the date of this Disclosure Statement involving the Bank, whether in New Zealand or elsewhere, that may have a material adverse effect on the Bank.

The contingent liabilities of the Bank are set out in Note 16 *Commitments and contingent liabilities* of the financial statements for the period ended 30 June 2015 included within this Disclosure Statement.

9. CONDITIONS OF REGISTRATION

There have been no changes to the conditions of registration since 31 December 2014.

Non-compliance with Conditions of Registration

Between 29 January 2015 and 9 February 2015, the Bank's exposure to CCB Group exceeded the maximum of 40% of tier one capital as determined in accordance with the Reserve Bank document entitled "Connected Exposures Policy "(BS8). The breach was for a period of 12 days with a maximum percentage of 41.6%. The Bank disclosed this to the Reserve Bank immediately and took urgent action to return the ratio under 40%. The Reserve Bank notified the Bank that because of the limited duration and amount of the breach no further action will be taken. At all other times, the Bank has complied with the Bank's Conditions of Registration.

10. PRIORITY OF CREDITORS' CLAIMS

In the unlikely event that the Bank is put into liquidation or ceased to trade, claims of secured creditors and those creditors set out in the Seventh Schedule of the Companies Act 1993 would rank ahead of the claims of unsecured creditors. Deposits from customers are unsecured and rank equally with other unsecured liabilities of the Bank, and such liabilities rank ahead of any subordinated instruments issued by the Bank.

11. OTHER MATERIAL MATTERS

There are no matters relating to the business or affairs of the Bank which are not contained elsewhere in the Disclosure Statement and which would, if disclosed, materially affect the decision of a person to subscribe for debt securities of which the Bank is the issuer.

12. AUDITOR

The name and address of the Bank's auditor is PricewaterhouseCoopers ("PwC"), 188 Quay Street, Auckland 1142, New Zealand.

13. DIRECTORS' STATEMENTS

Each Director of the Bank believes, after due enquiry, that, as at the date on which this Disclosure Statement is signed:

- (a) the Disclosure Statement contains all the information that is required by the Order; and
- (b) the Disclosure Statement is not false or misleading.

Each Director of the Bank believes, after due enquiry, that, for the period ended 30 June 2015:

- (a) the Bank has complied with all conditions of registration, except as disclosed on page 6 of this Disclosure Statement;
- (b) credit exposures to connected persons (if any) were not contrary to the interests of the Banking Group; and
- (c) the Bank had systems in place to monitor and control adequately the material risks of the Banking Group including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk, operational risk and other business risks, and that those systems were being properly applied.

This Disclosure Statement is dated 25 August 2015 and has been signed by Mr Xu Changning as the responsible person for and on behalf of all the Directors (by Directors' resolution):



Mr Xu Changning
Executive Director

APPENDIX - FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2015

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STATEMENT OF COMPREHENSIVE INCOME

For the period ended	Note	Unaudited 30 June 2015 \$000	Unaudited 30 June 2014 \$000
Interest income	2	1,386	363
Interest expense	2	(249)	-
Net Interest Income	2	1,137	363
Non-interest income	3	159	-
Net operating income		1,296	363
Operating expenses	4	(3,118)	(102)
Impairment losses on loans and advances	5	(28)	-
(Loss)/Profit before income tax		(1,850)	261
Income tax expense		-	-
(Loss)/Profit after income tax		(1,850)	261
Other comprehensive income, net of tax			
Other comprehensive income which will not be reclassified to profit or loss		-	-
Other comprehensive income which may be reclassified to profit or loss		-	-
Total other comprehensive income, net of tax		-	-
Total comprehensive (loss)/income		(1,850)	261

The notes to the financial statements form part of, and should be read in conjunction with, these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2015 (Unaudited)	Note	Share Capital \$000	Accumulated Losses \$000	Total \$000
Balance at the beginning of the period		58,630	(707)	57,923
Loss after income tax		-	(1,850)	(1,850)
Other comprehensive income		-	-	-
Total comprehensive loss for the period		-	(1,850)	(1,850)
Transactions with owners:				
Ordinary share capital issued		-	-	-
Dividends paid on ordinary shares		-	-	-
Balance as at 30 June 2015		58,630	(2,557)	56,073

For the period ended 30 June 2014 (Unaudited)	Note	Share Capital \$000	Accumulated Profits \$000	Total \$000
Balance at the beginning of the period		-	-	-
Profit after income tax		-	261	261
Other comprehensive income		-	-	-
Total comprehensive income for the period		-	261	261
Transactions with owners:				
Ordinary share capital issued		58,630	-	58,630
Dividends paid on ordinary shares		-	-	-
Balance as at 30 June 2014		58,630	261	58,891

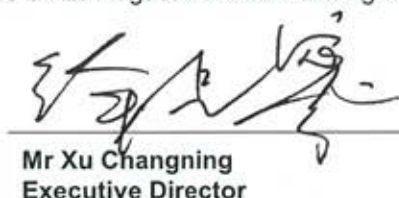
The notes to the financial statements form part of, and should be read in conjunction with, these financial statements.

BALANCE SHEET

As at	Note	Unaudited 30 June 2015 \$000	Unaudited 30 June 2014 \$000	Audited 31 December 2014 \$000
Assets				
Cash and balances with central banks		-	-	-
Due from other financial institutions	6	138,321	59,001	75,550
Trading securities		-	-	-
Derivative financial assets		406	-	-
Available-for-sale securities		-	-	-
Loans and advances	7	30,956	-	3,825
Due from related parties	13	-	12	11,882
Other assets		124	-	210
Property, plant and equipment	9	2,472	-	830
Intangible assets		53	-	52
Deferred tax assets		-	-	-
Total assets		172,332	59,013	92,349
Liabilities				
Due to other financial institutions	10	-	-	33,166
Trading liabilities		-	-	-
Derivative financial liabilities		-	-	-
Deposits from customers	11	38,760	-	501
Debt securities issued	12	76,962	-	-
Due to related parties	13	-	22	616
Other liabilities		537	100	143
Total liabilities		116,259	122	34,426
Shareholder's equity				
Share capital		58,630	58,630	58,630
Accumulated (losses)/profits		(2,557)	261	(707)
Available-for-sale revaluation reserve		-	-	-
Cash flow hedge reserve		-	-	-
Total shareholder's equity		56,073	58,891	57,923
Total liabilities and shareholder's equity		172,332	59,013	92,349
Total interest earning and discount bearing assets		169,163	58,643	91,080
Total interest and discount bearing liabilities		115,188	-	33,646

These financial statements were approved by the Directors on 25 August 2015 and are signed on their behalf by:


Rt. Hon Dame Jenny Shipley
Director


Mr Xu Changning
Executive Director

The notes to the financial statements form part of, and should be read in conjunction with, these financial statements.

CASH FLOW STATEMENT

For the period ended	Note	Unaudited 30 June 2015 \$000	Unaudited 30 June 2014 \$000
Cash flows from operating activities			
Interest received		1,417	5
Interest paid		(77)	-
Non-interest income received		179	-
Operating expenses paid		(2,961)	(2)
Income taxes paid		-	-
Net cash flows from operating activities before changes in operating assets and liabilities		(1,442)	3
Net changes in operating assets and liabilities:			
Net decrease/(increase):			
GST receivable		37	-
Other assets		49	-
Loans and advances		(27,101)	-
Due from related parties		11,853	(12)
Net increase/(decrease):			
Due to other financial institutions		(33,146)	-
Other liabilities		(59)	-
Deposits from customers		38,188	-
Net changes in operating assets and liabilities		(10,179)	(12)
Net cash flows used in operating activities	15	(11,621)	(9)
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,340)	-
Purchase of intangible assets		(7)	-
Net cash flows used in investing activities		(1,347)	-
Cash flows from financing activities			
Issue of ordinary share capital		-	58,630
Net (decrease)/increase due to related parties		(616)	22
Net increase in debt issues		76,420	-
Net cash flows provided by financing activities		75,804	58,652
Net increase in cash and cash equivalents		62,836	58,643
Cash and cash equivalents at beginning of the period		75,414	-
Cash and cash equivalents at end of the period		138,250	58,643
Cash and cash equivalents at end of the period comprise:			
Due from other financial institutions (call or original maturity of 3 months or less) excluding interest receivable ⁽¹⁾		138,250	58,643
Cash and cash equivalents at end of the period		138,250	58,643

⁽¹⁾The amount 'Due from other financial institutions (call or original maturity of 3 months or less) excluding interest receivable' above does not equal the 'Due from other financial institutions' on the balance sheet due to accrued interest of \$71k as at 30 June 2015 and \$358k as at 30 June 2014 respectively.

The notes to the financial statements form part of, and should be read in conjunction with, these financial statements.

