

**Registered Bank Disclosure Statement
(Off-Quarter—Overseas Incorporated Registered
Banks) Order 2011**

**Note: This is a Reserve Bank working copy. The official version of
the Principal Order is published in a supplement dated 24 June
2011 to the New Zealand Gazette of 23 June 2011.**

Registered Bank Disclosure Statement (Off-Quarter—Overseas Incorporated Registered Banks) Order 2011

ANAND SATYANAND, Governor-General

Order in Council

At Wellington this 20th day of June 2011

Present:

His Excellency the Governor-General in Council

Pursuant to section 81 of the Reserve Bank of New Zealand Act 1989, His Excellency the Governor-General, acting on the advice and with the consent of the Executive Council and on the advice of the Minister of Finance given in accordance with a recommendation of the Reserve Bank of New Zealand, makes the following order.

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Order

1 Title

This order is the Registered Bank Disclosure Statement (Off-Quarter—Overseas Incorporated Registered Banks) Order 2011.

2 Commencement

This order comes into force on 30 June 2011.

3 Application

This order applies to every registered bank incorporated overseas.

4 Interpretation

(1) In this order, unless the context otherwise requires,—

accounting period has the same meaning as in section 2(1) of the Companies Act 1993

Act means the Reserve Bank of New Zealand Act 1989

address for service, in relation to—

- (a) an individual, means the address of their usual place of business in New Zealand or, if no such address exists, the address of their usual place of business outside New Zealand; or
- (b) a company, means the address for service adopted by the company under section 192 of the Companies Act 1993; or
- (c) any other entity, means the address of its principal office or principal place of business in New Zealand or, if no such address exists, its principal office or principal place of business outside New Zealand

allowance for credit impairment loss means an amount which has been created against identified credit losses or in respect of an identified deterioration in the value of any asset or class of asset attributable to an increase in credit risk as set out in NZ IAS 39 paragraphs 58 to 62

applicable financial reporting standard has the same meaning as in section 2(1) of the Financial Reporting Act 1993

approved financial reporting standard has the same meaning as in section 2(1) of the Financial Reporting Act 1993

asset acquired through the enforcement of security means any asset that is legally owned as the result of enforcing security, other than a building occupied by the bank

associated person has the same meaning as in section 2(2) of the Act

bank means a registered bank or an overseas bank

banking group, in relation to a registered bank,—

- (a) means the financial reporting group; but
- (b) if the Reserve Bank has, by notice in writing to the registered bank, after consultation with the registered bank, agreed to or required the inclusion or exclusion of any entity or any part of any entity, means the financial

reporting group including or excluding that entity or that part of that entity, as the case may be

capital, in relation to an overseas bank or overseas banking group, means the amount of capital held by the overseas bank or overseas banking group, determined in accordance with the requirements of the authority having the power to impose minimum capital requirements on that overseas bank or overseas banking group in its country of domicile

Capital Adequacy Framework (Basel I Approach) (BS2) means the current version of the Reserve Bank document entitled “Capital Adequacy Framework (Basel I Approach) (BS2)”

Capital Adequacy Framework (Standardised Approach) (BS2A) means the current version of the Reserve Bank document entitled “Capital Adequacy Framework (Standardised Approach) (BS2A)”

collective credit impairment allowance means an allowance for credit impairment loss on groups of financial assets

company—

- (a) has the same meaning as in section 2(1) of the Companies Act 1993; and
- (b) includes an overseas company within the meaning of that section

conditions of registration, in relation to a registered bank, means the current conditions of registration imposed on that registered bank by the Reserve Bank under section 74 of the Act

counterparty has the same meaning it has in the definition of “group of closely related counterparties” in NZ IFRS 7

credit risk has the same meaning as in NZ IFRS 7

currency risk has the same meaning as in NZ IFRS 7

director, in relation to an overseas bank, means a person occupying the position of director of the overseas bank by whatever name called who whether by himself or herself, or in conjunction with other directors acting as a board of directors, has the powers necessary for managing, and for directing and supervising the management of, the business and affairs of the overseas bank

disclosure statement has the same meaning as in section 2(1) of the Act

equity has the same meaning as “equity” in the “New Zealand Equivalent to the IASB Conceptual Framework for Financial Reporting”

equity exposure, in relation to a banking group, means the amount of the change in the economic value of equity instruments that are financial assets and financial liabilities of the banking group in a single currency, which would occur as a result of a change in the price of equity instruments in that currency

equity risk means the risk arising from changes in the prices of equity instruments

fair value has the same meaning as in NZ IAS 32

financial asset has the same meaning as in NZ IAS 32

financial asset acquired through the enforcement of security has the same meaning as in NZ IFRS 7

financial instrument has the same meaning as in NZ IAS 32

financial liability has the same meaning as in NZ IAS 32

financial reporting group means the New Zealand business of all the members of the group (as that term is defined in section 2(1) of the Financial Reporting Act 1993) that comprises a reporting entity that is the overseas bank and its subsidiaries, as if the members of the group were companies formed and registered in New Zealand

first quarter accounting period means—

- (a) the first 3 month period of an accounting period; or
- (b) if clause 21 applies, the first quarter accounting period determined by the Reserve Bank

generally accepted accounting practice has the same meaning as in section 3 of the Financial Reporting Act 1993

government guarantee means a guarantee of all or some of a registered bank's obligations, or a similar arrangement, provided—

- (a) under the New Zealand deposit guarantee scheme;
- (b) under another guarantee or similar arrangement provided by the New Zealand government; or
- (b) by a sovereign authority in an overseas jurisdiction

group of closely related counterparties has the same meaning as in NZ IFRS 7

holding company has the same meaning as in section 5 of the Companies Act 1993

immediate relative, in relation to any person, means their spouse, civil union partner, or de facto partner (as defined in the Property (Relationships) Act 1976), and any parent, brother, sister or child, in each case whether or not adoptive, of that person or of their spouse, civil union partner, or de facto partner

independent director, in relation to an overseas bank, means a director who is not—

- (a) an employee of the overseas bank; and
- (b) a director, trustee, or employee of—
 - (i) a holding company of the overseas bank; or
 - (ii) any other entity capable of controlling or significantly influencing the overseas bank

individual credit impairment allowance means an allowance for credit impairment loss on individual assets

individually impaired asset means a financial asset that is individually determined to be impaired at reporting date in accordance with NZ IAS 39 paragraphs 58 to 62

insurance business, in relation to a registered bank, has the same meaning as in the conditions of registration for the registered bank

interest rate repricing date, in relation to the whole or part of a financial instrument, means the earlier of the date on which, in accordance with the terms of the financial instrument,—

- (a) the interest rate reset date next occurs (being the date on which the rate of interest payable in respect of the

whole or part (as applicable) of the financial instrument can or will alter); or

- (b) a principal sum is due and payable; or
- (c) if no principal sum is due and payable, the maturity date occurs

interest rate risk has the same meaning as in NZ IFRS 7

issuer has the same meaning as in section 4 of the Financial Reporting Act 1993

material,—

- (a) in relation to a statement, fact, or item to which generally accepted accounting practice applies, has the meaning given to it by generally accepted accounting practice; or
- (b) in relation to a statement, fact, or item to which generally accepted accounting practice does not apply, means that the inclusion or omission of the statement, fact, or item, or the method of treating the disclosure of the statement, fact, or item, would be likely to influence a reasonable user of the disclosure statement

New Zealand business means all business, operations, or undertakings conducted in or from New Zealand

New Zealand chief executive officer has the same meaning as in section 2(1) of the Act

