CCB 中国建设银行(新西兰)
China Construction Bank (New Zealand) Ltd.

China Construction Bank (NZ) Limited

Disclosure Statement

For the three months ended
31 March 2017

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General Information and Definitions

This Disclosure Statement has been issued by China Construction Bank (New Zealand) Limited (the "Bank") in accordance with the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the "**Order**").

In this Disclosure Statement:

- "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" and "RBNZ" mean the Reserve Bank of New Zealand.

Words and phrases defined by the Order have the same meaning when used in this Disclosure Statement. All amounts referred to in this Disclosure Statement are in thousands of New Zealand Dollars unless otherwise stated.

Corporate Information

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 under the Reserve Bank of New Zealand Act 1989 and changed its name to China Construction Bank (New Zealand) Limited (the "Bank").

The Bank's registered office and address for service is Level 29, Vero Centre, 48 Shortland Street, Auckland 1010, New Zealand. The Bank's website address is: http://nz.ccb.com. A copy of this Disclosure Statement is available on the Bank's website or upon request at the Bank's registered office.

Ultimate Parent and Holding Company

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.

Significant Interest in the Registered Bank

The Ultimate Parent Bank has a direct qualifying interest in 100% of the voting securities of the Bank and has the power 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.

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.

Directorate

Mr Jun Qi was appointed as Executive Director and Chief Executive Officer (CEO) of the Bank on 24 March 2017. Mr Jun Qi officially commenced as CEO on 1 May 2017 from Mr Xingyao Li who was the Acting CEO until 30 April 2017.

There have been no other changes to the composition of the Board since the publication of the 31 December 2016 Disclosure Statement.

Responsible Person

Mr Jun Qi has been authorised in writing to sign this Disclosure Statement in accordance with section 82 of the Reserve Bank Act on behalf of the Directors, being:

Dame Jenny Shipley, John Shewan, Michael Allen, Xingyao Li and Yangtong Jin.

Credit Ratings

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 above credit ratings since the ratings obtained on 15 July 2014 from Standard & Poor's and 30 April 2015 from Moody's respectively.

However, Moody's Investors Service on 26 May 2017 revised the Bank's rating outlook from negative to stable following the same change to the rating outlook for the Ultimate Parent Bank.

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.

Guarantee Arrangements

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 year ended 31 December 2016 which can be obtained from the Bank's website http://nz.ccb.com or the Bank's registered office.

There have been no changes to the Deed of Guarantee since the 31 December 2016 full year Disclosure Statement was published.

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.

Since 31 December 2016, there has been no material change in regulations, legislation or other restrictions of a legally enforceable nature that may materially inhibit the legal ability of CCB to provide material financial support to the Bank.

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 has commenced implementation of the advanced measurement approaches for capital management from April 2014. As disclosed in CCB's unaudited consolidated results for the period ended 31 March 2017, considering relevant rules under the transition period, CCB Group's total capital for capital adequacy purposes was RMB 1,838,343 million (NZD 382,092 million) and its total capital ratio was 14.82%. 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 Chinese Yuan Renminbi ("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 in the two years prior to 31 March 2017. On 24 May 2017, Moody's Investors Service revised the outlook from negative to stable on CCB's credit ratings while affirming the current ratings.

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 12 *Commitments and Contingent Liabilities* of the financial statements for the three months ended 31 March 2017 included within this Disclosure Statement.

Conditions of Registration

The RBNZ issued revised conditions of registration which took effect from 1 October 2016.

The revised conditions:

- Refer to revised version of:

  - Framework for Restrictions on High-LVR Residential Mortgage Lending (BS19);
    - Reflect changes to the loan-to-valuation ratios applicable to property and non-property investment residential mortgage lending; *and*
- Refer to versions of:
  - Capital Adequacy Framework (Standardised Approach) (BS2A);
  - Application for Capital Recognition or Repayment (BS16); *and*
  - Connected Exposures Policy (BS8).

The Bank has complied with all conditions of registration over the accounting period.

Other Material Matters

The Board is of the opinion that, other than outlined below, there are no material matters relating to the business or affairs of the Bank which are not contained elsewhere in the Disclosure Statement and which would, if disclosed in this Disclosure Statement, materially affect the decision of a person to subscribe for debt securities of which the Bank is the issuer.

Core banking system

CCB is undertaking a global upgrade of its core banking system. This is a significant change programme which will include CCB NZ and is being actively managed.

Auditor

The appointed auditor for the Bank is PricewaterhouseCoopers ("PwC"). The auditor's address is PwC Tower, 188 Quay Street, Auckland 1010, New Zealand.