1. STATEMENT OF ACCOUNTING POLICIES

1.1 Reporting Entity

The reporting entity is China Construction Bank (New Zealand) Limited (the "Bank"). It became a registered bank on 15 July 2014 and changed its name from CCB New Zealand Limited to China Construction Bank (New Zealand) Limited on the same date. The Bank does not prepare group financial statements as it does not have any subsidiaries. The Bank is a company incorporated in New Zealand under the Companies Act 1993 on 30 January 2014 and is registered under Company Number 4929019. The Bank's registered office and address for service and principal place of business is Vero Centre, 48 Shortland Street, Auckland 1010, New Zealand.

The principal activity of the Bank is the provision of a range of banking products and services to business, corporate, institutional and retail customers.

The financial statements are for the period ended 30 June 2015 and have been prepared in accordance with the requirements of the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (the "Order"). They were approved for issue by the Board of Directors of the Bank (the "Board") on 25 August 2015.

1.2 Basis of Preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP") as appropriate for profit-oriented entities. These financial statements have also been prepared in accordance with NZ IAS 34 *Interim Financial Reporting* and should be read in conjunction with the Disclosure Statement for the period ended 31 December 2014. These financial statements comply with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board.

The financial statements have been prepared in accordance with the historical cost basis except that the following assets and liabilities are stated at their fair value:

- Derivative financial instruments, including in the case of fair value hedging, the fair value adjustment on the underlying hedged exposure;
- Available-for sale financial assets;
- Financial instruments held for trading; and
- Financial instruments designated at fair value through profit or loss.

Amendments to NZ IAS 32 *Financial Instruments: Presentation* ("NZ IAS 32") – *Offsetting Financial Assets and Financial Liabilities* was issued in February 2012. The Bank has applied the amendment for the preparation of these financial statements. The amendment provides guidance to applying the offsetting criteria provided in NZ IAS 32, including clarifying that the meaning of 'current legal enforceable rights of set off' is legally enforceable in all circumstances and that some gross settlement systems (such as through a clearing house) may be considered as the equivalent to net settlement. The amendment does not have a material impact on the financial statements of the Bank.

1.3 Presentation currency and rounding

Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the Bank operates ("the functional currency"). All amounts contained in the financial statements are presented in thousands of New Zealand Dollars, which is the Bank's functional and presentation currency, unless otherwise stated.

1.4 Particular accounting policies

The same accounting policies and methods of computation have been followed in preparing these financial statements as were used in preparing the Disclosure Statement for the period ended 31 December 2014.

1.5 Comparative information

The comparative periods ended 30 June 2014 and 31 December 2014 only cover the periods beginning from 30 January 2014 when the Bank was incorporated.

1.6 Changing in accounting policies

These have been no changes to accounting policies in the period ended 30 June 2015.

2. NET INTEREST INCOME

For the period ended	Unaudited 30 June 2015 \$000	Unaudited 30 June 2014 \$000
Interest income		
Cash and liquid assets	-	-
Due from other financial institutions	904	363
Trading securities	-	-
Available-for-sale securities	-	-
Loans and advances ⁽¹⁾	424	-
Due from related parties	58	-
Others	-	-
Total interest income	1,386	363
Interest expense		
Due to other financial institutions	(43)	-
Deposits and other borrowings	(88)	-
Trading liabilities	-	-
Due to related parties	-	-
Debt securities issued	(122)	-
Others	4	-
Total interest expense	(249)	-
Total net interest income	1,137	363

(1) Interest income on loans and advances includes interest earned of \$nil on individually impaired assets of the Bank.

3. NON-INTEREST INCOME

For the period ended	Unaudited 30 June 2015 \$000	Unaudited 30 June 2014 \$000
Fees and commissions		
Lending and credit facility related fee income	227	-
Other fee expense	(53)	-
Commission income	-	-
Total fees and commissions	174	-
Trading income		
Net gains/(losses) on financial instruments held for trading	-	-
Other trading income	-	-
Total trading income	-	-
Other income		
Dividend income	-	-
Net ineffectiveness on qualifying hedges	(21)	-
Net gains/(losses) on other derivatives used for hedge purposes that do not qualify for hedge accounting	-	-
Net gains/(losses) on financial instruments designated at fair value through profit or loss	-	-
Net foreign exchange gains	6	-
Net gain/(losses) on available-for-sale financial assets transferred to the profit or loss	-	-
Net gains/(losses) on disposal of property, plant and equipment	-	-
Other income	-	-
Total other income	(15)	-
Total non-interest income	159	-

4. OPERATING EXPENSES

For the period ended	Unaudited 30 June 2015 \$000	Unaudited 30 June 2014 \$000
Amortisation of intangible assets	6	-
Depreciation:		
- Leasehold improvements	1	-
- Furniture and equipment	22	-
- Computer equipment	106	-
- Motor vehicles	21	-
Directors' fees	76	-
Employee benefits:		
- Salaries and wages	2,065	-
- Defined contribution plan expense	26	-

For the period ended	Unaudited 30 June 2015 \$000	Unaudited 30 June 2014 \$000
- Other long-term employee benefits	-	-
- Other	2	-
Operating lease rentals (minimum lease payments)	235	-
Purchased services:		
- Technology and information systems	105	-
- Legal	123	-
- Other professional services	42	-
Related party expenses	-	-
Other expenses	288	102
Total operating expenses	3,118	102

5. IMPAIRMENT LOSSES ON LOANS AND ADVANCES

For the period ended 30 June 2015 (Unaudited)	Residential mortgage loans \$000	Corporate exposures \$000	Other exposures \$000	Total credit exposures \$000
Movement in collectively assessed provisions ¹	3	25	-	28
Movement in individually assessed provisions	-	-	-	-
Bad debts written-off directly to the profit or loss	-	-	-	-
Bad debts recovered	-	-	-	-
Total impairment losses on loans and advances	3	25	-	28

For the period ended 30 June 2014 (Unaudited)	Residential mortgage loans \$000	Corporate exposures \$000	Other exposures \$000	Total credit exposures \$000
Movement in collectively assessed provisions	-	-	-	-
Movement in individually assessed provisions	-	-	-	-
Bad debts written-off directly to the profit or loss	-	-	-	-
Bad debts recovered	-	-	-	-
Total impairment losses on loans and advances	-	-	-	-

6. DUE FROM OTHER FINANCIAL INSTITUTIONS

As at	Unaudited 30 June 2015 \$000	Unaudited 30 June 2014 \$000	Audited 31 December 2014 \$000
Loans and advances due from other financial institutions – call	326	10	800
Loans and advances due from other financial institutions – term	137,924	58,633	74,614
Cash collateral given on derivative financial instruments	-	-	-
Reverse repurchase agreements	-	-	-
Other unsettled receivables	71	358	136

Total amount due from other financial institutions	138,321	59,001	75,550
Amounts expected to be recovered within 12 months	138,321	59,001	75,550
Amounts expected to be recovered after 12 months	-	-	-
Total amount due from other financial institutions	138,321	59,001	75,550

Included in due from other financial institutions as at 30 June 2015 was \$nil (30 June 2014: nil, 31 December 2014: nil) of collateral pledged by the Bank in respect of its credit support annex obligations to derivative counterparties.

The Bank has accepted collateral of \$nil with a fair value of \$nil as at 30 June 2015 (30 June 2014: nil, 31 December 2014: nil), arising from reverse repurchase agreements.

The fair value of any collateral held which has been sold or re-pledged as at 30 June 2015 is \$nil (30 June 2014: nil, 31 December 2014: nil).

7. LOANS AND ADVANCES

As at	Unaudited 30 June 2015 \$000	Unaudited 30 June 2014 \$000	Audited 31 December 2014 \$000
Overdrafts	-	-	-
Term loans - housing	2,743	-	-
Term loans – non-housing	28,244	-	3,828
Finance lease receivables	-	-	-
Other	-	-	-
Total gross loans and advances	30,987	-	3,828
Provisions for impairment losses on loans and advances	(31)	-	(3)
Deferred and other unearned future income and expenses	-	-	-
Fair value hedge adjustments	-	-	-
Total net loans and advances	30,956	-	3,825

8. ASSET QUALITY

As at 30 June 2015 (Unaudited)	Residential mortgages \$000	Corporate exposures \$000	Other exposures \$000	Total credit exposures \$000
Neither past due nor impaired	2,743	28,244	-	30,987
Past due but not impaired	-	-	-	-
Less than 30 days past due	-	-	-	-
At least 30 days but less than 60 days past due	-	-	-	-
At least 60 days but less than 90 days past due	-	-	-	-
At least 90 days past due	-	-	-	-
Total past due but not impaired	-	-	-	-
Individually impaired assets	-	-	-	-
Balance at beginning of the period	-	-	-	-
Additions	-	-	-	-
Amounts written off	-	-	-	-

As at 30 June 2015 (Unaudited)	Residential mortgages \$000	Corporate exposures \$000	Other exposures \$000	Total credit exposures \$000
Deletions	-	-	-	-
Total individually impaired assets	-	-	-	-
Total gross loans and advances	2,743	28,244	-	30,987
Individually assessed provisions				
Balance at beginning of the period	-	-	-	-
Charge/(credit) to impairment losses on loans and advances in profit or loss:				
New and increased provisions	-	-	-	-
Reversals of previously recognised impairment losses	-	-	-	-
Recoveries of amounts written off in previous periods	-	-	-	-
Amounts written off	-	-	-	-
Discount unwind ¹	-	-	-	-
Balance at end of the period	-	-	-	-
Collectively assessed provisions				
Balance at beginning of the period	-	3	-	3
Charge (credit) to impairment losses on loans and advances in profit or loss	3	25	-	28
Balance at end of the period	3	28	-	31
Total provisions for impairment losses on loans and advances	3	28	-	31
Total net loans and advances	2,740	28,216	-	30,956

(1) The impairment loss on an impaired asset is calculated as the difference between the asset's carrying amount and the estimated future cash flows discounted to its present value using the original effective interest rate for the asset. This discount unwinds as interest income over the period the asset is held.

