China Construction Bank (New Zealand) Limited

Disclosure Statement

For the six months ended 30 June 2025

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Abbreviations

The following abbreviations are used throughout the report:

ALCO Asset and Liability Committee
ANZSIC Australia and New Zealand Standard Industrial Classifications
BARC Board Audit, Risk and Compliance Committee
BPR Banking Prudential Requirements
CBIRC China Banking and Insurance Regulatory Commission
CBRC China Banking Regulatory Commission
CCBNZL China Construction Bank (New Zealand) Limited
CCCFA Credit Contracts and Consumer Finance Act 2003
CET1 Common Equity Tier 1
CFP Contingency funding plan
EAD Exposure at default
ECL Expected credit losses
EWI Early warning indicator
FC Foreign currency
FVOCI Fair value through other comprehensive income
FVTPL Fair value through profit or loss
ICAAP Internal capital adequacy assessment process
IRB Internal rating based
IRRBB Interest rate risk in the banking book
ISDA International Swaps and Derivatives Association
LGD Loss given default
LVR Loan-to-valuation ratio
NFRA National Financial Regulatory Administration
NII Net interest income
NZ GAAP New Zealand Generally Accepted Accounting Principles
NZ IAS New Zealand equivalent to International Accounting Standards
NZ IFRS New Zealand equivalent to International Financial Reporting Standards
PD Probability of default
POCI Purchased and originated credit impaired
RBNZ Reserve Bank of New Zealand
RCD Registered Certificate of Deposit
RMB Chinese Yuan Renminbi
RWA Risk weighted assets
SICR Significant increase in credit risk

Disclosure Statement

For the six months ended 30 June 2025

General information and definitions

This Disclosure Statement has been issued by China Construction Bank (New Zealand) Limited (the “Bank”) for the six months ended 30 June 2025 in accordance with Section 81 of the Banking (Prudential Supervision) Act 1989 and the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the “Order”).

In this Disclosure Statement:

- “Banking Group” refers to 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;
- “Ultimate Parent Bank”, “Immediate Parent Bank”, "Overseas Bank" and “CCBC” mean China Construction Bank Corporation;
- China Construction Bank Corporation New Zealand branch (the "branch”) – refers to the New Zealand branch of the Ultimate Parent Bank and includes all banking business transacted in New Zealand through the branch;
- “Board” means the Board of Directors of the Bank.

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

The Bank was incorporated under the Companies Act 1993 (Company Number 4929019) on 30 January 2014. It became a registered bank on 15 July 2014.

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. The Disclosure Statement of the Bank is available for download, free of charge, on the Bank’s website. 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 received.

The Bank’s Climate Report for the year ending 31 December 2024 can also be accessed on the Bank’s website, via the link provided below.
https://nz.ccb.com/lng/2025-03/21/article_20250321150105280005.shtml

Ultimate parent and holding company

The Bank is a wholly-owned subsidiary of CCBC which is the Bank’s Ultimate Parent Bank, incorporated in the People’s Republic of China. The ultimate non-bank holding company and controlling party of the Bank and the branch is Central Huijin Investment Ltd ("Central Huijin"), a state-owned investment company under the Government of the People’s Republic of China. CCBC was incorporated in China and is subject to supervision by banking regulatory bodies empowered by the State Council of the People’s Republic of China. The address for service of CCBC 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. All appointments to the Board must be approved by the RBNZ.

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 CCBC to provide material financial support to the Bank.

Changes in the Bank's Board of Directors

The following changes to the composition of the Board have occurred since the Bank's previous full year Disclosure Statement for the year ended 31 December 2024:

- Mr. Jun Qi concluded his term as Chief Executive Officer of the Bank and as an Executive Non-independent Director of the Bank in March 2025.
- Mr. Yong Wang was appointed as Chief Executive Officer of the Bank and as an Executive Non-independent Director of the Bank in March 2025.

- Mr. Xingyao Li concluded his term as Deputy Chief Executive Officer of the Bank and as an Executive Non-independent Director of the Bank in August 2025.
- Ms. Yingying He was appointed as Deputy Chief Executive Officer of the Bank and as an Executive Non-independent Director of the Bank in August 2025.

As at the date of signing this Disclosure Statement, there have been no other changes in the Board since 31 December 2024.

Responsible Person

Mr. Yong Wang (Chief Executive Officer and Executive Director), has been authorised in writing to sign this Disclosure Statement in accordance with section 82 of the Banking (Prudential Supervision) Act 1989 on behalf of the other Directors, being:

Dr. Murray Horn (Chair), Dr. Alan Bollard, Sir Robert Arnold McLeod, Ms. Yingying He and Ms. Ying Yi.

Guarantee Arrangements

(a) 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 CCBC.

A copy of the Deed of Guarantee given by CCB is provided in the Bank's Disclosure Statement for the year ended 31 December 2024 which can be obtained from the Bank's website or the Bank's registered office.

There have been no changes to the Guarantee since the publication of the Bank's full year Disclosure Statement for the year ended 31 December 2024.

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.

(b) Details of the Guarantor

The guarantor is CCBC, 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.

As disclosed in CCBC's unaudited consolidated results for the three months period ended 31 March 2025, CCBC Group's total capital for capital adequacy purposes was RMB 4,427,994 million (NZD 985,255 million) and its total capital ratio was 19.15%. Capital ratios are calculated in accordance with the Capital Rules for Commercial Banks (Provisional) issued by NFRA.

CCBC 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	Credit rating	Qualification
Standard & Poor's Ratings Services	A	Outlook Stable
Moody's Investors Service	A1	Outlook Negative
Fitch Ratings	A	Outlook Stable

On 3 March 2025, Standard & Poor's affirmed the Overseas Bank's A rating and stable outlook. On 27 May 2025, Moody's Investors Service affirmed the Overseas Bank's A1 rating and negative outlook. On 8 April 2025, Fitch affirmed the Overseas Bank's A rating and adjusted the outlook from negative to stable.

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.

Auditor

Ernst & Young ("EY"), 2 Takutai Square, Britomart, 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 six months ended 30 June 2025:

(a) the Bank has complied in all material respects with each condition of registration that applied during that period;
(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 26 August 2025 and has been signed by Mr. Yong Wang as the responsible person for and on behalf of all the Directors (by Directors' resolution):

Mr. Yong Wang
Chief Executive Officer and Executive Director

All in NZD $000's

Statement of comprehensive income

For the period ended	Note	Unaudited 30 Jun 2025 6 months	Unaudited 30 Jun 2024 6 months	Audited 31 Dec 2024 12 months
Interest income	2	74,574	88,310	176,097
Interest expense	2	(52,632)	(64,980)	(128,146)
Net interest income	2	**21,942**	**23,330**	**47,951**
Net fees and commission income	3	2,379	1,107	2,017
Other income / (expense)	3	1,295	1,720	1,770
Net operating income before operating expenses and impairment charges		**25,616**	**26,157**	**51,738**
Operating expenses		(5,913)	(6,395)	(12,315)
Impairment (charges) / write-backs on credit exposures	4	(4,329)	(1,129)	(489)
Profit before income tax		**15,374**	**18,633**	**38,934**
Income tax expense		(4,133)	(5,310)	(10,686)
Profit after income tax attributable to the owner of the Bank		**11,241**	**13,323**	**28,248**
Other comprehensive income, net of tax				
Other comprehensive income / (expense) which may be reclassified to profit or loss				
Net change in cash flow hedge reserve		(4,060)	(178)	2,160
Net change in FVOCI reserve		(1,429)	65	33
Total other comprehensive income / (expense), net of tax		**(5,489)**	**(113)**	**2,193**
Total comprehensive income attributable to the owner of the Bank		**5,752**	**13,210**	**30,441**

These interim financial statements are to be read in conjunction with the notes on pages 10 - 40.

All in NZD $000's

Statement of changes in equity

For the six months ended 30 June 2025 (Unaudited)	Share capital	Retained earnings	Cash flow hedge reserve	FVOCI reserve	Total
Balance at 1 January 2025	199,178	145,271	(1,568)	167	**343,048**
Profit after income tax	-	11,241	-	-	**11,241**
Other comprehensive income / (expense)	-	-	(4,060)	(1,429)	**(5,489)**
Total comprehensive income / (expense) for the period	**-**	**11,241**	**(4,060)**	**(1,429)**	**5,752**
Balance at 30 June 2025	**199,178**	**156,512**	**(5,628)**	**(1,262)**	**348,800**

For the six months ended 30 June 2024 (Unaudited)	Share capital	Retained earnings	Cash flow hedge reserve	FVOCI reserve	Total
Balance at 1 January 2024	199,178	117,023	(3,728)	134	**312,607**
Profit after income tax	-	13,323	-	-	**13,323**
Other comprehensive income / (expense)	-	-	(178)	65	**(113)**
Total comprehensive income / (expense) for the period	**-**	**13,323**	**(178)**	**65**	**13,210**
Balance at 30 June 2024	**199,178**	**130,346**	**(3,906)**	**199**	**325,817**

For the year ended 31 December 2024 (Unaudited)	Share capital	Retained earnings	Cash flow hedge reserve	FVOCI reserve	Total
Balance at 1 January 2024	199,178	117,023	(3,728)	134	**312,607**
Profit after income tax	-	28,248	-	-	**28,248**
Other comprehensive income / (expense)	-	-	2,160	33	**2,193**
Total comprehensive income / (expense) for the period	**-**	**28,248**	**2,160**	**33**	**30,441**
Balance at 31 December 2024	**199,178**	**145,271**	**(1,568)**	**167**	**343,048**

These interim financial statements are to be read in conjunction with the notes on pages 10 - 40.

All in NZD $000's

Balance sheet

As at 31 December	Note	Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
Assets				
Cash and balances with central banks	6	227,399	292,302	190,840
Due from other financial institutions	7	44,930	252,293	108,146
Investment securities	8	575,498	227,963	219,895
Loans and advances	9	1,625,364	1,940,023	2,000,011
Due from related parties	16	447	32	75,106
Derivative financial assets		36,208	12,985	115,352
Property, plant and equipment	10	2,493	3,575	3,032
Intangible assets		85	76	96
Current tax assets		-	65	-
Deferred tax assets		4,737	3,192	3,536
Other assets		451	345	671
Total assets		**2,517,612**	**2,732,851**	**2,716,685**
Liabilities				
Due to other financial institutions	11	494,579	549,410	559,921
Deposits from customers	12	403,674	456,417	504,402
Debt securities issued	13	862,535	860,165	713,266
Due to related parties	16	393,522	524,615	582,277
Current tax liabilities		1,572	-	2,192
Derivative financial liabilities		5,441	7,762	4,476
Other liabilities	14	7,489	8,665	7,103
Total liabilities		**2,168,812**	**2,407,034**	**2,373,637**
Shareholder's equity				
Share capital		199,178	199,178	199,178
Retained earnings		156,512	130,346	145,271
Reserves		(6,890)	(3,707)	(1,401)
Total shareholder's equity		**348,800**	**325,817**	**343,048**
Total liabilities and shareholder's equity		**2,517,612**	**2,732,851**	**2,716,685**
Total interest earning and discount bearing assets		2,481,978	2,714,180	2,597,830
Total interest and discount bearing liabilities		2,124,157	2,390,718	2,342,950

These interim financial statements were approved by the Directors on 26 August 2025 and are signed on their behalf by:

Dr. Murray Horn
Chair

Mr. Yong Wang
Chief Executive Officer and Executive Director

These interim financial statements are to be read in conjunction with the notes on pages 10 - 40.

All in NZD $000's

Statement of cash flows

For the period ended	Note	Unaudited 30 Jun 2025 6 months	Unaudited 30 Jun 2024 6 months	Audited 31 Dec 2024 12 months
Cash flows from operating activities				
Interest received		70,834	76,896	161,453
Interest paid		(57,623)	(65,659)	(124,344)
Income received from financial instruments designated as FVOCI		4,730	9,733	12,394
Non-interest income received		2,413	1,187	2,253
Non-interest expense paid		76,413	(21,292)	(108,083)
Operating expenses paid		(4,475)	(5,145)	(11,457)
Income taxes paid		(4,374)	(6,847)	(11,219)
Net cash flows from operating activities before changes in operating assets and liabilities		**87,918**	**(11,127)**	**(79,003)**
Net changes in operating assets and liabilities:				
Net change in GST receivable		45	12	(35)
Net change in other assets		175	5	(275)
Net change in loans and advances		367,248	(193,173)	(255,216)
Net change in due from related parties		75,071	3	(75,071)
Net change in due to other financial institutions		(65,342)	272,052	282,563
Net change in deposits from customers		(99,230)	(49,717)	(6,999)
Net changes in operating assets and liabilities		**277,967**	**29,182**	**(55,033)**
Net cash flows provided by / (used in) operating activities	5	**365,885**	**18,055**	**(134,036)**
Cash flows from investing activities				
Purchase of investment securities		(354,854)	110,865	-
Proceeds from disposal of investment securities		-	-	122,518
Purchase of property, plant and equipment		(3)	(65)	(35)
Purchase of intangible assets		-	(50)	(78)
Net cash flows used in investing activities		**(354,857)**	**110,750**	**122,405**
Cash flows from financing activities				
Amount borrowed from related parties		6,203	22,249	66,412
Repayment of due to related parties		(207,609)	(197)	(76)
Issuance of debt securities	13	164,650	197,141	213,201
Repayment of debt securities	13	-	(210,000)	(375,000)
Repayment of principal portion of lease liabilities		(517)	(515)	(1,032)
Net cash flows (used in) / provided by financing activities		**(37,273)**	**8,678**	**(96,495)**
Net (decrease) / increase in cash and cash equivalents		(26,245)	137,483	(108,126)
Cash and cash equivalents at beginning of the year		299,007	407,133	407,133
Cash and cash equivalents at end of the period	20 (a)	**272,762**	**544,616**	**299,007**
Cash and cash equivalents at end of the period comprise:				
Cash and balances with central banks	20 (a)	227,399	292,302	190,840
Due from other financial institutions (call or original maturity of 3 months or less)	20 (a)	44,930	252,293	108,146
Due from related parties (nostro account)	20 (a)	433	21	21
Cash and cash equivalents at end of the period	20 (a)	**272,762**	**544,616**	**299,007**

These interim financial statements are to be read in conjunction with the notes on pages 10 - 40.