Directors' Statement

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 three months ended 31 March 2017:

(a) the Bank has complied with all conditions of registration;

(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 29 May 2017 and has been signed by Mr Jun Qi as the responsible person for and on behalf of all the Directors (by Directors' resolution):

Mr Jun Qi
Executive Director

Statement of Comprehensive Income

For the three months ended	Note	Unaudited 31 March 2017 $000	Unaudited 31 March 2016 $000
Interest income		10,812	4,246
Interest expense		(5,064)	(2,642)
Net Interest Income		**5,748**	**1,604**
Net non-interest expense	2	(319)	(93)
Total operating income		**5,429**	**1,511**
Operating expenses		(2,427)	(2,143)
Impairment losses on loans and advances	6 a) / c)	(284)	(72)
Profit/(loss) before income tax		**2,718**	**(704)**
Income tax (expense)/benefit		(761)	-
Profit/(loss) after income tax		**1,957**	**(704)**
Other comprehensive expense, net of tax		(108)	-
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 expense, net of tax		(108)	-
Total comprehensive income/(expense)		**1,849**	**(704)**

These interim financial statements are to be to read in conjunction with the notes on pages 9 to 25.

Statement of Changes in Equity

For the three months ended 31 March 2017 (Unaudited)	Note	Share Capital $000	Accumulated Losses $000	Cash Flow Hedge Reserve $000	Total $000
Balance at the beginning of the period		199,178	(3,651)	71	**195,598**
Profit/(loss) after income tax		-	1,957	-	**1,957**
Other comprehensive expense		-	-	(108)	**(108)**
Total comprehensive income for the period		-	**1,957**	**(108)**	**1,849**
Transactions with owners:					
Ordinary share capital issued		-	-	-	-
Dividends paid on ordinary shares		-	-	-	-
Balance as at 31 March 2017		**199,178**	**(1,694)**	**(37)**	**197,447**

For the three months ended 31 March 2016 (Unaudited)	Note	Share Capital $000	Accumulated Losses $000	Cash Flow Hedge Reserve $000	Total $000
Balance at the beginning of the period		58,630	(5,451)	-	53,179
(Loss)/profit after income tax		-	(704)	-	(704)
Other comprehensive income		-	-	-	-
Total comprehensive expense for the period		-	**(704)**	-	**(704)**
Transactions with owners:					
Ordinary share capital issued		-	-	-	-
Dividends paid on ordinary shares		-	-	-	-
Balance as at 31 March 2016		**58,630**	**(6,155)**	-	**52,475**

For the year ended 31 December 2016 (Audited)	Note	Share Capital $000	Accumulated Losses $000	Cash Flow Hedge Reserve $000	Total $000
Balance at the beginning of the year		58,630	(5,451)	-	53,179
Profit/(loss) after income tax		-	1,800	-	1,800
Other comprehensive income		-	-	71	71
Total comprehensive income for the year		-	**1,800**	**71**	**1,871**
Transactions with owners:					
Ordinary share capital issued		140,548	-	-	140,548
Dividends paid on ordinary shares		-	-	-	-
Balance as at 31 December 2016		**199,178**	**(3,651)**	**71**	**195,598**

Balance Sheet

As at	Note	Unaudited 31 March 2017 $000	Unaudited 31 March 2016 $000	Audited 31 December 2016 $000
Assets				
Cash and balances with central bank	3	47,059	28,003	15,801
Due from other financial institutions		64,177	1,389	116,690
Derivative financial assets		5,303	2,927	4,920
Loans and advances	5	1,028,504	378,446	744,419
Due from related parties	9	1,696	1,924	2,340
Other assets		249	140	274
Property, plant and equipment		1,589	2,221	1,760
Intangible assets		214	60	159
Deferred tax assets		637	-	1,356
Total assets		**1,149,428**	**415,110**	**887,719**
Liabilities				
Due to other financial institutions		-	82,084	28,006
Derivative financial liabilities		4,752	-	5,328
Deposits from customers	7	266,253	73,410	138,998
Debt securities issued	8	290,606	126,792	292,638
Due to related parties	9	374,207	79,799	210,982
Subordinated debt	9	15,123	-	15,137
Other liabilities		1,040	550	1,032
Total liabilities		**951,981**	**362,635**	**692,121**
Shareholder's equity				
Share capital		199,178	58,630	199,178
Accumulated losses		(1,694)	(6,155)	(3,651)
Cash flow hedge reserve		(37)	-	71
Total shareholder's equity		**197,447**	**52,475**	**195,598**
Total liabilities and shareholder's equity		**1,149,428**	**415,110**	**887,719**
Total interest earning and discount bearing assets		1,141,299	409,765	879,593
Total interest and discount bearing liabilities		944,191	357,686	685,511

These interim financial statements are to be to read in conjunction with the notes on pages 9 to 25.