Undrawn balances on lending commitments to counterparties for whom drawn balances are classified as individually impaired were \$nil as at 30 June 2015 (30 June 2014: nil, 31 December 2014: nil). The Bank did not have other assets under administration as at 30 June 2015 (30 June 2014: nil, 31 December 2014: nil).

As at 31 December 2014 (Audited)	Residential mortgages \$000	Corporate exposures \$000	Other exposures \$000	Total credit exposures \$000
Neither past due nor impaired	-	3,828	-	3,828
Past due but not impaired	-	-	-	-
Less than 30 days past due	-	-	-	-
At least 30 days but less than 60 days past due	-	-	-	-
At least 60 days but less than 90 days past due	-	-	-	-
At least 90 days past due	-	-	-	-
Total past due but not impaired	-	-	-	-
Individually impaired assets				
Balance at beginning of the period	-	-	-	-
Additions	-	-	-	-
Amounts written off	-	-	-	-
Deletions	-	-	-	-

As at 31 December 2014 (Audited)	Residential mortgages \$000	Corporate exposures \$000	Other exposures \$000	Total credit exposures \$000
Total individually impaired assets	-	-	-	-
Total gross loans and advances	-	3,828	-	3,828
Individually assessed provisions				
Balance at beginning of the period	-	-	-	-
Charge/(credit) to impairment losses on loans and advances in profit or loss:				
New and increased provisions	-	-	-	-
Reversals of previously recognised impairment losses	-	-	-	-
Recoveries of amounts written off in previous periods	-	-	-	-
Amounts written off	-	-	-	-
Discount unwind ¹	-	-	-	-
Balance at end of the period	-	-	-	-
Collectively assessed provisions				
Balance at beginning of the period	-	-	-	-
Charge (credit) to impairment losses on loans and advances in profit or loss	-	3	-	3
Balance at end of the period	-	3	-	3
Total provisions for impairment losses on loans and advances	-	3	-	3
Total net loans and advances	-	3,825	-	3,825

(1) The impairment loss on an impaired asset is calculated as the difference between the asset's carrying amount and the estimated future cash flows discounted to its present value using the original effective interest rate for the asset. This discount unwinds as interest income over the period the asset is held.

9. PROPERTY, PLANT AND EQUIPMENT

As at	Unaudited 30 June 2015 \$000	Unaudited 30 June 2014 \$000	Audited 31 December 2014 \$000
Leasehold improvements	1,306	-	-
Furniture and equipment	489	-	205
Computer equipment	494	-	557
Motor vehicles	183	-	68
Total property, plant and equipment	2,472	-	830

As at 30 June 2015 (Unaudited)	Leasehold improvements \$000	Furniture and equipment \$000	Computer Equipment \$000	Motor vehicles \$000	Total \$000
Cost brought forward	-	220	611	73	904
Accumulated depreciation brought forward	-	(15)	(54)	(5)	(74)
Opening net carrying amount	-	205	557	68	830

As at 30 June 2015 (Unaudited)	Leasehold improvements \$000	Furniture and equipment \$000	Computer Equipment \$000	Motor vehicles \$000	Total \$000
Additions	1,307	306	43	136	1,792
Disposals	-	-	-	-	-
Depreciation	(1)	(22)	(106)	(21)	(150)
Closing net carrying amount	1,306	489	494	183	2,472
Cost	1,307	526	654	209	2,696
Accumulated depreciation	(1)	(37)	(160)	(26)	(224)
Closing net carrying amount	1,306	489	494	183	2,472

As at 31 December 2014 (Audited)	Leasehold improvements \$000	Furniture and equipment \$000	Computer Equipment \$000	Motor vehicles \$000	Total \$000
Cost brought forward	-	-	-	-	-
Accumulated depreciation brought forward	-	-	-	-	-
Opening net carrying amount	-	-	-	-	-
Additions	-	220	611	73	904
Disposals	-	-	-	-	-
Depreciation	-	(15)	(54)	(5)	(74)
Closing net carrying amount	-	205	557	68	830
Cost	-	220	611	73	904
Accumulated depreciation	-	(15)	(54)	(5)	(74)
Closing net carrying amount	-	205	557	68	830

There were no restrictions existing on title to property, plant and equipment and no property, plant and equipment was pledged as security for liabilities as at 30 June 2015 (31 December 2014: nil).

As at 30 June 2015 there were contractual commitments of approximately \$42,000 relating to the purchase of furniture and computer equipment (31 December 2014: approximately \$154,000).

10. DUE TO OTHER FINANCIAL INSTITUTIONS

As at	Unaudited 30 June 2015 \$000	Unaudited 30 June 2014 \$000	Audited 31 December 2014 \$000
Loans and advances due to other financial institutions – call	-	-	-
Loans and advances due to other financial institutions – term	-	-	33,146
Cash collateral received on derivative financial instruments	-	-	-
Other unsettled payables	-	-	20
Total amount due to other financial institutions	-	-	33,166
Amounts expected to be settled within 12 months	-	-	33,166
Amounts expected to be settled after 12 months	-	-	-
Total amount due to other financial institutions	-	-	33,166

Included in due to other financial institutions as at 30 June 2015 was \$nil (30 June 2014: nil, 31 December 2014: nil) of collateral pledged by counterparties in respect of its credit support annex obligations to the Bank.

11. DEPOSITS FROM CUSTOMERS

As at	Unaudited 30 June 2015 \$000	Unaudited 30 June 2014 \$000	Audited 31 December 2014 \$000
Demand deposits not bearing interest	-	-	-
Demand deposits bearing interest	689	-	501
Term deposits	38,071	-	-
Total deposits from customers	38,760	-	501

12. DEBT SECURITIES ISSUED

Presented below are the Bank's debt securities issued at 30 June 2015. The distinction between short-term and long-term debt is based on the maturity of the underlying security at origination.

As at	Unaudited 30 June 2015 \$000	Unaudited 30 June 2014 \$000	Audited 31 December 2014 \$000
Short term debt			
Certificates of deposit	-	-	-
Commercial paper	-	-	-
Total short term debt	-	-	-
Long term debt			
Domestic bonds	76,962	-	-
Euro medium term notes	-	-	-
Covered bonds	-	-	-
Total long term debt	76,962	-	-
Total debt securities issued	76,962	-	-
Debt securities issued at fair value through profit or loss	-	-	-
Debt securities issued at amortised cost	76,962	-	-
Total debt securities issued	76,962	-	-
Amounts expected to be settled within 12 months	120	-	-
Amounts expected to be settled after 12 months	76,842	-	-
Total debt securities issued	76,962	-	-

Included in total debt securities issued were fair value hedge adjustments of \$423,044 as at 30 June 2015 (30 June 2014: nil, 31 December 2014: nil).

Details of the terms and conditions of debt securities issued by the Bank as at 30 June 2015 were as follows:

Short term debt

The Bank has no short term debt securities issued as at 30 June 2015 (30 June 2014: nil, 31 December 2014: nil).

Long term debt

During the period ended 30 June 2015, \$76,962,000 (30 June 2014: nil, 31 December 2014: nil) of long term debt securities was issued by the Bank.

The Bank has not had any defaults of principal, interest or other breaches with regard to all liabilities during the period ended 30 June 2015 (30 June 2014: nil, 31 December 2014: nil).

13. RELATED PARTY TRANSACTIONS

The Bank is a wholly owned subsidiary of CCB, a company incorporated in China. The Ultimate Parent Bank of the Bank is also CCB. The Ultimate Parent Bank Group refers to the Ultimate Parent Bank and its subsidiaries. As at 30 June 2015, the Bank had no controlled entities.