Notes to the Financial Statements

1. Statement of accounting policies

1.1 Reporting entity

These condensed interim financial statements are for China Construction Bank (New Zealand) Limited for the six months ended 30 June 2025.

They were approved for issue by the Board on 26 August 2025.

As at 30 June 2025, China Construction Bank (New Zealand) Limited is a company registered under the Companies Act 1993, a registered bank under the Banking (Prudential Supervision) Act 1989 and a FMC reporting entity for the purposes of Part 7 of the Financial Markets Conduct Act 2013.

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

These condensed 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 the full year ended 31 December 2024.

1.2 Basis of preparation

These financial statements have been prepared in accordance with the requirements of the Financial Markets Conduct Act 2013 and the Order. These financial statements comply with NZ GAAP as appropriate for Tier 1 for-profit entities and the New Zealand equivalent to IAS 34 Interim Financial Reporting. These financial statements also comply with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board.

These condensed interim financial statements have been prepared in accordance with the historical cost basis, except by the application of fair value measurements required or allowed by relevant accounting standards.

The going concern basis of accounting has been adopted. All amounts are expressed in thousands of New Zealand dollars, unless otherwise stated.

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

1.3 Changes in accounting policies

The accounting policies and methods of computation are consistent with those of the Bank’s financial statements for the full year ended 31 December 2024. There have been no material changes to the accounting policies during the six months ended 30 June 2025.

(a) Amendments to accounting standards effective this period

No new accounting standards have been adopted by the Bank for the six months ended 30 June 2025. There have been no amendments to existing accounting standards that have had a material impact on the financial statements of the Bank.

(b) Standards and amendments issued but not yet effective

In May 2024, the External Reporting Board issued NZ IFRS 18 *Presentation and Disclosure in Financial Statements* ("NZ IFRS 18"). NZ IFRS 18 replaces NZ IAS 1 *Presentation of Financial Statements* and will be effective for the Bank from 1 January 2027. NZ IFRS 18 introduces enhanced presentation requirements in the financial statements, including new categories and subtotals in the income statement, disclosures about management-defined performance measures, and enhanced guidance on the grouping of information.

Management have considered the above and other amendments to NZ IFRS issued but not yet effective and have concluded they have no material impact on the Bank's financial position or performance. No new standards, amendments or interpretations to existing standards that are not yet effective have been early adopted by the Bank in these financial statements.

All in NZD $000's

Financial Performance

2. Net interest income

	Unaudited 30 Jun 2025 6 months	Unaudited 30 Jun 2024 6 months	Audited 31 Dec 2024 12 months
Interest income			
[1] Cash and balances with central banks	6,111	4,552	10,700
[1] Due from other financial institutions **	2,761	686	1,365
[1] Loans and advances	58,252	73,539	148,089
[1] Due from related parties **	543	166	391
[2] Investment securities **	6,907	9,367	15,552
Total interest income	**74,574**	**88,310**	**176,097**
Interest expense			
[3] Due to other financial institutions	(11,829)	(11,045)	(20,811)
[3] Deposits and other borrowings **	(13,933)	(17,468)	(37,967)
[3] Due to related parties **	(9,188)	(12,043)	(20,810)
[3] Debt securities issued **	(17,654)	(24,385)	(48,485)
[3] Lease liabilities	(28)	(39)	(73)
Total interest expense	**(52,632)**	**(64,980)**	**(128,146)**
Total net interest income	**21,942**	**23,330**	**47,951**

[1] *Interest earned on financial assets classified and measured at amortised cost.*
[2] *Interest earned on financial assets classified and measured at FVOCI.*
[3] *Interest expense on financial liabilities classified and measured at amortised cost.*
** *Comparative figures for period ending 30 June 2024 have been restated to reclassify interest income and expense across respective product categories and to align with presentation used in the related party note (Note 16).*

3. Non-interest income

	Unaudited 30 Jun 2025 6 months	Unaudited 30 Jun 2024 6 months	Audited 31 Dec 2024 12 months
Fees and commission income			
Lending and credit facility related fee income	2,045	863	1,629
Trade finance and other fee income [1]	2	18	27
Management fee income [2]	335	354	666
Total fees and commission income	**2,382**	**1,235**	**2,322**
Other fee expense [1]	(3)	(128)	(305)
Net fees and commission income	**2,379**	**1,107**	**2,017**
Other income / (expense)			
Net ineffectiveness on fair value hedges	31	(47)	(69)
Net ineffectiveness on cash flow hedges	249	490	294
Other gains / (losses) on financial instruments [3]	1,015	1,277	1,545
Total other income / (expense)	**1,295**	**1,720**	**1,770**
Total net non-interest income	**3,674**	**2,827**	**3,787**

[1] *Comparative figures for period ending 30 June 2024 have been restated to reclassify Trade finance and other fee income to the Other fee expense category.*
[2] *Includes management fee received from the branch for provision of management services.*
[3] *Includes customer driven trading income used for hedging purposes and unrealised gains / (losses) on derivative financial instruments held with related parties (refer Note 16).*

All in NZD $000's

4. Impairment (charges) / write-backs on credit exposures

	Other financial assets [1]	Residential mortgage loans	Corporate exposures	Other exposures	Off-balance sheet credit related business [2]	Total impairment loss
For the six months ended 30 June 2025 (Unaudited)						
Movement in collectively assessed provisions	11	(2,004)	(2,353)	7	10	**(4,329)**
Movement in individually assessed provisions	-	-	-	-	-	**-**
Bad debts written-off directly to the profit or loss	-	-	-	-	-	**-**
Bad debts recovered	-	-	-	-	-	**-**
Total impairment (charges) / write-backs	**11**	**(2,004)**	**(2,353)**	**7**	**10**	**(4,329)**
For the six months ended 30 June 2024 (Unaudited)						
Movement in collectively assessed provisions	79	(2,166)	986	-	(28)	**(1,129)**
Movement in individually assessed provisions	-	-	-	-	-	**-**
Bad debts written-off directly to the profit or loss	-	-	-	-	-	**-**
Bad debts recovered	-	-	-	-	-	**-**
Total impairment (charges) / write-backs	**79**	**(2,166)**	**986**	**-**	**(28)**	**(1,129)**
For the year ended 31 December 2024 (Audited)						
Movement in collectively assessed provisions	95	(1,770)	1,055	(7)	138	**(489)**
Movement in individually assessed provisions	-	-	-	-	-	**-**
Bad debts written-off directly to the profit or loss	-	-	-	-	-	**-**
Bad debts recovered	-	-	-	-	-	**-**
Total impairment (charges) / write-backs	**95**	**(1,770)**	**1,055**	**(7)**	**138**	**(489)**

[1] *Other financial assets includes impairment losses on due from other financial institutions and investment securities.*

[2] *The provision for off-balance sheet credit related business is included in other liabilities (Note 14).*

5. Net cash flows used in operating activities

For the period ended	Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
Reconciliation of profit after income tax to net cash flows from / (used in) operating activities			
Profit after income tax	11,241	13,323	28,248
Adjustments:			
Impairment charges / (write-backs) on credit exposures	4,329	1,129	489
Depreciation and amortisation	555	550	1,073
Income tax expense	(241)	(1,536)	(533)
Unrealized loss / (gain) on financial instruments	75,153	(22,931)	(109,617)
Movement in interest accruals	(3,119)	(1,662)	1,337
Net (increase) / decrease in operating assets:			
GST receivable	45	12	(35)
Loans and advances	367,248	(193,173)	(255,216)
Due from related parties [1]	75,071	3	(75,071)
Other assets	175	5	(275)
Net increase / (decrease) in operating liabilities:			
Due to other financial institutions	(65,342)	272,052	282,563
Deposits from customers	(99,230)	(49,717)	(6,999)
Net cash flow from / (used in) operating activities	**365,885**	**18,055**	**(134,036)**

[1] *The Due from related parties amounts exclude nostro balances held with the Ultimate Parent Bank.*

All in NZD $000's

Financial Position

6. Cash and balances with central banks

As at	Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
Settlement account balances with central banks	227,399	292,302	190,840
Total cash and balances with central banks	**227,399**	**292,302**	**190,840**

7. Due from other financial institutions

As at	Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
Placements with other financial institutions – call	14,930	201,765	8,069
Placements with other financial institutions – term	30,004	50,541	100,113
Provision for impairment losses	(4)	(13)	(36)
Total amount due from other financial institutions	**44,930**	**252,293**	**108,146**

8. Investment securities

As at	Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
At FVOCI			
Registered bank securities	256,235	85,679	85,589
Multilateral development banks and other international organisations	169,364	136,370	128,292
Government securities	149,899	5,914	6,014
Total investment securities at FVOCI	**575,498**	**227,963**	**219,895**

As at 30 June 2025, the Bank had no investment securities encumbered through repurchase agreements (30 June 2024: $35m, 31 December 2024: nil). The Bank's obligation to repurchase securities is classified under Note 11.

9. Loans and advances

As at	Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
Residential mortgages	801,859	871,457	873,069
Corporate exposures	838,710	1,081,881	1,079,719
Other exposures [1]	-	-	59,495
Total gross loans and advances	**1,640,569**	**1,953,338**	**2,012,283**
Unearned income	(4,507)	(5,512)	(6,287)
Loan origination fees	1,928	1,558	2,398
Fair value hedge adjustments	(119)	(746)	(226)
Loans and advances before provision for impairment	**1,637,871**	**1,948,638**	**2,008,168**
Provision for impairment losses	(12,507)	(8,615)	(8,157)
Total net loans and advances	**1,625,364**	**1,940,023**	**2,000,011**

[1] *Other exposures include forfaiting lending to overseas banks. As part of this transaction, the Ultimate Parent Bank provided a guarantee to the Bank, ensuring reimbursement in the event of a loan default by overseas banks (refer Note 16 (c)).*

All in NZD $000's

10. Property, plant and equipment

As at	Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
Property, plant and equipment	4,421	4,447	4,418
Accumulated depreciation	(3,940)	(3,781)	(3,846)
Total property, plant and equipment	**481**	**666**	**572**
Right-of-use assets [1]	7,736	7,736	7,736
Accumulated depreciation	(5,724)	(4,827)	(5,276)
Total right-of-use assets	**2,012**	**2,909**	**2,460**
Total property, plant and equipment	**2,493**	**3,575**	**3,032**

[1] *Includes leases for a corporate office in Auckland and a kitchen appliance.*

Additions to the Right-of-use assets for the six months ended 30 June 2025 is nil (30 June 2024: nil, 31 December 2024: nil).

11. Due to other financial institutions

As at	Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
Placements from other financial institutions [1]	494,579	510,818	559,921
Securities sold under agreements to repurchase from central banks	-	38,592	-
Total due to other financial institutions	**494,579**	**549,410**	**559,921**

[1] *Included in Placements from other financial institutions as at 30 June 2025 are unsettled payables to Commonwealth Bank of Australia amounting to $15.5 million. These payables relate to bond investments in June 2025, with settlement scheduled for July 2025. The amount was settled on 1st July 2025.*

12. Deposits from customers

As at	Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
Demand deposits bearing interest	24,241	31,566	34,920
Deposits not bearing interest	9,935	6,167	11,434
Term deposits	369,498	418,684	458,048
Total deposits from customers	**403,674**	**456,417**	**504,402**

13. Debt securities issued

As at	Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
Long term debt			
Medium-term notes	857,229	857,141	708,201
Total debt securities issued at face value	**857,229**	**857,141**	**708,201**
Movement in debt securities issued			
Balance at beginning of the period	713,266	872,408	872,408
Issuance during the period	164,650	197,141	213,201
Repayments during the period	-	(210,000)	(375,000)
Foreign exchange translation impact [1]	(15,621)	-	-
Effect of fair value hedge adjustment	-	1,544	3,011
Net effect of transaction costs and accruals	240	(928)	(354)
Balance at end of the period	**862,535**	**860,165**	**713,266**

[1] *FX translation impact on debt issued in USD currency.*

All in NZD $000's

14. Other liabilities

As at	Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
Other liabilities			
Trade creditors and other accrued expenses	394	342	543
Lease liabilities [1]	2,387	3,358	2,875
Employee entitlements	4,646	4,727	3,613
Provision for impairment on off-balance sheet credit related business	62	238	72
Total other liabilities	**7,489**	**8,665**	**7,103**

[1] *Includes leases for a corporate office in Auckland and a kitchen appliance.*

Other information about leases for which the Bank is a lessee is presented below.

	Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
(a) Amounts recognised in profit or loss			
Interest on lease liabilities	28	39	73
Depreciation charge on right-of-use assets	449	449	898
Total amounts recognised in profit or loss	**477**	**488**	**971**
(b) Maturity analysis of contracted undiscounted cash flows			
Less than one year	1,087	1,033	1,060
One to five years	1,356	2,352	1,854
More than five years	8	98	53
Total undiscounted lease liabilities	**2,451**	**3,483**	**2,967**
(c) Lease liabilities included in other liabilities			
Current	983	956	970
Non-current	1,404	2,402	1,905
Total lease liabilities included in other liabilities	**2,387**	**3,358**	**2,875**
(d) Amounts recognised in the statement of cash flows			
Total cash outflow for leases	**545**	**554**	**1,105**

15. 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 below.

(a) 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.

All in NZD $000's

"Level 2" – Valuation technique using observable inputs

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 inputs

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. All of the Bank's financial instruments measured at FVTPL and FVOCI are recognised on a recurring basis within Level 2. The Bank considers transfers between levels, if any, are deemed to have occurred at the beginning of the reporting period.

There have been no transfers between Level 1 and 2 of the fair value hierarchy during the period ended 30 June 2025 (30 June 2024: nil, 31 December 2024: nil). There have been no transfers into / out of Level 3 during the period ended 30 June 2025 (30 June 2024: nil, 31 December 2024: nil).

The table below shows the fair value of the Bank's financial instruments measured at fair value on a recurring basis according to the fair value hierarchy described above.

As at	Valuation Hierarchy	Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
Financial assets				
Investment securities	Level 2	575,498	227,963	219,895
Derivative financial assets	Level 2	36,208	12,985	115,352
Total financial assets measured at fair value		**611,706**	**240,948**	**335,247**
Financial liabilities				
Derivative financial liabilities	Level 2	5,441	7,762	4,476
Total financial liabilities measured at fair value		**5,441**	**7,762**	**4,476**

(c) Fair value of financial instruments

The following tables compare the fair value of financial instruments with their carrying amounts.

As at 30 June 2025 (Unaudited)	At amortised cost	At FVOCI	At FVTPL	Fair value - derivative instruments	Total carrying amount	Fair value
Financial assets						
Cash and balances with central banks	227,399	-	-	-	**227,399**	**227,399**
Due from other financial institutions	44,930	-	-	-	**44,930**	**44,930**
Investment securities	-	575,498	-	-	**575,498**	**575,498**
Loans and advances	1,625,364	-	-	-	**1,625,364**	**1,852,211**
Due from related parties	447	-	-	-	**447**	**447**
Derivative financial assets	-	-	-	36,208	**36,208**	**36,208**
Other assets	88	-	-	-	**88**	**88**
Total financial assets	**1,898,228**	**575,498**	**-**	**36,208**	**2,509,934**	**2,736,781**
Financial liabilities						
Due to other financial institutions	494,579	-	-	-	**494,579**	**498,582**
Deposits from customers	403,674	-	-	-	**403,674**	**400,482**
Debt securities issued	862,535	-	-	-	**862,535**	**881,290**
Due to related parties	393,522	-	-	-	**393,522**	**390,790**
Derivative financial liabilities	-	-	-	5,441	**5,441**	**5,441**
Lease liabilities	2,387	-	-	-	**2,387**	**2,387**
Total financial liabilities	**2,156,697**	**-**	**-**	**5,441**	**2,162,138**	**2,178,972**

All in NZD $000's

As at 30 June 2024 (Unaudited)	At amortised cost	At FVOCI	At FVTPL	Fair value - derivative instruments	Total carrying amount	Fair value
Financial assets						
Cash and balances with central banks	292,302	-	-	-	**292,302**	**292,302**
Due from other financial institutions	252,293	-	-	-	**252,293**	**252,293**
Investment securities	-	227,963	-	-	**227,963**	**227,963**
Loans and advances	1,940,023	-	-	-	**1,940,023**	**2,296,084**
Due from related parties	32	-	-	-	**32**	**32**
Derivative financial assets	-	-	-	12,985	**12,985**	**12,985**
Other assets	87	-	-	-	**87**	**87**
Total financial assets	**2,484,737**	**227,963**	**-**	**12,985**	**2,725,685**	**3,081,746**
Financial liabilities						
Due to other financial institutions	549,410	-	-	-	**549,410**	**541,713**
Deposits from customers	456,417	-	-	-	**456,417**	**461,616**
Debt securities issued	860,165	-	-	-	**860,165**	**909,113**
Due to related parties	524,615	-	-	-	**524,615**	**541,006**
Derivative financial liabilities	-	-	-	7,762	**7,762**	**7,762**
Lease liabilities	3,358	-	-	-	**3,358**	**3,358**
Total financial liabilities	**2,393,965**	**-**	**-**	**7,762**	**2,401,727**	**2,464,568**

As at 31 December 2024 (Audited)	At amortised cost	At FVOCI	At FVTPL	Fair value - derivative instruments	Total carrying amount	Fair value
Financial assets						
Cash and balances with central banks	190,840	-	-	-	**190,840**	**190,840**
Due from other financial institutions	108,146	-	-	-	**108,146**	**108,146**
Investment securities	-	219,895	-	-	**219,895**	**219,895**
Loans and advances	2,000,011	-	-	-	**2,000,011**	**2,308,531**
Due from related parties	75,106	-	-	-	**75,106**	**75,106**
Derivative financial assets	-	-	-	115,352	**115,352**	**115,352**
Other assets	133	-	-	-	**133**	**133**
Total financial assets	**2,374,236**	**219,895**	**-**	**115,352**	**2,709,483**	**3,018,003**
Financial liabilities						
Due to other financial institutions	559,921	-	-	-	**559,921**	**567,782**
Deposits from customers	504,402	-	-	-	**504,402**	**508,645**
Debt securities issued	713,266	-	-	-	**713,266**	**749,253**
Due to related parties	582,277	-	-	-	**582,277**	**595,445**
Derivative financial liabilities	-	-	-	4,476	**4,476**	**4,476**
Lease liabilities	2,875	-	-	-	**2,875**	**2,875**
Total financial liabilities	**2,362,741**	**-**	**-**	**4,476**	**2,367,217**	**2,428,476**

All in NZD $000's

16. Related party transactions and balances

The Bank is a wholly owned subsidiary of CCBC, a company incorporated in China. The Ultimate Parent Bank of the Bank is also CCBC. The ultimate non-bank holding company and controlling party of the Bank and the branch is Central Huijin Investment Ltd ("Central Huijin"), a state-owned investment company under the Government of the People's Republic of China. The Ultimate Parent Bank Group refers to the Ultimate Parent Bank and its subsidiaries. Central Huijin also holds controlling interests in other Chinese banks. The Bank undertakes transactions with some of these banks in the ordinary course of business, for interbank placements and funding arrangements. These transactions are conducted on normal commercial terms and are not considered related party transactions under NZ IAS 24, as the entities involved do not exercise control or significant influence over one another.

(a) 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. These transactions principally consist of funding (interest bearing) and hedging transactions (interest bearing) with related parties, and are conducted on an arm's length basis and on normal commercial terms. The settlement of the balances will be in cash consideration.

(b) Ultimate Parent Bank

The amounts due from the Ultimate Parent Bank consist of nostro accounts held with the Ultimate Parent Bank, which is reflected as cash and liquid assets. The amounts due to the Ultimate Parent Bank consist of placements and borrowed funds from the Ultimate Parent Bank measured at amortised cost. These placements are reflected as deposits and overnight placements, and borrowings are reflected as borrowings. These placements and borrowings are made in the normal course of business and interest earned on these placements and interest paid on borrowings are at market rates.

The amounts due from and due to the Ultimate Parent Bank also include derivative instruments held with the Ultimate Parent Bank, which are marked to market and reflected as derivative financial assets and liabilities.

	Unaudited 30 Jun 2025		Unaudited 30 Jun 2024		Audited 31 Dec 2024	
Recognised in	**NZ Branch**	**Ultimate Parent Bank**	**NZ Branch**	**Ultimate Parent Bank**	**NZ Branch**	**Ultimate Parent Bank**
(a) Transactions with related parties						
Interest income [1]	-	543	-	166	-	391
Interest expense [2]	-	(9,188)	-	(12,043)	-	(20,810)
Non-interest income / (expense)						
Management fee income *(refer Note 3)*	335	-	354	-	666	-
Unrealised gain / (loss) on derivatives	-	250	-	216	-	230
Operating expenses						
Management service expense reimbursement	4,460	-	4,717	-	8,874	-
Total profit or loss impact	**4,795**	**(8,395)**	**5,071**	**(11,661)**	**9,540**	**(20,189)**
(b) Balances with related parties						
Due from related parties						
Cash and liquid assets	-	433	-	21	75,084	21
Other assets	-	14	-	11	-	1
Total due from related parties	**-**	**447**	**-**	**32**	**75,084**	**22**
Derivative financial assets	-	8,269	-	2,536	-	14,985
Total related party assets	**-**	**8,716**	**-**	**2,568**	**75,084**	**15,007**
Due to related parties						
Deposits and overnight placements	6,326	-	1	-	123	-
Borrowings at amortised cost	-	387,196	-	524,614	-	582,154
Total due to related parties	**6,326**	**387,196**	**1**	**524,614**	**123**	**582,154**
Derivative financial liabilities	-	-	-	-	-	-
Total related party liabilities	**6,326**	**387,196**	**1**	**524,614**	**123**	**582,154**

[1] *Included in related party interest income are interest earned on liquid assets and derivative financial assets.*

[2] *Included in related party interest expense are interest paid on borrowings with related parties and derivative financial liabilities.*

All in NZD $000's

(c) Other transactions and balances

During the year ended 31 December 2024, the Bank acquired short-term receivables, with repayment secured by a guarantee to the value of $59m from Ultimate Parent Bank in the event of issuer default. The receivables were fully settled in January 2025.

There were no debts with any related parties written off or forgiven during the six months ended 30 June 2025 (30 June 2024: nil, 31 December 2024: nil).

Provision for impairments on credit exposures of nil have been recognised in respect of the related party assets as at 30 June 2025 (30 June 2024: nil, 31 December 2024: nil).

The following table summarises the movements in due to related party balances during the six months ended 30 June 2025. These balances primarily relate to funding and liquidity support provided by the Ultimate Parent Bank and are classified as financing activities in the statement of cash flows.

	Unaudited 30 Jun 2025 6 months	Unaudited 30 Jun 2024 6 months	Audited 31 Dec 2024 12 months
Movement in related party balance			
Balance at beginning of the year	582,277	508,462	508,462
Net amount repaid to related parties	(158,447)	(197)	(75)
Foreign exchange translation impact	(42,958)	22,250	66,411
Effect of fair value hedge adjustment	18,277	(2,165)	6,251
Net effect of transaction costs and accruals	(5,627)	(3,735)	1,228
Balance at end of the period	**393,522**	**524,615**	**582,277**

All in NZD $000's

Risk Management

A. Risk management disclosure

There have been no material changes to the risk management policies and no new categories of risk to which the Bank has become exposed since 31 December 2024.

B. Market disruption

The moderate economic outlook continues to present a level of potential volatility to the financial services sector. To date, the impact on the Bank's existing customer base remains minimal. The Bank intends to continue to closely monitor the operating environment and actively manage the impact on its operating strategy, financial position, portfolio quality and performance.

C. Impacts of climate change on credit risk

The Bank recognises the potential compounding effects climate-related risks may pose to the financial system and the Bank's other risks. As a responsible financial institution, the Bank is committed to understanding and applying a risk-based approach to the management of the risks and opportunities associated with climate change. The Bank's climate risk appetite is designed therefore to ensure that it can effectively manage and mitigate climate-related risks while balancing the needs of its key stakeholders. This includes having clear processes to identify and assess the physical, transition and other climate-related risks across its business activities. Additionally, the Bank embraces the opportunity to work with its customers in this area to deliver better customer outcomes.

The Bank's approach to managing climate risk is outlined in the Bank's Risk Appetite Statement. This commits the Bank to addressing the effects of climate change by:

- Reducing its operational footprint;
- Better understanding the risk and impacts of climate change on the Bank;
- Seeking to increase the resilience of the Bank's business to climate change;
- Pursuing the opportunities created through the Bank's adaptation to climate change.