Cash Flow Statement

For the three months ended	Note	Unaudited 31 March 2017 $000	Unaudited 31 March 2016 $000
Cash flows from operating activities			
Interest received		10,469	4,081
Interest paid		(801)	(1,214)
Non-interest income received		30	659
Non-interest expenses paid		(12)	(2,334)
Operating expenses paid		(2,223)	(2,136)
Income taxes paid		-	-
Net cash flows from operating activities before changes in operating assets and liabilities		**7,463**	**(944)**
Net changes in operating assets and liabilities:			
Net decrease/(increase):			
GST receivable		(153)	23
Other assets		177	(55)
Loans and advances		(283,500)	(71,688)
Due from related parties		-	(648)
Net increase/(decrease):			
Due to other financial institutions		(28,000)	67,500
Other liabilities		-	-
Deposits from customers		126,863	(24,510)
Net changes in operating assets and liabilities		**(184,613)**	**(29,378)**
Net cash flows used in operating activities	11	**(177,150)**	**(30,322)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(10)	(24)
Purchase of intangible assets		(67)	-
Net cash flows used in investing activities		**(77)**	**(24)**
Cash flows from financing activities			
Issue of ordinary share capital		-	-
Net increase in due to related parties		162,969	(29,872)
Net increase in debt issues		(3,000)	-
Interest paid on financing activities		(4,326)	(891)
Net cash flows provided by financing activities		**155,643**	**(30,763)**
Net (decrease)/increase in cash and cash equivalents		(21,584)	(61,109)
Cash and cash equivalents at beginning of the period		134,507	91,670
Cash and cash equivalents at end of the period		**112,923**	**30,561**
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)]		64,168	1,389
Cash and balances with central banks		47,059	28,003
Due from related parties (nostro balance account held with Ultimate Parent Bank) [(2)]		1,696	1,169
Cash and cash equivalents at end of the period		**112,923**	**30,561**

(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 $9k as at 31 March 2017 and nil as at 31 March 2016 respectively.*

(2) *The amount 'Due from related parties' above does not equal the 'Due from related parties' on the balance sheet, due to a related party loan as at 31 March 2017 nil and as at 31 March 2016: $755k not included in cash and cash equivalents.*

1. Statement of Accounting Policies

a) Reporting Entity

These condensed interim financial statements ("interim financial statements") for the three months ended 31 March 2017, have been prepared in accordance with the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the "Order").

They have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") as appropriate for profit-oriented entities and the New Zealand equivalent to NZ IAS 34 *Interim Financial Reporting*. These financial statements comply with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board.

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

They were approved for issue by the Board of Directors of the Bank (the "Board") on 29 May 2017.

These interim financial statements do not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the Bank's financial statements for year ended 31 December 2016.

b) Basis of Preparation

These interim financial statements have been prepared in accordance with the historical cost basis, as modified by applying fair value accounting to all derivative financial instruments, including in the case of fair value hedging, the fair value adjustment on the underlying hedged exposure.

The going concern and the accrual basis of accounting have been adopted. All amounts are expressed in thousands of New Zealand Dollars, unless otherwise stated.

The same accounting policies and methods of computation have been followed in preparing these financial statements as were used in preparing the financial statements for the full year ended 31 December 2016.

There have been no material changes to accounting policies during the three months ended 31 March 2017. All policies have been applied on a consistent basis with those used in the financial year ended 31 December 2016.

Certain comparative information has been reclassified to ensure consistency with current reporting year. This has been highlighted in the relevant notes.

2. Non-Interest Expense

For the three months ended	Unaudited 31 March 2017 $000	Restated Unaudited 31 March 2016 $000
Fees and commission income/(expense)		
Lending and credit facility related fee income	21	515
Commission paid	(11)	(10)
Commission income	10	4
Total fees and commission income/(expense)	**20**	**509**
Net fair value (loss)/gain		
Net ineffectiveness on qualifying hedges	27	(15)
Net fair value (losses)/gains on derivatives	(81)	-
Net (losses)/gains on other derivatives used for hedge purposes that do not qualify for hedge accounting	(285)	(587)
Total net fair value loss	**(339)**	**(602)**
Total non-interest expense	**(319)**	**(93)**

Comparative information has been reclassified to ensure consistency with presentation in the current year. The Total non-interest expense amount remains unchanged.

3. Cash and balances with Central Bank

As at	Unaudited 31 March 2017 $000	Unaudited 31 March 2016 $000	Audited 31 December 2016 $000
Call deposits and settlement account balance with RBNZ	47,059	28,003	15,801
Total cash and balances with central bank	**47,059**	**28,003**	**15,801**

4. Financial Assets Pledged as Collateral

The Bank did not have any collateral pledged to derivative counterparties or arising from reverse repurchase agreements as at 31 March 2017 (31 March 2016: nil, 31 December 2016: nil).
The fair value of any collateral held which has been sold or re-pledged as at 31 March 2017 is nil (31 March 2016: nil, 31 December 2016: nil).