New Zealand deposit guarantee scheme means the deposit guarantee scheme announced by or on behalf of the Crown on and after 12 October 2008 relating to guarantees to be given by the Minister of Finance on behalf of the Crown in respect of certain financial institutions under section 65ZD of the Public Finance Act 1989

NZ IAS 24 means New Zealand Equivalent to International Accounting Standard 24 (Related Party Disclosures), approved under the Financial Reporting Act 1993

NZ IAS 32 means New Zealand Equivalent to International Accounting Standard 32 (Financial Instruments: Disclosure and Presentation), approved under the Financial Reporting Act 1993

NZ IAS 34 means New Zealand Equivalent to International Accounting Standard 34 (Interim Financial Reporting), approved under the Financial Reporting Act 1993

NZ IAS 39 means New Zealand Equivalent to International Accounting Standard 39 (Financial Instruments: Recognition and Measurement), approved under the Financial Reporting Act 1993

NZ IFRS 7 means New Zealand Equivalent to International Financial Reporting Standard 7 (Financial Instruments: Disclosures), approved under the Financial Reporting Act 1993

90 day past due asset has the same meaning as in NZ IFRS 7 and to avoid doubt includes an asset other than a restructured asset, other individually impaired asset, or financial asset acquired through the enforcement of security, for which, in relation to the contracted terms, conditions, or limits that applied to the asset immediately before non-performance commenced—

- (a) any payment of principal, interest, or other forms of monies owing is overdue, or has not been paid in accordance with the asset's terms and conditions, for at least 90 days; or
- (b) amounts owing under revolving facilities have been continuously outside of limits for at least 90 days

non-financial asset acquired through the enforcement of security means any asset which is legally owned as the result of enforcing security, other than a financial asset or a building occupied by the bank

off-quarter balance date means the last day of a first quarter accounting period or third quarter accounting period (as applicable)

other asset acquired through the enforcement of security means any asset which is legally owned as the result of enforcing security, other than a financial asset or a land or building asset

other asset under administration means any asset that is not an impaired asset or a 90 day past due asset, but where the counterparty—

- (a) is in receivership, liquidation, bankruptcy, statutory management, a no asset procedure, voluntary administration, or any other form of administration in New Zealand; or
- (b) is in any other equivalent form of voluntary or involuntary administration in an overseas jurisdiction

other individually impaired asset has the same meaning as in NZ IFRS 7

overseas bank means a financial institution incorporated outside New Zealand which has been authorised, registered, or licensed as a bank in its country of domicile by the appropriate banking supervisory authority and, unless the context otherwise requires, is the bank of which the registered bank is the New Zealand branch

overseas banking group means an overseas bank and all other entities included in the group for the purposes of public reporting of group financial statements in the country of domicile of the overseas bank

premises, in relation to a registered bank, means any staffed premises of the registered bank, or an agency of the registered bank, to which the registered bank's customers or potential customers have access in order to conduct banking business

rate insensitive assets means that amount of the financial assets held by the banking group that the registered bank reasonably believes is unlikely to be diminished or increased as a result of a material change in market interest rates if the interest rate applicable to that financial asset (which may be zero) does not change or does not change materially

rate insensitive liabilities means that amount of the financial liabilities held by the banking group that the registered bank reasonably believes is unlikely to be diminished or increased as a result of a material change in market interest rates if the

interest rate applicable to that financial liability (which may be zero) does not change or does not change materially

rate insensitive product means a rate insensitive asset or a rate insensitive liability

real estate asset acquired through the enforcement of security means any land or building which is legally owned as the result of enforcing security, other than a building occupied by the bank

register means the register of registered banks maintained under section 69 of the Act

registered bank means the New Zealand business of the entity that is entered on the register, as if that entity's business were conducted by a company formed and registered in New Zealand

related party has the same meaning as in NZ IAS 24

responsible person means a person authorised in writing by a director or the New Zealand chief executive officer to sign the disclosure statement of a registered bank in accordance with section 82 of the Act

restructured asset has the same meaning as in NZ IFRS 7

retail deposit has the same meaning as in the conditions of registration

short form disclosure statement means a disclosure statement that comprises the documents set out in clause 5(1)

subsidiary means a subsidiary within the meaning of sections 5 to 8 of the Companies Act 1993

third quarter accounting period means—

- (a) the first 9 month period of an accounting period; or
- (b) if clause 21 applies, the third quarter accounting period determined by the Reserve Bank

tier one capital, in relation to an overseas bank or overseas banking group, means the amount of tier one capital held by the overseas bank or overseas banking group determined in accordance with the requirements of the authority having the power to impose minimum capital requirements on that overseas bank or overseas banking group in its country of domicile

ultimate holding company, in relation to a registered bank, means the body corporate that—

- (a) is the registered bank's holding company; and
- (b) is not itself a subsidiary of another body corporate; and
- (c) is not a bank

ultimate parent bank, in relation to a registered bank, means the bank that—

- (a) is the registered bank's holding company; and
- (b) is not itself a subsidiary of another bank

working day means a day of the week on which the head office of a registered bank is open for business.

(2) A term or expression that is used in this order, but not defined in it,—

- (a) has, in relation to a registered bank whose conditions of registration define the term or expression, the same meaning as in those conditions of registration, as amended from time to time; or

- (b) has, if paragraph (a) does not apply and the term or expression is defined in the Act, the same meaning as in the Act; or
 - (c) must, if neither paragraph (a) nor paragraph (b) applies, be interpreted in a way that complies with generally accepted accounting practice, where applicable.
- (3) A reference in this order to material which is incorporated by reference under the Act refers to the material as it exists on the day this order commences together with any amendments to the material that are promulgated before or on the day this order commences.
 - (4) To avoid doubt, the promulgated amendments referred to in subsection (3) do not need to be in force or to apply when this order commences to have effect after the commencement of this order.

Part 1

Form, frequency, and publication of short form disclosure statements

5 Short form disclosure statement

- (1) The short form disclosure statement of a registered bank comprises—
 - (a) a key information summary; and
 - (b) a general short form disclosure statement; and
 - (c) a supplemental disclosure statement (if any).
- (2) A requirement that applies to a short form disclosure statement applies to each of the documents referred to in subclause (1).

6 First short form disclosure statement

The first short form disclosure statement required by this order for a registered bank is for the first off-quarter balance date that occurs on or after 30 June 2011.

7 Timing of first publication of short form disclosure statement

- (1) A registered bank must first publish its key information summary, general short form disclosure statement, and its supplemental disclosure statement (if any)—
 - (a) in the manner specified in clause 8; and
 - (b) on the same date.
- (2) The date referred to in subclause (1)(b) must be no later than 2 months after each off-quarter balance date unless subclause (3) applies.
- (3) The date referred to in subclause (1)(b) must be no later than 3 months after each off-quarter balance date if—
 - (a) the general short form disclosure statement is subject to review or audit by an external auditor; and
 - (b) the extent of review or audit is not less than that which is required in respect of a disclosure statement in terms of the Registered Bank Disclosure Statement (Full and Half-Year—Overseas Incorporated Registered Banks) Order 2011.

8 First publication of short form disclosure statement

On the applicable date referred to in clause 7, a registered bank must first publish its short form disclosure statement by—

- (a) delivering a signed short form disclosure statement to the Reserve Bank; and
- (b) prominently displaying a copy of its most recent key information summary at—
 - (i) the registered bank's head office; and
 - (ii) every branch of the registered bank; and
 - (iii) every other premises of the registered bank; and
 - (iv) every premises of an agency of the registered bank primarily engaged in the business of the registered bank; and
- (c) making a copy of its most recent key information summary, general short form disclosure statement, and supplemental disclosure statement (if any), readily accessible on the registered bank's website.

