

China Construction Bank Corporation New Zealand Banking Group

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

Disclosure Statement

For the six months ended 30 June 2025

General information and definitions

Certain information contained in this full year Disclosure Statement for the six months ended 30 June 2025, is as required by section 81 of the Banking (Prudential Supervision) Act 1989 and is in accordance with the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended) (the "Order").

In this Disclosure Statement:

- China Construction Bank Corporation otherwise referred to as the "Overseas Bank", "Registered Bank", "Ultimate Parent Bank" or "CCBC", is domiciled in China – refers to the worldwide business of China Construction Bank Corporation excluding its controlled entities;
- China Construction Bank Corporation Group otherwise referred to as the "Overseas Banking Group" is domiciled in China – refers to the worldwide business of China Construction Bank Corporation including its controlled entities;
- China Construction Bank Corporation New Zealand Branch (the "branch") – refers to the New Zealand branch of the Ultimate Parent Bank;
- China Construction Bank (New Zealand) Limited referred to as "CCBNZL" – refers to the locally incorporated subsidiary of the Overseas Bank;
- China Construction Bank Corporation New Zealand Banking Group referred to as the "NZ Banking Group" – refers to the New Zealand banking operations of the Overseas Banking Group, including:
 - (a) the branch; and
 - (b) CCBNZL
- The Board of Directors of the Overseas Bank referred to as the "Board".

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 (NZD) unless otherwise stated.

Corporate information

Registered Bank

Address for service - Overseas Bank's principal office outside of New Zealand is:

China Construction Bank Corporation
No. 25 Financial Street,
Xicheng District,
Beijing 100033,
The People's Republic of China

Address for service - branch:

China Construction Bank Corporation, New Zealand branch
Level 29 Vero Centre,
48 Shortland Street,
Auckland 1010,
New Zealand

The Disclosure Statement of the NZ Banking Group is available for download, free of charge, on the NZ Banking Group's website (<http://nz.ccb.com>). A printed copy will also be made available, free of charge, upon request and will be dispatched by the end of the second working day after the day on which the request has been received.

A copy of the Overseas Banking Group's most recently published financial statements is available for download, free of charge, on the Overseas Bank's website (http://en.ccb.com/eng/investor/performance/reports/annual_reports/index.shtml).

The NZ Banking Group's Climate Report for the year ending 31 December 2024 can also be accessed on the NZ Banking Group's website (https://nz.ccb.com/lnq/2025-03/21/article_2025032115010528005.shtml).

Ultimate parent and holding company

The NZ Banking Group comprises China Construction Bank (New Zealand) Limited (the "Bank") and the New Zealand branch of China Construction Bank Corporation. The Bank is a wholly owned subsidiary of China Construction Bank Corporation, which is incorporated and domiciled in the People's Republic of China. The ultimate non-bank holding company and controlling party of the NZ Banking Group is Central Huijin Investment Ltd, a wholly state-owned investment company under the China Investment Corporation, which in turn reports directly to the State Council of the People's Republic of China.

Subordination of claims of creditors

There are no material legislative and regulatory restrictions in the People's Republic of China that, in the event of a liquidation of the Overseas Bank, may subordinate the claims of unsecured creditors of the branch on the assets of the Overseas Bank to those of other unsecured creditors of the Overseas Bank.

Requirement to hold excess assets over deposit liabilities

The Overseas Bank is not required by any statute to hold in New Zealand an excess of assets over deposit liabilities.

Requirement to maintain sufficient assets to cover ongoing obligation to pay deposit liabilities

As required by the "Rules on Liquidity Risk Management of Commercial Banks" issued by the CBRC, the Overseas Bank is required to have adequate high quality liquid assets, so as to meet its liquidity needs under the set liquidity stress scenarios for at least 30 days through liquidating these assets.

Limits on material financial support by the Ultimate Parent Bank

There are no regulations, legislation or other restrictions of a legally enforceable nature in the People's Republic of China that may materially inhibit the legal ability of CCBC to provide material financial support to the NZ Banking Group.

Changes in the Overseas Bank's Board of Directors

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

- Mr. Bo Tian ceased to serve as Non-executive Director of the Board in June 2025.
- Mr. Yang Xia ceased to serve as Non-executive Director of the Board in June 2025.
- Mr. Graeme Wheeler ceased to serve as Independent Non-executive Director of the Board in June 2025.
- Mr. Michel Madelain ceased to serve as Independent Non-executive Director of the Board in June 2025.
- Mr. Weiguo Zhang was appointed as an Independent Non-executive Director of the Board in June 2025.
- Ms. Li Li was appointed as Non-executive Director of the Board in July 2025.
- Ms. Xiaodai Xin was appointed as Non-executive Director of the Board in August 2025.
- Mr. Hongquan Dou was appointed as Non-executive Director of the Board 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.

New Zealand Chief Executive Officer of the branch

Name	Mr. Yong Wang
Primary Occupation	Chief Executive Officer, China Construction Bank (New Zealand) Limited
Residence	Auckland, New Zealand
External Directorship	None

Guarantee arrangements

There have been no changes to the Deed of Guarantee (the "Guarantee") since the publication of the NZ Banking Group'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.

Pending proceedings or arbitration

There are no pending legal proceedings or arbitrations concerning any member of the NZ Banking Group or, if publicly available, the Overseas Banking Group, whether in New Zealand or elsewhere, that may have a material adverse effect on the Overseas Bank or the NZ Banking Group.

Auditor

Ernst & Young ("EY"), 2 Takutai Square, Britomart, Auckland 1010, New Zealand.

Directors' and New Zealand Chief Executive Officer's Statements

Each Director and the New Zealand Chief Executive Officer 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 and the New Zealand Chief Executive Officer believes, after due enquiry, that, for the six months ended 30 June 2025:

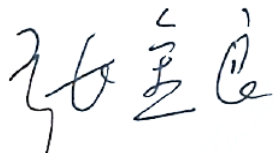
- (a) the Registered Bank has complied in all material respects with each condition of registration that applied during that period; and
- (b) the branch and CCBNZL had systems in place to monitor and control adequately the material risks of the NZ Banking Group including credit risk, concentration of 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.

Signed by the New Zealand Chief Executive Officer of China Construction Bank Corporation New Zealand Branch



Mr. Yong Wang
Dated: 26 August 2025

Signed by and on behalf of all the Directors of China Construction Bank Corporation



Mr. Jinliang Zhang
Chairman & Executive Director
Dated: 26 August 2025

Statement of comprehensive income

For the period ended

		Unaudited 30 Jun 2025 6 months	Unaudited 30 Jun 2024 6 months	Audited 31 Dec 2024 12 months
	Note			
Interest income	2	138,496	166,460	328,183
Interest expense	2	(97,658)	(123,544)	(241,538)
Other interest income / (expense)	2	-	-	181
Net interest income	2	40,838	42,916	86,826
Net fees and commission income	3	5,135	3,769	7,563
Other income / (expense)	3	(1,883)	1,196	101
Net operating income before operating expenses and impairment charges		44,090	47,881	94,490
Operating expenses		(10,542)	(11,246)	(21,573)
Impairment (charges) / write-backs on credit exposures	4	(3,508)	2,971	1,215
Profit before income tax		30,040	39,606	74,132
Income tax expense		(8,174)	(11,183)	(20,247)
Profit after income tax attributable to the owner of the NZ Banking Group		21,866	28,423	53,885
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		(2,976)	189	2,558
Net change in FVOCI reserve		(1,429)	65	33
Total other comprehensive income / (expense), net of tax		(4,405)	254	2,591
Total comprehensive income attributable to the owner of the NZ Banking Group		17,461	28,677	56,476

These interim financial statements are to be read in conjunction with the notes on pages 10 - 36.