5. Loans and Advances

As at	Unaudited 31 March 2017 $000	Unaudited 31 March 2016 $000	Audited 31 December 2016 $000
Residential mortgages	498,183	105,276	381,592
Corporate loans	531,349	273,549	363,572
Total gross loans and advances	**1,029,532**	**378,825**	**745,164**
Provisions for impairment losses on loans and advances	(1,028)	(379)	(745)
Total net loans and advances	**1,028,504**	**378,446**	**744,419**

6. Asset Quality and Provision for Impairment Losses

a) Impairment losses per Income Statement

For the three months ended	Unaudited 31 March 2017 $000	Unaudited 31 March 2016 $000
Increase/(decrease) in collectively assessed provisions	284	72
Increase/(decrease) in individually assessed provisions	-	-
Total Impairment losses per Income Statement	**284**	**72**

b) End-period balances

As at 31 March 2017 (Unaudited)	Residential mortgages $000	Corporate exposures $000	Other exposures $000	Total credit exposures $000
At least 90 days past due	2,406	-	-	**2,406**
Total individually impaired assets	-	-	-	-
Collectively assessed provisions	496	532	-	**1,028**
Individually assessed provisions	-	-	-	-
Total provisions for Impairment losses	**496**	**532**	**-**	**1,028**

c) Breakdown of impairment losses

For the three months ended 31 March 2017 (Unaudited)	Residential mortgages $000	Corporate exposures $000	Other exposures $000	Total credit exposures $000
Increase/(decrease) in collectively assessed provisions	116	168	-	284
Increase/(decrease) in individually assessed provisions 1	-	-	-	-
Total Impairment losses	**116**	**168**	**-**	**284**

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.*

2. *Undrawn balances on lending commitments to counterparties for whom drawn balances are classified as individually impaired were nil as at 31 March 2017 (31 March 2016: nil, 31 December 2016: nil). The Bank did not have other assets under administration as at 31 March 2017 (31 March 2016: nil, 31 December 2016: nil)*

7. Deposits from Customers

As at	Unaudited 31 March 2017 $000	Unaudited 31 March 2016 $000	Audited 31 December 2016 $000
Demand deposits not bearing interest	56	-	301
Demand deposits bearing interest	97,608	17,891	54,453
Term deposits	168,589	55,519	84,244
Total deposits from customers	**266,253**	**73,410**	**138,998**

8. Debt Securities Issued

As at	Unaudited 31 March 2017 $000	Restated Unaudited 31 March 2016 $000	Audited 31 December 2016 $000
Short term debt			
Registered certificate of deposits	42,000	-	45,000
Total short term debt	**42,000**	**-**	**45,000**
Long term debt			
Domestic medium-term notes	248,300	123,800	248,300
Total long term debt	**248,300**	**123,800**	**248,300**
Total debt securities issued	**290,300**	**123,800**	**293,300**
Debt securities issued at amortised cost	290,300	123,800	293,300
Total debt securities issued	**290,300**	**123,800**	**293,300**
Movement in debt securities issued			
Balance at beginning of the period/year	292,638	124,541	124,541
Issuance during the period/year	42,000	-	219,500
Repayments during the period/year	(45,000)	-	(50,000)
Effect of fair value hedge adjustment	1,115	1,532	(1,823)
Net effect of Transaction costs and accruals	(147)	719	420
Balance at end of the period/year	**290,606**	**126,792**	**292,638**

Comparative information has been reclassified to ensure consistency with presentation in the current year. The Debt Securities Issued amount remains unchanged.

9. 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 31 March 2017, the Bank had no controlled entities.

Transactions with related parties

For the three months ended	Unaudited 31 March 2017 $000	Unaudited 31 March 2016 $000
Interest income		
Received from Ultimate Parent Bank	2	2
Interest expense		
Paid to Ultimate Parent Bank	(1,392)	(98)
Paid to other related parties	-	(242)
Non-interest income		
Net derivative gain from Ultimate Parent Bank	252	-

Balances with related parties

As at	Unaudited 31 March 2017 $000	Unaudited 31 March 2016 $000	Audited 31 December 2016 $000
Due from related parties			
Due from Ultimate Parent Bank	1,696	1,924	2,340
Due from other related parties	-	-	-
Total Related Party Assets	**1,696**	**1,924**	**2,340**
Due to related parties			
Due to Ultimate Parent Bank	374,207	79,799	210,982
Due to other related parties	-	-	-
Total Related Party Liabilities	**374,207**	**79,799**	**210,982**
Subordinated Debt			
Subordinated Debt with Ultimate Parent Bank	15,123	-	15,137
Total Subordinated Debt with Ultimate Parent Bank	**15,123**	**-**	**15,137**
Derivative financial assets			
Derivative with Ultimate Parent Bank	2,431	-	3,342
Total Derivative Financial Assets with Related Parties	**2,431**	**-**	**3,342**
Derivative financial liabilities			
Derivative with Ultimate Parent Bank	2,324	212	2,402
Total Derivative Financial Liabilities with Related Parties	**2,324**	**212**	**2,402**