17. Asset quality

A. Credit quality information

As at 30 June 2025 (Unaudited)	Residential mortgages	Corporate exposures	Other exposures	Total loans and advances
(a) Asset quality - advances to customers				
Neither past due nor impaired	781,553	835,616	-	**1,617,169**
Past due but not impaired	20,306	-	-	**20,306**
Individually impaired assets	-	3,094	-	**3,094**
Provision for credit impairment	(8,392)	(4,115)	-	**(12,507)**
Unearned income	-	-	-	**(4,507)**
Loan origination fees	-	-	-	**1,928**
Fair value hedge adjustments	-	-	-	**(119)**
Net carrying amount	**793,467**	**834,595**	**-**	**1,625,364**
(b) Ageing of past due but not individually impaired				
Less than 30 days	3,752	-	-	**3,752**
30 to 59 days	5,454	-	-	**5,454**
60 to 89 days	3,038	-	-	**3,038**
90 days and over	8,062	-	-	**8,062**
Net carrying amount	**20,306**	**-**	**-**	**20,306**
(c) Individually impaired assets				
Balance at beginning of the year	-	-	-	**-**
Additions	-	3,094	-	**3,094**
Amounts written off	-	-	-	**-**
Deletions	-	-	-	**-**
Net carrying amount	**-**	**3,094**	**-**	**3,094**

All in NZD $000's

As at 30 June 2024 (Unaudited)	Residential mortgages	Corporate exposures	Other exposures	Total loans and advances
(a) Asset quality - advances to customers				
Neither past due nor impaired	871,457	1,081,881	-	**1,953,338**
Past due but not impaired	-	-	-	**-**
Individually impaired assets	-	-	-	**-**
Provision for credit impairment	(6,784)	(1,831)	-	**(8,615)**
Unearned income	-	-	-	**(5,512)**
Loan origination fees	-	-	-	**1,558**
Fair value hedge adjustments	-	-	-	**(746)**
Net carrying amount	**864,673**	**1,080,050**	**-**	**1,940,023**
(b) Ageing of past due but not individually impaired				
Less than 30 days	-	-	-	**-**
30 to 59 days	-	-	-	**-**
60 to 89 days	-	-	-	**-**
90 days and over	-	-	-	**-**
Net carrying amount	**-**	**-**	**-**	**-**
(c) Individually impaired assets				
Balance at beginning of the year	-	-	-	**-**
Additions	-	-	-	**-**
Amounts written off	-	-	-	**-**
Deletions	-	-	-	**-**
Net carrying amount	**-**	**-**	**-**	**-**

As at 31 December 2024 (Audited)	Residential mortgages	Corporate exposures	Other exposures	Total loans and advances
(a) Asset quality - advances to customers				
Neither past due nor impaired	867,706	1,079,719	59,495	**2,006,920**
Past due but not impaired	5,363	-	-	**5,363**
Individually impaired assets	-	-	-	**-**
Provision for credit impairment	(6,388)	(1,762)	(7)	**(8,157)**
Unearned income	-	-	-	**(6,287)**
Loan origination fees	-	-	-	**2,398**
Fair value hedge adjustments	-	-	-	**(226)**
Net carrying amount	**866,681**	**1,077,957**	**59,488**	**2,000,011**
(b) Ageing of past due but not individually impaired				
Less than 30 days	2,592	-	-	**2,592**
30 to 59 days	2,771	-	-	**2,771**
60 to 89 days	-	-	-	**-**
90 days and over	-	-	-	**-**
Net carrying amount	**5,363**	**-**	**-**	**5,363**
(c) Individually impaired assets				
Balance at beginning of the year	-	-	-	**-**
Additions	-	-	-	**-**
Amounts written off	-	-	-	**-**
Deletions	-	-	-	**-**
Net carrying amount	**-**	**-**	**-**	**-**

Asset quality for financial assets designated as FVTPL

The Bank does not have any financial assets designated as FVTPL as at 30 June 2025 (30 June 2024: nil, 31 December 2024: nil).

All in NZD $000's

B. Movement in loans and advances

As at 30 June 2025 (Unaudited)	Stage 1 12-months ECL	Stage 2 Lifetime ECL not credit impaired	Stage 3 Lifetime ECL credit impaired	Individually assessed Lifetime ECL	Total
(a) Residential mortgages					
Gross balance as at 1 January 2025	867,706	5,363	-	-	**873,069**
Additions	35,768	29,090	12,144	-	**77,002**
Deletions	(118,169)	(25,961)	(4,082)	-	**(148,212)**
Gross balance as at 30 June 2025	**785,305**	**8,492**	**8,062**	**-**	**801,859**
(b) Corporate exposures					
Gross balance as at 1 January 2025	1,057,994	21,725	-	-	**1,079,719**
Additions	69,636	3,002	-	3,094	**75,732**
Deletions	(294,899)	(21,842)	-	-	**(316,741)**
Gross balance as at 30 June 2025	**832,731**	**2,885**	**-**	**3,094**	**838,710**
(c) Other exposures					
Gross balance as at 1 January 2025	59,495	-	-	-	**59,495**
Additions	-	-	-	-	**-**
Deletions	(59,495)	-	-	-	**(59,495)**
Gross balance as at 30 June 2025	**-**	**-**	**-**	**-**	**-**
(d) Total loans and advances					
Gross balance as at 1 January 2025	**1,985,195**	**27,088**	**-**	**-**	**2,012,283**
Additions	**105,404**	**32,092**	**12,144**	**3,094**	**152,734**
Deletions	**(472,563)**	**(47,803)**	**(4,082)**	**-**	**(524,448)**
Gross balance as at 30 June 2025	**1,618,036**	**11,377**	**8,062**	**3,094**	**1,640,569**

As at 30 June 2024 (Unaudited)	Stage 1 12-months ECL	Stage 2 Lifetime ECL not credit impaired	Stage 3 Lifetime ECL credit impaired	Individually assessed Lifetime ECL	Total
(a) Residential mortgages					
Gross balance as at 1 January 2024	792,174	-	-	-	**792,174**
Additions	150,517	1,624	-	-	**152,141**
Deletions	(71,234)	(1,624)	-	-	**(72,858)**
Gross balance as at 30 June 2024	**871,457**	**-**	**-**	**-**	**871,457**
(b) Corporate exposures					
Gross balance as at 1 January 2024	965,471	-	-	-	**965,471**
Additions	266,181	13,762	-	-	**279,943**
Deletions	(149,771)	(13,762)	-	-	**(163,533)**
Gross balance as at 30 June 2024	**1,081,881**	**-**	**-**	**-**	**1,081,881**
(c) Other exposures					
Gross balance as at 1 January 2024	-	-	-	-	**-**
Additions	-	-	-	-	**-**
Deletions	-	-	-	-	**-**
Gross balance as at 30 June 2024	**-**	**-**	**-**	**-**	**-**
(d) Total loans and advances					
Gross balance as at 1 January 2024	**1,757,645**	**-**	**-**	**-**	**1,757,645**
Additions	**416,698**	**15,386**	**-**	**-**	**432,084**
Amounts written off	**-**	**-**	**-**	**-**	**-**
Deletions	**(221,005)**	**(15,386)**	**-**	**-**	**(236,391)**
Gross balance as at 30 June 2024	**1,953,338**	**-**	**-**	**-**	**1,953,338**

All in NZD $000's

As at 31 December 2024 (Audited)	Stage 1 12-months ECL	Stage 2 Lifetime ECL not credit impaired	Stage 3 Lifetime ECL credit impaired	Individually assessed Lifetime ECL	Total
(a) Residential mortgages					
Gross balance as at 1 January 2024	792,174	-	-	-	**792,174**
Additions	273,763	13,131	-	-	**286,894**
Deletions	(198,231)	(7,768)	-	-	**(205,999)**
Gross balance as at 31 December 2024	**867,706**	**5,363**	**-**	**-**	**873,069**
(b) Corporate exposures					
Gross balance as at 1 January 2024	965,471	-	-	-	**965,471**
Additions	541,899	35,514	-	-	**577,413**
Deletions	(449,376)	(13,789)	-	-	**(463,165)**
Gross balance as at 31 December 2024	**1,057,994**	**21,725**	**-**	**-**	**1,079,719**
(c) Other exposures					
Gross balance as at 1 January 2024	-	-	-	-	**-**
Additions	124,056	-	-	-	**124,056**
Deletions	(64,561)	-	-	-	**(64,561)**
Gross balance as at 31 December 2024	**59,495**	**-**	**-**	**-**	**59,495**
(d) Total loans and advances					
Gross balance as at 1 January 2024	**1,757,645**	**-**	**-**	**-**	**1,757,645**
Additions	**939,718**	**48,645**	**-**	**-**	**988,363**
Deletions	**(712,168)**	**(21,557)**	**-**	**-**	**(733,725)**
Gross balance as at 31 December 2024	**1,985,195**	**27,088**	**-**	**-**	**2,012,283**

Due from other financial institutions and investment securities balances were all represented in Stage 1 12-months ECL.

All in NZD $000's

C. Movement in provision for impairment losses

	Stage 1 Collective provision	Stage 2 Collective provision	Stage 3 Collective provision	Stage 3 Individually assessed	
As at 30 June 2025 (Unaudited)	**12-months ECL**	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Lifetime ECL credit impaired**	**Total provision**
Due from other financial institutions [1]	4	-	-	-	**4**
Investment securities [2]	112	-	-	-	**112**
Loans and advances	5,724	1,430	2,259	3,094	**12,507**
Off-balance sheet credit related commitments	62	-	-	-	**62**
Total provision for impairment losses as at 30 June 2025	**5,902**	**1,430**	**2,259**	**3,094**	**12,685**
(a) Residential mortgages					
Balance as at 1 January 2025	5,579	809	-	-	**6,388**
Transferred to Stage 1	104	(95)	(9)	-	**-**
Transferred to Stage 2	(4,012)	4,441	(429)	-	**-**
Transferred to Stage 3	(364)	(2,863)	3,227	-	**-**
Charged / (credited) to profit or loss	3,403	4,815	3,697	-	**11,915**
Reversals of previously recognised impairment losses	-	(5,684)	(4,227)	-	**(9,911)**
Balance as at 30 June 2025	**4,710**	**1,423**	**2,259**	**-**	**8,392**
(b) Corporate exposures					
Balance as at 1 January 2025	1,513	249	-	-	**1,762**
Transferred to Stage 1	-	-	-	-	**-**
Transferred to Stage 2	(6)	6	-	-	**-**
Transferred to Stage 3	-	(3,094)	-	3,094	**-**
Charged / (credited) to profit or loss	445	2,846	-	-	**3,291**
Reversals of previously recognised impairment losses	(938)	-	-	-	**(938)**
Balance as at 30 June 2025	**1,014**	**7**	**-**	**3,094**	**4,115**
(c) Other exposures					
Balance as at 1 January 2025	7	-	-	-	**7**
Transferred to Stage 1	-	-	-	-	**-**
Transferred to Stage 2	-	-	-	-	**-**
Transferred to Stage 3	-	-	-	-	**-**
Charged / (credited) to profit or loss	-	-	-	-	**-**
Reversals of previously recognised impairment losses	(7)	-	-	-	**(7)**
Balance as at 30 June 2025	**-**	**-**	**-**	**-**	**-**
(d) Total loans and advances					
Balance as at 1 January 2025	**7,099**	**1,058**	**-**	**-**	**8,157**
Transferred to Stage 1	**104**	**(95)**	**(9)**	**-**	**-**
Transferred to Stage 2	**(4,018)**	**4,447**	**(429)**	**-**	**-**
Transferred to Stage 3	**(364)**	**(5,957)**	**3,227**	**3,094**	**-**
Charged / (credited) to profit or loss	**3,848**	**7,661**	**3,697**	**-**	**15,206**
Reversals of previously recognised impairment losses	**(945)**	**(5,684)**	**(4,227)**	**-**	**(10,856)**
Total provision for impairment losses on loans & advances as at 30 June 2025	**5,724**	**1,430**	**2,259**	**3,094**	**12,507**

[1] *There was no transfer of collective provision for due from other financial institutions between the stages. The total provision of $4,000 (refer Note 7) was represented in 'Collective provision 12-months ECL' during the period.*

[2] *There was no transfer of collective provision for investment securities between the stages. The total provision of $112,000 was represented in 'Collective provision 12-months ECL' during the period.*

All in NZD $000's

	Stage 1 Collective provision	Stage 2 Collective provision	Stage 3 Collective provision	Stage 3 Individually assessed	
As at 30 June 2024 (Unaudited)	**12-months ECL**	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Lifetime ECL credit impaired**	**Total provision**
Due from other financial institutions [1]	13	-	-	-	**13**
Investment securities [2]	129	-	-	-	**129**
Loans and advances	8,615	-	-	-	**8,615**
Off-balance sheet credit related commitments	238	-	-	-	**238**
Total provision for impairment losses as at 30 June 2024	**8,995**	**-**	**-**	**-**	**8,995**
(a) Residential mortgages					
Balance as at 1 January 2024	4,618	-	-	-	**4,618**
Transferred to Stage 1	247	(247)	-	-	**-**
Transferred to Stage 2	(247)	247	-	-	**-**
Transferred to Stage 3	-	-	-	-	**-**
Charged / (credited) to profit or loss	2,724	-	-	-	**2,724**
Reversals of previously recognised impairment losses	(558)	-	-	-	**(558)**
Recovery	-	-	-	-	**-**
Balance as at 30 June 2024	**6,784**	**-**	**-**	**-**	**6,784**
(b) Corporate exposures					
Balance as at 1 January 2024	2,817	-	-	-	**2,817**
Transferred to Stage 1	-	-	-	-	**-**
Transferred to Stage 2	-	176	-	-	**176**
Transferred to Stage 3	-	-	-	-	**-**
Charged / (credited) to profit or loss	606	-	-	-	**606**
Reversals of previously recognised impairment losses	(1,592)	(176)	-	-	**(1,768)**
Recovery	-	-	-	-	**-**
Balance as at 30 June 2024	**1,831**	**-**	**-**	**-**	**1,831**
(c) Other exposures					
Balance as at 1 January 2024	-	-	-	-	**-**
Transferred to Stage 1	-	-	-	-	**-**
Transferred to Stage 2	-	-	-	-	**-**
Transferred to Stage 3	-	-	-	-	**-**
Charged / (credited) to profit or loss	-	-	-	-	**-**
Reversals of previously recognised impairment losses	-	-	-	-	**-**
Recovery	-	-	-	-	**-**
Balance as at 30 June 2024	**-**	**-**	**-**	**-**	**-**
(d) Total loans and advances					
Balance as at 1 January 2024	**7,435**	**-**	**-**	**-**	**7,435**
Transferred to Stage 1	**247**	**(247)**	**-**	**-**	**-**
Transferred to Stage 2	**(247)**	**423**	**-**	**-**	**176**
Transferred to Stage 3	**-**	**-**	**-**	**-**	**-**
Charged / (credited) to profit or loss	**3,330**	**-**	**-**	**-**	**3,330**
Reversals of previously recognised impairment losses	**(2,150)**	**(176)**	**-**	**-**	**(2,326)**
Recovery	**-**	**-**	**-**	**-**	**-**
Total provision for impairment losses on loans & advances as at 30 June 2024	**8,615**	**-**	**-**	**-**	**8,615**