Statement of changes in equity

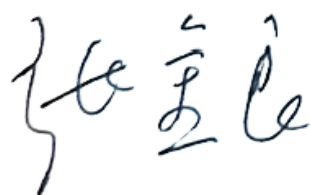
	NZ Branch				NZ Banking Group				Total
	Share capital	Retained earnings	Cash flow hedge reserve	FVOCI reserve	Share capital	Retained earnings	Cash flow hedge reserve	FVOCI reserve	
For the six months ended 30 June 2025 (Unaudited)									
Balance at 1 January 2025	-	86,389	(1,431)	-	199,178	145,271	(1,568)	167	428,006
Profit after income tax	-	10,625	-	-	-	11,241	-	-	21,866
Other comprehensive income / (expense)	-	-	1,084	-	-	-	(4,060)	(1,429)	(4,405)
Total comprehensive income / (expense) for the year	-	10,625	1,084	-	-	11,241	(4,060)	(1,429)	17,461
Transactions with owners:									
Dividends paid on ordinary shares	-	-	-	-	-	-	-	-	-
Balance at 30 June 2025	-	97,014	(347)	-	199,178	156,512	(5,628)	(1,262)	445,467
For the six months ended 30 June 2024 (Unaudited)									
Balance at 1 January 2024	-	60,752	(1,829)	-	199,178	117,023	(3,728)	134	371,530
Profit after income tax	-	15,101	-	-	-	13,323	-	-	28,424
Other comprehensive income	-	-	367	-	-	-	(178)	65	254
Total comprehensive income / (expense) for the period	-	15,101	367	-	-	13,323	(178)	65	28,678
Balance at 30 June 2024	-	75,853	(1,462)	-	199,178	130,346	(3,906)	199	400,208
For the year ended 31 December 24 (Audited)									
Balance at 1 January 2024	-	60,752	(1,829)	-	199,178	117,023	(3,728)	134	371,530
Profit after income tax	-	25,637	-	-	-	28,248	-	-	53,885
Other comprehensive expense	-	-	398	-	-	-	2,160	33	2,591
Total comprehensive income / (expense) for the year	-	25,637	398	-	-	28,248	2,160	33	56,476
Transactions with owners:									
Dividends paid on ordinary shares	-	-	-	-	-	-	-	-	-
Balance at 31 December 2024	-	86,389	(1,431)	-	199,178	145,271	(1,568)	167	428,006

These interim financial statements are to be read in conjunction with the notes on pages 10 - 36.

Balance sheet

<u>As at</u>	<u>Note</u>	<u>Unaudited</u> <u>30 Jun 2025</u>	<u>Unaudited</u> <u>30 Jun 2024</u>	<u>Audited</u> <u>31 Dec 2024</u>
Assets				
Cash and balances with central banks	6	488,251	609,798	447,315
Due from other financial institutions	7	102,819	255,888	129,354
Investment securities	8	575,498	227,963	219,895
Loans and advances	9	3,393,897	3,876,041	4,003,455
Due from related parties	16	616	358	485
Derivative financial assets		52,642	33,549	249,024
Property, plant and equipment	10	2,493	3,575	3,032
Intangible assets		85	76	96
Deferred tax assets		5,877	3,895	4,906
Other assets		487	408	677
Total assets		4,622,665	5,011,551	5,058,239
Liabilities				
Due to other financial institutions	11	1,535,378	1,872,661	1,722,532
Deposits from customers	12	405,457	457,976	556,654
Debt securities issued	13	862,535	860,165	713,266
Due to related parties	16	1,305,078	1,391,372	1,616,223
Current tax liabilities		2,249	1,516	5,949
Derivative financial liabilities		58,719	18,427	7,735
Other liabilities	14	7,782	9,226	7,874
Total liabilities		4,177,198	4,611,343	4,630,233
Head Office account				
Retained earnings		97,014	75,853	86,389
Reserves		(347)	(1,462)	(1,431)
Total Head Office account		96,667	74,391	84,958
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 equity		348,800	325,817	343,048
Total equity attributable to the owner of the NZ Banking Group		445,467	400,208	428,006
Total liabilities and equity		4,622,665	5,011,551	5,058,239
Total interest earning and discount bearing assets		4,567,542	4,968,794	4,805,060
Total interest and discount bearing liabilities		4,057,131	4,559,642	4,577,023

These interim financial statements were approved and signed on behalf of the Board of Directors by:



Mr. Jinliang Zhang
Chairman & Executive Director
Dated: 26 August 2025



Mr. Yi Zhang
Vice Chairman & Executive Director
Dated: 26 August 2025

These interim financial statements are to be read in conjunction with the notes on pages 10 - 36.

Statement of cash flows

		Unaudited 30 Jun 2025 6 months	Unaudited 30 Jun 2024 6 months	Audited 31 Dec 2024 12 months
<u>For the period ended</u>	Note			
Cash flows from operating activities				
Interest received		134,285	154,718	314,484
Interest paid		(106,200)	(123,515)	(227,068)
Income received from financial instruments designated as FVOCI		4,730	9,733	12,575
Non-interest income received		5,216	4,210	8,286
Non-interest expense paid		248,001	(61,409)	(276,661)
Operating expenses paid		(9,523)	(10,082)	(20,350)
Income taxes paid		(11,687)	(14,837)	(21,401)
Net cash flows from operating activities before changes in operating assets and liabilities		264,822	(41,182)	(210,135)
Net changes in operating assets and liabilities:				
Net change in GST receivable		48	10	(39)
Net change in other assets		143	(36)	(256)
Net change in loans and advances		603,390	(212,389)	(345,767)
Net change in due from related parties		(13)	3	13
Net change in due to other financial institutions		(187,153)	623,465	473,337
Net change in deposits from customers		(148,956)	(50,254)	42,391
Net changes in operating assets and liabilities		267,459	360,799	169,679
Net cash flows provided by / (used in) operating activities	5	532,281	319,617	(40,456)
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	46,060	156,283
Repayment of due to related parties		(333,239)	(98,848)	(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 provided by / (used in) financing activities		(162,903)	(66,162)	(6,624)
Net increase / (decrease) in cash and cash equivalents		14,521	364,205	75,325
Cash and cash equivalents at beginning of the year		577,153	501,828	501,828
Cash and cash equivalents at end of the period	20 (a)	591,674	866,033	577,153
Cash and cash equivalents at end of the period comprise:				
Cash and balances with central banks	20 (a)	488,251	609,798	447,315
Due from other financial institutions (call or original maturity of 3 months or less)	20 (a)	102,819	255,888	129,354
Due from related parties (nostro account)	20 (a)	604	347	484
Cash and cash equivalents at end of the period		591,674	866,033	577,153

These interim financial statements are to be read in conjunction with the notes on pages 10 - 36.

Notes to the Interim Financial Statements

1. Statement of accounting policies

1.1 Reporting entity

The reporting entity is the NZ Banking Group as described under General Information and Definitions. It is an aggregation of the China Construction Bank Corporation New Zealand Branch (the "branch") and China Construction Bank (New Zealand) Limited (the "subsidiary"). The principal activity of the NZ Banking Group is the provision of a range of banking products and services to business, corporate, institutional and retail customers.

These condensed interim financial statements were approved for issue by the Board of the Overseas Bank on 26 August 2025.

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 NZ Banking Group'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 and with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable Financial Reporting Standards as appropriate for Tier 1 for-profit entities. They also comply with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the IFRS Interpretations Committee ("IFRS IC") applicable to companies reporting under IFRS.

These condensed interim financial statements have been prepared under the historical cost convention, except by the application of fair value measurements required or allowed by relevant accounting standards. The going concern basis of accounting has been adopted.

1.3 Basis of aggregation

The basis of aggregation is an addition of the branch and the subsidiary balances, with any transactions between the branch and the subsidiary eliminated to form the combined financial statements.

1.4 Presentation currency and rounding

All amounts contained in the financial statements are presented in New Zealand dollars, which is the NZ Banking Group's functional and presentation currency. The amounts are rounded to the nearest thousand dollars.

1.5 Comparative data

Certain comparative information has been reclassified to ensure consistency with the current reporting period where appropriate.

1.6 Changes in accounting policies

The accounting policies and methods of computation are consistent with those of the NZ Banking Group'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 NZ Banking Group 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 NZ Banking Group.

(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 NZ Banking Group 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 NZ Banking Group'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 NZ Banking Group in these financial statements.