9 Ongoing publication of short form disclosure statement

(1) During the publication period, a registered bank must publish its short form disclosure statement by—

- (a) providing to any person who requests it a copy of its most recent key information summary immediately on request and at no charge; and
- (b) providing to any person who requests it a copy of its most recent general short form disclosure statement at no charge and—
 - (i) immediately on request if the request is made at the registered bank's head office; or
 - (ii) within 5 working days if the request is made at a branch of the registered bank, any other premises of the registered bank, or any premises of an agency of the registered bank primarily engaged in the business of the registered bank; and
- (c) providing to any person who requests it a copy of its most recent supplemental disclosure statement, or such part of it as is requested, at no charge, and—
 - (i) immediately on request if the request is made at the registered bank's head office; or
 - (ii) within 5 working days if the request is made at a branch of the registered bank, any other premises of the registered bank, or any premises of an agency of the registered bank primarily engaged in the business of the registered bank; and
- (d) prominently displaying a copy of its most recent key information summary at—
 - (i) the registered bank's head office; and
 - (ii) every branch of the registered bank; and
 - (iii) every other premises of the registered bank; and
 - (iv) every premises of an agency of the registered bank primarily engaged in the business of the registered bank; and

- (e) making a copy of its most recent key information summary, general short form disclosure statement, and supplemental disclosure statement (if any), readily accessible on the registered bank's website; and
 - (f) if the registered bank provides banking accounts to customers through a branch that is not normally physically accessible by the customers of that branch,—
 - (i) notifying each customer of that branch of the availability of its most recent key information summary; and
 - (ii) stating that the key information summary is available immediately on request and at no charge.
- (2) Subclause (1)(c) does not apply if the content of a supplemental disclosure statement is included in the general short form disclosure statement.
- (3) For the purposes of subclause (1), **publication period**, in relation to a registered bank, means the period that—
- (a) starts on the date on which the short form disclosure statement of the registered bank is first published; and
 - (b) ends on the date on which the next disclosure statement of the registered bank is first published.

Part 2

Content of short form disclosure statements

Subpart 1—General requirements

10 Information must be in English

- (1) All information in the short form disclosure statement of a registered bank must be in English.
- (2) Nothing in subclause (1) applies to copies of guarantee contracts.

11 Short form disclosure statement not to be false or misleading

In addition to the information that is required by this order, the short form disclosure statement of a registered bank—

- (a) must contain such other information that, in the opinion of the directors and New Zealand chief executive officer, is necessary or desirable to ensure that the short form disclosure statement is not false or misleading in any material particular; and
- (b) except as otherwise expressly provided in this order, may contain any other information that the directors and New Zealand chief executive officer consider appropriate.

12 Requirements when registered bank is unable to disclose information

Subject to clause 14(3), if a registered bank is unable because of systems limitations or because of circumstances beyond its

control to disclose information under this order, the short form disclosure statement must—

- (a) state that fact, and explain those limitations or circumstances; and
- (b) contain the closest available alternative to the information that must be disclosed under this order.

13 Information covering period less than stated period

- (1) A short form disclosure statement that contains information for a period that is less than the period for which the information is required under this order must identify the period for which the information is provided.
- (2) A registered bank need not disclose information under this order about a person, business, or group for that part of a period during which the person, business, or group or any part of the group did not exist.

14 Comparative information

- (1) Any comparative information that is required to be disclosed under this order for the previous corresponding period must be restated so that it corresponds to the information disclosed for the current period.
- (2) If there has been a material restatement of prior period amounts, the nature of, and the reason for, the restatement must be disclosed.
- (3) A registered bank need not disclose comparative information that is not readily available in the 12 months after the date on which that information was first required to be published.

15 Short form disclosure statement not to contain offer of securities

A short form disclosure statement—

- (a) must not contain any offer (within the meaning of section 2 of the Securities Act 1978) of securities; but
- (b) may contain information required for the purposes of regulation 38(3) of the Securities Regulations 2009.

16 Information about shareholders

The short form disclosure statement of a registered bank must not state or imply that a person is, or intends to become, a shareholder of the overseas bank, or of a member of the overseas banking group, without also stating whether that person guarantees any of the obligations of the registered bank or any member of the banking group.

17 Disclosure of currency that is not New Zealand dollars

A registered bank must disclose the currency used if information is disclosed in a currency that is not New Zealand dollars.

Subpart 2—Content of key information summary, general
short form disclosure statement, and supplemental
disclosure statement

Key information summary

18 Information to be included in key information summary

- (1) The key information summary of a registered bank must include the information prescribed in Schedule 1—
 - (a) in respect of its most recent off-quarter balance date, or first quarter accounting period, or third quarter accounting period (as applicable); and
 - (b) in the same order and under the same headings set out in that schedule.
- (2) If a key information summary would be false or misleading as a result of stating the information required to be disclosed under this order, the key information summary must, under the relevant heading, include information and explanations that will make the key information summary not false or misleading.
- (3) If applicable, the information contained in the key information summary must be taken from the information contained in the general short form disclosure statement.
- (4) The key information summary may contain additional information to which the information required in Schedule 1 may refer by way of note, but only if that information is set out after the information required to be disclosed under that schedule.
- (5) The information that is required to be disclosed under clauses 4 to 8 of Schedule 1 must include comparative figures for the previous corresponding period.

General short form disclosure statement

19 Information to be included in general short form disclosure statement

The general short form disclosure statement of a registered bank must include all of the information prescribed in Schedules 2 to 6.

Supplemental disclosure statement

20 Information to be included in supplemental disclosure statement

- (1) The supplemental disclosure statement must include only the following information (if it applies):
 - (a) if the general short form disclosure statement states that a person other than a government guarantees any material obligations of the overseas bank, a copy of the—
 - (i) full guarantee contract; and
 - (ii) most recent financial statements and group financial statements of the guarantor; and

- (iii) auditor's report (if any) for those statements:
 - (aa) if the registered bank has a government guarantee that is provided by means of a contract, a copy of the guarantee contract:
 - (b) if the general short form disclosure statement states that a person has entered into a material cross guaranteeing arrangement with the overseas bank, a copy of the full guarantee contract if—
 - (i) there is a single contract that sets out the rights and obligations of all the cross guarantors; or
 - (ii) there is a standard contract which is representative of the rights and obligations of each of the cross guarantors:
 - (c) a copy of the most recent publicly available financial statements of the overseas bank and overseas banking group:
 - (d) if the overseas bank carries on in New Zealand any insurance business that is outside the banking group, a copy of the most recent publicly available financial statements and group financial statements of that insurance business:
 - (e) if the overseas bank carries on in New Zealand any non-financial activities that are outside the banking group, a copy of the most recent publicly available financial statements and group financial statements of those non-financial activities:
 - (f) any additional information or explanations required to ensure the supplemental disclosure statement is not false or misleading.
- (2) Subclause (1) does not apply to the extent that the matters required under that subclause are included in the general short form disclosure statement.

Part 3

Miscellaneous provisions

Length of first quarter accounting period or third quarter accounting period (as applicable)

- 21 Length of first quarter accounting period or third quarter accounting period (as applicable)**
- (1) This clause applies if an accounting period of a registered bank will be shorter or longer than 12 months as a result of—
 - (a) the date of registration of a company in terms of the Companies Act 1993; or
 - (b) a change in the balance date (as defined in section 7 of the Financial Reporting Act 1993) of a registered bank or company.
 - (2) If this clause applies, the Reserve Bank may, after consultation with the company or the registered bank, determine the length of any first quarter accounting period or third quarter accounting period (as applicable) for the shorter or longer accounting period.