[1] *There was no transfer of collective provision for due from other financial institutions between the stages. The total provision of $13,000 (refer Note 7) was represented in 'Collective provision 12-months ECL' during the period.*

[2] *There was no transfer of collective provision for investment securities between the stages. The total provision of $129,000 was represented in 'Collective provision 12-months ECL' during the period.*

All in NZD $000's

	Stage 1	Stage 2	Stage 3		
	Collective provision	Collective provision	Collective provision	Individually assessed	
As at 31 December 2024 (Audited)	**12-months ECL**	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Lifetime ECL credit impaired**	**Total provision**
Due from other financial institutions [1]	36	-	-	-	**36**
Investment securities [2]	90	-	-	-	**90**
Loans and advances	7,099	1,058	-	-	**8,157**
Off-balance sheet credit related commitments	72	-	-	-	**72**
Total provision for impairment losses as at 31 December 2024	**7,297**	**1,058**	**-**	**-**	**8,355**
(a) Residential mortgages					
Balance as at 1 January 2024	4,618	-	-	-	**4,618**
Transferred to Stage 1	533	(533)	-	-	**-**
Transferred to Stage 2	(1,373)	1,373	-	-	**-**
Transferred to Stage 3	-	-	-	-	**-**
Charged / (credited) to profit or loss	3,759	(31)	-	-	**3,728**
Reversals of previously recognised impairment losses	(1,958)	-	-	-	**(1,958)**
Balance as at 31 December 2024	**5,579**	**809**	**-**	**-**	**6,388**
(b) Corporate exposures					
Balance as at 1 January 2024	2,817	-	-	-	**2,817**
Transferred to Stage 1	-	-	-	-	**-**
Transferred to Stage 2	(411)	411	-	-	**-**
Transferred to Stage 3	-	-	-	-	**-**
Charged / (credited) to profit or loss	1,447	14	-	-	**1,461**
Reversals of previously recognised impairment losses	(2,340)	(176)	-	-	**(2,516)**
Balance as at 31 December 2024	**1,513**	**249**	**-**	**-**	**1,762**
(c) Other exposures					
Balance as at 1 January 2024	-	-	-	-	**-**
Transferred to Stage 1	-	-	-	-	**-**
Transferred to Stage 2	-	-	-	-	**-**
Transferred to Stage 3	-	-	-	-	**-**
Charged / (credited) to profit or loss	36	-	-	-	**36**
Reversals of previously recognised impairment losses	(29)	-	-	-	**(29)**
Balance as at 31 December 2024	**7**	**-**	**-**	**-**	**7**
(d) Total loans and advances					
Balance as at 1 January 2024	**7,435**	**-**	**-**	**-**	**7,435**
Transferred to Stage 1	**533**	**(533)**	**-**	**-**	**-**
Transferred to Stage 2	**(1,784)**	**1,784**	**-**	**-**	**-**
Transferred to Stage 3	**-**	**-**	**-**	**-**	**-**
Charged / (credited) to profit or loss	**5,242**	**(17)**	**-**	**-**	**5,225**
Reversals of previously recognised impairment losses	**(4,327)**	**(176)**	**-**	**-**	**(4,503)**
Total provision for impairment losses on loans & advances as at 31 December 2024	**7,099**	**1,058**	**-**	**-**	**8,157**

[1] *There was no transfer of collective provision for due from other financial institutions between the stages. The total provision of $36,000 (refer Note 7) was represented in 'Collective provision 12-months ECL' during the period.*

[2] *There was no transfer of collective provision for investment securities between the stages. The total provision of $90,000 was represented in 'Collective provision 12-months ECL' during the period.*

All in NZD $000's

	Stage 1 Collective provision	Stage 2 Collective provision	Stage 3 Collective provision	Stage 3 Individually assessed	
As at 30 June 2025 (Unaudited)	12-months ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Lifetime ECL credit impaired	Total provision
Off-balance sheet credit related business [1]					
Balance as at 1 January 2025	72	-	-	-	**72**
Transferred to Stage 1	-	-	-	-	**-**
Transferred to Stage 2	-	-	-	-	**-**
Transferred to Stage 3	-	-	-	-	**-**
Charged / (credited) to profit or loss	46	-	-	-	**46**
Reversals of previously recognised impairment losses	(56)	-	-	-	**(56)**
Balance as at 30 June 2025	**62**	**-**	**-**	**-**	**62**
As at 30 June 2024 (Unaudited)					
Off-balance sheet credit related business [1]					
Balance as at 1 January 2024	210	-	-	-	210
Transferred to Stage 1	-	-	-	-	-
Transferred to Stage 2	-	-	-	-	-
Transferred to Stage 3	-	-	-	-	-
Charged / (credited) to profit or loss	228	-	-	-	228
Amounts written off	-	-	-	-	-
Reversals of previously recognised impairment losses	(200)	-	-	-	(200)
Recovery	-	-	-	-	-
Balance as at 30 June 2024	**238**	**-**	**-**	**-**	**238**
As at 31 December 2024 (Audited)					
Off-balance sheet credit related business [1]					
Balance as at 1 January 2024	210	-	-	-	210
Transferred to Stage 1	-	-	-	-	-
Transferred to Stage 2	-	-	-	-	-
Transferred to Stage 3	-	-	-	-	-
Charged / (credited) to profit or loss	390	-	-	-	390
Reversals of previously recognised impairment losses	(528)	-	-	-	(528)
Balance as at 31 December 2024	**72**	**-**	**-**	**-**	**72**

[1] *The provision for impairment on off-balance sheet credit related business is included in other liabilities (Note 14).*

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 their present value using the original effective interest rate for the asset. This discount unwinds as interest income over the period the asset is held.

The ECL movement for the six months ended 30 June 2025 was primarily driven by loan exposures migrating to Stage 2 and Stage 3, following updated credit risk assessments. Routine refreshes of PD, LGD, and country risk adjustments also contributed to the changes. These factors resulted in an ECL impairment charge of $4.3 million for the Bank's loan portfolio.

(a) Other asset quality information

As at	Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
Undrawn balances on individually impaired lending commitments	-	-	-
Other assets under administration	-	-	17,829

All in NZD $000's

18. Concentration of credit exposures

Concentration 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 concentration of credit exposures reported by industry and geographic area.

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

	On-balance sheet credit exposures			Off-balance sheet credit related commitments		
As at	Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024	Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
Industry sector						
Accommodation and food services	14,829	14,840	14,837	-	-	-
Agriculture, forestry and fishing	32,175	35,860	37,471	11,778	9,934	7,778
Construction	169,369	215,559	204,849	8,501	34,330	21,476
Education & training	87,784	-	89,573	5,581	-	5,581
Electricity, gas, water and waste services	170,111	164,347	185,902	19,990	-	40,819
Financial and insurance services	337,824	351,002	445,218	-	-	-
Information media and telecommunications	66,709	149,715	62,258	2,338	20,907	7,495
Manufacturing	75,012	155,370	157,529	10,680	7,698	5,408
Personal lending	801,859	871,457	873,069	4,569	15,872	-
Public administration and safety	546,662	434,586	325,146	-	-	-
Rental, hiring and real estate services	219,837	342,646	322,471	13,968	30,577	28,340
Retail trade	2,884	3,544	3,335	57	127	57
Subtotal	**2,525,055**	**2,738,926**	**2,721,658**	**77,462**	**119,445**	**116,954**
Unearned income	(4,507)	(5,512)	(6,287)	-	-	-
Loan origination fees	1,928	1,558	2,398	-	-	-
Fair value hedge adjustments	(119)	(746)	(226)	-	-	-
Provision for impairment losses [1]	(12,511)	(8,628)	(8,193)	(62)	(238)	(72)
Total credit exposures	**2,509,846**	**2,725,598**	**2,709,350**	**77,400**	**119,207**	**116,882**
Geographic area [2]						
New Zealand	2,064,489	2,242,693	2,344,726	77,400	119,207	116,882
Other countries	445,357	482,905	364,624	-	-	-
Total credit exposures	**2,509,846**	**2,725,598**	**2,709,350**	**77,400**	**119,207**	**116,882**

[1] *Provision for impairment losses on On-balance sheet credit exposures includes Loans and advances and Due from other financial institutions.*

[2] *Geographic area classification is based on customer's tax residency status.*

Concentration of credit exposures to individual counterparties

Concentrations of credit exposures are disclosed on the basis of actual exposures. 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 or central bank of any country with a long-term credit rating of A- or A3 or above, or its equivalent, or to any supranational or quasi-sovereign agency with a long-term credit rating of A- or A3 or above, or its equivalent.

The following disclosures show the number of individual counterparties (bank and non-bank) or groups of closely related counterparties where the period end and peak end-of-day credit exposures equalled or exceeded 10% of the Bank's CET1 capital as at balance date.

The peak end-of-day exposure 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 six months ended 30 June 2025 and then dividing that by the Bank's CET1 capital as at the reporting date for the Disclosure Statement.

All in NZD $000's

As at 30 June 2025 (Unaudited)

% of CET1	Number of bank counterparties				Number of non-bank counterparties			
	"A" Rated	"B" Rated	Unrated	Total	"A" Rated	"B" Rated	Unrated	Total
End of period exposure								
10% - 14%	2	-	-	**2**	-	-	1	**1**
15% - 19%	3	-	-	**3**	-	-	5	**5**
20% - 24%	-	-	-	**-**	-	-	1	**1**
25% - 29%	-	-	-	**-**	-	-	1	**1**
30% - 34%	-	-	-	**-**	-	-	-	**-**
Total	**5**	**-**	**-**	**5**	**-**	**-**	**8**	**8**
Peak exposure								
10% - 14%	2	-	-	**2**	-	-	1	**1**
15% - 19%	3	1	-	**4**	-	-	3	**3**
20% - 24%	1	-	-	**1**	-	-	3	**3**
25% - 29%	1	-	-	**1**	-	-	1	**1**
35% - 39%	1	-	-	**1**	-	-	-	**-**
40% - 44%	1	-	-	**1**	-	-	-	**-**
45% - 49%	1	-	-	**1**	-	-	-	**-**
Total	**10**	**1**	**-**	**11**	**-**	**-**	**8**	**8**

As at 30 June 2024 (Unaudited)

End of period exposure								
10% - 14%	-	-	-	**-**	-	-	1	**1**
15% - 19%	1	-	-	**1**	-	-	1	**1**
20% - 24%	1	-	-	**1**	-	-	5	**5**
30% - 34%	-	-	-	**-**	-	-	1	**1**
60% - 64%	1	-	-	**1**	-	-	-	**-**
Total	**3**	**-**	-	**3**	**-**	**-**	**8**	**8**
Peak exposure								
10% - 14%	-	-	-	**-**	-	-	1	**1**
15% - 19%	1	-	-	**1**	-	-	1	**1**
20% - 24%	-	-	-	**-**	-	-	5	**5**
30% - 34%	1	-	-	**1**	-	-	1	**1**
60% - 64%	1	-	-	**1**	-	-	-	**-**
Total	**3**	**-**	**-**	**3**	**-**	**-**	**8**	**8**

As at 31 December 2024 (Audited)

End of period exposure								
10% - 14%	1	1	-	**2**	-	-	1	**1**
15% - 19%	1	-	-	**1**	-	-	2	**2**
20% - 24%	-	-	-	**-**	-	-	5	**5**
25% - 29%	-	-	-	**-**	-	-	1	**1**
35% - 39%	1	-	-	**1**	-	-	-	**-**
Total	**3**	**1**	**-**	**4**	**-**	**-**	**9**	**9**
Peak exposure								
10% - 14%	1	1	-	**2**	-	-	1	**1**
15% - 19%	2	-	-	**2**	-	-	2	**2**
20% - 24%	-	-	-	**-**	-	-	5	**5**
25% - 29%	-	-	-	**-**	-	-	2	**2**
35% - 39%	2	-	-	**2**	-	-	-	**-**
Total	**5**	**1**	**-**	**6**	**-**	**-**	**10**	**10**

Notes:
"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 have a long-term credit rating lower than BBB- or Baa3, or its equivalent and those counterparties that do not have a long-term credit rating.