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	11,248	7,476	19,528
¹ Due from other financial institutions	2,993	776	1,516
¹ Loans and advances **	117,319	148,675	291,280
¹ Due from related parties **	29	166	307
² Investment securities **	6,907	9,367	15,552
Total interest income	138,496	166,460	328,183
Interest expense			
³ Due to other financial institutions **	(29,446)	(33,153)	(65,831)
³ Deposits and other borrowings **	(23,136)	(27,436)	(54,554)
³ Due to related parties **	(27,394)	(38,531)	(72,595)
³ Debt securities issued **	(17,654)	(24,385)	(48,485)
³ Lease liabilities	(28)	(39)	(73)
Total interest expense	(97,658)	(123,544)	(241,538)
Other interest income / (expense)			
⁴ Investment securities	-	-	181
Total other interest income / (expense)	-	-	181
Total net interest income	40,838	42,916	86,826

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.

⁴ Interest earned on financial assets classified and measured at FVTPL.

** 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	5,190	3,989	8,091
Trade finance and other fee income ¹	1	16	23
Total fees and commission income	5,191	4,005	8,114
Other fee expense ¹	(56)	(236)	(551)
Net fees and commission income	5,135	3,769	7,563
Other income / (expense)			
Net ineffectiveness on fair value hedges	25	204	169
Net ineffectiveness on cash flow hedges	141	1,161	677
Other gains / (losses) on financial instruments ²	(2,049)	(169)	(748)
Net gain on financial assets at FVTPL	-	-	3
Total other income / (expense)	(1,883)	1,196	101
Total net non-interest income / expense	3,252	4,965	7,664

¹ Comparative figures have been restated to reclassify Trade finance and other fee income to the Other fee expense category.

² Includes customer driven trading income used for hedging purposes and unrealised gains / (losses) on derivative financial instruments held with related parties (refer Note 16).

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 Jun 2025 (Unaudited)						
Movement in collectively assessed provisions	18	(2,004)	(1,598)	7	69	(3,508)
Movement in individually assessed provisions	-	-	-	-	-	-
Bad debts written-off directly to the profit or loss	-	-	-	-	-	-
Bad debts recovered	-	-	-	-	-	-
Total impairment (charges) / write-backs	18	(2,004)	(1,598)	7	69	(3,508)

For the six months ended 30 June 2024 (Unaudited)

Movement in collectively assessed provisions	79	(2,166)	2,002	-	3,056	2,971
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)	2,002	-	3,056	2,971

For the year ended 31 December 2024 (Audited)

Movement in collectively assessed provisions	88	(1,770)	(559)	(7)	3,463	1,215
Movement in individually assessed provisions	-	-	-	-	-	-
Bad debts written-off directly to the profit or loss	-	-	-	-	-	-
Bad debts recovered	-	-	-	-	-	-
Total impairment write-backs / (charges)	88	(1,770)	(559)	(7)	3,463	1,215

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

	Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
For the period ended			
Reconciliation of profit after income tax to net cash flows from / (used in) operating activities			
Profit after income tax	21,866	28,423	53,885
Adjustments:			
Impairment charges / (write-backs) on credit exposures	3,508	(2,971)	(1,215)
Depreciation and amortisation	555	550	1,073
Income tax expense	(3,513)	(3,655)	(1,154)
Unrealized loss / (gain) on financial instruments	249,965	(62,165)	(276,039)
Movement in interest accruals	(7,559)	(1,364)	13,315
Net (increase) / decrease in operating assets:			
GST receivable	48	10	(39)
Loans and advances	603,390	(212,389)	(345,767)
Due from related parties ¹	(13)	3	13
Other assets	143	(36)	(256)
Net increase / (decrease) in operating liabilities:			
Due to other financial institutions	(187,153)	623,465	473,337
Deposits from customers	(148,956)	(50,254)	42,391
Net cash flow from / (used in) operating activities	532,281	319,617	(40,456)

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

Financial Position

6. Cash and balances with central banks

As at

Settlement account balances with central banks

Total cash and balances with central banks

Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
488,251	609,798	447,315
488,251	609,798	447,315

7. Due from other financial institutions

As at

Placements with other financial institutions – call

Placements with other financial institutions – term

Provision for impairment losses

Total amount due from other financial institutions

Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
22,815	205,361	9,272
80,008	50,541	120,126
(4)	(14)	(44)
102,819	255,888	129,354

8. Investment securities

As at

At FVOCI

Registered bank securities

Multilateral development banks and other international organisations

Government securities

Total investment securities at FVOCI

Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
256,235	85,679	85,589
169,364	136,370	128,292
149,899	5,914	6,014
575,498	227,963	219,895

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

9. Loans and advances

As at

Residential mortgages

Corporate exposures

Other exposures ¹

Total gross loans and advances

Unearned income

Loan origination fees

Fair value hedge adjustments

Loans and advances before provision for impairment

Provision for impairment losses

Total net loans and advances

Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
801,859	871,457	873,069
2,615,765	3,026,233	3,093,764
-	-	59,495
3,417,624	3,897,690	4,026,328
(9,083)	(11,776)	(12,187)
1,928	1,558	2,398
(119)	(746)	(226)
3,410,350	3,886,726	4,016,313
(16,453)	(10,685)	(12,858)
3,393,897	3,876,041	4,003,455

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

10. Property, plant and equipment

<u>As at</u>	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 for the NZ Banking Group is nil (30 June 2024: nil, 31 December 2024: nil).

11. Due to other financial institutions

<u>As at</u>	Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
Placements from other financial institutions	1,535,378	1,834,069	1,722,532
Securities sold under agreements to repurchase from central banks	-	38,592	-
Total amount due to other financial institutions	1,535,378	1,872,661	1,722,532

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

<u>As at</u>	30 Jun 2025	30 Jun 2024	31 Dec 2024
Demand deposits bearing interest	24,425	31,812	35,188
Deposits not bearing interest	9,988	6,197	12,229
Term deposits	371,044	419,967	509,237
Total deposits from customers	405,457	457,976	556,654

The branch held no retail deposits as at 30 June 2025 (30 June 2024: nil, 31 December 2024: nil).

13. Debt securities issued

<u>As at</u>	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 year	713,266	872,408	872,408
Issuance during the year	164,650	197,141	213,201
Repayments during the year	-	(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 year	862,535	860,165	713,266

¹ FX translation impact on debt issued in USD currency.

14. Other liabilities

As at

Other liabilities

Trade creditors and other accrued expenses

Lease liabilities¹

Employee entitlements

Provision for impairment on off-balance sheet credit related business

Total other liabilities

Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
587	503	1,155
2,387	3,358	2,875
4,646	4,727	3,613
162	638	231
7,782	9,226	7,874

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

Other information about leases for which the NZ Banking Group 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 NZ Banking Group determines the fair value of a financial instrument based on the quoted price. Where no quoted price in an active market is available, the NZ Banking Group 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 NZ Banking Group categorises all fair value measurements according to the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

“Level 1” – Quoted market price

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

“Level 2” – Valuation technique using observable inputs

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 NZ Banking Group's financial instruments measured at FVTPL and FVOCI are recognised on a recurring basis within Level 2. The NZ Banking Group 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 NZ Banking Group's financial instruments measured at fair value on a recurring basis according to the fair value hierarchy described above.

<u>As at</u>	Valuation	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	52,642	33,549	249,024
Total financial assets measured at fair value		628,140	261,512	468,919
Financial liabilities				
Derivative financial liabilities	Level 2	58,719	18,427	7,735
Total financial liabilities measured at fair value		58,719	18,427	7,735

(b) Fair value of financial instruments

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

<u>As at 30 June 2025 (Unaudited)</u>	At amortised cost	At FVOCI	At FVTPL	Fair value - derivative instruments	Total carrying amount	Fair value
Financial assets						
Cash and balances with central banks	488,251	-	-	-	488,251	488,251
Due from other financial institutions	102,819	-	-	-	102,819	102,819
Investment securities	-	575,498	-	-	575,498	575,498
Loans and advances	3,393,897	-	-	-	3,393,897	3,659,532
Due from related parties	616	-	-	-	616	616
Derivative financial assets	-	-	-	52,642	52,642	52,642
Other assets	91	-	-	-	91	91
Total financial assets	3,985,674	575,498	-	52,642	4,613,814	4,879,449
Financial liabilities						
Due to other financial institutions	1,535,378	-	-	-	1,535,378	1,546,520
Deposits from customers	405,457	-	-	-	405,457	402,271
Debt securities issued	862,535	-	-	-	862,535	881,290
Due to related parties	1,305,078	-	-	-	1,305,078	1,317,849
Derivative financial liabilities	-	-	-	58,719	58,719	58,719
Lease liabilities	2,387	-	-	-	2,387	2,387
Total financial liabilities	4,110,835	-	-	58,719	4,169,554	4,209,036