*Revocation***22 Revocation**

- (1) The Registered Bank Disclosure Statement (Off-Quarter—Overseas Incorporated Registered Banks) Order 2008 is revoked at the end of the day of 29 June 2011.
 - (2) Despite the revocation of the Registered Bank Disclosure Statement (Off-Quarter—Overseas Incorporated Registered Banks) Order 2008, a short form disclosure statement for an off-quarter balance date that occurs during the period that order is in force must be completed, and published, in accordance with that order.
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Schedule 1

Information to be included in key information summary

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1 **Introductory statement for customers of registered bank**

The following statements:

“The purpose of this key information summary is to provide customers and potential customers with information about the financial condition of their bank.

The information contained in the key information summary is explained in the Reserve Bank publication *Your bank's disclosure statement: what's in it for you?* This publication can be obtained from the *[Reserve Bank] *[Reserve Bank and the [name of registered bank]].”

*Delete if not applicable

2 **Corporate information**

The following information:

- (a) the name of the overseas bank and its country of domicile:
- (b) if applicable, the name of any person that is the ultimate parent bank of the overseas bank and its country of domicile:
- (c) if applicable, the name of any person that is the ultimate holding company of the overseas bank and its country of domicile.

3 **Credit rating**

If the registered bank is required, by a notice given to it under section 80 of the Act, to obtain or maintain a rating of its creditworthiness or financial condition by a person nominated or approved by the Reserve Bank, with respect to each rating

obtained or maintained by the registered bank that complies with the notice given under section 80 of the Act, the following information:

- (a) the name of the person who gave the rating:
- (b) the type of rating:
- (c) the current rating and all qualifications to that rating:
- (d) any change made to the rating in the 2 years immediately before the off-quarter balance date and the date on which the change occurred.

3A Government guarantees

- (1) This clause applies if the registered bank has 1 or more government guarantees on the day its directors and New Zealand chief executive officer sign its short form disclosure statement.
- (2) A registered bank must make the statements in this clause for each such guarantee.
- (3) The following statement:

“[Name of registered bank] has a guarantee under [description of the guarantee – for example, ‘the New Zealand deposit guarantee scheme’].”

- (4) Statements:
 - (a) on how to obtain information about the government guarantee, for example, via an Internet site maintained by or on behalf of a government guarantor; and
 - (b) to direct the reader to more information on the registered bank’s government guarantee in the registered bank’s general disclosure statement and, if applicable, its supplemental disclosure statement.

3B No New Zealand government deposit guarantee

- (1) This clause applies if the registered bank does not have a guarantee under the New Zealand deposit guarantee scheme on the day its directors and New Zealand chief executive officer sign its short form disclosure statement.
- (2) The following statement:

“[Name of registered bank] does not have a guarantee under the New Zealand deposit guarantee scheme as at [date].”

4 Profitability

The following information:

- (a) the net profit or loss after tax in respect of—
 - (i) the overseas banking group for the most recent period for which the information is publicly available, specifying the period and end date to which this information applies; and
 - (ii) the banking group over the first quarter accounting period or third quarter accounting

period (as applicable), specifying the period and end date to which this information applies:

- (b) the net profit or loss after tax over the previous 12 month period, expressed as a percentage of the average of total assets, in respect of—
 - (i) the overseas banking group and the end date of the most recent period for which the information is publicly available; and
 - (ii) the banking group and the off-quarter balance date of the first quarter accounting period or third quarter accounting period (as applicable).

5 Size

The following information:

- (a) total assets of the overseas banking group as at the most recent date for which the information is publicly available and the percentage change in total assets over the 12 months ending on that date:
- (b) total assets of the banking group and the percentage change in total assets over the 12 months ending on the current off-quarter balance date.

6 Capital adequacy

The most recent publicly available information on the capital adequacy of the overseas bank and overseas banking group, including the following information:

- (a) tier one capital ratio, and the minimum percentage of this ratio required by the appropriate banking supervisory authority in the overseas bank's country of domicile:
- (b) total capital ratio, and the minimum percentage of this ratio required by the appropriate banking supervisory authority in the overseas bank's country of domicile.

7 Asset quality

- (1) The information in subclause (2) in respect of—
 - (a) the overseas banking group as at the most recent date for which the information is publicly available; and
 - (b) the banking group.
- (2) The following information:
 - (a) total individually impaired assets (before allowances for credit impairment loss and net of interest held in suspense):
 - (b) total individually impaired assets expressed as a percentage of total assets:
 - (c) total individual credit impairment allowance:
 - (d) total individual credit impairment allowance expressed as a percentage of total impaired assets:
 - (e) total collective credit impairment allowance:
 - (f) non-financial assets acquired through the enforcement of security.

8 Peak credit exposure concentrations

- (1) The following information for the first quarter accounting period or the most recent quarter of the third quarter accounting period (as applicable):
 - (a) the number of individual non-bank counterparties or groups of closely related counterparties of which a bank is not the parent to which the banking group has a peak end-of-day aggregate credit exposure which equals or exceeds 10% of the overseas banking group's equity, in successive ranges of 10% of the overseas banking group's equity:
 - (b) the number of individual bank counterparties or groups of closely related counterparties of which a bank is the parent to which the banking group has a peak end-of-day aggregate credit exposure which equals or exceeds 10% of the overseas banking group's equity, in successive ranges of 10% of the overseas banking group's equity.
- (2) The information disclosed under subclause (1) must be calculated using the methodology set out in Schedule 5.
- (3) A statement that the information disclosed under subclause (1) excludes exposures to the central government of any country with a long-term credit rating of A- or A3 or above, or its equivalent.

9 Ranking of local creditors in liquidation

- (1) A statement whether, in a liquidation of an overseas bank, there are any material legislative or regulatory restrictions in the overseas bank's country of incorporation that subordinate the claims of any class of unsecured creditors of the registered bank on the assets of the overseas bank to those of any other class of unsecured creditors of the overseas bank.
- (2) If subclause (1) applies, the following information:
 - (a) the title of the legislation or regulations involved and a summary of the nature of the subordination of the rights of creditors of the registered bank:
 - (b) the nature and amount of each class of the registered bank's liabilities that are so affected:
 - (c) if the registered bank is required by any statute to hold in New Zealand an excess of assets over deposit liabilities, the title of the statute and a description of the requirement and a statement as to whether, since the commencement of the accounting period, the registered bank has at all times complied with that requirement:
 - (d) if the overseas bank is subject to any regulatory or legislative requirement in the overseas bank's country of incorporation to maintain sufficient assets in that country to cover an ongoing obligation to pay deposit liabilities in that country—
 - (i) the title of the legislation or regulations that impose the requirement; and
 - (ii) a description of the requirement; and

- (iii) a statement that the requirement has the potential to impact on the management of the liquidity of the New Zealand operations of the overseas bank.