All in NZD $000's

19. Market risk management

(a) Interest rate risk

Interest rate risk is the risk of loss in earnings or in economic value as a consequence of movements in interest rates. All traded market interest rate risk is derived from customer deals that are systematically hedged at the time of trading, leaving no residual risk. The Bank's non-traded interest rate risk mainly comprises of yield curve, repricing, basis and optionality risks arising from mismatch of term structure and pricing basis of assets and liabilities in the banking book. The Bank uses the following tools to monitor and manage its interest rate risk:

- Interest rate repricing gap limits: This includes both limits on the aggregate net position, curve risk and limits applied to the short or long position for each repricing time bucket.
- Simulations using interest rate scenarios are used to provide a series of potential NII outcomes. NII is modelled using a 100 basis point parallel shift in the yield curve above and below current levels. NII outcomes from these yield curve shocks are monitored and reported internally against a prescribed monitoring trigger. Additional stressed interest rate scenarios are also considered and modelled.

(b) Interest rate repricing gap analysis

The following table presents the Bank's assets and liabilities at their carrying amounts as at 30 June 2025, 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 2025 (Unaudited)	Up to 3 months	Over 3 to 6 months	Over 6 to 12 months	Over 1 to 2 years	Over 2 years	Non-interest bearing	Total
Financial assets							
Cash and balances with central banks	227,399	-	-	-	-	-	**227,399**
Due from other financial institutions	44,928	-	-	-	-	2	**44,930**
Investment securities	202,534	-	-	80,686	289,040	3,238	**575,498**
Loans and advances [1]	1,027,562	239,578	293,629	39,375	36,800	(11,580)	**1,625,364**
Due from related parties	447	-	-	-	-	-	**447**
Derivative financial assets	-	-	-	-	-	36,208	**36,208**
Total financial assets	**1,502,870**	**239,578**	**293,629**	**120,061**	**325,840**	**27,868**	**2,509,846**
Non-financial assets	-	-	-	-	-	7,766	**7,766**
Total assets	**1,502,870**	**239,578**	**293,629**	**120,061**	**325,840**	**35,634**	**2,517,612**
Financial liabilities							
Due to other financial institutions	28,362	-	-	229,901	229,901	6,415	**494,579**
Deposits from customers	184,569	88,559	103,395	17,141	80	9,930	**403,674**
Debt securities issued	857,229	-	-	-	-	5,306	**862,535**
Due to related parties	55,720	-	82,325	164,650	82,325	8,502	**393,522**
Derivative financial liabilities	-	-	-	-	-	5,441	**5,441**
Total financial liabilities	**1,125,880**	**88,559**	**185,720**	**411,692**	**312,306**	**35,594**	**2,159,751**
Non-financial liabilities	-	-	-	-	-	9,061	**9,061**
Total liabilities	**1,125,880**	**88,559**	**185,720**	**411,692**	**312,306**	**44,655**	**2,168,812**
On-balance sheet interest rate repricing gap	**376,990**	**151,019**	**107,909**	**(291,631)**	**13,534**	**(9,021)**	**348,800**
Net derivative notional amount	(654,419)	-	67,653	366,106	220,660	-	**-**
Net interest rate repricing gap	**(277,429)**	**151,019**	**175,562**	**74,475**	**234,194**	**(9,021)**	**348,800**

[1] *Included in Loans and advances under the "Non-interest bearing" category are provisions for impairment losses and accrued interest on loans.*

All in NZD $000's

As at 30 June 2024 (Unaudited)	Up to 3 months	Over 3 to 6 months	Over 6 to 12 months	Over 1 to 2 years	Over 2 years	Non-interest bearing	Total
Financial assets							
Cash and balances with central banks	292,302	-	-	-	-	-	**292,302**
Due from other financial institutions	252,119	-	-	-	-	174	**252,293**
Investment securities	97,185	-	32,490	-	96,714	1,574	**227,963**
Loans and advances [1]	1,174,031	254,348	335,282	157,605	22,072	(3,315)	**1,940,023**
Due from related parties	32	-	-	-	-	-	**32**
Derivative financial assets	-	-	-	-	-	12,985	**12,985**
Total financial assets	**1,815,669**	**254,348**	**367,772**	**157,605**	**118,786**	**11,418**	**2,725,598**
Non-financial assets	-	-	-	-	-	7,253	**7,253**
Total assets	**1,815,669**	**254,348**	**367,772**	**157,605**	**118,786**	**18,671**	**2,732,851**
Financial liabilities							
Due to other financial institutions	316,084	-	-	-	225,098	8,228	**549,410**
Deposits from customers	189,035	101,005	136,680	20,097	3,437	6,163	**456,417**
Debt securities issued	575,000	282,141	-	-	-	3,024	**860,165**
Due to related parties	1	-	164,285	131,428	246,427	(17,526)	**524,615**
Subordinated debt	-	-	-	-	-	-	**-**
Derivative financial liabilities	-	-	-	-	-	7,762	**7,762**
Total financial liabilities	**1,080,120**	**383,146**	**300,965**	**151,525**	**474,962**	**7,651**	**2,398,369**
Non-financial liabilities	-	-	-	-	-	8,665	**8,665**
Total liabilities	**1,080,120**	**383,146**	**300,965**	**151,525**	**474,962**	**16,316**	**2,407,034**
On-balance sheet interest rate repricing gap	**735,549**	**(128,798)**	**66,807**	**6,080**	**(356,176)**	**2,355**	**325,817**
Net derivative notional amount	(649,021)	74,500	120,081	112,765	341,675	-	**-**
Net interest rate repricing gap	**86,528**	**(54,298)**	**186,888**	**118,845**	**(14,501)**	**2,355**	**325,817**

[1] *Included in Loans and advances under the "Non-interest bearing" category are provisions for impairment losses and accrued interest on loans.*

As at 31 December 2024 (Audited)	Up to 3 months	Over 3 to 6 months	Over 6 to 12 months	Over 1 to 2 years	Over 2 years	Non-interest bearing	Total
Financial assets							
Cash and balances with central banks	190,840	-	-	-	-	-	**190,840**
Due from other financial institutions	107,950	-	-	-	-	196	**108,146**
Investment securities	112,312	5,978	-	49,773	50,433	1,399	**219,895**
Loans and advances [1]	1,314,749	313,429	269,090	73,242	34,928	(5,427)	**2,000,011**
Due from related parties	75,106	-	-	-	-	-	**75,106**
Derivative financial assets	-	-	-	-	-	115,352	**115,352**
Total financial assets	**1,800,957**	**319,407**	**269,090**	**123,015**	**85,361**	**111,520**	**2,709,350**
Non-financial assets	-	-	-	-	-	7,335	**7,335**
Total assets	**1,800,957**	**319,407**	**269,090**	**123,015**	**85,361**	**118,855**	**2,716,685**
Financial liabilities							
Due to other financial institutions	69,680	-	-	242,836	242,836	4,569	**559,921**
Deposits from customers	165,914	172,818	140,997	13,163	80	11,430	**504,402**
Debt securities issued	708,201	-	-	-	-	5,065	**713,266**
Due to related parties	123	177,667	53,300	88,834	266,501	(4,148)	**582,277**
Derivative financial liabilities	-	-	-	-	-	4,476	**4,476**
Total financial liabilities	**943,918**	**350,485**	**194,297**	**344,833**	**509,417**	**21,392**	**2,364,342**
Non-financial liabilities	-	-	-	-	-	9,295	**9,295**
Total liabilities	**943,918**	**350,485**	**194,297**	**344,833**	**509,417**	**30,687**	**2,373,637**
On-balance sheet interest rate repricing gap	**857,039**	**(31,078)**	**74,793**	**(221,818)**	**(424,056)**	**88,168**	**343,048**
Net derivative notional amount	(843,180)	146,963	45,113	253,226	397,878	-	**-**
Net interest rate repricing gap	**13,859**	**115,885**	**119,906**	**31,408**	**(26,178)**	**88,168**	**343,048**

[1] *Included in Loans and advances under the "Non-interest bearing" category are provisions for impairment losses and accrued interest on loans.*

All in NZD $000's

20. Liquidity and funding risk management

(a) Liquidity portfolio management

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

As at	Note	Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
Cash and cash equivalents				
Cash and balances with central banks	6	227,399	292,302	190,840
Due from other financial institutions (call or original maturity of 3 months or less) [1]	7	44,930	252,293	108,146
Due from related parties [2]	16	433	21	21
Total cash and cash equivalents		**272,762**	**544,616**	**299,007**
Investment securities				
Registered bank securities	8	256,235	85,679	85,589
Multilateral development banks and other international organisations	8	169,364	136,370	128,292
Government securities	8	149,899	5,914	6,014
Total investment securities		**575,498**	**227,963**	**219,895**
Total liquidity portfolio		**848,260**	**772,579**	**518,902**

[1] *Due from other financial institutions includes nostro accounts and short-term placements held with other financial institutions.*

[2] *Due from related parties includes nostro account balances held with the Ultimate Parent Bank.*

(b) Contractual maturity analysis of 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, except for derivatives held for trading where the full mark to market amount has been included.

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 redemptions of term deposits.

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.

The Bank does not manage its liquidity risk based on the analysis presented in the table below:

As at 30 June 2025 (Unaudited)	On demand	0-3 months	3-12 months	1-5 years	Over 5 years	Total	Carrying amount
Non-derivative financial liabilities							
Due to other financial institutions	28,362	7,166	7,285	477,941	-	**520,754**	**494,579**
Deposits from customers	24,241	164,669	200,297	15,330	-	**404,537**	**403,674**
Debt securities issued	-	129,518	245,803	540,299	-	**915,620**	**862,535**
Due to related parties	6,326	53,161	88,784	256,669	-	**404,940**	**393,522**
Lease liabilities	-	272	815	1,356	8	**2,451**	**2,387**
Total non-derivative financial liabilities	**58,929**	**354,786**	**542,984**	**1,291,595**	**8**	**2,248,302**	**2,156,697**
Derivative financial liabilities							
Held for trading	-	30	-	15	-	**45**	
Gross settled – cash inflow	-	(19,983)	(34,530)	(277,481)	-	**(331,994)**	
Gross settled – cash outflow	-	20,206	33,855	284,524	-	**338,585**	
Total derivative financial liabilities	**-**	**253**	**(675)**	**7,058**	**-**	**6,636**	**5,441**
Lending commitments (off-balance sheet)	**77,400**	**-**	**-**	**-**	**-**	**77,400**	-

All in NZD $000's

As at 30 June 2024 (Unaudited)	On Demand	0-3 months	3-12 months	1-5 years	Over 5 years	Total	Carrying amount
Non-derivative financial liabilities							
Due to other financial institutions	2,300	295,108	27,722	239,025	-	**564,155**	**549,410**
Deposits from customers	31,566	157,423	253,113	26,635	-	**468,737**	**456,417**
Debt securities issued	-	89,529	124,749	753,106	-	**967,384**	**860,165**
Due to related parties	1	3,768	176,234	397,729	-	**577,732**	**524,615**
Lease liabilities	-	258	775	2,352	98	**3,483**	**3,358**
Total non-derivative financial liabilities	**33,867**	**546,086**	**582,593**	**1,418,847**	**98**	**2,581,491**	**2,393,965**
Derivative financial liabilities							
Held for trading	-	-	-	752	-	**752**	
Gross settled – cash inflow	-	(167,979)	(85,531)	(107,284)	-	**(360,794)**	
Gross settled – cash outflow	-	171,831	90,021	106,040	-	**367,892**	
Total derivative financial liabilities	**-**	**3,852**	**4,490**	**(492)**	**-**	**7,850**	**7,762**
Lending commitments (off-balance sheet)	**119,207**	**-**	**-**	**-**	**-**	**119,207**	-

As at 31 December 2024 (Audited)	On Demand	0-3 months	3-12 months	1-5 years	Over 5 years	Total	Carrying amount
Non-derivative financial liabilities							
Due to other financial institutions	69,856	5,053	7,570	512,528	-	**595,007**	**559,921**
Deposits from customers	34,920	134,117	332,187	14,551	-	**515,775**	**504,402**
Debt securities issued	-	9,632	152,371	621,723	-	**783,726**	**713,266**
Due to related parties	123	3,785	244,168	372,765	-	**620,841**	**582,277**
Lease liabilities	-	258	802	1,854	53	**2,967**	**2,875**
Total non-derivative financial liabilities	**104,899**	**152,845**	**737,098**	**1,523,421**	**53**	**2,518,316**	**2,362,741**
Derivative financial liabilities							
Held for trading	-	5	1,243	63	-	**1,311**	
Gross settled – cash inflow	-	(68,529)	(18,479)	(100,561)	-	**(187,569)**	
Gross settled – cash outflow	-	70,468	19,813	101,585	-	**191,866**	
Total derivative financial liabilities	**-**	**1,944**	**2,577**	**1,087**	**-**	**5,608**	**4,476**
Lending commitments (off-balance sheet)	**116,882**	**-**	**-**	**-**	**-**	**116,882**	-

(c) Regulatory liquidity ratios

The Bank is subject to the conditions of the RBNZ's liquidity policy as set out in BS13 *Liquidity Policy* . The Bank has the appropriate internal framework and tools for liquidity risk management to ensure compliance with these regulatory requirements, as well as internal targets and limits.