Transactions with related parties

For the period ended	Unaudited 30 June 2015 \$000	Unaudited 30 June 2014 \$000
Interest income		
Received from Ultimate Parent Bank	58	-
Interest expense		
Paid to Ultimate Parent Bank	-	-
Non-interest income		
Received from Ultimate Parent Bank	-	-
Operating expenses		
Paid to Ultimate Parent Bank	-	-

Balances with related parties

As at	Unaudited 30 June 2015 \$000	Unaudited 30 June 2014 \$000	Audited 31 December 2014 \$000
Due from related parties			
Due from Ultimate Parent Bank	-	12	11,882
Due from other related parties	-	-	-
Total related party assets	-	12	11,882
Due to related parties			
Due to Ultimate Parent Bank	-	22	616
Due to other related parties	-	-	-
Total related party liabilities	-	22	616

There were no debts with any related parties written off or forgiven during the period ended 30 June 2015 (30 June 2014: nil, 31 December 2014: nil).

No provisions for impairment loss have been recognised in respect of loans given to related parties as

at 30 June 2015 (30 June 2014: nil, 31 December 2014: nil).

Nature of transactions and balances with related parties

The Bank undertakes transactions with the Ultimate Parent Bank and other members of the Ultimate Parent Bank Group.

Ultimate Parent Bank

In the last financial year, the Ultimate Parent Bank provided \$1,474,000 in two instalments to fund payment of the Bank's set-up costs (the "Set-up Funding"). The first instalment of \$434,000 was received in March 2014 and the second instalment of \$1,040,000 was received in July 2014. The Bank utilised part of the Set-up Funding in the previous period, in line with the accounting policy outlined by the Ultimate Parent Bank for the set-up costs that are normally borne by the Ultimate Parent Bank. The expenses that are charged against the Set-up Funding are not recognised in the Statement of Comprehensive Income of the Bank. In May 2015, the bank fully repaid \$615,752 of net amount repayable to the Ultimate Parent Bank of the Set-up Funding.

The Bank made loans to branches of the Ultimate Parent Bank. These loans were made in the normal course of business and are at arms-length. Interest was derived on these loans and included within the Statement of Comprehensive Income. As at 30 June 2015, there was nil balance of loans to branches of the Ultimate Parent Bank after all the principal and interest was fully repaid.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

Classification of financial instruments and estimates of fair value

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The methods and assumptions used in the fair value estimates are described on page 26 and 27.

Fair value hierarchy of financial instruments measured at fair value

The best evidence of fair value is a quoted price in an active market. Wherever possible the Bank determines the fair value of a financial instrument based on the quoted price.

Where no quoted price in an active market is available, the Bank applies present value estimates or other market accepted valuation techniques. The use of a market accepted valuation technique will typically involve the use of a valuation model and appropriate inputs to the model.

The majority of models used by the Bank employ only observable market data as inputs. However, for certain financial instruments, data may be employed which is not readily observable in current markets. Typically in these instances valuation inputs will be derived using alternative means (including extrapolation from other relevant market data) and tested against historic transactions. The use of these inputs will require a high degree of management judgment.

The Bank categorises all fair value measurements according to the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

"Level 1" – Quoted market price

Quoted market price (unadjusted) in an active market for an identical instrument: The quoted market price is not adjusted for any potential impact that may be attributed to a large holding of the financial instrument.

“Level 2” – Valuation technique using observable inputs

Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices): This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly from market data.

“Level 3” – Valuation technique with significant non-observable inputs

Valuation techniques which use significant unobservable inputs: This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument’s valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The following table below analyses financial instruments that are measured at fair value by the level in the fair value hierarchy into which the fair value measurement is categorised. A financial instrument’s categorisation is based on the lowest level input that is significant to the fair value measurement.

As at 30 June 2015 (Unaudited)	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Financial assets				
Trading securities	-	-	-	-
Derivative financial assets	-	406	-	406
Available-for-sale securities	-	-	-	-
Total financial assets carried at fair value	-	406	-	406
Financial liabilities				
Trading liabilities	-	-	-	-
Derivative financial liabilities	-	-	-	-
Debt securities issued at fair value through income statement	-	-	-	-
Total financial liabilities carried at fair value	-	-	-	-

As at 30 June 2014 (Unaudited)	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Financial assets				
Trading securities	-	-	-	-
Derivative financial assets	-	-	-	-
Available-for-sale securities	-	-	-	-
Total financial assets carried at fair value	-	-	-	-
Financial liabilities				
Trading liabilities	-	-	-	-
Derivative financial liabilities	-	-	-	-
Debt securities issued at fair value through income statement	-	-	-	-
Total financial liabilities carried at fair value	-	-	-	-

As at 31 December 2014 (Audited)	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Financial assets				
Trading securities	-	-	-	-
Derivative financial assets	-	-	-	-
Available-for-sale securities	-	-	-	-
Total financial assets carried at fair value	-	-	-	-
Financial liabilities				
Trading liabilities	-	-	-	-
Derivative financial liabilities	-	-	-	-
Debt securities issued at fair value through income statement	-	-	-	-
Total financial liabilities carried at fair value	-	-	-	-

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period. The timing of recognising transfers is the same for transfers into the levels as for transfers out of the levels. There have been no transfers between levels 1 and 2 during the period ended 30 June 2015. There have been no transfers into/out of level 3 during the period ended 30 June 2015 (30 June 2014: nil, 31 December 2014: nil).

Fair value of financial instruments not measured at fair value

The following table below sets out and compares the fair value of financial instruments not measured at fair value with their carrying amounts.

As at	Unaudited 30 June 2015		Unaudited 30 June 2014		Audited 31 December 2014	
	Fair Value \$000	Carrying amount \$000	Fair Value \$000	Carrying amount \$000	Fair Value \$000	Carrying amount \$000
Financial assets						
Due from other financial institutions	138,321	138,321	59,001	59,001	75,550	75,550
Loans and advances	31,383	30,956	-	-	3,956	3,825
Due from related parties	-	-	12	12	11,899	11,882
Other financial assets	-	-	-	-	-	-
Total financial assets	169,704	169,277	59,013	59,013	91,405	91,257
Financial liabilities						
Due to other financial institutions	-	-	-	-	33,166	33,166
Deposits from customers	38,999	38,760	-	-	501	501
Due to related parties	-	-	22	22	616	616
Debt securities issued at amortized cost	77,056	76,962	-	-	-	-
Other financial liabilities	456	456	-	-	54	54
Total financial liabilities	116,511	116,178	22	22	34,337	34,337

Estimation of fair value

The fair value estimates of the Bank's financial instruments were determined by application of the methods and assumptions described below:

Cash and balances with central banks, due from/to other financial institutions and due from/to related parties

Where these financial instruments are short-term in nature, defined as those that re-price or mature in three months or less, or are receivable or payable on demand, the carrying amounts are considered to approximate the fair values. When longer term in nature, fair value is calculated using discounted cash flow models based on the interest rate repricing and maturity. Discount rates applied in this calculation are based on current market interest rates for similar instruments with similar credit and maturity profiles.

Trading securities, available-for-sale securities and trading liabilities

Fair value is based on quoted market prices, or broker or dealer price quotations. If this information is not available, fair value is estimated using quoted market prices for securities with similar credit, maturity and yield characteristics, or market accepted valuation models as appropriate (including discounted cash flow models) based on current market rates for similar types of instruments and the maturity of each instrument. These techniques address factors such as interest rates, credit risk and liquidity.

Derivative financial instruments

Fair value is obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate, which incorporate current market and contractual prices for the underlying instrument, time to expiry yield curves and volatility of the underlying instrument. Also included in the determination of the fair value of derivatives is a credit valuation adjustment ("CVA") or debit valuation adjustment ("DVA"). Where the derivative has a positive fair value (asset), the CVA adjustment is to reflect the creditworthiness of the counterparty. Where the derivative has a negative fair value (liability), the DVA adjustment reflects the Bank's own credit risk. These adjustments are taken into account after considering any relevant collateral or master netting agreements.

Loans and advances

For floating rate loans and advances, the carrying amounts are considered to approximate the fair values. For fixed rate loans and advances, fair value is estimated using discounted cash flow models based on the interest rate repricing and maturity of the loans and advances. Discount rates applied in this calculation are based on current market interest rates for loans and advances with similar credit and maturity profiles.

Deposits from customers

With respect to deposits from customers, the fair value of non-interest bearing, call and variable rate deposits and fixed rate deposits repricing within three months is considered to approximate the carrying amount. For other fixed rate term deposits, the fair value is estimated using discounted cash flow models based on the maturity of the instruments. The discount rates applied in this calculation are based on current market interest rates for similar instruments with similar maturity profiles. The fair value includes a calculation of the Bank's own credit risk based on observable market data.