10 Non-consolidated activities

- (1) A statement whether the overseas bank carries on in New Zealand any insurance business that is outside the banking group.
- (2) If subclause (1) applies, the following information:
 - (a) the total assets, total equity, and total profits before and after tax of the insurance business on a consolidated basis, and if the insurance business is carried on by an overseas incorporated company, separately in respect of the overseas company's group and that group's New Zealand business:
 - (b) a statement that—
 - (i) the most recent publicly available financial statements and group financial statements for the insurance business are contained in the registered bank's supplemental disclosure statement or general short form disclosure statement (state which); and
 - (ii) copies of the registered bank's supplemental disclosure statement or general short form disclosure statement (or that part of which, as applicable) will be provided at no charge to any person requesting a copy in the manner described in clause 12.
- (3) A statement whether the overseas bank carries on in New Zealand any non-financial activities that are outside the banking group.
- (4) If subclause (3) applies, the following information:
 - (a) the total assets, total equity, and total profits before and after tax of the non-financial activities on a consolidated basis, and if the non-financial activities are carried on by an overseas incorporated company, separately in respect of the overseas company's group and that group's New Zealand business:
 - (b) a statement that—
 - (i) the most recent publicly available financial statements and group financial statements for the non-financial activities are contained in the registered bank's supplemental disclosure statement or general short form disclosure statement (state which); and
 - (ii) copies of the registered bank's supplemental disclosure statement or general short form disclosure statement (or that part of which, as applicable) will be provided at no charge to any person requesting a copy in the manner described in clause 12.

11 Financial statements of overseas bank and overseas banking group

A statement that a copy of the most recent publicly available financial statements of the overseas bank and overseas banking group are contained in the registered bank's supplemental disclosure statement or general short form disclosure statement (*state which*).

12 Statement about availability of general short form disclosure statement and supplemental disclosure statement

A statement—

- (a) that a copy of the registered bank's most recent general short form disclosure statement and supplemental disclosure statement (if applicable) will be provided immediately at no charge to any person requesting a copy if the request is made at the registered bank's head office; and
- (b) that a copy of the registered bank's most recent general disclosure statement and supplemental disclosure statement (if applicable) are available on the registered bank's website; and
- (c) specifying the categories of places where a copy of the registered bank's most recent general short form disclosure statement and supplemental disclosure statement (if applicable) will be provided at no charge to any person within 5 working days of a request for a copy having been made.

13 Auditor's report

If the key information summary has been audited or reviewed by an external auditor, the following:

- (a) a statement of the nature and scope of the audit or review;
 - (b) a copy of the auditor's report.
-

Schedule 2

Information to be included in general short form disclosure statement

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-
- 1 Name and address for service of registered bank**
The name and address for service of the registered bank.
- 2 Details of overseas bank**
The name and the address of the overseas bank's principal office, or place of business, outside New Zealand.
- 3 Changes in overseas bank's board of directors**
- (1) A statement whether there have been any changes in the composition of the overseas bank's board of directors since the date on which the signing of the previous disclosure statement is completed, and if so, the changes involved, and the name of each director affected by the changes.
- (2) If applicable, the name of each director, and the New Zealand chief executive officer, on whose behalf each responsible person has signed the short form disclosure statement.
- 4 Details of ultimate parent bank and ultimate holding company**
If applicable,—
- (a) the name and address for service of the ultimate parent bank of the overseas bank; and
- (b) the name and address for service of the ultimate holding company of the overseas bank; and

- (c) a summary of any regulations, legislation, or other restrictions of a legally enforceable nature that may materially inhibit the legal ability of the bodies corporate referred to in paragraphs (a) and (b) to provide material financial support to the registered bank.

5 Subordination of claims of creditors

- (1) A statement whether there are any material legislative or regulatory restrictions in the overseas bank's country of incorporation that, in a liquidation of the overseas bank, subordinate the claims of any class of unsecured creditors of the registered bank on the assets of the overseas bank to those of any other class of unsecured creditors of the overseas bank.
- (2) If subclause (1) applies,—
 - (a) the title of the legislation or regulations involved; and
 - (b) the nature of the subordination of the rights of creditors of the registered bank; and
 - (c) the nature and amount of each class of the registered bank's liabilities that are affected.

6 Requirement to hold excess assets over deposit liabilities

If the registered bank is required by any statute to hold in New Zealand an excess of assets over deposit liabilities,—

- (a) the title of the statute; and
- (b) a description of the requirement; and
- (c) a statement whether, since the commencement of the accounting period, the registered bank has at all times complied with that requirement.

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

If the overseas bank is subject to any regulatory or legislative requirement in the overseas bank's country of incorporation to maintain sufficient assets in that country to cover an ongoing obligation to pay deposit liabilities in that country,—

- (a) the title of the legislation or regulations that impose the requirement; and
- (b) a description of the requirement; and
- (c) a statement that the requirement has the potential to impact on the management of the liquidity of the New Zealand operations of the overseas bank.

8 Guarantees

- (1) A statement on whether any material obligations of the overseas bank are guaranteed as at the date its directors and New Zealand chief executive officer sign its short form disclosure statement.
- (2) If any material obligations of the overseas bank are guaranteed under a guarantee that is not a government guarantee, for each such guarantee the matters set out in clauses 9, 10, and 11.
- (3) If the registered bank has a government guarantee, for each such guarantee the matters set out in clauses 10A, 10B and 11.

- (4) If any material obligations of the overseas bank are guaranteed under a cross guaranteeing arrangement, the matters required by clause 12.
- (5) Subclause (2) does not apply if subclause (4) applies.

9 Details of guarantor

- (1) The name and address for service of the guarantor.
- (2) A statement whether the guarantor is a member of the banking group or overseas banking group.
- (3) Either—
 - (a) the amount of the net tangible assets of the guarantor as shown in the most recent publicly available audited financial statements, together with any qualifications in the auditor's report on those financial statements that reflect on the statement of those assets in the financial statements; or
 - (b) if the guarantor is a bank, the most recent publicly disclosed capital of the guarantor and the guarantor group expressed as an amount and as a percentage of risk weighted exposures, and the date to which that measure of capital relates.
- (4) A statement whether the guarantor has any credit ratings applicable to its long term senior unsecured obligations payable in the currency of the country of its incorporation, and if so, in respect to each such rating—
 - (a) the name of the person who gave the credit rating; and
 - (b) the current rating and all qualifications to that rating; and
 - (c) each change made to the rating in the 2 years immediately before the off-quarter balance date and the date on which that change occurred; and
 - (d) descriptions or explanations of all steps in the applicable rating scales.

10 Details of guaranteed obligations

- (1) A description of the obligations that are guaranteed.
- (2) A statement whether there are any limits on the amount of the obligations guaranteed and, if so, a brief summary of the nature of those limits.
- (3) A statement whether there are any material conditions applicable to the guarantee other than non-performance by the principal obligor and, if so, a brief summary of those conditions.
- (4) A statement whether there are any material legislative or regulatory restrictions in the guarantor's country of incorporation that, in a liquidation of the guarantor, would have the effect of subordinating the claims under the guarantee of any of the creditors of the overseas bank on the assets of the guarantor to other claims on the guarantor.
- (5) If there are any such material legislative or regulatory restrictions,—
 - (a) the title of the legislation or regulations involved; and

- (b) the nature of the subordination of the rights of the creditors; and
 - (c) the amount of the liabilities that are affected.
- (6) If the guarantee has an expiry date,—
- (a) a statement of the date the guarantee expires; and
 - (b) if the overseas bank has an option to roll over or renew the guarantee, a statement explaining that option.

10A Details of government guarantors

- (1) The name and address for service of the guarantor.
- (2) A statement on how to obtain information about the government guarantee, for example, via an Internet site maintained by or on behalf of the government guarantor.
- (3) To the extent the government guarantee is provided by means other than a contract, a statement of how to obtain the legislation, regulations or other documents that set out the terms and conditions of the government guarantee.
- (4) A statement on how to obtain the most recent audited financial statements of the government guarantor, for example, via an Internet site maintained by or on behalf of the government guarantor.
- (5) The government guarantor's issuer credit ratings in respect of its long term obligations payable in the currency of its jurisdiction and for each rating—
 - (a) the name of the person who gave the credit rating;
 - (b) the current rating and all qualifications to that rating;
 - (c) each change made to the rating in the 2 years immediately before the balance date and the date on which that change occurred; and
 - (d) descriptions or explanations of all steps in the applicable rating scales.