	At amortised cost	At FVOCI	At FVTPL	Fair value - derivative instruments	Total carrying amount	Fair value
As at 30 June 2024 (Unaudited)						
Financial assets						
Cash and balances with central banks	609,798	-	-	-	609,798	609,798
Due from other financial institutions	255,888	-	-	-	255,888	255,888
Investment securities	-	227,963	-	-	227,963	227,963
Loans and advances	3,876,041	-	-	-	3,876,041	4,287,200
Due from related parties	358	-	-	-	358	358
Derivative financial assets	-	-	-	33,549	33,549	33,549
Other assets	90	-	-	-	90	90
Total financial assets	4,742,175	227,963	-	33,549	5,003,687	5,414,846
Financial liabilities						
Due to other financial institutions	1,872,661	-	-	-	1,872,661	1,872,112
Deposits from customers	457,976	-	-	-	457,976	463,183
Debt securities issued	860,165	-	-	-	860,165	909,113
Due to related parties	1,391,372	-	-	-	1,391,372	1,422,399
Derivative financial liabilities	-	-	-	18,427	18,427	18,427
Lease liabilities	3,358	-	-	-	3,358	3,358
Total financial liabilities	4,585,532	-	-	18,427	4,603,959	4,688,592
As at 31 December 2024 (Audited)						
Financial assets						
Cash and balances with central banks	447,315	-	-	-	447,315	447,315
Due from other financial institutions	129,354	-	-	-	129,354	129,354
Investment securities	-	219,895	-	-	219,895	219,895
Loans and advances	4,003,455	-	-	-	4,003,455	4,355,557
Due from related parties	485	-	-	-	485	485
Derivative financial assets	-	-	-	249,024	249,024	249,024
Other assets	139	-	-	-	139	139
Total financial assets	4,580,748	219,895	-	249,024	5,049,667	5,401,769
Financial liabilities						
Due to other financial institutions	1,722,532	-	-	-	1,722,532	1,735,808
Deposits from customers	556,654	-	-	-	556,654	561,561
Debt securities issued	713,266	-	-	-	713,266	749,253
Due to related parties	1,616,223	-	-	-	1,616,223	1,643,992
Derivative financial liabilities	-	-	-	7,735	7,735	7,735
Lease liabilities	2,875	-	-	-	2,875	2,875
Total financial liabilities	4,611,550	-	-	7,735	4,619,285	4,701,224

16. Related party transactions and balances

The immediate parent of the NZ Banking Group is China Construction Bank Corporation. The ultimate controlling party of the NZ Banking Group is Central Huijin Investment Ltd ("Central Huijin"), a wholly state-owned investment company of the People's Republic of China. Central Huijin holds a controlling interest in China Construction Bank Corporation through its ownership structure, but does not participate in day-to-day operations. Central Huijin also holds controlling interests in other Chinese banks. The NZ Banking Group 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.

During the six months ended 30 June 2025, the NZ Banking Group has entered into or had in place various financial transactions with members of the Overseas Banking Group, represented by the Ultimate Parent Bank.

(a) Nature of transactions and balances with related parties

The NZ Banking Group undertakes transactions with the Overseas Banking Group. These transactions principally consist of funding (interest bearing) and hedging transactions (interest bearing) with related parties outside of the NZ Banking Group, 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 consists of nostro accounts held with the Ultimate Parent Bank and other receivables, which is reflected as cash and liquid assets.

The amounts due to the Ultimate Parent Bank consist of borrowed funds from the Ultimate Parent Bank measured at amortised cost.

These borrowings are made in the normal course of business and interest paid on borrowings is 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.

Recognised in**(a) Transactions with related parties**Interest income ¹Interest expense ²**Non-interest income / (expense)**

Unrealised gain / (loss) on derivatives

Total profit or loss impact**(b) Balances with related parties****Due from related parties**

Cash and liquid assets

Other assets

Total due from related parties

Derivative financial assets

Total related party assets**Due to related parties**

Borrowings at amortised cost

Total due to related parties

Derivative financial liabilities

Total related party liabilities

Unaudited **Unaudited** **Audited**
30 Jun 2025 **30 Jun 2024** **31 Dec 2024**

29	166	307
(27,394)	(38,531)	(72,595)
(1,089)	(316)	(1,175)
(28,454)	(38,681)	(73,463)
602	343	484
14	15	1
616	358	485
22,642	21,047	112,553
23,258	21,405	113,038
1,305,078	1,391,372	1,616,223
1,305,078	1,391,372	1,616,223
15,072	2,910	3,095
1,320,150	1,394,282	1,619,318

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.

(c) Other transactions and balances

During the year ended 31 December 2024, the NZ Banking Group acquired short-term receivables, with repayment secured by a guarantee to the value of \$59m (31 December 2023: nil) 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 has 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.

Movement in related party balance

Balance at beginning of the year

Net amount repaid to related parties

Foreign exchange translation impact

Effect of fair value hedge adjustment

Net effect of transaction costs and accruals

Balance at end of the period

Unaudited **Unaudited** **Audited**
30 Jun 2025 **30 Jun 2024** **31 Dec 2024**
6 months **6 months** **12 months**

1,616,223	1,449,368	1,449,368
(227,952)	(102,428)	5,105
(98,999)	49,639	151,018
25,705	(6,432)	7,664
(9,899)	1,225	3,068
1,305,078	1,391,372	1,616,223

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 NZ Banking Group 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 NZ Banking Group's existing customer base remains minimal. The NZ Banking Group 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 NZ Banking Group recognises the potential compounding effects climate-related risks may pose to the financial system and the NZ Banking Group's other risks. As a responsible financial institution, the NZ Banking Group is committed to understanding and applying a risk-based approach to the management of the risks and opportunities associated with climate change. The NZ Banking Group'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 NZ Banking Group embraces the opportunity to work with its customers in this area to deliver better customer outcomes.

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

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

17. Asset quality

A. Credit quality information

	Residential mortgages	Corporate exposures	Other exposures	Total loans and advances
As at 30 June 2025 (Unaudited)				
(a) Asset quality - advances to customers				
Neither past due nor impaired	781,553	2,612,671	-	3,394,224
Past due but not impaired	20,306	-	-	20,306
Individually impaired assets	-	3,094	-	3,094
Provision for credit impairment	(8,392)	(8,061)	-	(16,453)
Unearned income	-	-	-	(9,083)
Loan origination fees	-	-	-	1,928
Fair value hedge adjustments	-	-	-	(119)
Net carrying amount	793,467	2,607,704	-	3,393,897
(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

	Residential mortgage loans	Corporate exposures	Other exposures	Total loans and advances
As at 30 June 2024 (Unaudited)				
(a) Asset quality - advances to customers				
Neither past due nor impaired	871,457	3,026,233	-	3,897,690
Past due but not impaired	-	-	-	-
Individually impaired assets	-	-	-	-
Provision for credit impairment	(6,784)	(3,902)	-	(10,686)
Unearned income	-	-	-	(11,776)
Loan origination fees	-	-	-	1,558
Fair value hedge adjustments	-	-	-	(746)
Net carrying amount	864,673	3,022,331	-	3,876,040
(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)				
(a) Asset quality - advances to customers				
Neither past due nor impaired	867,706	3,093,764	59,495	4,020,965
Past due but not impaired	5,363	-	-	5,363
Individually impaired assets	-	-	-	-
Provision for credit impairment	(6,388)	(6,463)	(7)	(12,858)
Unearned income	-	-	-	(12,187)
Loan origination fees	-	-	-	2,398
Fair value hedge adjustments	-	-	-	(226)
Net carrying amount	866,681	3,087,301	59,488	4,003,455
(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 NZ Banking Group does not have any financial assets designated as FVTPL as at 30 June 2025 (30 June 2024: nil, 31 December 2024: nil).