There were no debts with any related parties written off or forgiven during the three months ended 31 March 2017 (31 March 2016: nil, 31 December 2016: nil). No provisions for impairment loss have been recognised in respect of loans given to related parties as at 31 March 2017 (31 March 2016: nil, 31 December 2016: 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

The Bank made loans to the Ultimate Parent Bank. These loans were made in the normal course of business and were at arms-length. Interest income was derived on these loans and included within the Statement of Comprehensive Income. The loan balance as at 31 March 2017 is nil (31 March 2016: $755,278, 31 December 2016: nil).

The Bank holds nostro accounts with the Ultimate Parent Bank. The total balance as at 31 March 2017 is $1,649,000 (31 March 2016: $1,169,000, 31 December 2016: $2,340,000). Also, the Bank has a placement with Ultimate Parent Bank of $47,000 with accrued interest $61 as at 31 March 2017 (31 March 2016: nil, 31 December 2016: nil).

The Bank has borrowed funds from the Ultimate Parent Bank and from other Related Parties. These borrowings are made in the normal course of business and are at arms-length. The table below represents the movement of borrowing from the Ultimate Parent Bank and other Related Parties during the period.

	USD $000	NZD $000	Total NZD $000
Balance at beginning of the period	140,000	9,500	210,707
Borrowing during the period	314,000	-	449,374
Repayments during the period	(193,000)	(9,500)	(285,708)
Effect of foreign exchange	-	-	(849)
Balance at end of the period [1]	261,000	-	373,524

[1] The Balance at end of the period does not equal Due to Related Parties in the Balance Sheet due to accrued interest and fair value hedge adjustment of $683k not being included in the above table.

On 28 April 2016, the Bank raised NZD $15 million (issuing 15,000 redeemable, subordinated and unsecured medium term notes at a face value of NZD $1,000.00) to the Sydney Branch of the Ultimate Parent Bank (Sydney Branch). The accrued interest on the subordinated note is $123,000 as at 31 March 2017. (31 March 2016: nil, 31 December 2016: $15,137,000 inclusive accrued interest)

The Bank has $2,431,000 revaluation gain for the interest rate swap and cross-currency swap deals and $2,324,000 revaluation loss for the interest rate swap deal with the Ultimate Parent Bank as at 31 March 2017. This is included in derivative financial assets and liabilities in the Balance Sheet (31 March 2016: revaluation gain nil and revaluation loss $212,000, 31 December 2016 revaluation gain $3,342,000 and revaluation loss $2,402,000).

10. 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 45 of the Bank's full year Disclosure Statement for the year ended 31 December 2016.

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 valuation techniques based on current market conditions.

These valuation techniques rely on market observable inputs wherever possible or in a limited number of instances rely on inputs which are unobservable but are reasonable assumptions based on market conditions.

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

Fair value measurement where inputs are quoted market prices (unadjusted) in an active market for identical financial assets or financial liabilities.

"Level 2" – Valuation technique using observable inputs

Fair value measurement where quoted market prices are not available in active markets for similar instruments. Fair values have been estimated using present value or valuation techniques using significant inputs that are observable for the financial asset or financial liability, either directly or indirectly from market data.

"Level 3" – Valuation technique with significant non-observable input

Fair value measurement where at least one input which could have a significant effect on the instrument's valuation is not based on observable market data.

The following tables present an analysis by level in the fair value hierarchy of the financial instruments that are recognised and measured at fair value on a recurring basis.

As at 31 March 2017 (Unaudited)	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Financial assets				
Derivative financial assets	-	5,303	-	5,303
Total financial assets carried at fair value	**-**	**5,303**	**-**	**5,303**
Financial liabilities				
Derivative financial liabilities	-	4,752	-	4,752
Total financial liabilities carried at fair value	**-**	**4,752**	**-**	**4,752**

As at 31 March 2016 (Unaudited)	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Financial assets				
Derivative financial assets	-	2,927	-	2,927
Total financial assets carried at fair value	**-**	**2,927**	**-**	**2,927**
Financial liabilities				
Derivative financial liabilities	-	-	-	-
Total financial liabilities carried at fair value	**-**	**-**	**-**	**-**

As at 31 December 2016 (Audited)	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Financial assets				
Derivative financial assets	-	4,920	-	4,920
Total financial assets carried at fair value	**-**	**4,920**	**-**	**4,920**
Financial liabilities				
Derivative financial liabilities	-	5,328	-	5,328
Total financial liabilities carried at fair value	**-**	**5,328**	**-**	**5,328**

The Bank considers transfers between levels, if any, are deemed to have occurred at the beginning of the reporting period.