10B Details of obligations guaranteed by government guarantors

- (1) A description of the obligations guaranteed by the government guarantor.
- (2) A statement on whether there are any limits on the amount of the obligations guaranteed and, if so, a brief summary of the nature of those limits.
- (3) A statement on whether there are any material conditions applicable to the guarantee other than non-performance by the principal obligor and, if so, a brief summary of those conditions.
- (4) If the government guarantee has an expiry date,—
 - (a) a statement of the date the guarantee expires; and
 - (b) if the registered bank has an option to roll over or renew the guarantee, a statement explaining that option.

11 Availability of guarantee contracts

- (1) If the guarantee is provided under a contract, a statement—
- (a) that a copy of the registered bank's guarantee contract is included in its most recent supplemental disclosure statement; and
 - (b) that its most recent supplemental disclosure statement is available at no charge—
 - (i) via an Internet site maintained by or on behalf of the registered bank;
 - (ii) immediately, if a request is made at the registered bank's head office; and
 - (iii) within 5 working days of a request, if a request is made at another place specified by the registered bank.
- (2) Subclause (1) does not apply if the full guarantee contract is included in the registered bank's general disclosure statement.

12 Material cross guarantees

- (1) If a person has entered into a material cross guaranteeing arrangement with the overseas bank, the matters set out in subclauses (2) to (4).
- (2) A description of the guaranteeing group and the nature of the cross guaranteeing arrangement.
- (3) The matters required to be disclosed under clause 10(2) to (6) as if those clauses applied to the guarantees of the obligations of the overseas bank, as well as to the guarantees the overseas bank has given in respect of the first mentioned person's obligations.
- (4) If there is a single contract that sets out the rights and obligations of all the cross guarantors, or if there is a standard contract which is representative of the rights and obligations of each of the cross guarantors, a statement—
- (a) that a copy of the registered bank's most recent supplemental disclosure statement, which contains a copy of the full guarantee contract, will be provided immediately at no charge to any person requesting a copy if the request is made at the registered bank's head office; and
 - (b) specifying the categories of places where a copy of the registered bank's most recent supplemental disclosure statement, which contains a copy of the full guarantee contract, will be provided at no charge to any person within 5 working days of a request for a copy having been made.
- (5) Subclause (4) does not apply if the content of the supplemental disclosure statement is contained in the general short form disclosure statement.

13 Conditions of registration

- (1) A copy of the conditions of registration that applied at the date on which the signing of the short form disclosure statement is completed.

- (2) If applicable, a description of any changes to the conditions of registration that have occurred since the signing of the previous disclosure statement is completed, including the dates on which the changes occurred.
- (3) A statement of the date on which the conditions of registration of the registered bank came into effect.
- (4) If the registered bank has not complied with all conditions of registration over the first quarter accounting period or the third quarter accounting period (as applicable), a description of the nature and extent of each case of non-compliance.

14 Credit rating

If the registered bank is required, by a notice given to it under section 80 of the Act, to obtain or maintain a rating of its creditworthiness or financial condition by a person nominated or approved by the Reserve Bank, with respect to each rating obtained or maintained by the Registered Bank that complies with the notice given under section 80 of the Act, the following information:

- (a) the name of the person who gave the rating:
- (b) the type of rating:
- (c) the current rating and all qualifications to that rating:
- (d) any change made to the rating in the 2 years immediately before the off-quarter balance date and the date on which the change occurred:
- (e) descriptions or explanations of all steps in the applicable rating scales.

15 Insurance business

A statement whether the banking group carries on any insurance business, and if it does, the following information:

- (a) a description of each class of that insurance business:
- (b) the aggregate amount of insurance business, where the amount disclosed is calculated in accordance with the registered bank's conditions of registration:
- (c) comparative figures for the previous corresponding period for the information that is required to be disclosed under paragraph (b).

16 Non-consolidated activities

- (1) A statement whether the overseas bank carries on any insurance business or non-financial activities in New Zealand that are outside the banking group, and if it does, the following information:

- (a) a brief explanation of the overseas bank's involvement in that insurance business or those non-financial activities:
- (b) the total assets, total equity, and total profits before and after tax of that insurance business on a consolidated basis, and if that insurance business is carried on by an overseas incorporated company, separately in respect of the overseas company's group and that group's New Zealand business:

- (c) the total assets, total equity, and total profits before and after tax of those non-financial activities on a consolidated basis, and if those non-financial activities are carried on by an overseas incorporated company, separately in respect of the overseas company's group and that group's New Zealand business:
 - (d) comparative figures for the previous corresponding period for the information that is required to be disclosed under paragraphs (a) to (c).
- (2) If the content of the supplemental disclosure statement is not included in the general short form disclosure statement, a statement—
- (a) that a copy of the registered bank's most recent supplemental disclosure statement (or that part of which, as applicable), which contains the most recent publicly available financial statements and group financial statements for insurance business carried on in New Zealand that is outside the banking group or for non-financial activities carried on in New Zealand that are outside the banking group, will be provided immediately and at no charge to any person requesting a copy if the request is made at the registered bank's head office; and
 - (b) specifying the categories of places where a copy of the registered bank's most recent supplemental disclosure statement (or that part of which, as applicable), which contains the most recent publicly available financial statements and group financial statements for insurance business carried on in New Zealand that is outside the banking group or for non-financial activities carried on in New Zealand that are outside the banking group, will be provided at no charge and within 5 working days of a request for a copy having been made if the request is not made at the registered bank's head office.

17 Directors' and New Zealand chief executive officer's statements

- (1) A statement by the directors and the New Zealand chief executive officer as to whether each director and the New Zealand chief executive officer believes, after due enquiry, that, as at the date on which the short form disclosure statement is signed,—
- (a) the short form disclosure statement contains all the information that is required by this order; and
 - (b) the short form disclosure statement is not false or misleading.
- (2) A statement by the directors and the New Zealand chief executive officer as to whether each director and the New Zealand chief executive officer believes, after due enquiry, that, over the first quarter accounting period or third quarter accounting period (as applicable),—
- (a) the registered bank has complied with all conditions of registration that applied during that period; and

- (b) the registered bank had systems in place to monitor and control adequately the banking group's material risks, including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk, and other business risks, and that those systems were being properly applied during that period.

18 Financial statements of overseas bank and overseas banking group

- (1) A statement—
 - (a) that a copy of the registered bank's most recent supplemental disclosure statement, which contains a copy of the most recent publicly available financial statements of the overseas bank and overseas banking group, will be provided immediately and at no charge to any person requesting a copy if the request is made at the registered bank's head office; and
 - (b) specifying the categories of places where a copy of the registered bank's most recent supplemental disclosure statement, which contains a copy of the most recent publicly available financial statements of the overseas bank and overseas banking group, will be provided at no charge to any person within 5 working days of a request for a copy having been made.
- (2) Subclause (1) does not apply if the content of the supplemental disclosure statement is contained in the general short form disclosure statement.

19 Absence of supplemental disclosure statement

If the content of the supplemental disclosure statement is contained in the general disclosure statement, a statement that the registered bank has not published a supplemental disclosure statement, giving the reason.

20 Auditor's report

If the general short form disclosure statement has been audited or reviewed by an external auditor, the following:

- (a) a statement of the nature and scope of the audit or review:
- (b) a copy of the auditor's report.