B. Movement in loans and advances

	Stage 1	Stage 2	Stage 3	
	<u>12-months</u>	<u>Lifetime ECL</u>	<u>Lifetime ECL</u>	<u>Individually</u>
	<u>ECL</u>	<u>not credit</u>	<u>credit</u>	<u>assessed</u>
<u>As at 30 June 2025 (Unaudited)</u>		<u>impaired</u>	<u>impaired</u>	<u>Lifetime ECL</u>
				<u>Total</u>
(a) Residential mortgages				
Gross balance as at 1 January 2025	867,706	5,363	-	-
Additions	35,768	29,090	12,144	-
Deletions	(118,169)	(25,961)	(4,082)	-
Gross balance as at 30 June 2025	785,305	8,492	8,062	-
(b) Corporate exposures				
Gross balance as at 1 January 2025	3,056,773	36,991	-	-
Additions	379,288	140,774	-	3,094
Deletions	(977,433)	(23,722)	-	-
Gross balance as at 30 June 2025	2,458,628	154,043	-	3,094
(c) Other exposures				
Gross balance as at 1 January 2025	59,495	-	-	-
Additions	-	-	-	-
Deletions	(59,495)	-	-	-
Gross balance as at 30 June 2025	-	-	-	-
(d) Total loans and advances				
Gross balance as at 1 January 2025	3,983,974	42,354	-	-
Additions	415,056	169,864	12,144	3,094
Deletions	(1,155,097)	(49,683)	(4,082)	-
Gross balance as at 30 June 2025	3,243,933	162,535	8,062	3,094
As at 30 June 2024 (Unaudited)				
(a) Residential mortgages				
Gross balance as at 1 January 2024	792,174	-	-	-
Additions	150,517	1,624	-	-
Deletions	(71,234)	(1,624)	-	-
Gross balance as at 30 June 2024	871,457	-	-	-
(b) Corporate exposures				
Gross balance as at 1 January 2024	2,856,576	32,801	-	-
Additions	1,011,381	14,468	-	-
Deletions	(874,320)	(14,673)	-	-
Gross balance as at 30 June 2024	2,993,637	32,596	-	-
(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	3,648,750	32,801	-	-
Additions	1,161,898	16,092	-	-
Deletions	(945,554)	(16,297)	-	-
Gross balance as at 30 June 2024	3,865,094	32,596	-	-

	Stage 1	Stage 2	Stage 3		
	<u>12-months ECL</u>	<u>Lifetime ECL not credit impaired</u>	<u>Lifetime ECL credit impaired</u>	<u>Individually assessed Lifetime ECL</u>	<u>Total</u>
As at 31 December 2024 (Audited)					
(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	2,856,576	32,801	-	-	2,889,377
Additions	1,900,108	54,950	-	-	1,955,058
Deletions	(1,699,911)	(50,760)	-	-	(1,750,671)
Gross balance as at 31 December 2024	3,056,773	36,991	-	-	3,093,764
(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	3,648,750	32,801	-	-	3,681,551
Additions	2,297,927	68,081	-	-	2,366,008
Deletions	(1,962,703)	(58,528)	-	-	(2,021,231)
Gross balance as at 31 December 2024	3,983,974	42,354	-	-	4,026,328

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

C. Movement in provision for impairment losses

	Stage 1	Stage 2	Stage 3		
	Collective provision	Collective provision	Collective provision	Individually assessed	
	12-months ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Lifetime ECL credit impaired	Total provision
As at 30 June 2025 (Unaudited)					
Due from other financial institutions ¹	4	-	-	-	4
Investment securities ²	112	-	-	-	112
Loans and advances	9,484	1,616	2,259	3,094	16,453
Off-balance sheet credit related commitments	162	-	-	-	162
Total provision for impairment losses as at 30 June 2025	9,762	1,616	2,259	3,094	16,731
(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	6,196	267	-	-	6,463
Transferred to Stage 1	-	-	-	-	-
Transferred to Stage 2	(1,614)	1,614	-	-	-
Transferred to Stage 3	-	(3,094)	-	3,094	-
Charged / (credited) to profit or loss	1,130	4,461	-	-	5,591
Reversals of previously recognised impairment losses	(938)	(3,055)	-	-	(3,993)
Balance as at 30 June 2025	4,774	193	-	3,094	8,061
(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	-	-	-	-	-
Recovery	-	-	-	-	-
Balance as at 30 June 2025	-	-	-	-	-
(d) Total loans and advances					
Balance as at 1 January 2025	11,782	1,076	-	-	12,858
Transferred to Stage 1	104	(95)	(9)	-	-
Transferred to Stage 2	(5,626)	6,055	(429)	-	-
Transferred to Stage 3	(364)	(5,957)	3,227	3,094	-
Charged / (credited) to profit or loss	4,533	9,276	3,697	-	17,506
Reversals of previously recognised impairment losses	(945)	(8,739)	(4,227)	-	(13,911)
Total provision for impairment losses on loans & advances as at 30 June 2025	9,484	1,616	2,259	3,094	16,453

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.

C. Movement in provision for impairment losses (continued)

	Stage 1	Stage 2	Stage 3		Total provision
	Collective provision	Collective provision	Collective provision	Individually assessed	
	12-months ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Lifetime ECL credit impaired	
As at 30 June 2024 (Unaudited)					
Due from other financial institutions ¹	14	-	-	-	14
Investment securities ²	129	-	-	-	129
Loans and advances	10,606	80	-	-	10,686
Off-balance sheet credit related commitments	638	-	-	-	638
Total provision for impairment losses as at 30 June 2024	11,387	80	-	-	11,467
(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	5,812	92	-	-	5,904
Transferred to Stage 1	-	-	-	-	-
Transferred to Stage 2	-	176	-	-	176
Transferred to Stage 3	-	-	-	-	-
Charged / (credited) to profit or loss	1,526	11	-	-	1,537
Reversals of previously recognised impairment losses	(3,516)	(199)	-	-	(3,715)
Recovery	-	-	-	-	-
Balance as at 30 June 2024	3,822	80	-	-	3,902
(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	-	-	-	-	-
(c) Total loans and advances					
Balance as at 1 January 2024	10,430	92	-	-	10,522
Transferred to Stage 1	247	(247)	-	-	-
Transferred to Stage 2	(247)	423	-	-	176
Transferred to Stage 3	-	-	-	-	-
Charged / (credited) to profit or loss	4,250	11	-	-	4,261
Reversals of previously recognised impairment losses	(4,074)	(199)	-	-	(4,273)
Recovery	-	-	-	-	-
Total provision for impairment losses on loans & advances as at 30 June 2024	10,606	80	-	-	10,686

¹ There was no transfer of collective provision for due from other financial institutions between the stages. The total provision of \$14,000 (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.

C. Movement in provision for impairment losses (continued)

	Stage 1	Stage 2	Stage 3		Total provision
	Collective provision	Collective provision	Collective provision	Individually assessed	
	12-months ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Lifetime ECL credit impaired	
As at 31 December 2024 (Audited)					
Due from other financial institutions ¹	44	-	-	-	44
Investment securities ²	90	-	-	-	90
Loans and advances	11,782	1,076	-	-	12,858
Off-balance sheet credit related commitments	231	-	-	-	231
Total provision for impairment losses as at 31 December 2024	12,147	1,076	-	-	13,223
(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	5,812	92	-	-	5,904
Transferred to Stage 1	-	-	-	-	-
Transferred to Stage 2	(664)	664	-	-	-
Transferred to Stage 3	-	-	-	-	-
Charged / (credited) to profit or loss	6,384	579	-	-	6,963
Reversals of previously recognised impairment losses	(5,336)	(1,068)	-	-	(6,404)
Balance as at 31 December 2024	6,196	267	-	-	6,463
(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
Amounts written off	-	-	-	-	-
Reversals of previously recognised impairment losses	(29)	-	-	-	(29)
Recovery	-	-	-	-	-
Balance as at 31 December 2024	7	-	-	-	7
(c) Total loans and advances					
Balance as at 1 January 2024	10,430	92	-	-	10,522
Transferred to Stage 1	533	(533)	-	-	-
Transferred to Stage 2	(2,037)	2,037	-	-	-
Transferred to Stage 3	-	-	-	-	-
Charged / (credited) to profit or loss	10,179	548	-	-	10,727
Reversals of previously recognised impairment losses	(7,323)	(1,068)	-	-	(8,391)
Total provision for impairment losses on loans & advances as at 31 December 2024	11,782	1,076	-	-	12,858

¹ There was no transfer of collective provision for due from other financial institutions between the stages. The total provision of \$44,000 (refer Note 9) 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.