Debt securities issued

For debt securities issued held at amortised cost with maturities of less than three months, the carrying amount is considered to approximate the fair value. For all other debt securities issued, fair values have been calculated based on quoted market prices. For those debt securities issued where quoted market prices are not available, fair value is estimated using discounted cash flow models based on the interest rate repricing and maturity of the instruments. The discount rates applied in this calculation are based

on current market interest rates for similar instruments with similar maturity profiles. The fair value includes a calculation of the Bank's own credit risk based on observable market data.

Other financial assets / financial liabilities

For these balances, the carrying amount is considered to approximate the fair value, as they are short term in nature or are receivable / payable on demand.

15. NET CASH FLOWS USED IN OPERATING ACTIVITIES

For the period ended	Unaudited 30 June 2015 \$000	Unaudited 30 June 2014 \$000
Reconciliation of loss after income tax to net cash flows used in operating activities		
(Loss)/Profit after income tax	(1,850)	261
Adjustments:		
Impairment losses on loans and advances	28	-
Depreciation and amortisation	156	-
Net (increase)/decrease:		
Due from other financial institutions	65	(358)
GST receivable	37	-
Loans and advances	(27,159)	-
Due from related parties	11,882	(12)
Other assets	49	-
Net increase/(decrease):		
Due to other financial institutions	(33,166)	-
Trading liabilities	-	-
Deposits from customers	38,259	-
Other liabilities	(59)	100
Net movement in derivative financial instruments	17	-
Net movement in current and deferred tax	-	-
Other non-cash movements	120	-
Net cash flows used in operating activities	(11,621)	(9)

16. COMMITMENTS AND CONTINGENT LIABILITIES

Leasing commitments

The following non-cancellable operating lease commitments existed as at 30 June 2015.

As at	Unaudited 30 June 2015 \$000	Unaudited 30 June 2014 \$000	Audited 31 December 2014 \$000
Future aggregate minimum lease payments under non-cancellable operating leases:			
No later than 1 year	938	456	228
Later than 1 year and no later than 5 years	3,597	-	-

Later than 5 years	886	-	-
Total	5,421	456	228

Leasing commitments relate to rental of the Bank's premises and computer equipment.

The Bank moved to level 29 of Vero Centre at the end of June 2015. Office rental costs were increased due to the enlarged office space in July 2015.

Credit related commitments and contingent liabilities

The Bank is party to financial instruments with off-balance sheet credit risk in the normal course of business to meet the financing needs of its customers. These financial instruments include commitments to extend credit, financial guarantees, standby letters of credit, trade letters of credit, non-financial guarantees and underwriting facilities.

The Bank's exposure to credit loss in the event of non-performance by the other party is represented by the contract or notional amount of those financial instruments. The Bank uses the same credit policies in making commitments and conditional obligations for off-balance sheet risk as it does for on-balance sheet financial instruments.

The bank has credit related commitments at 30 June 2015 relating to loan commitments of \$27,605,000 (30 June 2014: nil, 31 December 2014: \$5,000,000).

Credit related commitments and contingent liabilities arising in respect of the Bank's operations as at 30 June 2015 were:

As at	Unaudited Contract or notional amount 30 June 2015 \$000	Unaudited Contract or notional amount 30 June 2014 \$000	Audited Contract or notional amount 31 December 2014 \$000
Credit related commitments and contingent liabilities			
Commitments to extend credit ¹	27,605	-	5,000
Financial guarantees ²	-	-	-
Standby letters of credit ³	-	-	-
Trade letters of credit ⁴	-	-	-
Non-financial guarantees ⁵	-	-	-
Other commitments ⁶	-	-	-
Total	27,605	-	5,000

(1) Commitments to extend credit include all obligations on the part of the Bank to provide credit facilities. As facilities may expire without being drawn upon, the notional amounts do not necessarily reflect future cash requirements. In addition to the commitments disclosed above as at 30 June 2015, the Bank has offered \$nil of facilities to customers, which had not yet been accepted.

(2) Financial guarantees are unconditional undertakings given to support the obligations of a customer to third parties. The Bank may hold cash as collateral for certain guarantees issued.

(3) Standby letters of credit are undertakings to pay, against presentation documents, an obligation in the event of a default by a customer.

(4) Trade letters of credit are undertakings by the Bank to pay or accept drafts drawn by an overseas supplier of goods against presentation of documents in the event of default by a customer.

(5) Non-financial guarantees included undertakings that oblige the Bank to pay third parties should a customer fail to fulfil a contractual non-monetary obligation.

(6) Other commitments include underwriting facilities.

Other contingent liabilities

There were no other contingent liabilities as at 30 June 2015 (30 June 2014: nil, 31 December 2014: nil).

17. CONCENTRATION OF CREDIT EXPOSURES

Concentrations of credit exposures arise where the Bank is exposed to risk in industries of a similar nature or in particular geographies. The following table presents the Bank's concentrations of credit exposures reported by industry and geographic area.

Australian and New Zealand Standard Industrial Classifications ("ANZSIC") have been used as the basis for disclosing industry sectors.

As at 30 June 2015 (Unaudited)	Cash and balances with central banks \$000	Due from other financial institutions \$000	Trading securities and available-for-sale securities \$000	Derivative financial assets \$000	Loans and advances \$000	Other financial assets \$000	Total (on-balance sheet) \$000	Credit commitments and contingent liabilities \$000
Industry sector								
Agriculture	-	-	-	-	-	-	-	20,000
Forestry and fishing	-	-	-	-	-	-	-	-
Mining	-	-	-	-	-	-	-	-
Manufacturing	-	-	-	-	-	-	-	-
Electricity, gas, water and waste services	-	-	-	-	-	-	-	-
Construction	-	-	-	-	25,254	-	25,254	7,241
Wholesale trade	-	-	-	-	-	-	-	-
Retail trade	-	-	-	-	-	-	-	-
Accommodation and food services	-	-	-	-	-	-	-	-
Transport, postal and warehousing	-	-	-	-	-	-	-	-
Information media and telecommunications	-	-	-	-	-	-	-	-
Financial and insurance services	-	138,321	-	406	2,990	-	141,717	-
Rental, hiring and real estate services	-	-	-	-	-	-	-	-
Professional, scientific and technical services	-	-	-	-	-	-	-	-
Administrative and support services	-	-	-	-	-	-	-	-
Public administration and safety	-	-	-	-	-	-	-	-
Education and training	-	-	-	-	-	-	-	-
Health care and social assistance	-	-	-	-	-	-	-	-
Arts and recreation services	-	-	-	-	-	-	-	-
Personal lending	-	-	-	-	2,743	-	2,743	364
Other	-	-	-	-	-	-	-	-
Subtotal	-	138,321	-	406	30,987	-	169,714	27,605
Provisions for impairment losses on loans and advances	-	-	-	-	(31)	-	(31)	-

As at 30 June 2015 (Unaudited)	Cash and balances with central banks \$000	Due from other financial institutions \$000	Trading securities and available-for-sale securities \$000	Derivative financial assets \$000	Loans and advances \$000	Other financial assets \$000	Total (on-balance sheet) \$000	Credit commitments and contingent liabilities \$000
Deferred and other unearned future income and expenses	-	-	-	-	-	-	-	-
Fair value hedge adjustments	-	-	-	-	-	-	-	-
Due from related parties	-	-	-	-	-	-	-	-
Total credit exposures	-	138,321	-	406	30,956	-	169,683	27,605
Geographical area								
New Zealand	-	138,280	-	406	30,956	-	169,642	27,605
Overseas	-	41	-	-	-	-	41	-
Total credit exposures	-	138,321	-	406	30,956	-	169,683	27,605

Concentration of credit exposure to individual counterparties

Concentrations of credit exposures are disclosed on the basis of actual exposures. In addition, credit exposures to individual counterparties (not being members of a group of closely related counterparties) and to groups of closely related counterparties exclude exposures to connected persons, to the central government of any country with a long-term credit rating of A- or A3 or above, or its equivalent, or to any bank with a long-term credit rating of A- or A3 or above, or its equivalent.

The number of individual bank counterparties (which are not members of a group of closely related counterparties), and groups of closely related counterparties of which a bank is the parent, to which the Bank has an aggregate credit exposure or peak end-of-day aggregate credit exposure that equals or exceeds 10% of the Bank's equity:

- As at 30 June 2015 was nil; and
- In respect of peak end-of-day aggregate credit exposure for the period ended 30 June 2015 was nil.

The number of individual non-bank counterparties (which are not members of a group of closely related counterparties), and groups of closely related counterparties of which a bank is not the parent, to which the Bank has an aggregate credit exposure or peak end-of-day aggregate credit exposure that equals or exceeds 10% of the Bank's equity:

- As at 30 June 2015 there were three unrated counterparties with an aggregate credit exposure of 15%, 21% and 36% respectively; and
- In respect of peak end-of-day aggregate credit exposure for the period ended 30 June 2015, there were three unrated counterparties, having a peak end-of-day aggregate credit exposure of 15%, 21% and 36% respectively.