The following table shows the average regulatory liquidity ratios over the three months ended 30 June 2025 and the three months ended 31 March 2025.

As at	RBNZ minimum ratio requirements %	Unaudited 30 Jun 2025 %	Unaudited 31 Mar 2025 %
Liquidity ratios			
Quarterly average 1-week mismatch ratio	0%	26.7%	18.9%
Quarterly average 1-month mismatch ratio	0%	34.8%	27.3%
Quarterly average core funding ratio	75%	106.7%	101.1%

The average value of a ratio was calculated at the close of each working day in the relevant three-month period in accordance with the conditions of registration of the Bank relating to liquidity risk management and calculating the arithmetic average of all of the daily ratio figures.

All in NZD $000's

21. Concentrations 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 codes have been used as the basis for disclosing industry sectors.

As at	Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
Total funding comprises			
Due to other financial institutions	494,579	549,410	559,921
Deposits from customers	403,674	456,417	504,402
Debt securities issued	862,535	860,165	713,266
Due to related parties	393,522	524,615	582,277
Total funding	**2,154,310**	**2,390,607**	**2,359,866**
Concentration of funding by industry sector			
Accommodation and food services	28,445	43,856	33,817
Agriculture, forestry and fishing	139	15,055	2,012
Construction	15,143	17,581	15,581
Electricity, gas, water and waste services	519	-	1,061
Financial and insurance services	1,572,117	1,611,577	1,544,530
Households	12,531	13,928	13,143
Information media & telecommunications	-	6,671	16,392
Manufacturing	10,489	279	5,131
Other	81,870	75,931	73,713
Rental, hiring and real estate services	19,423	20,655	31,779
Retail trade	70	162	69
Transport, postal and warehousing	20,008	60,242	40,324
Wholesale trade	34	55	37
Subtotal	**1,760,788**	**1,865,992**	**1,777,589**
Due to related parties (including subordinated debt)	393,522	524,615	582,277
Total funding	**2,154,310**	**2,390,607**	**2,359,866**
Concentration of funding by geographic area [1]			
New Zealand [2]	766,423	996,404	900,580
Other countries [2]	1,387,887	1,394,203	1,459,286
Total funding	**2,154,310**	**2,390,607**	**2,359,866**

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

[2] *Comparative figures for the periods ended 30 June 2024 and 31 December 2024 have been restated to reflect a reclassification of debt securities issued to offshore counterparties.*

22. Capital adequacy

The Bank is subject to the capital adequacy requirements for registered banks as specified by the RBNZ. Locally incorporated registered banks in New Zealand using the RBNZ's standardised approach under Pillar 1 are required to calculate capital adequacy using the RBNZ's BPR frameworks.

The framework is 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 1 covers the capital requirements for banks for credit, operational and market risks. Pillar 2 covers all other material risks not already included in Pillar 1, and Pillar 3 relates to market disclosure.

The Bank continues to apply the standardised approach to capital adequacy as prescribed by the RBNZ's Capital Adequacy Framework (BPR131–BPR160), including the requirements for operational risk capital under BPR150. In line with BPR150, the Bank ensures that it's operational risk capital remains compliant with the regulatory requirements, including the application of the 8% floor on total RWA where applicable.

All in NZD $000's

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 (CET1) has greater loss absorbing capability than the other Tier 1 instruments referred to as Additional Tier 1 (AT1) capital. CET1 and AT1 capital primarily consists of shareholders' equity and other capital instruments acceptable to the RBNZ less intangible and deferred tax assets and other prescribed deductions. Tier 2 can comprise other capital instruments acceptable to the RBNZ.

Capital ratios are used to define minimum capital requirements for each of: 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 RBNZ standardised approach.

In accordance with the decisions announced by RBNZ following the 2019 Capital Review, as a condition of registration effective 1 July 2024, the Bank must comply with the following minimum requirements set by the RBNZ:

- Total capital ratio must not be less than 9% of risk weighted exposures;
- Tier 1 capital ratio must not be less than 7% 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 NZ$30 million.

The revised framework requires the Bank to increase its capital ratio to a minimum 16% by July 2028. The Bank does not expect the revised framework to result in any changes to the underlying business model or its approach to raising equity.

The Bank has complied with all the relevant RBNZ minimum capital ratios to which it was subject during the reporting period. The Bank's total capital ratio was 21.6% as at 30 June 2025 (30 June 2024: 18.38%, 31 December 2024: 17.62%).

Capital management

The primary objectives of the Bank's capital management programme are to ensure that the Bank 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 and comply with the regulatory capital requirements set by the RBNZ.

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 ICAAP, which complies with the requirements set out in BPR100: Capital Adequacy, and reports this on a regular basis to senior management and the Board.

The Bank's ICAAP is a documented process that evaluates all material risk types and estimates and ensures appropriate levels of capital are held against these key risks, including the impacts of adverse economic scenarios and future strategic requirements. The Bank's ICAAP is set to be reviewed and approved at least annually by senior management and the Board.

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 year ended 30 June 2025. There were no significant capital initiatives undertaken during the year ended 30 June 2025.

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 2025. During the six months ended 30 June 2025, the Bank complied in full with all externally imposed RBNZ capital requirements as set out in the Bank's conditions of registration.

Capital

The table below shows the qualifying capital for the Bank.

Regulatory Capital **As at**	**Unaudited 30 Jun 2025**	**Unaudited 30 Jun 2024**	**Unaudited 31 Dec 2024**
Tier 1 capital			
Common equity tier 1 capital			
Issued and fully paid-up ordinary share capital	199,178	199,178	199,178
Retained earnings (net of appropriations)	156,512	130,346	145,271
Accumulated other comprehensive income and other disclosed reserves [1]	(6,890)	(3,707)	(1,401)
Less deductions from common equity tier 1 capital			
Intangible assets	85	76	96
Cash flow hedge reserve	(5,628)	(3,906)	(1,568)
Deferred tax assets	4,737	3,192	3,536
Total common equity tier 1 capital	**349,606**	**326,455**	**340,984**
Total capital	**349,606**	**326,455**	**340,984**

[1] *Accumulated other comprehensive income and other disclosed reserves consist of FVOCI revaluation reserve of ($1,380,000) (30 June 2024: $199,000, 31 December 2024: $167,000) and cash flow hedge reserve of ($6,186,000) (30 June 2024: ($3,906,000), 31 December 2024: ($1,568,000)).*

All in NZD $000's

Capital instruments

Ordinary shares

In accordance with the RBNZ Capital Adequacy Framework (Standardised Approach), ordinary share capital is classified as CET1 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;
- they have equal voting rights and share equally in dividends and profit on winding up. They represent the most subordinated claim on winding up; and
- dividends are declared and paid out from distributable items (including retained earnings), subject to restrictions as per the conditions of registration applicable to the Bank.

Credit risk

(a) On-balance sheet exposures

As at 30 June 2025 (Unaudited)	Total exposure after credit risk mitigation	Risk weight	Risk weighted exposure
Sovereigns and central banks	377,298	0%	-
Multilateral development banks and other international organisations	169,364	0%	-
Banks - 20% weighting	180,843	20%	36,169
Banks - 50% weighting	120,769	50%	60,385
Corporate - 100% weighting	834,595	100%	834,595
Residential mortgages owner occupied not past due			
< 80% loan to value ratio (LVR)	389,063	35%	136,172
Residential mortgages property investment not past due			
< 80% loan to value ratio (LVR)	398,601	40%	159,440
Past due residential mortgages	5,803	100%	5,803
Other past due assets	-	100%	-
Other assets	9,261	100%	9,261
Non-risk weighted assets	32,015	-	-
Total on-balance sheet exposures	**2,517,612**		**1,241,825**

(b) Off-balance sheet exposures and market related contracts

As at 30 June 2025 (Unaudited)	Total exposure	Credit conversion factor	Credit equivalent amount	Average risk weight	Risk weighted exposure
Revolving underwriting facility	24,764	50%	12,382	100%	12,382
Performance-related contingency	57	50%	29	0%	-
Other commitments where original maturity is less than or equal to one year	4,569	20%	914	36%	326
Other commitments where original maturity is more than one year	48,009	50%	24,005	100%	24,005
Market related contracts [1]					
(a) Foreign exchange contracts	1,419,780	n/a	93,732	49%	45,929
(b) Interest rate contracts	135,607	n/a	837	54%	452
(c) Credit valuation adjustment	-	n/a	-	-	24,750
Total off-balance sheet exposures	**1,632,786**		**131,899**		**107,844**

[1] *The credit equivalent amount for market related contracts was calculated as set out in BPR131 Standardised Credit Risk RWAs and the Bank uses the simple approach for credit risk mitigation with regards to measurement of fair value of collaterals.*

All in NZD $000's

Additional mortgage information

Residential mortgages by loan-to-valuation ratio

As at 30 June 2025 (Unaudited)	Does not exceed 80%	Exceeds 80% and not 90%	Exceeds 90%	Total
Loan-to-valuation ratio				
On-balance sheet exposures				
Residential mortgages - owner occupied	393,221	-	-	393,221
Residential mortgages - investment	400,246	-	-	400,246
Total on-balance sheet exposures	**793,467**	**-**	**-**	**793,467**
Off-balance sheet exposures	4,569	-	-	4,569
Value of exposures	**798,036**	**-**	**-**	**798,036**

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 a reconciliation between any figures disclosed elsewhere in the Disclosure Statement that relate to mortgages on residential property:

Reconciliation of residential mortgage related amounts	Note	Unaudited 30 Jun 2025
Total residential mortgages	9	801,859
Reconciling items:		
Less: Provision for impairment losses on credit exposures	17 (a)	(8,392)
On-balance sheet exposures	17 (a)	**793,467**
Off-balance sheet exposures		**4,569**
Total residential mortgage exposures		**798,036**

Credit risk mitigation

The Bank's dominant activity is the provision of corporate and residential mortgage finance which, at 30 June 2025, comprised 51% and 49% of the Bank's loan portfolio respectively. These exposures are typically secured by charges over business assets and first-ranking registered mortgages over residential property. Investment security exposures are carried at fair value which reflects the credit risk. The Bank does not hold guarantees or any other forms of collateral against these investments.
The Bank does not currently take into consideration any credit risk mitigants in its capital adequacy calculations.

Operational risk

As at 30 June 2025 (Unaudited)	Implied weighted exposure	Total operational risk capital requirement
Operational risk	**146,013**	11,681

Market risk

As at 30 June 2025 (Unaudited)	End of period capital charge		Peak end-of-day capital charge	
	Implied risk weighted exposure	Aggregate capital charge	Implied risk weighted exposure	Aggregate capital charge
Interest rate risk	122,370	9,790	122,370	9,790
Foreign currency risk	629	50	3,610	289
Total market risk	**122,999**	**9,840**	**125,980**	**10,079**

Peak end-of-day aggregate capital charge for each category of market risk is derived by determining the maximum over the six months ended 30 June 2025 of the aggregate capital charge at the close of each business day derived in accordance with Part A of BPR140: Market Risk.

All in NZD $000's

Total capital requirements

As at 30 June 2025 (Unaudited)	Total exposure after credit risk mitigation	Risk weighted exposure or implied risk weighted exposure	Total capital requirement
Total credit risk + equity	2,649,511	1,349,669	121,470
Operational risk	n/a	146,013	11,681
Market risk	n/a	122,999	9,840
Total capital requirements	**2,649,511**	**1,618,681**	**142,991**

Capital requirements for other material risks

The Basel III capital adequacy regime seeks 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 as at 30 June 2025 is $47.6 million (30 June 2024: $47.6 million; 31 December 2024: $47.6 million). No material adjustments were made to the ICAAP methodologies during the six months period ended 30 June 2025. The Board's approval for an extra 2% capital buffer to cover the additional material risks remains in place, and was increased accordingly with the increase in the Bank' s minimum regulatory requirements in July 2024.

Capital ratios of the Bank

As at	Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Unaudited 31 Dec 2024
Capital adequacy ratios			
Common equity tier 1 capital ratio	21.60%	18.38%	17.62%
Tier 1 capital ratio	21.60%	18.38%	17.62%
Total capital ratio	21.60%	18.38%	17.62%
RBNZ minimum ratio requirements			
Common equity tier 1 capital ratio	4.50%	4.50%	4.50%
Tier 1 capital ratio	7.00%	6.00%	7.00%
Total capital ratio	9.00%	8.00%	9.00%
Prudential capital buffer ratio			
Prudential capital buffer ratio	12.60%	10.38%	8.62%
Conservation buffer	2.50%	2.50%	2.50%

Capital adequacy of the Ultimate Parent Bank and Ultimate Parent Bank Group

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

The Ultimate Parent Bank Group shall calculate and disclose capital adequacy ratios in accordance with the Rules on Capital Management of Commercial Banks. Based on the approval to implement the advanced capital measurement method granted in 2014, the former China Banking and Insurance Regulatory Commission (now NFRA) approved the Ultimate Parent Bank Group to expand the implementation scope of the advanced capital measurement method in April 2020. Pursuant to the regulatory requirements, the Ultimate Parent Bank Group calculates capital adequacy ratios using both the advanced approach and other approaches for capital measurement and complies with the relevant requirements for capital floors.

The Ultimate Parent Bank Group met the capital requirements imposed on them by the NFRA as at 31 March 2025.