	Stage 1 Collective provision	Stage 2 Collective provision	Stage 3 Collective provision	Stage 3 Individually assessed	Total
	12-months ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Lifetime ECL credit impaired	provision
As at 30 June 2025 (Unaudited)					
Off-balance sheet credit related business ¹					
Balance as at 1 January 2025	231	-	-	-	231
Transferred to Stage 1	-	-	-	-	-
Transferred to Stage 2	-	-	-	-	-
Transferred to Stage 3	-	-	-	-	-
Charged / (credited) to profit or loss	98	-	-	-	98
Reversals of previously recognised impairment losses	(167)	-	-	-	(167)
Balance as at 30 June 2025	162	-	-	-	162

As at 30 June 2024 (Unaudited)**Off-balance sheet credit related business ¹**

Balance as at 1 January 2024	3,694	-	-	-	3,694
Transferred to Stage 1	-	-	-	-	-
Transferred to Stage 2	-	-	-	-	-
Transferred to Stage 3	-	-	-	-	-
Charged / (credited) to profit or loss	790	-	-	-	790
Amounts written off	-	-	-	-	-
Reversals of previously recognised impairment losses	(3,846)	-	-	-	(3,846)
Recovery	-	-	-	-	-
Balance as at 30 June 2024	638	-	-	-	638

As at 31 December 2024 (Audited)**Off-balance sheet credit related business ¹**

Balance as at 1 January 2024	3,694	-	-	-	3,694
Transferred to Stage 1	-	-	-	-	-
Transferred to Stage 2	-	-	-	-	-
Transferred to Stage 3	-	-	-	-	-
Charged / (credited) to profit or loss	1,220	-	-	-	1,220
Reversals of previously recognised impairment losses	(4,683)	-	-	-	(4,683)
Balance as at 31 December 2024	231	-	-	-	231

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 \$3.5 million for the NZ Banking Group 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

18. Concentration of credit exposures

Concentration of credit exposures arise where the NZ Banking Group is exposed to risk in industries of a similar nature or in particular geographies. The following table presents the NZ Banking Group's concentration of credit exposures reported by industry and geographic area.

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

As at	On-balance sheet credit exposures			Off-balance sheet credit related commitments		
	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	60,329	37,471	11,778	9,934	7,778
Construction	316,479	386,806	352,517	8,501	34,330	21,476
Education & training	87,784	88,684	89,573	5,581	4,503	5,581
Electricity, gas, water and waste services	568,008	548,407	552,592	425,594	377,519	445,032
Financial and insurance services	412,316	375,488	525,485	-	-	-
Healthcare and social assistance	253,331	260,234	253,153	28,400	20,955	28,400
Information media and telecommunications	66,709	149,715	62,258	2,338	20,907	7,495
Local government administration	-	-	-	-	25,000	25,000
Manufacturing	317,224	370,148	621,333	425,581	391,555	141,459
Mining	24,462	45,167	29,662	14,171	15,214	21,802
Personal lending	801,859	871,457	873,069	4,569	15,872	-
Public administration and safety	807,514	752,082	581,621	-	-	-
Rental, hiring and real estate services	682,192	918,818	855,446	29,242	62,177	97,873
Retail trade	63,353	64,260	63,678	57	127	57
Transport, postal and warehousing	149,072	118,826	119,636	96,000	238,094	283,125
Wholesale trade	40,147	-	40,114	-	-	-
Subtotal	4,637,454	5,025,261	5,072,445	1,051,812	1,216,187	1,085,078
Unearned income	(9,083)	(11,776)	(12,187)	-	-	-
Loan origination fees	1,928	1,558	2,398	-	-	-
Fair value hedge adjustments	(119)	(746)	(226)	-	-	-
Provision for impairment losses ¹	(16,457)	(10,700)	(12,902)	(162)	(638)	(231)
Total credit exposures	4,613,723	5,003,597	5,049,528	1,051,650	1,215,549	1,084,847
Geographic area ²						
New Zealand	3,994,765	4,425,524	4,390,357	1,051,650	1,202,880	1,084,847
Other countries	618,958	578,073	659,171	-	12,669	-
Total credit exposures	4,613,723	5,003,597	5,049,528	1,051,650	1,215,549	1,084,847

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.

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 NZ Banking Group'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 NZ Banking Group's book. The NZ Banking Group 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 NZ Banking Group'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 NZ Banking Group'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	488,251	-	-	-	-	-	488,251
Due from other financial institutions	102,813	-	-	-	-	7	102,820
Investment securities	202,534	-	-	80,686	289,040	3,238	575,498
Loans and advances ¹	2,743,720	258,578	299,129	65,375	36,800	(9,705)	3,393,897
Due from related parties	616	-	-	-	-	-	616
Derivative financial assets	-	-	-	-	-	52,642	52,642
Total financial assets	3,537,934	258,578	299,129	146,061	325,840	46,182	4,613,724
Non-financial assets	-	-	-	-	-	8,942	8,942
Total assets	3,537,934	258,578	299,129	146,061	325,840	55,124	4,622,666
Financial liabilities							
Due to other financial institutions	492,674	560,059	-	229,901	229,901	22,843	1,535,378
Deposits from customers	185,528	88,975	103,751	17,141	80	9,982	405,457
Debt securities issued	857,229	-	-	-	-	5,306	862,535
Due to related parties	202,245	126,446	271,672	428,089	263,440	13,186	1,305,078
Derivative financial liabilities	-	-	-	-	-	58,719	58,719
Total financial liabilities	1,737,676	775,480	375,423	675,131	493,421	110,036	4,167,167
Non-financial liabilities	-	-	-	-	-	10,031	10,031
Total liabilities	1,737,676	775,480	375,423	675,131	493,421	120,067	4,177,198
On-balance sheet interest rate repricing gap	1,800,258	(516,902)	(76,294)	(529,070)	(167,581)	(64,943)	445,468
Net derivative notional amount	(1,429,035)	326,498	268,584	613,293	220,660	-	-
Net interest rate repricing gap	371,223	(190,404)	192,290	84,223	53,079	(64,943)	445,468

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

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	609,798	-	-	-	-	-	609,798
Due from other financial institutions	255,714	-	-	-	-	174	255,888
Investment securities	97,185	-	32,490	-	96,714	1,574	227,963
Loans and advances ¹	2,933,980	315,714	382,182	199,450	45,209	(494)	3,876,041
Due from related parties	358	-	-	-	-	-	358
Derivative financial assets	-	-	-	-	-	33,549	33,549
Total financial assets	3,897,035	315,714	414,672	199,450	141,923	34,803	5,003,597
Non-financial assets	-	-	-	-	-	7,954	7,954
Total assets	3,897,035	315,714	414,672	199,450	141,923	42,757	5,011,551
Financial liabilities							
Due to other financial institutions	1,072,727	460,818	82,142	-	225,098	31,876	1,872,661
Deposits from customers	189,281	101,796	136,873	20,397	3,437	6,192	457,976
Debt securities issued	575,000	282,141	-	-	-	3,024	860,165
Due to related parties	155,093	-	164,285	246,427	844,127	(18,560)	1,391,372
Subordinated debt	-	-	-	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	18,427	18,427
Total financial liabilities	1,992,101	844,755	383,300	266,824	1,072,662	40,959	4,600,601
Non-financial liabilities	-	-	-	-	-	10,742	10,742
Total liabilities	1,992,101	844,755	383,300	266,824	1,072,662	51,701	4,611,343
On-balance sheet interest rate repricing gap	1,904,934	(529,041)	31,372	(67,374)	(930,739)	(8,944)	400,208
Net derivative notional amount	(1,375,670)	238,785	324,433	223,592	588,860	-	-
Net interest rate repricing gap	529,264	(290,256)	355,805	156,218	(341,879)	(8,944)	400,208

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)