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.

	Unaudited 31 March 2017		Unaudited 31 March 2016		Audited 31 December 2016	
As at	Fair Value $000	Carrying amount $000	Fair Value $000	Carrying amount $000	Fair Value $000	Carrying amount $000
Financial assets						
Cash and balances with central banks	47,059	47,059	28,003	28,003	15,801	15,801
Due from other financial institutions	64,177	64,177	1,389	1,389	116,690	116,690
Loans and advances	1,117,023	1,028,504	389,866	378,446	814,860	744,419
Due from related parties	1,696	1,696	1,924	1,924	2,340	2,340
Total financial assets not measured at fair value	**1,229,955**	**1,141,436**	**421,182**	**409,762**	**949,691**	**879,250**
Financial liabilities						
Due to other financial institutions	-	-	82,084	82,084	28,006	28,006
Deposits from customers	266,783	266,253	74,775	73,410	139,330	138,998
Due to related parties	379,820	374,207	81,196	79,799	211,891	210,982
Debt securities issued at amortised cost	296,120	290,606	130,607	126,792	299,676	292,638
Subordinated Debt	17,511	15,123	-	-	17,594	15,137
Other liabilities	275	275	-	-	386	386
Total financial liabilities not measured at fair value	**960,509**	**946,464**	**368,662**	**362,085**	**696,883**	**686,147**

For cash and balances with central banks, due from/to other financial institutions and non-derivative balances due from/to related parties which are carried at amortised cost and other types of short term financial instruments recognised in the balance sheet under "other assets" and "other liabilities", the carrying amounts are considered to approximate the fair values. These financial instruments are either short-term in nature, or re-price frequently and are of a high credit rating. A detailed description of how fair value is derived for financial instruments not measured at fair value is disclosed in Note 24 "Fair Value of Financial Instruments" in the Bank's full year Disclosure Statement for the year ended 31 December 2016.

The Bank determines the valuation of financial instruments classified as level 2 as per the following:

Derivative financial instruments

Fair value is obtained from quoted market prices and discounted cash flow models or option pricing models as appropriate.

11. Net Cash Flows used in Operating Activities

For the three months ended	Unaudited 31 March 2017 $000	Unaudited 31 March 2016 $000
Reconciliation of loss after income tax to net cash flows used in operating activities		
Profit/(loss) after income tax	1,957	(704)
Adjustments:		
Impairment losses on loans and advances	284	72
Depreciation and amortisation	194	178
Deduct/(add) items reclassified as financial activities	3,879	1,609
Income tax Expense	761	-
Net (increase)/decrease in operating assets:		
Due from other financial institutions	315	-
GST receivable	(153)	-
Loans and advances	(284,158)	(71,852)
Due from related parties[1]	-	(648)
Other assets	177	(32)
Derivative financial assets	(490)	(1,969)
Net increase/(decrease) in operating liabilities:		
Due to other financial institutions	(28,006)	67,572
Deposits from customers	127,254	(24,050)
Debt securities issued	969	1,543
Subordinated debt	(14)	-
Derivative financial liabilities	(576)	(1,870)
Other liabilities	-	(171)
Due to related parties	457	-
Other non-cash movements	-	-
Net cash flows used in operating activities	**(177,150)**	**(30,322)**

(1) The amount due from related parties excludes nostro balances held with Ultimate Parent Bank

12. Commitments and Contingent Liabilities

Capital commitments

As at	Unaudited 31 March 2017 $000	Unaudited 31 March 2016 $000	Audited 31 December 2016 $000
Capital expenditure commitments			
Property, plant and equipment	-	-	-
Intangible assets	-	-	-
Total	-	-	-

Leasing commitments

The following non-cancellable operating lease commitments existed as at balance date.

As at	Unaudited 31 March 2017 $000	Unaudited 31 March 2016 $000	Audited 31 December 2016 $000
Future aggregate minimum lease payments under non-cancellable operating leases:			
No later than 1 year	971	1,011	987
Later than 1 year and no later than 5 years	3,075	3,802	3,313
Later than 5 years	-	236	-
Total	**4,046**	**5,049**	**4,300**

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

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 as at 31 March 2017 of $300,215,000 (31 March 2016: $74,568,000, 31 December 2016: $418,632,000).