This information is available via the Overseas Bank's website (www.ccb.com).

The capital ratios below have been calculated in accordance with the Rules on Capital Management of Commercial Banks, issued by the NFRA and have been taken from the most recent publicly available financial statements.

All in NZD $000's

As at	Unaudited 31 Mar 2025	Unaudited 30 Jun 2024	Unaudited 31 Dec 2024
Ultimate Parent Bank Group			
Common equity tier 1 capital ratio	13.98%	14.01%	14.48%
Tier 1 capital ratio	14.67%	14.92%	15.21%
Total capital ratio	19.15%	19.25%	19.69%

The capital ratios for Ultimate Parent Bank, as a stand-alone entity, are not publicly available.

Other Disclosures

23. Insurance business, securitisation, funds management, other fiduciary activities and the marketing and distribution of insurance products

Insurance

The Bank does not conduct any insurance business.

Securitisation, funds management, other fiduciary activities and marketing and distribution of insurance products

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;
- the marketing or servicing of securitisation schemes; and
- the marketing and distribution of insurance products.

24. 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.

Credit related and other commitments (contractual or notional amount) and contingent liabilities arising in respect of the Bank's operations were:

As at	Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
Credit related commitments and contingent liabilities			
Commitments to extend credit [1]	77,343	119,011	116,755
Non-financial guarantees	57	196	127
Total credit related commitments and contingent liabilities	**77,400**	**119,207**	**116,882**

[1] *Commitments to extend credit includes provision for off-balance sheet credit related business.*

There were no other contingent liabilities and capital commitments as at 30 June 2025 (30 June 2024: nil, 31 December 2024: nil).

25. Events subsequent to the reporting date

There was no material event that occurred subsequent to the reporting date that requires recognition or additional disclosure in these financial statements.

All in NZD $000's

26. Other material matters

Depositor compensation scheme

Effective 1 July 2025, the RBNZ implemented the Government-backed Depositor Compensation Scheme under the Deposit Takers Act 2023. The scheme provides protection of up to NZ$100,000 per eligible depositor, per licensed deposit taker, in the event of a deposit taker's failure. It covers qualifying products such as transaction, savings, notice, and term deposit accounts. Participation in the scheme is automatic for eligible depositors. No action is required to receive coverage. The scheme is administered by the RBNZ and funded through levies paid by licensed deposit takers. The Bank is a licensed deposit taker under the Deposit Takers Act and is a participant in the Depositor Compensation Scheme. Eligible deposits with the Bank are covered by the scheme, up to the prescribed limit. The scheme enhances confidence in the financial system and brings New Zealand into alignment with international standards for depositor protection.

The Board is of the opinion that there are no other material matters relating to the business or affairs of the Bank which are not contained elsewhere in this 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.

27. Credit ratings

The Bank has the following credit ratings that apply to its long-term senior unsecured obligations payable in New Zealand in New Zealand dollars as at the date the Directors signed this Disclosure Statement.

Rating agency	Credit rating	Qualification
Moody's Investors Service	A1	Outlook Negative
Fitch Ratings	A	Outlook Stable

On 29 May 2025, Moody's reaffirmed the Bank's A1 rating with a negative outlook. On 10 April 2025, Fitch reaffirmed the Bank's A rating and revised the outlook from negative to stable.

28. Conditions of registration

Changes to the Bank's conditions of registration since the last disclosure statement (for the year ended 31 December 2024)

The Bank's conditions of registration have been amended to reflect the RBNZ's 2019 Capital Review decisions, including an increase in the Prudential Capital Buffer (PCB) requirement from 2.5% to 3.5%, and updated buffer ratio bands that impact CET1 dividend restrictions. These changes will take effect from 1 July 2025.

Assurance engagements performed by Ernst & Young

Our assurance procedures in relation to China Construction Bank (New Zealand) Limited (the "Bank") consisted of the following:

- Limited assurance engagement in relation to the condensed interim financial statements (the "Interim Financial Statements") of the Bank for the six months ended 30 June 2025 that are required by Clause 25 of the Registered Bank Disclosure Statements (New Zealand Incorporated Registered Banks) Order 2014 (as amended) (the "Order") included on pages 6 to 39 of the Disclosure Statement. These pages also include the Supplementary Information, and the Capital Adequacy and Regulatory Liquidity Ratios Information which are subject to separate conclusions as described below and so are not covered by the Interim Financial Statements assurance.
- Limited assurance engagement in relation to the information required by Clause 22 of the Order to be disclosed in accordance with Schedule 5 (being the "additional information on statement of financial position" that is presented on the balance sheet, "additional information on income statement" that is presented on the statement of comprehensive income and in Note 3, additional information on concentrations of credit risk (Note 18), additional information on concentrations of funding (Note 21), additional information on interest rate sensitivity (Note 19(b)), additional information on liquidity risk (Note 20(b)) and reconciliation of mortgage-related amounts (Note 22(b))), Schedule 7 (Asset Quality in Note 17), Schedule 13 (Concentration of Credit Exposures to Individual Counterparties in Note 18), Schedule 16 (Insurance business, securitisation, funds management, other fiduciary activities, and marketing and distribution of insurance products in Note 23) and Schedule 18 (Risk Management Policies on page 20) of the Order (together the "Supplementary Information"). The Supplementary Information is presented for the six months ended 30 June 2025 or as at that date, as applicable.
- Limited assurance engagement in relation to the information required by Clause 22 of the Order to be disclosed in accordance with Schedule 9 of the Order which is disclosed in Notes 20(c) and 22 (the "Capital Adequacy and Regulatory Liquidity Ratios Information"). The Capital Adequacy and Regulatory Liquidity Ratios Information is presented for the six months ended 30 June 2025 or as at that date, as applicable.

Independent Auditor's Review Report to the Shareholder of China Construction Bank (New Zealand) Limited

Report on the Interim Financial Statements and Supplementary Information

Conclusion

We have reviewed the Interim Financial Statements and Supplementary Information (as defined above). The Interim Financial Statements comprise:

- the balance sheet of the Bank as at 30 June 2025;
- the statement of comprehensive income, statement of changes in equity and statement of cash flows for the six months then ended of the Bank; and
- explanatory information.

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

- Interim Financial Statements have not been prepared, in all material respects, in accordance with New Zealand Equivalent to International Accounting Standard 34: *Interim Financial Reporting* (NZ IAS 34) and International Accounting Standard 34: *Interim Financial Reporting* (IAS 34), and
- Supplementary Information that is required to be disclosed in accordance with Schedules 5, 7, 13, 16 and 18 of the Order:
  - does not present fairly, in all material respects, the matters to which it relates; or
  - is not disclosed, in all material respects, in accordance with those schedules.

This report is made solely to the Bank's shareholder. Our review has been undertaken so that we might state to the Bank's shareholder those matters we are required to state to them in an independent auditor's 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.

Basis for conclusion

We conducted our review in accordance with New Zealand Standard on Review Engagements 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410 (Revised))**.** Our responsibilities are further described in the *Auditor's responsibilities for the review of the Interim Financial Statements and Supplementary Information* section of our report.

We are independent of the Bank in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements.

Ernst & Young provides financial statement and supplementary information audit and other assurance services to the Bank. Partners and employees of our firm may deal with the Bank on normal terms within the ordinary course of trading activities of the business of the Bank. We have no other relationship with, or interest in, the Bank.

Directors' responsibilities for the Interim Financial Statements and Supplementary Information

The directors are responsible, on behalf of the Bank, for the preparation and fair presentation of the Interim Financial Statements in accordance with Clause 25 of the Order, which requires the Interim Financial Statements to comply with NZ IAS 34 and IAS 34, and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of Interim Financial Statements that are free from material misstatement, whether due to fraud or error.

In addition, the directors are responsible, on behalf of the Bank, for the preparation of the Supplementary Information which presents fairly, in all material respects, the matters to which it relates in accordance with Schedules 3, 5, 7, 13, 16 and 18 of the Order.

Auditor's responsibilities for the review of the Interim Financial Statements and Supplementary Information

Our responsibility is to express a conclusion on the Interim Financial Statements and Supplementary Information based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the:

- Interim Financial Statements, taken as a whole, have not been prepared, in all material respects, in accordance with NZ IAS 34 and IAS 34; and
- Supplementary Information that is required to be disclosed in accordance with Schedules 5, 7, 13, 16 and 18 of the Order:
  - does not present fairly, in all material respects, the matters to which it relates; or
  - is not disclosed, in all material respects, in accordance with those schedules; or
  - if applicable, has not been prepared in all material respects in accordance with any conditions of registration relating to disclosure requirements imposed under section 74(4)(c) of the Banking (Prudential Supervision) Act 1989.

A review in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, 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) and consequently do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Interim Financial Statements and Supplementary Information.

The engagement partner on the review resulting in this independent auditor's review report is Emma Winsloe.

Ernst + Young

Chartered Accountants
Auckland
29 August 2025

Shape the future
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Independent Assurance Report to the Shareholder of China Construction Bank (New Zealand) Limited

Limited assurance report on the Capital Adequacy and Regulatory Liquidity Ratios Information

Conclusion

We have undertaken a limited assurance engagement on the compliance, in all material respects, of the Bank's Capital Adequacy and Regulatory Liquidity Ratios Information (as defined above) for the six months ended 30 June 2025 or as at that date, as applicable, with Schedule 9 of the Order.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Capital Adequacy and Regulatory Liquidity Ratios Information for the six months ended 30 June 2025 or as at that date, as applicable, disclosed in Notes 20(c) and 22 to the Interim Financial Statements, is not disclosed, in all material respects, in accordance with Schedule 9 of the Order.

Basis for Conclusion

We conducted our engagement in accordance with Standard on Assurance Engagements 3100 (Revised) *Compliance Engagements* (SAE 3100 (Revised)) issued by the New Zealand Auditing and Assurance Standards Board.

We believe the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Directors' Responsibilities

The Directors are responsible on behalf of the Bank for:

- Compliance with the Order, including Clause 22 which requires the Capital Adequacy and Regulatory Liquidity Ratios Information to be included in the Disclosure Statement in accordance with Schedule 9 of the Order.
- Identification of risks that threaten compliance with Clause 22 and Schedule 9 of the Order being met, controls which will mitigate those risks and monitoring ongoing compliance.

Our Independence and Quality Management

We have complied with the independence and other requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)*, issued by the New Zealand Auditing and Assurance Standards Board which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Assurance Practitioner's Responsibilities

Our responsibility is to express a limited assurance conclusion on whether the Bank's Capital Adequacy and Regulatory Liquidity Ratios Information is not disclosed, in all material respects, in accordance with Schedule 9 of the Order. SAE 3100 (Revised) requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Bank's Capital Adequacy and Regulatory Liquidity Ratios Information is not disclosed, in all material respects, in accordance with Schedule 9 of the Order.

In a limited assurance engagement, the assurance practitioner performs procedures, primarily consisting of discussion and enquiries of management and others within the entity, as appropriate, and observation and walk-throughs, and evaluates the evidence obtained. The procedures selected depend on our judgement, including identifying areas where the risk of material non-compliance with Schedule 9 of the Order is likely to arise.

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Given the circumstances of the engagement, in performing the procedures listed above we:

- Obtained an understanding of the Bank's compliance framework and internal control environment to meet the Capital Adequacy and Regulatory Liquidity Ratios Information requirements in accordance with the Reserve Bank of New Zealand's (RBNZ) prudential requirements for banks.
- Obtained an understanding of the processes, models, data and internal controls implemented over the preparation of the Capital Adequacy and Regulatory Liquidity Ratios Information.
- Agreed selected elements of the Capital Adequacy and Regulatory Liquidity Ratios Information to information extracted from the Bank's models, accounting records or other supporting documentation or, in relation to Clause 14 of Schedule 9 of the Order, publicly available information.
- Performed analytical and other procedures on the Capital Adequacy and Regulatory Liquidity Ratios Information disclosed in accordance with Schedule 9 and considered its consistency with the Interim Financial Statements of the Bank.
- Obtained an understanding and assessed the impact of any matters of non-compliance, either advised to us or of which we otherwise became aware, with the RBNZ's prudential requirements for banks that relate to capital adequacy and regulatory liquidity ratios information and inspected relevant correspondence with RBNZ.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion on compliance with Schedule 9 of the Order.

Ernst & Young provides financial statement and supplementary information audit and other assurance services to the Bank. Partners and employees of our firm may deal with the Bank on normal terms within the ordinary course of trading activities of the business of the Bank. We have no other relationship with, or interest in, the Bank.

Inherent Limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with compliance requirements may occur and not be detected. A limited assurance engagement on the Bank's disclosure of Capital Adequacy and Regulatory Liquidity Ratios Information in the Disclosure Statement for the six months ended 30 June 2025 or as at that date, as applicable, does not provide assurance on whether compliance will continue in the future.

Restrictions on Use of Report

This report has been prepared for the Bank's shareholder for the purpose of providing limited assurance as to whether the Bank's Capital Adequacy and Regulatory Liquidity Ratios Information has complied with Schedule 9 of the Order. 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 limited assurance procedures, for this report, or for the conclusions we have formed. We acknowledge that our report will be included in the Bank's Disclosure Statement.

Ernst + Young

Chartered Accountants
Auckland
29 August 2025