Schedule 3

Short form financial statements and asset quality

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Short form financial statements

- 1 Currency must be New Zealand dollars**
 Any monetary amount that is required to be disclosed under clause 4 must be New Zealand dollars.
- 2 Comparative information**
 The information that is required to be disclosed under clause 4 must include comparative figures for the previous corresponding period.
- 3 Changes in accounting policies**
 - (1) A statement whether there have been any changes in accounting policies since the date on which the signing of the previous disclosure statement is completed.
 - (2) A summary of those changes.
- 4 Financial information**
 - (1) The financial information that is required to be disclosed under this clause—
 - (a) must be in the format determined by the registered bank; and
 - (b) is for the banking group; and
 - (c) is for the first quarter accounting period or third quarter accounting period (as applicable), or is as at the off-quarter balance date, as the case may require.

- (2) The following information, to the extent that it is additional to the information that NZ IAS 34 requires the banking group to disclose when publishing interim financial statements:

Income Statement

1	Interest income
2	Interest expense
3	Net interest income
4	Net trading gains/losses
5	Other gains less losses on financial instruments at fair value
6	Other operating income
7	Other operating expenses
8	Impaired asset expense
9	Share of the profit or loss of associates and joint ventures accounted for using the equity method
10	Profit/(loss) before tax
11	Taxation expense/(credit)
12	Profit(loss) after tax
13	Profit/(loss) attributable to minority interest
14	Profit/(loss) attributable to equity holders of the parent
15	A condensed statement of changes in equity or a statement of recognised income and expense

Balance sheet

Assets

1	The categories of financial asset listed in paragraph E3 of NZ IFRS 7, in each case shown net of individual credit impairment allowances
2	Derivative financial instruments
3	Deferred tax asset
4	Intangible assets
5	Fixed assets
6	Other assets
7	Total assets

Liabilities and branch equity

8	Head office account
9	Issued and paid up capital
9	Balances of reserve accounts
	(a) Revaluation reserves
	(b) Fair value reserves
	(c) Other capital reserves
	(d) Other revenue reserves
10	Balance of retained earnings
11	Minority interests
12	Total head office account and equity

- 12 Term and/or perpetual subordinated debt
- 13 The categories of financial liability listed in paragraph E3 of NZ IFRS 7
- 14 Derivative financial instruments
- 15 Deferred tax liability
- 16 Other liabilities
- 17 Total liabilities and branch equity**
- 18 Total interest earning and discount bearing assets
- 19 Total interest and discount bearing liabilities
- 20 Total amounts due from related parties
- 21 Total amounts due to related parties
- 22 If assets shown in the statement of financial position have been used to secure any obligations, the nature and amount of those assets
- 23 The nature and amount of any assets not legally owned but shown in the statement of financial position
- 24 The total liabilities of the registered bank in New Zealand, net of amounts due to related parties (including amounts due to a subsidiary or affiliate of the registered bank)
- 25 If applicable, the total retail deposits of the registered bank in New Zealand, as defined in the registered bank's conditions of registration.

Asset quality

5 Classes of assets to which clauses 6 to 8 apply

- (1) Clauses 6 to 8 apply to the following classes of assets:
 - (a) other individually impaired assets:
 - (b) restructured assets:
 - (c) financial assets acquired through the enforcement of security:
 - (d) real estate assets acquired through the enforcement of security:
 - (e) other assets acquired through the enforcement of security:
 - (f) 90 day past due assets:
 - (g) other assets under administration.
- (2) To avoid doubt, the disclosure required by clause 6 includes financial assets designated as at fair value through profit and loss, where applicable.

6 Aggregate amounts

- (1) The information in subclause (2) in respect of the banking group for each of the classes of assets set out in clause 5.
- (2) The following information as at the off-quarter balance date:
 - (a) the aggregate amount that has been recognised, before deducting allowances for credit impairment loss or allowances for impairment loss created in respect of non-financial assets where applicable; and
 - (b) the aggregate amount of individual credit impairment allowances or allowances for impairment loss created in respect of non-financial assets.

- (3) The information in subclause (4) in respect of the registered bank and banking group for each of the classes of assets set out in subclauses (a), (b), (f) and (g) of clause 5.
- (4) The aggregate amount as at the balance date of any undrawn balances on lending commitments to counterparties for whom drawn balances fall within that class of assets, before deducting allowances for credit impairment loss where applicable.
- (5) The information that is required to be disclosed under subclauses (2) and (4) must include comparative figures for the previous corresponding period.

7 Movements in balances of total individual credit impairment allowances or allowances for impairment loss created in respect of non-financial assets

- (1) The information in subclause (2) in respect of the banking group for each of the classes of assets set out in clause 5.
- (2) Information on movements in the balances of total individual credit impairment allowances or allowances for impairment loss created in respect of non-financial assets over the first quarter accounting period or third quarter accounting period (as applicable), separately disclosing—
 - (a) opening balance; and
 - (b) charge (credit) to the statement of financial performance for increase or decrease in individual credit impairment allowances or allowances for impairment loss created in respect of non-financial assets; and
 - (c) amounts written-off; and
 - (d) write-downs of assets acquired through the enforcement of security; and
 - (e) recoveries of impairment allowances and write-offs charged in previous periods; and
 - (f) other movements, and the nature of those other movements; and
 - (g) closing balance.
- (3) Movements must be reconciled to the charges allocated to the statement of financial performance.

8 Movements in balance of collective credit impairment allowance

- (1) The information in subclause (2) in respect of the banking group.
- (2) Information on movements in the balance of the collective credit impairment allowance over the first quarter accounting period or third quarter accounting period (as applicable), separately disclosing—
 - (a) opening balance; and
 - (b) charge (credit) to the statement of financial performance for increase or decrease in the collective credit impairment allowance; and
 - (c) other movements, and the nature of those other movements; and
 - (d) closing balance.

- (3) Movements must be reconciled to the charges allocated to the statement of financial performance.

9 Credit risk on loans and receivables at fair value

- (1) The information in subclause (2) in respect of the banking group.
 - (2) The information required to be disclosed by paragraph 9 of NZ IFRS 7, in respect of the first quarter accounting period or third quarter accounting period (as applicable).
-

Schedule 4

Credit and market risk exposures and capital adequacy

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1 Risk-weighted credit risk exposures

- (1) The information in subclause (2)—
- (a) in respect of the registered bank and banking group; and
 - (b) derived in accordance with the Capital Adequacy Framework (Basel I Approach) (BS2).
- (2) The following information as at the off-quarter balance date:

Risk weighted exposures

Calculation of balance sheet exposures

	Amount	Risk weight	Risk weighted exposure
Cash and short term claims on Government		0%	
Long term claims on Government		10%	
Claims on banks		20%	
Claims on public sector entities		20%	
Residential mortgages		50%	
Other		100%	
Total assets			

Calculation of off-balance sheet exposures

	Amount	Credit conversion factor	Credit equivalent amount	Average counterparty risk weight	Risk weighted exposure
Direct credit substitutes		100%			
Asset sales with recourse		100%			
Commitments with certain drawdown		100%			
Underwriting and sub-underwriting facilities		50%			
Transaction related contingent items		50%			
Short term, self liquidating trade related contingencies		20%			
Other commitments to provide financial services which have an original maturity of 1 year or more		50%			
Other commitments with an original maturity of less than 1 year or which can be unconditionally cancelled at any time		0%			

Market related contracts ¹ (a) foreign exchange contracts(b) interest rate contracts(c) other		N/A			
Total off-balance sheet exposures					
Risk weighted exposures					

2 Additional mortgage information

- (1) The information in subclause (2) —
 - (a) in respect of the banking group; and
 - (b) in respect of total residential mortgage loans and derived in accordance with the definition of loan-to-valuation ratio specified in Capital Adequacy Framework (Standardised Approach) (BS2A).
- (2) The following information as at the balance date:

Residential mortgages by loan-to-valuation ratio

LVR range	0%-80%	80%-90%	Over 90%
Value of exposures			

3 Market risk end-period notional capital charges

- (1) The information in subclause (2)—
 - (a) in respect of the banking group; and
 - (b) derived on the basis that the notional capital charge for each category of market risk is the aggregate capital charge for that category of market risk derived in accordance with the Capital Adequacy Framework (Standardised Approach) (BS2A).
- (2) The following information as at the balance date:

Market Risk	Implied risk weighted exposure	Notional capital charge	Notional capital charge as a percentage of the overseas banking group's equity
Interest rate risk			
Foreign currency risk			
Equity risk			

- (3) For the purpose of the disclosure required by subclause (2) implied risk-weighted exposure must be calculated as 12.5 x notional capital charge.
- (4) The information that is required to be disclosed under subclause (2) must include comparative figures for the previous corresponding period.