Credit related commitments and contingent liabilities arising in respect of the Bank's operations as at 31 March 2017 were:

As at	Unaudited 31 March 2017 $000	Unaudited 31 March 2016 $000	Audited 31 December 2016 $000
Credit related commitments and contingent liabilities			
Commitments to extend credit	297,827	73,961	415,908
Financial guarantees	1,881	80	2,217
Standby letters of credit	-	-	-
Trade letters of credit	-	-	-
Non-financial guarantees	507	527	507
Other commitments	-	-	-
Total contingent liabilities and undrawn commitments	**300,215**	**74,568**	**418,632**

Other contingent liabilities

There were no other contingent liabilities as at 31 March 2017 (31 March 2016: nil, 31 December 2016: nil).

13. Concentration of Credit Exposure to Individual Counterparties

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 that have a long-term credit rating of BBB+ or Baa1, or its equivalent and or below, which are not members of a group of closely related counterparties, or 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:

	Unaudited 31 March 2017					Unaudited 31 March 2017			
	Number of Bank Counterparties					Number of Bank Counterparties			
Percentage of Shareholder's Equity	"A" Rated	"B" Rated	Un-rated	Total	Percentage of Shareholder's Equity	"A" Rated	"B" Rated	Un-rated	Total
As at Balance Date					Peak Exposure				
10% - 14%	-	-	-	-	10% - 14%	-	-	-	-
15% - 19%	-	1	-	1	15% - 19%	-	1	-	1
Total	**-**	**1**	**-**	**1**	**Total**	**-**	**1**	**-**	**1**

The number of individual non-bank counterparties which are not members of a group of closely related counterparties, or 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:

	Unaudited 31 March 2017					Unaudited 31 March 2017			
	Number of Non-Bank Counterparties					Number of Non-Bank Counterparties			
Percentage of Shareholder's Equity	"A" Rated	"B" Rated	Un-rated	Total	Percentage of Shareholder's Equity	"A" Rated	"B" Rated	Un-rated	Total
As at Balance Date					Peak Exposure				
10% - 14%	1	1	-	2	10% - 14%	1	1	1	3
15% - 19%	-	-	2	2	15% - 19%	-	-	2	2
20% - 24%	-	-	1	1	20% - 24%	-	-	1	1
25% - 29%	-	-	1	1	25% - 29%	-	-	1	1
30% - 34%	-	-	1	1	30% - 34%	-	-	1	1
35% - 39%	-	-	1	1	35% - 39%	-	-	1	1
40% - 44%	-	1	-	1	40% - 44%	-	1	-	1
45% - 49%	-	-	-	-	45% - 49%	-	-	-	-
50% - 54%	-	-	1	1	50% - 54%	-	-	1	1
Total	**1**	**2**	**7**	**10**	**Total**	**1**	**2**	**8**	**11**

Note:

***"A"** Rated - those counterparties that have a long-term credit rating of A- or A3 or above, or its equivalent*

***"B"** Rated - those counterparties that have a long-term credit rating of at least BBB- or Baa3, or its equivalent, and at most BBB+ or Baa1, or its equivalent.*

***Unrated** - those counterparties that do not have a long-term credit rating.*

The as at balance date aggregate credit exposure to an individual counterparty or a group of closely related counterparties has been calculated by determining the end-of-day aggregate amount of actual credit exposure for the relevant reporting date and then dividing that by Shareholder's Equity as at the date of the reporting date for the Disclosure Statement.

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 for the relevant three month period and then dividing that by Shareholder's Equity as at the end of the quarter.

14. 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 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;
- the marketing and distribution of insurance products.

15. Risk Management

There have been no material changes to the risk management policies and no new categories of risk to which the Bank has become exposed to since 31 December 2016.

Liquidity portfolio management

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

As at	Unaudited 31 March 2017 $000	Unaudited 31 March 2016 $000	Audited 31 December 2016 $000
Cash and cash equivalents:			
Cash and balances with central bank	47,059	28,003	15,801
Due from other financial institutions (call or original maturity of 3 months or less)	64,177	1,389	116,690
Due from related parties(1) (2)	1,696	1,169	2,340
Total liquidity portfolio	**112,932**	**30,561**	**134,831**

(1) Due from related parties includes nostro account balance held with the Parent Bank as at 31 March 2017, 31 March 2016 and 31 December 2016.

(2) The amount 'Due from related parties' above does not equal the 'Due from related parties' on the balance sheet, due to a related party loan as at 31 March 2017: nil (as at 31 March 2016: $755k) and (as at 31 December 2016: nil)not included in cash and cash equivalents

16. 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.

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 constraints on capital distributions where a bank's capital level falls within the buffer range, which are specified in the conditions of registration in appendix 1 on page 79 to 85 of the Bank's full year Disclosure Statement for the year ended 31 December 2016.

Capital management

The primary objective of the Bank's capital management is 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 three months ended 31 March 2017.