The peak end-of-day aggregate credit exposure to an individual counterparty or a group of closely related counterparties has been calculated by determining the maximum end-of-day aggregate amount of actual credit exposure over the relevant period and then dividing that by the Bank's equity as at the end of the period.

18. CONCENTRATION OF FUNDING

Concentrations of funding arise where the Bank is funded by industries of a similar nature or in particular geographies. The following table presents the Bank's concentrations of funding, which are reported by industry and geographic area.

ANZSIC classifications have been used as the basis for disclosing industry sectors.

As at 30 June 2015 (Unaudited)	2015 \$000
Total funding comprises	
Due to other financial institutions	-
Trading liabilities	-
Deposits from customers	38,760
Debt securities issued	76,962
Due to related parties	-
Total funding	115,722
Concentration of funding by industry sector	
Agriculture	-
Forestry and fishing	-
Mining	-
Manufacturing	-
Electricity, gas, water and waste services	-
Construction	12,582
Wholesale trade	-
Retail trade	-
Accommodation and food services	-
Transport, postal and warehousing	-
Information media and telecommunications	-
Financial and insurance services	101,476
Rental, hiring and real estate services	-
Professional, scientific and technical services	-
Administrative and support services	-
Public administration and safety	-
Education and training	-
Health care and social assistance	-
Arts and recreation services	-
Households	-
Other	1,664
Subtotal	115,722
Due to related parties	-
Total funding	115,722

As at 30 June 2015 (Unaudited)	2015 \$000
Concentration of funding by geographical areas¹	
New Zealand	114,058
China	1,664
Australia	-
United States	-
Europe	-
Other countries	-
Total funding	115,722

¹ The geographic area used for debt securities issued is based on the nature of the debt programmes.

19. INSURANCE BUSINESS, SECURITISATION, FUNDS MANAGEMENT, OTHER FIDUCIARY ACTIVITIES AND THE MARKETING AND DISTRIBUTION OF INSURANCE PRODUCTS

The Bank does not conduct any insurance business.

The Bank is also not involved in:

- the establishment, marketing, or sponsorship of trust, custodial, funds management and other fiduciary activities;
- the origination of securitised assets; and the marketing or servicing of securitisation schemes; and
- the marketing and distribution of insurance products

20. RISK MANAGEMENT

There have been no material change to the risk management policies and no new categories of risk to which the Bank has become exposed to since 31 December 2014.

Interest rate repricing gap analysis

The following table presents the Bank's assets and liabilities at their carrying amounts as at 30 June 2015, categorised by the earlier of the contractual repricing or maturity dates. The carrying amounts of derivative financial instruments, which are principally used to reduce the Bank's exposure to interest rate movements, are included under the heading "Non-interest bearing".

As at 30 June 2015 (Unaudited)	Up to 3 months \$000	Over 3 months and up to 6 months \$000	Over 6 months and up to 1 year \$000	Over 1 year and up to 2 years \$000	Over 2 years \$000	Non- interest bearing \$000	Total \$000
Financial assets							
Cash and balances with central banks	-	-	-	-	-	-	-
Due from other financial institutions	138,250	-	-	-	-	71	138,321

As at 30 June 2015 (Unaudited)	Up to 3 months \$000	Over 3 months and up to 6 months \$000	Over 6 months and up to 1 year \$000	Over 1 year and up to 2 years \$000	Over 2 years \$000	Non- interest bearing \$000	Total \$000
Trading securities	-	-	-	-	-	-	-
Derivative financial assets	-	-	-	-	-	406	406
Available-for-sale securities	-	-	-	-	-	-	-
Loans and advances	19,493	198	4,534	5,218	1,440	73	30,956
Due from related parties	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-
Total financial assets	157,743	198	4,534	5,218	1,440	550	169,683
Non-financial assets	-	-	-	-	-	2,649	2,649
Total assets	157,743	198	4,534	5,218	1,440	3,199	172,332
Financial liabilities							
Due to other financial institutions	-	-	-	-	-	-	-
Trading liabilities	-	-	-	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
Deposits from customers	7,688	5,000	26,000	-	-	72	38,760
Debt securities issued	25,000	-	-	-	51,500	462	76,962
Due to related parties	-	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	456	456
Total financial liabilities	32,688	5,000	26,000	-	51,500	990	116,178
Non-financial liabilities	-	-	-	-	-	81	81
Total liabilities	32,688	5,000	26,000	-	51,500	1,071	116,259
On-balance sheet interest rate repricing gap	125,055	(4,802)	(21,466)	5,218	(50,060)	2,128	56,073
Net derivative notional principals	(51,500)	-	-	-	51,500	-	-
Net interest rate repricing gap	73,555	(4,802)	(21,466)	5,218	1,440	2,128	56,073

Liquidity portfolio management

The Bank held the following financial assets for the purpose of managing liquidity risk:

As at 30 June 2015 (Unaudited)	2015 \$000
Cash and cash equivalents:	-
Cash and balances with central banks	-
Due from other financial institutions (call or original maturity of 3 months or less)	138,321
Reverse repurchase agreements	-
Government bonds, notes and securities	-
Local and semi-government bonds, notes and securities	-
Corporate and other institutions bonds, notes and securities	-
Total liquidity portfolio	138,321

Contractual maturity analysis of financial assets and financial liabilities

The table below presents the Bank's cash flows by remaining period to contractual maturity as at reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows and include principal and future interest cash flows and therefore will not agree to the carrying amounts on the balance sheet.

Actual cash flows may differ significantly from the contractual cash flows presented below as a result of future actions of the Bank and its counterparties such as early repayments or refinancing of term loans.

The contractual maturity analysis for off-balance sheet commitments and contingent liabilities has been prepared using the earliest date at which the Bank can be called upon to pay. The liquidity risk of credit related commitments and contingent liabilities may be less than the contract amount and does not necessarily represent future cash requirements as many of these facilities are expected to be only partially used or to expire unused.

As at 30 June 2015 (Unaudited)	On Demand \$000	Up to 3 months \$000	Over 3 months and up to 1 year \$000	Over 1 year and up to 5 years \$000	Over 5 years \$000	Total \$000	Carrying Amount \$000
Non derivative financial assets							
Cash and balances with central banks	-	-	-	-	-	-	-
Due from other financial institutions	326	138,085	-	-	-	138,411	138,321
Trading securities	-	-	-	-	-	-	-
Available-for-sale securities	-	-	-	-	-	-	-
Loans and advances	-	658	16,311	14,105	5,500	36,574	30,956
Due from related parties	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-
Total non-derivative financial assets	326	138,743	16,311	14,105	5,500	174,985	169,277
Derivative financial assets							
Net settled	-	(538)	678	247	-	387	406
Total derivative financial assets	-	(538)	678	247	-	387	406
Non derivative financial liabilities							
Due to other financial institutions	-	-	-	-	-	-	-
Trading liabilities	-	-	-	-	-	-	-
Deposits from customers	689	7,074	32,160	-	-	39,923	38,760
Debt securities issued	-	282	3,015	85,741	-	89,038	76,962
Due to related parties	-	-	-	-	-	-	-
Other financial liabilities	456	-	-	-	-	456	456
Total non-derivative financial liabilities	1,145	7,356	35,175	85,741	-	129,417	116,178
Derivative financial liabilities							
Net settled	-	-	-	-	-	-	-
Gross settled - cash inflow	-	-	-	-	-	-	-
Gross settled - cash outflow	-	-	-	-	-	-	-
Total derivative financial liabilities	-	-	-	-	-	-	-

As at 30 June 2015 (Unaudited)	On Demand \$000	Up to 3 months \$000	Over 3 months and up to 1 year \$000	Over 1 year and up to 5 years \$000	Over 5 years \$000	Total \$000	Carrying Amount \$000
Off-balance sheet commitments and contingent liabilities							
Capital commitments	-	42				42	-
Leasing commitments		234	704	3,597	886	5,421	-
Commitments to extent credit	27,605	-	-	-	-	27,605	-
Financial guarantees	-	-	-	-	-	-	-
Standby letters of credit	-	-	-	-	-	-	-
Trade letters of credit	-	-	-	-	-	-	-
Non-financial guarantees	-	-	-	-	-	-	-
Other commitments	-	-	-	-	-	-	-
Total off-balance sheet commitments and contingent liabilities	27,605	276	704	3,597	886	33,068	-

21. EVENTS SUBSEQUENT TO THE REPORTING DATE

Michael Allen was appointed as a director of the Bank with effect from 1 July 2015.