Financial assets							
Cash and balances with central banks	447,315	-	-	-	-	-	447,315
Due from other financial institutions	129,145	-	-	-	-	209	129,354
Investment securities	112,312	5,978	-	49,773	50,433	1,399	219,895
Loans and advances ¹	3,247,409	313,429	305,422	82,431	60,928	(6,164)	4,003,455
Due from related parties	485	-	-	-	-	-	485
Derivative financial assets	-	-	-	-	-	249,024	249,024
Total financial assets	3,936,666	319,407	305,422	132,204	111,361	244,468	5,049,528
Non-financial assets	-	-	-	-	-	8,711	8,711
Total assets	3,936,666	319,407	305,422	132,204	111,361	253,179	5,058,239
Financial liabilities							
Due to other financial institutions	526,791	351,494	341,593	242,836	242,836	16,982	1,722,532
Deposits from customers	216,437	173,037	141,713	13,163	80	12,224	556,654
Debt securities issued	708,201	-	-	-	-	5,065	713,266
Due to related parties	376,337	371,936	106,600	266,501	497,468	(2,619)	1,616,223
Derivative financial liabilities	-	-	-	-	-	7,735	7,735
Total financial liabilities	1,827,766	896,467	589,906	522,500	740,384	39,387	4,616,410
Non-financial liabilities	-	-	-	-	-	13,823	13,823
Total liabilities	1,827,766	896,467	589,906	522,500	740,384	53,210	4,630,233
On-balance sheet interest rate repricing gap	2,108,900	(577,060)	(284,484)	(390,296)	(629,023)	199,969	428,006
Net derivative notional amount	(1,611,908)	230,855	416,723	417,642	546,688	-	-
Net interest rate repricing gap	496,992	(346,205)	132,239	27,346	(82,335)	199,969	428,006

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

20. Liquidity and funding risk management

(a) Liquidity portfolio management

The NZ Banking Group held the following financial assets for the purpose of managing liquidity risk:

<u>As at</u>		Unaudited Note 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
Cash and cash equivalents				
Cash and balances with central banks	6	488,251	609,798	447,315
Due from other financial institutions (call or original maturity of 3 months or less) ¹	7	102,819	255,888	129,354
Due from related parties ²	16	604	347	484
Total cash and cash equivalent		591,674	866,033	577,153
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		1,167,172	1,093,996	797,048

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 NZ Banking Group'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 NZ Banking Group and its counterparties such as early repayments or refinancing of term loans. The contractual maturity analysis for off-balance sheet commitments and contingent liabilities has been prepared using the earliest date at which the NZ Banking Group 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 NZ Banking Group does not manage its liquidity risk based on the analysis presented in the below table.

<u>As at 30 June 2025 (Unaudited)</u>	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	-	129,518	245,803	15,330	-	390,651	1,535,378
Deposits from customers	24,425	209,744	428,652	540,299	-	1,203,120	405,457
Debt securities issued	-	-	-	721,530	-	721,530	862,535
Due to related parties	-	-	-	-	-	-	1,305,078
Lease liabilities	-	272	815	1,356	8	2,451	2,387
Total non-derivative financial liabilities	24,425	339,504	675,270	1,278,515	8	2,317,722	4,110,835
Derivative financial liabilities							
Held for trading	-	35,305	14,639	480,869	-	530,813	
Gross settled – cash inflow	-	70,611	29,278	12,131	-	112,020	
Gross settled – cash outflow	-	-	-	24,261	-	24,261	
Total derivative financial liabilities	-	105,916	43,917	517,261	-	667,094	58,719
Lending commitments (off-balance sheet)	1,051,650	-	-	-	-	1,051,650	-

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	1,068,793	593,504	239,025	-	1,903,622	1,872,661
Deposits from customers	31,812	157,423	254,132	26,967	-	470,334	457,976
Debt securities issued	-	89,529	124,749	753,106	-	967,384	860,165
Due to related parties	-	260,284	441,625	794,100	-	1,496,009	1,391,372
Lease liabilities	-	258	774	2,352	98	3,482	3,358
Total non-derivative financial liabilities	34,112	1,576,287	1,414,784	1,815,550	98	4,840,831	4,585,532
Derivative financial liabilities							
Held for trading	-	-	-	752	-	752	
Gross settled – cash inflow	-	(471,960)	(519,068)	(330,850)	-	(1,321,878)	
Gross settled – cash outflow	-	487,212	527,354	327,016	-	1,341,582	
Total derivative financial liabilities	-	15,252	8,286	(3,082)	-	20,456	18,427
Lending commitments (off-balance sheet)	1,215,549	-	-	-	-	1,215,549	-
As at 31 December 2024 (Audited)							
Non-derivative financial liabilities							
Due to other financial institutions	69,856	471,994	725,335	512,528	-	1,779,713	1,722,532
Deposits from customers	35,188	185,793	333,184	14,551	-	568,716	556,654
Debt securities issued	-	9,632	152,371	621,723	-	783,726	713,266
Due to related parties	-	391,496	505,260	799,104	-	1,695,860	1,616,223
Lease liabilities	-	258	802	1,854	53	2,967	2,875
Total non-derivative financial liabilities	105,044	1,059,173	1,716,952	1,949,760	53	4,830,982	4,611,550
Derivative financial liabilities							
Held for trading	-	5	1,243	63	-	1,311	
Gross settled – cash inflow	-	(91,658)	(127,756)	(100,561)	-	(319,975)	
Gross settled – cash outflow	-	93,760	133,378	101,585	-	328,723	
Total derivative financial liabilities	-	2,107	6,865	1,087	-	10,059	7,735
Lending commitments (off-balance sheet)	1,084,847	-	-	-	-	1,084,847	-

21. Concentrations of funding

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

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

<u>As at</u>	Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
Total funding comprises			
Due to other financial institutions	1,535,378	1,872,661	1,722,532
Deposits from customers	405,457	457,976	556,654
Debt securities issued	862,535	860,165	713,266
Due to related parties	1,305,078	1,391,372	1,616,223
Total funding	4,108,448	4,582,174	4,608,675
Concentration of funding by industry sector			
Accommodation and food services	28,446	43,856	33,817
Agriculture, forestry and fishing	140	15,216	2,184
Construction	15,530	17,928	15,973
Electricity, gas, water and waste services	519	-	1,061
Financial and insurance services	2,612,917	2,934,829	2,707,139
Households	12,531	13,928	13,143
Information media & telecommunications	-	6,671	16,392
Manufacturing	10,489	280	5,132
Other	81,953	75,931	73,731
Rental, hiring and real estate services	20,732	21,703	32,691
Retail trade	70	162	69
Transport, postal and warehousing	20,008	60,242	91,082
Wholesale trade	35	56	38
Subtotal	2,803,370	3,190,802	2,992,452
Due to related parties (including subordinated debt)	1,305,078	1,391,372	1,616,223
Total funding	4,108,448	4,582,174	4,608,675
Concentration of funding by geographic region ¹			
New Zealand ²	761,797	997,962	1,052,795
Other countries ²	3,346,651	3,584,212	3,555,880
Total funding	4,108,448	4,582,174	4,608,675

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 NZ Banking Group is subject to the capital adequacy requirements for registered banks as specified by the RBNZ for two banking licenses, one for CCBNZL and another in relation to the branch. The RBNZ has set minimum regulatory capital requirements for banks that are consistent with the internationally agreed framework (commonly known as Basel III) developed by the Basel Committee on Banking Supervision. These requirements define what is acceptable as capital and provide methods for measuring the risks incurred by banks. The branch and CCBNZL must comply with RBNZ's registration requirements, including any minimum capital ratios under the conditions of registration for each respective banking licence.

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.

Capital management

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

The Boards of Directors for CCBNZL and the Overseas Bank have ultimate responsibility for ensuring there is adequate overall capital in relation to the entities' risk profiles and establish minimum internal capital levels and limits above the regulatory minimums to reduce the risk of breaching regulatory requirements. CCBNZL and the Overseas Bank each actively monitor their capital adequacy as part of ICAAP, for CCBNZL, which complies with the requirements set out in BPR100: Capital Adequacy, and the "Internal Capital Assessment" for the Overseas Bank, and reports this on a regular basis to senior management and the respective Boards.

The key features of the ICAAP and Internal Capital Assessment:

- Development of a capital management strategy, including preferred capital range, capital buffers and contingency plans;
- Consideration of regulatory capital requirements, the Overseas Banking Group's strategy and risk appetite;
- Identifying and evaluating all risk types, estimating capital utilisation and incorporating the impact of adverse economic scenarios; and
- Consideration of the perspectives of external stakeholders including rating agencies, equity investors and debt investors.