The capital adequacy tables set out on the following pages summarise the composition of regulatory capital and the capital adequacy ratios for the Bank as at 31 March 2017. 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 31 March 2017 (Unaudited)	$000
Tier 1 Capital	
Common Equity Tier 1 capital	
Issued and fully paid-up ordinary share capital	199,178
Retained earnings (net of appropriations)	(1,694)
Accumulated other comprehensive expense and other disclosed reserves(1)	(37)
Less deductions from Common Equity Tier 1 capital	
Intangible assets	214
Cash flow hedge reserve	(37)
Deferred tax assets	1,398
Total Common Equity Tier 1 capital	**195,872**
Additional Tier 1 capital	
Nil	-
Total Additional Tier 1 capital	-
Total Tier 1 capital	**195,872**
Tier 2 capital	
Subordinated notes (face value)	15,000
Less deductions from Tier 2 capital	
Allowance for tax under BS2A	(4,200)
Total Tier 2 capital	**10,800**
Total capital	**206,672**

(1) Accumulated other comprehensive expense and other disclosed reserves consist of available-for-sale revaluation reserve of nil and cash flow hedge reserve of ($37,000).

Capital instruments

Ordinary Shares

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;
- there are no options granted or to be granted pursuant to any arrangement; and

- they have equal voting rights and share equally in dividends and profit on winding up. Dividends are declared, subject in all cases, to the applicable directors' resolutions being passed.

Subordinated Notes

On 28 April 2016, the Bank issued NZD $15 million (15,000 subordinated and unsecured medium term notes at a face value of NZD $1,000.00 **"the Notes"**) to the Sydney Branch of the Ultimate Parent Bank (**Sydney Branch**). The Notes will mature on 28th April 2023. The Notes are redeemable, subordinated and unsecured securities of the Bank. The Notes are subordinated to the claims of depositors and other unsubordinated creditors of the Bank and qualify for Tier 2 regulatory recognition subject to the allowance for tax in accordance with section 10f(5) of subpart 2F under BS2A. The Bank may redeem all the Notes on any interest payment date, subject to certain conditions including the Reserve Bank's written approval ("**Redemption of Term Subordinated Notes"**). Early redemption of all but not some of the Notes for tax reasons or regulatory reasons is permitted subject to Redemption of Term Subordinated Notes.

The Notes bear interest at a rate based on the 3 month Bank Bill Rate plus a fixed margin of 3.00% per annum. Interest is payable quarterly in arrears and commenced on 28th July 2016.

If a Non-Viability Trigger Event occurs, the Bank must apply the conditions of ("**Write-off"**). A Non-Viability Trigger Event occurs if:

a) the Reserve Bank has reasonable grounds to believe that the Bank meets any of the grounds of section 113(a) to (e) of the Reserve Bank Act 1989 requiring the Bank to write off (in whole or in part) a class of capital instrument that includes the Notes; or
b) the Bank is subject to statutory management and the statutory manager decides to write off the Notes (in whole or in part).

Pillar 1 capital requirement

As at 31 March 2017 (Unaudited)	Pillar 1 capital requirement $000
On-balance sheet credit risk:	
Residential mortgages (including past due)	14,488
Corporate	42,560
Claims on banks	1,741
Other	395
Total on-balance sheet credit risk	**59,184**
Other capital requirements:	
Off-balance sheet credit exposures	8,425
Operational risk	9,812
Market risk	4,348
Total other capital requirements	**22,585**
Total Pillar 1 capital requirement	**81,769**

Additional mortgage information

Residential mortgages by loan-to-valuation ratio

Loan-to-valuation ratio As at 31 March 2017 (Unaudited)	Does not exceed 80%	Exceeds 80% and not 90%	Exceeds 90%	Total
On-balance sheet exposures	496,286	-	-	496,286
Off-balance sheet exposures	68,511	-	-	68,511
Value of exposures	**564,797**	**-**	**-**	**564,797**

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%.

Capital requirements for other material risks

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's internal capital allocation for other material risks is nil as at 31 March 2017. The Board has included an extra 2% capital buffer to cover these risks taking the total capital ratio to a minimum of 12.5%.

Capital ratios of the Bank

As at	Unaudited 31 March 2017 %	Unaudited 31 March 2016 %
Capital adequacy ratios		
Common Equity Tier 1 capital ratio	19.16%	13.33%
Tier 1 capital ratio	19.16%	13.33%
Total capital ratio	20.22%	13.33%
Reserve Bank minimum ratio requirements		
Common Equity Tier 1 capital ratio	4.50%	4.50%
Tier 1 capital ratio	6.00%	6.00%
Total capital ratio	8.00%	8.00%
Buffer ratio		
Buffer ratio	12.22%	5.33%
Buffer ratio requirement	2.50%	2.50%

17. Events Subsequent To The Reporting Date

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