The Bank issued a NZD \$15,000,000 fixed rate medium term notes (the "Note") on 16 July 2015. The Note will mature on 18 June 2018 and the interest will be paid semi-annually.

There were no other material events that occurred subsequent to the reporting date, that require recognition or additional disclosure in these financial statements.

22. CAPITAL ADEQUACY

The Bank is subject to the capital adequacy requirements for registered banks as specified by the Reserve Bank. The Reserve Bank has set minimum regulatory capital requirements for banks that are consistent with the internationally agreed framework (commonly known as Basel III) developed by the Basel Committee on Banking Supervision. These requirements define what is acceptable as capital and provide methods for measuring the risks incurred by the Bank.

The objective of the Basel III Framework is to develop capital adequacy guidelines that are more accurately aligned with the individual risk profile of banks. Basel III consists of three pillars – Pillar One covers the capital requirements for banks for credit, operational and market risks, Pillar Two covers all other material risks not already included in Pillar One, and Pillar Three relates to market disclosure. As a bank adopting a Standardised approach under the Basel III regime, the Bank applies the Reserve Bank's *BS2A Capital Adequacy Framework (Standardised Approach)* for calculating regulatory capital requirements.

The Basel III standards for bank capital distinguish between Tier 1 and Tier 2 capital. Tier 1 capital is permanently and freely available to absorb losses without the bank being obliged to cease trading, while Tier 2 capital generally only absorbs losses in a winding up. Within Tier 1 capital, Common Equity (CET 1) has greater loss absorbing capability than the other Tier 1 instruments referred to as Additional Tier 1 (AT 1) capital. Common Equity and Additional Tier 1 capital primarily consists of shareholders' equity and other capital instruments acceptable to the Reserve Bank less intangible and deferred tax assets

and other prescribed deductions. Tier 2 can comprise other capital instruments acceptable to the Reserve Bank. The Bank does not have any Tier 2 capital components.

Capital ratios are used to define minimum capital requirements for each of: Common Equity (CET1), Tier 1 capital (CET1 plus AT1), and Total capital (Tier 1 plus Tier 2), as a percentage of risk-weighted assets calculated in accordance with the Reserve Bank document BS2A *Capital Adequacy Framework (Standardised Approach)*. As a condition of registration, the Bank must comply with the following minimum requirements set by the Reserve Bank:

- Total capital ratio must not be less than 8% of risk weighted exposures.
- Tier 1 capital ratio must not be less than 6% of risk weighted exposures.
- Common Equity Tier 1 capital ratio must not be less than 4.5% of risk weighted exposures.
- Capital of the Bank must not be less than \$30 million.

In addition to minimum capital requirements, Basel III introduces a capital conservation buffer of 2.5 per cent of risk-weighted assets. There are increasing constraints on capital distributions where a bank's capital level falls within the buffer range, which are specified in the conditions of registration on page 6.

Capital management

The primary objectives of the Bank's capital management are to ensure that the Bank complies with the externally imposed capital requirements set by the Reserve Bank and maintains strong credit ratings and healthy capital ratios in order to support the future development and growth of the business and to maximise shareholder value.

The Board has ultimate responsibility for ensuring that the Bank has adequate overall capital in relation to its risk profile and establishes minimum internal capital levels and limits above the regulatory minimum to reduce the risk of breaching its conditions of registration. The Bank actively monitors its capital adequacy as part of the Bank's Internal Capital Adequacy Assessment Process ("ICAAP"), which complies with the requirements set out in the Reserve Bank document BS12 *Guidelines on Internal Capital Adequacy Assessment Process (ICAAP)*, and reports this on a regular basis to senior management and the Board. The Bank's ICAAP is a documented process that describes not only the risk appetite and tolerances of the Bank, but also the levels of capital held against risks, including credit, market, operational and other material risks.

The Bank's ICAAP is reviewed and approved at least annually by senior management and the Board and the process includes consideration of stress tests and future strategic requirements. The Bank also considers other stakeholders' requirements when managing capital.

The Bank manages its capital structure and makes adjustments according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Bank may adjust the amount of dividend payments to shareholders, return/issue capital to shareholders or issue capital securities. No changes were made in the objectives, policies and processes during the period ended 30 June 2015.

The capital adequacy tables set out on the following pages summarise the composition of regulatory capital, risk-weighted assets and the capital adequacy ratios for the Bank as at 30 June 2015. During the period, the Bank complied in full with all externally imposed Reserve Bank capital requirements as set out in the Bank's conditions of registration.

Capital

The table below shows the qualifying capital for the Bank.

As at 30 June 2015 (Unaudited)	2015 \$000
Tier One Capital	
Common Equity Tier One capital	
Issued and fully paid-up ordinary share capital	58,630
Accumulated losses (net of appropriations)	(2,557)
Accumulated other comprehensive income and other disclosed reserves ¹	-
Less deductions from Common Equity Tier One capital	
Intangible assets	53
Cash flow hedge reserve	-
Deferred tax assets	-
Total Common Equity Tier One capital	56,020
Additional Tier One capital	
Nil	-
Total Additional Tier One capital	-
Total Tier One capital	56,020
Tier Two capital	
Nil	-
Total Tier Two capital	-
Total capital	56,020

⁽¹⁾ Accumulated other comprehensive income and other disclosed reserves consist of available-for-sale revaluation reserve of \$nil and cash flow hedge reserve of \$nil.

Capital instruments

In accordance with the Reserve Bank document BS2A *Capital Adequacy Framework (Standardised Approach)*, ordinary share capital is classified as Common Equity Tier 1 capital.

In relation to the ordinary shares:

- there are no options or facilities for early redemptions, conversion, write-down or capital repayment;
- there is no predetermined dividend rate;
- there is no maturity date; and
- there are no options granted or to be granted pursuant to any arrangement.

The Bank does not have any other classes of capital instrument in its capital structure.

Credit risk

On-balance sheet exposures

As at 30 June 2015 (Unaudited)	Total exposure after credit risk mitigation \$000	Risk weight %	Risk weighted exposure \$000	Minimum Pillar 1 capital requirement \$000
Cash and gold bullion	-	-	-	-
Sovereigns and central banks	-	-	-	-

Multilateral development banks and other international organisation	-	-	-	-
Public sector entities	-	-	-	-
Banks	138,321	20%	27,664	2,213
Corporate	28,216	100%	28,216	2,257
Residential mortgages not past due	2,740	35%	959	77
Past due residential mortgages	-	-	-	-
Other past due assets	-	-	-	-
Equity holdings (not deducted from capital) that are publicly traded	-	-	-	-
All other equity holdings (not deducted from capital)	-	-	-	-
Other assets	-	-	-	-
Total on-balance sheet exposures	169,277	-	56,839	4,547

Off-balance sheet exposures and market related contracts

As at 30 June 2015 (Unaudited)	Total exposure \$000	Credit conversion factor %	Credit equivalent amount \$000	Average risk weight %	Risk weighted exposure \$000	Minimum Pillar 1 capital requirement \$000
Direct credit substitute	-	100%	-	-	-	-
Asset sale with recourse	-	100%	-	-	-	-
Forward asset purchase	-	100%	-	-	-	-
Commitment with certain drawdown	364	100%	364	35%	127	10
Note issuance facility	-	50%	-	-	-	-
Revolving underwriting facility	-	50%	-	-	-	-
Performance-related contingency	-	50%	-	-	-	-
Trade-related contingency	-	20%	-	-	-	-
Placements of forward deposits	-	100%	-	-	-	-
Other commitments where original maturity is more than one year	25,623	50%	12,812	100%	12,812	1,025
Other commitments where original maturity is less than or equal to one year	1,618	20%	324	100%	324	26
Other commitments that cancel automatically when the creditworthiness of the counterparty deteriorates or that can be cancelled unconditionally at any time without prior notice	-	0%	-	-	-	-
Market related contracts¹						
(a) Foreign exchange contracts	-	n/a	-	-	-	-
(b) Interest rate contracts	51,500	n/a	5,768	100%	5,768	461
(c) Other – OTC etc.	-	n/a	-	-	-	-
Total off-balance sheet exposures	-	-	19,268	-	19,031	1,522

⁽¹⁾ The credit equivalent amount for market related contracts was calculated using the current exposure method.

Additional mortgage information

Residential mortgages by loan-to-valuation ratio

As at 30 June 2015 (Unaudited)	Does not exceed 80%	Exceeds 80% and not 90%	Exceeds 90%	Total
Loan-to-valuation ratio				
On-balance sheet exposures	2,740	-	-	2,740
Off-balance sheet exposures	364	-	-	364
Value of exposures	3,104	-	-	3,104

The information in the above table is in respect of the total residential mortgage loans used to calculate the Bank's Pillar 1 capital requirement for credit risk, categorised by loan-to-valuation ratio.