CCBNZL regulatory requirement

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. CCBNZL calculated its regulatory capital requirements in accordance with the RBNZ's BPR Framework under the 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 CCBNZL 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 CCBNZL to increase its capital ratio to a minimum 16% by July 2028. CCBNZL does not expect the revised framework to result in any changes to the underlying business model or its approach to raising equity.

CCBNZL has complied with all the relevant RBNZ minimum capital ratios to which it was subject during the reporting period. CCBNZL's total capital ratio was 21.60% as at 30 June 2025 (30 June 2024: 18.38%, 31 December 2024: 17.62%).

Overseas Banking Group regulatory requirement

The Overseas Banking 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 Overseas Banking Group to expand the implementation scope of the advanced capital measurement method in April 2020. Pursuant to the regulatory requirements, the Overseas Banking 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 CET1 ratio should be at or above a minimum of 5%, the Tier 1 ratio at or above a minimum of 6%, and the total capital ratio at or above a minimum of 8%. In addition to these requirements, banks must also meet the capital conservation buffer, counter-cyclical capital buffer, Global and Domestic Systemically Important Banks' additional buffer, and Pillar II capital requirements.

The Overseas Banking 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.

As at

Ultimate Parent Bank Group

Common equity tier 1 capital ratio

Tier 1 capital ratio

Total capital ratio

Unaudited 31 Mar 2025	Unaudited 30 Jun 2024	Unaudited 31 Dec 2024
13.98%	14.01%	14.48%
14.67%	14.92%	15.21%
19.15%	19.25%	19.69%

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

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 and market risk

Additional mortgage information

Residential mortgages by loan-to-valuation ratio

<u>As at 30 June 2025 (Unaudited)</u>	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 NZ Banking Group'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:

	Unaudited Note 30 Jun 2025
Reconciliation of residential mortgage related amounts	
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

Market risk

	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
<u>As at 30 June 2025 (Unaudited)</u>				
Interest rate risk	181,167	14,493	181,167	14,493
Foreign currency risk	7,911	633	10,793	863
Total market risk	189,078	15,126	191,960	15,356

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.

Other Disclosures

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

Insurance

The NZ Banking Group does not conduct any insurance business.

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

The NZ Banking Group is 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 or distribution of insurance products.

24. Commitments and contingent liabilities

The NZ Banking Group 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 NZ Banking Group'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 NZ Banking Group 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 NZ Banking Group's operations were:

<u>As at</u>	Unaudited 30 Jun 2025	Unaudited 30 Jun 2024	Audited 31 Dec 2024
Credit related commitments and contingent liabilities			
Commitments to extend credit ¹	1,051,593	1,215,353	1,084,720
Non-financial guarantees	57	196	127
Total credit related commitments and contingent liabilities	1,051,650	1,215,549	1,084,847

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.

26. Other material matters

(a) 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 NZ Banking Group is a licensed deposit taker under the Deposit Takers Act and is a participant in the Depositor Compensation Scheme. Eligible deposits with the NZ Banking Group 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 NZ Banking Group 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 NZ Banking Group is the issuer.

27. Other information on the Overseas Banking Group

As at

31 March 2025

Profitability

Net profit after tax for the period ended 31 March 2025

RMB 83,742 million

Net profit after tax for the 12 months ended 31 March 2025 as a % of average total assets

0.81%

Size

Total assets

RMB 42,794,715 million

% change in total assets from 31 March 2024

7.72%

As at

31 December 2024

Asset quality

Total gross individually impaired assets

RMB 344,691 million

Total individually impaired assets as a % of total assets

0.85%

Total individual credit impairment allowance

RMB 254,613 million

Total individual credit impairment allowance as a % of total gross individually impaired assets

73.87%

Total collective impairment allowance

RMB 548,281 million

The amounts included in this summary have been taken from the most recent publicly available data.

28. Credit ratings of the Overseas Bank

As at the date of signing this Disclosure Statement, the following credit ratings were assigned to the Overseas Bank applicable to its long-term senior unsecured obligations payable in foreign currency:

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.

29. Conditions of registration

The branch and CCBNZL have complied with all conditions of registration over the accounting period.

There have been no changes to the conditions of registration between 1 January 2025 to 30 June 2025 for the branch.



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Assurance engagements performed by Ernst & Young

China Construction Bank Corporation New Zealand Banking Group (the "Group") comprises the New Zealand business of China Construction Bank Corporation (incorporated in China and trading as China Construction Bank Corporation New Zealand Branch) and China Construction Bank (New Zealand) Limited.

Our assurance procedures consisted of the following:

- ▶ Limited assurance engagement in relation to the condensed interim financial statements (the "Interim Financial Statements") of the Group for the six months ended 30 June 2025 that are required by Clause 26 of the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended) (the "Order") included on pages 6 to 36 of the Disclosure Statement. These pages also include the Supplementary Information, and the Credit and Market Risk Exposures and Capital Adequacy 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 23 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), "additional information on liquidity risk" (Note 20), "registered bank profitability and size" (Note 27) and "reconciliation of mortgage-related amounts" (Note 22)), Schedule 7 (Asset Quality in Notes 17 and 27), Schedule 12 (Insurance, securitisation, funds management, other fiduciary activities, and marketing and distribution of insurance products in Note 23) and Schedule 14 (Risk Management Policies on page 19) 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 23 of the Order to be disclosed in accordance with Schedule 9 of the Order which is disclosed in Note 22 (the "Credit and Market Risk Exposures and Capital Adequacy Information"). The Credit and Market Risk Exposures and Capital Adequacy 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 Directors of China Construction Bank Corporation

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 Group 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 Group; 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, 12 and 14 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 Directors of China Construction Bank Corporation, as a body. Our review has been undertaken so that we might state to the Directors of China Construction Bank Corporation 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 Directors of China Construction Bank Corporation, as a body, for our review procedures, for this report, or for the conclusions we have formed.



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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 Group 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 Group. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. We have no other relationship with, or interest in, the Group.

Directors' responsibilities for the Interim Financial Statements and Supplementary Information

The Directors of China Construction Bank Corporation are responsible, on behalf of the entity, for the preparation and fair presentation of the Interim Financial Statements in accordance with Clause 26 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 of China Construction Bank Corporation are responsible, on behalf of the entity, 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, 12 and 14 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, 12 and 14 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.

Chartered Accountants
Auckland
29 August 2025



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Independent Assurance Report to the Directors of China Construction Bank Corporation

Limited assurance report on the Credit and Market Risk Exposures and Capital Adequacy Information

Conclusion

We have undertaken a limited assurance engagement on the compliance, in all material respects, of the Group's Credit and Market Risk Exposures and Capital Adequacy 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 Credit and Market Risk Exposures and Capital Adequacy Information for the six months ended 30 June 2025 or as at that date, as applicable, disclosed in Note 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 of China Construction Bank Corporation are responsible for:

- ▶ Compliance with the Order, including Clause 23 which requires the Credit and Market Risk Exposures and Capital Adequacy Information to be included in the Disclosure Statement in accordance with Schedule 9 of the Order.
- ▶ Identification of risks that threaten compliance with Clause 23 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 Group's Credit and Market Risk Exposures and Capital Adequacy 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 Group's Credit and Market Risk Exposures and Capital Adequacy 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 Group's compliance framework and internal control environment to meet the Credit and Market Risk Exposures and Capital Adequacy 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 Credit and Market Risk Exposures and Capital Adequacy Information.
- ▶ Agreed selected elements of the Credit and Market Risk Exposures and Capital Adequacy Information to information extracted from the Group's models, accounting records or other supporting documentation or, in relation to Clause 5 of Schedule 9 of the Order, publicly available information.
- ▶ Performed analytical and other procedures on the Credit and Market Risk Exposures and Capital Adequacy Information disclosed in accordance with Schedule 9 and considered its consistency with the Interim Financial Statements of the Group.
- ▶ 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 credit and market risk exposures and capital adequacy 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 Group. Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group. We have no other relationship with, or interest in, the Group.

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 Group's disclosure of Credit and Market Risk Exposures and Capital Adequacy 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 Directors of China Construction Bank Corporation for the purpose of providing limited assurance as to whether the Group's Credit and Market Risk Exposures and Capital Adequacy 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 Group and the Directors of China Construction Bank Corporation 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 Group's Disclosure Statement.

A stylized, handwritten-style signature of 'Ernst & Young' in black ink.

Chartered Accountants
Auckland
29 August 2025