Any residential mortgage loan for which no loan-to-valuation ratio is available is included in the category for loan-to-valuation ratios that exceed 90%.

The following table is reconciliation between any figures disclosed elsewhere in the Disclosure Statement that relate to mortgages on residential property:

Reconciliation of residential mortgage-related amount

As at 30 June 2015 (Unaudited)	2015 \$000
Term loans – housing (as disclosed in Note 7) and Residential mortgages – total gross loans and advances (as disclosed in Note 8)	2,743
Reconciling items:	
Provisions for impairment losses on loans and advances	(3)
Residential mortgages by loan-to-valuation ratio	2,740

Credit risk mitigation

As at 30 June 2015 (Unaudited)	Total value of on- and off-balance sheet exposures covered by eligible collateral (after haircutting) \$000	Total value of on- and off-balance sheet exposures covered by guarantees or credit derivatives \$000
Sovereign or central bank	-	-
Multilateral development bank	-	-
Public sector entities	-	-
Bank	-	-
Corporate	-	-
Residential mortgage	-	-
Other	-	-
Total	-	-

Operational risk

As at 30 June 2015 (Unaudited)	Implied weighted exposure \$000	Total operational risk capital requirement \$000
Operational risk	6,722	538

Market risk

As at 30 June 2015 (Unaudited)	End-period capital charges		Peak end-of-day capital charge	
	Implied risk weighted exposure \$000	Aggregate capital charge \$000	Implied risk weighted exposure \$000	Aggregate capital charge \$000
Interest rate risk	6,781	542	6,781	542
Foreign currency risk	57	5	57	5
Equity risk	-	-	-	-
Total	6,838	547	6,838	547

Peak end-of-day aggregate capital charge for each category of market risk is derived by determining the maximum over the relevant period of the aggregate capital charge at the close of each business day derived in accordance with Part 10 of the Reserve Bank document BS2A *Capital Adequacy Framework (Standardised Approach)*.

Total capital requirements

As at 30 June 2015 (Unaudited)	Total exposure after credit risk mitigation \$000	Risk weighted exposure or implied risk weighted exposure \$000	Total capital requirement \$000
Total credit risk + equity	188,545	75,870	6,069
Operational risk	n/a	6,722	538
Market risk	n/a	6,838	547
Total	188,545	89,430	7,154

Capital requirements for other material risks (Pillar II)

The Basel III capital adequacy regime intends to ensure that banks have adequate capital to support all material risks inherent in their business activities. Consequently, the Bank's ICAAP captures all material risks that the Bank faces including those not captured by Pillar 1 regulatory capital requirements. These other material risks for the Bank include liquidity and funding risk, strategic and business risk, and reputational risk.

The Bank has set up a buffer at 2% within the board target to mitigate all the Pillar II risks in its ICAAP as a prudent treatment.

Capital ratios of the Bank

As at 30 June 2015 (Unaudited)	The Bank %
Capital adequacy ratios	
Common Equity Tier 1 capital ratio	62.64%
Tier 1 capital ratio	62.64%
Total capital ratio	62.64%
Reserve Bank minimum ratio requirements	
Common Equity Tier 1 capital ratio	4.50%
Tier 1 capital ratio	6.00%
Total capital ratio	8.00%
Buffer ratio	
Buffer ratio	54.64%
Buffer ratio requirement	2.50%

Capital adequacy of Ultimate Parent Bank

The Ultimate Parent Bank of the Bank is CCB. The Ultimate Parent Bank Group comprises the Ultimate Parent Bank and its subsidiaries.

Both the Ultimate Parent Bank and the Ultimate Parent Bank Group are required by the China Banking Regulatory Commission (CBRC) to hold minimum capital at least equal to that specified under the Basel II standardised approach and are required to publicly disclose this capital adequacy information on a quarterly basis. This information is available via the Ultimate Parent Bank's website (www.ccb.com).

The Ultimate Parent Bank and the Ultimate Parent Bank Group each met the capital requirements imposed on them by the CBRC as at 31 March 2015, the latest reporting date.

The capital ratios below have been calculated in accordance with *the Capital Rules for Commercial Banks (Provisional)* promulgated by the CBRC in June 2012.

	As at 31 Mar 2015 %	As at 31 Mar 2014 %	As at 31 Dec 2014 %
Ultimate Parent Bank Group			
Common Equity Tier 1 capital ratio	12.51%	11.11%	12.12%
Tier 1 capital ratio	12.51%	11.11%	12.12%
Total capital ratio	14.97%	13.50%	14.87%
Ultimate Parent Bank			
Common Equity Tier 1 capital ratio	12.22%	10.79%	11.78%
Tier 1 capital ratio	12.22%	10.79%	11.78%
Total capital ratio	14.74%	13.21%	14.59%



Independent Auditors' Review Report

To the shareholder of China Construction Bank (New Zealand) Limited

Report on the Financial Statements

We have reviewed pages 9 to 41 of the half year Disclosure Statement of China Construction Bank (New Zealand) Limited (the "Bank"), which consists of the financial statements required by Clause 25 of the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the "Order") and the supplementary information required by Schedules 5, 7, 9, 13, 16 and 18 of the Order. The financial statements comprise the balance sheet as at 30 June 2015, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the six months then ended, and the notes to the financial statements that include a statement of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The Directors of China Construction Bank (New Zealand) Limited (the "Directors") are responsible for the preparation and fair presentation of the half year Disclosure Statement, which includes financial statements prepared in accordance with Clause 25 of the Order and that present fairly the financial position of the Bank as at 30 June 2015, and its financial performance and cash flows for the period ended on that date. The Directors are also responsible for such internal controls as the Directors determine are necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In addition, the Directors are responsible for the preparation and fair presentation of supplementary information in the half year Disclosure Statement which complies with Schedules 3, 5, 7, 9, 13, 16 and 18 of the Order.

Our Responsibility

Our responsibility is to express a conclusion on the financial statements and the supplementary information, disclosed in accordance with Clause 25 and Schedules 5, 7, 9, 13, 16 and 18 of the Order, presented by Directors, based on our review.

Our responsibility is to express a conclusion on the financial statements (excluding the supplementary information) whether, in our opinion on the basis of the procedures performed by us, anything has come to our attention that causes us to believe that the financial statements, have not been prepared, in all material respects, in accordance with the New Zealand Equivalent to International Accounting Standard 34: *Interim Financial Reporting* and International Accounting Standard 34: *Interim Financial Reporting*.

Our responsibility is to express a conclusion on the supplementary information (excluding the supplementary information relating to capital adequacy) whether, in our opinion on the basis of the procedures performed by us, anything has come to our attention that would cause us to believe that the supplementary information does not fairly present, in all material respects, the matters to which it relates in accordance with Schedules 5, 7, 13, 16 and 18 of the Order.

Our responsibility is to express a conclusion on the supplementary information relating to capital adequacy whether, in our opinion on the basis of the procedures performed by us, anything has come to our attention that would cause us to believe the supplementary information is not in all material respects:



Independent Auditors' Review Report

China Construction Bank (New Zealand) Limited

- a) prepared in accordance with the Bank's Conditions of Registration;
- b) prepared in accordance with the Capital Adequacy Framework (Standardised Approach) (BS2A); and
- c) disclosed in accordance with Schedule 9 of the Order.

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* ("NZ SRE 2410"). As the auditors of the Bank, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly we do not express an audit opinion on this half year Disclosure Statement.

We are independent of the Bank. We carry out other assignments on behalf of the Bank in the form of agreed upon procedures engagements and other assurance related services. In addition, certain partners and employees of our firm may deal with the Bank on normal terms within the ordinary course of trading activities of the Bank. These matters have not impaired our independence as auditors of the Bank. We have no other interests in the Bank.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that:

- a) the financial statements on pages 9 to 41 (excluding supplementary information) have not been prepared, in all material respects, in accordance with New Zealand Equivalent to International Accounting Standard 34: *Interim Financial Reporting* and International Accounting Standard 34: *Interim Financial Reporting*;
- b) the supplementary information prescribed by Schedules 5, 7, 13, 16 and 18 of the Order, does not fairly state the matters to which it relates in accordance with those Schedules; and
- c) the supplementary information relating to capital adequacy prescribed by Schedule 9 of the Order, is not, in all material respects:
 - i. prepared in accordance with the Bank's Conditions of Registration;
 - ii. prepared in accordance with the Capital Adequacy Framework (Standardised Approach) (BS2A); and
 - iii. disclosed in accordance with Schedule 9 of the Order.

Restriction on Distribution or Use

This report is made solely to the Bank's shareholder. Our review work has been undertaken so that we might state to the Bank's shareholder those matters which we are required to state to them in a review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank and the Bank's shareholder, for our review procedures, for this report, or for the conclusions we have formed.

PricewaterhouseCoopers
25 August 2015

Auckland