4 Market risk peak end-of-day notional capital charges

- (1) The information in subclause (2)—
 - (a) in respect of the banking group; and
 - (b) derived in accordance with clause 5.
- (2) The following information in respect of peak end-of-day notional capital charges for market risk for the first quarter

¹ Specify whether the current exposure or original exposure method was used to calculate the credit equivalent amount on these contracts.

accounting period or the most recent quarter of the third quarter accounting period (as applicable):

Market Risk	Implied risk-weighted exposure	Notional capital charge	Notional capital charge as a percentage of the overseas banking group's equity
Interest rate risk			
Foreign currency risk			
Equity risk			

- (3) For the purpose of the disclosure required by subclause (2) implied risk-weighted exposure must be calculated as 12.5 x notional capital charge.
- (4) The information that is required to be disclosed under subclause (2) must include comparative figures for the previous corresponding period.

5 Method for deriving peak end-of-day notional capital charges

- (1) For the purpose of the disclosure required by clause 4, peak end-of-day notional capital charge for each category of market risk is derived by determining the maximum over the relevant period of the aggregate capital charge for that category at the close of each business day derived in accordance with—
 - (a) Capital Adequacy Framework (Standardised Approach) (BS2A); or
 - (b) any other method, but only if the aggregate capital charge derived in accordance with that method is not, in the opinion of the registered bank (such opinion to be based on reasonable grounds), materially lower than the amount derived under paragraph (a).
- (2) For the purpose of the disclosure required by clause 4, peak end-of-day notional capital charge as a percentage of the overseas banking group's equity is derived by dividing peak end-of-day notional capital charge by—
 - (a) the overseas banking group's equity as at the end of the quarter; or
 - (b) the most recently publicly disclosed amount of the overseas banking group's equity; or
 - (c) the overseas banking group's equity at the date to which the maximum end-of-day notional capital charge applied.
- (3) A statement of the method used to derive peak end-of-day notional capital charge, and peak end-of-day notional capital charge as a percentage of the overseas banking group's equity, for each category of market risk.

6 Capital ratios

- (1) The most recent publicly available information specified in respect of the capital ratios of the overseas bank and the overseas banking group, including the following information:
 - (a) tier one capital ratio:
 - (b) total capital ratio:

- (c) the date to which the measures of tier one capital ratio and total capital ratio relate.
- (2) The information that is required to be disclosed under subclause (1) must include comparative figures for the previous corresponding period to the extent that the information is publicly available.
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Schedule 5

Concentration of credit exposures to individual counterparties

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1 Credit exposure information: general requirements

- (1) In this schedule, credit exposure information must be disclosed on the basis of—
- (a) actual credit exposures; or
 - (b) internal limits that were not materially exceeded during the first quarter accounting period or the third quarter accounting period (as applicable).
- (2) A statement of the method used for disclosing the credit exposure information required by this schedule.

2 Calculation of credit exposure information

- The credit exposure information required by this schedule must—
- (a) relate only to exposures held in the financial records of the banking group; and
 - (b) be calculated as the amount that best represents the banking group's maximum exposure to credit risk taking account of the guidance in paragraphs B9 and B10 of NZ IFRS7; and
 - (c) exclude credit exposures to the central government of any country with a long-term credit rating of A- or A3 or above, or its equivalent.

3 Comparative figures

The information that is required to be disclosed under this schedule must include comparative figures for the previous corresponding period.

4 Overseas banking group's equity: general requirements

- (1) For the purposes of this schedule, the overseas banking group's equity must be—
- (a) determined as at the off-quarter balance date; or
 - (b) the most recently publicly disclosed amount.
- (2) If the overseas banking group's equity is not determined as at the off-quarter balance date, a statement of the date to which the measure of equity relates.

5 Large bank exposures

- (1) The information in subclause (2) in successive ranges of 10% of equity, commencing at 10% of equity—
 - (a) as at the off-quarter balance date; and
 - (b) in respect of peak end-of-day aggregate credit exposures for the first quarter accounting period or the most recent quarter of the third quarter accounting period (as applicable).
- (2) The number of individual bank counterparties (which are not members of a group of closely related counterparties), and groups of closely related counterparties of which a bank is the parent, to which the banking group has an aggregate credit exposure that equals or exceeds 10% of the overseas banking group's equity.

6 Large non-bank exposures

- (1) The information in subclause (2) in successive ranges of 10% of equity, commencing at 10% of equity—
 - (a) as at the off-quarter balance date; and
 - (b) in respect of peak end-of-day aggregate credit exposures for the first quarter accounting period or the most recent quarter of the third quarter accounting period (as applicable).
- (2) The number of individual non-bank counterparties (which are not members of a group of closely related counterparties) and groups of closely related counterparties of which a bank is not the parent to which the banking group has an aggregate credit exposure that equals or exceeds 10% of the overseas banking group's equity.

7 Peak end-of-day aggregate credit exposure

- (1) For the purposes of clauses 5 and 6, peak end-of-day aggregate credit exposure to each individual counterparty or a group of closely related counterparties for the first quarter accounting period or the most recent quarter of the third quarter accounting period (as applicable) is derived by—
 - (a) determining the maximum end-of-day aggregate amount of credit exposure over the quarter; and
 - (b) then dividing that amount by—
 - (i) the overseas banking group's equity as at the end of the quarter; or
 - (ii) the overseas banking group's equity at the date the maximum end-of-day aggregate amount of credit exposure occurred.
- (2) A statement of the method used to derive peak ratio information.

8 Aggregate credit exposure

- (1) The following information as at the off-quarter balance date and in respect of the individual bank counterparties, and groups of closely related counterparties of which a bank is the parent, referred to in clause 5(2):

- (a) the total amount of credit exposure to those counterparties that have a credit rating that is of investment grade:
 - (b) the total amount of credit exposure to those counterparties that have a credit rating that is below investment grade:
 - (c) the total amount of credit exposure to those counterparties that do not have a credit rating:
 - (d) the percentage each of the amounts referred to in paragraphs (a) to (c) represents in relation to the aggregate of the amounts referred to in those paragraphs.
- (2) The following information as at the off-quarter balance date and in respect of the individual non-bank counterparties, and groups of closely related counterparties of which a bank is not the parent, referred to in clause 6(2):
- (a) the total amount of credit exposure to those counterparties that have a credit rating that is of investment grade:
 - (b) the total amount of credit exposure to those counterparties that have a credit rating that is below investment grade:
 - (c) the total amount of credit exposure to those counterparties that do not have a credit rating:
 - (d) the percentage each of the amounts referred to in paragraphs (a) to (c) represents in relation to the aggregate of the amounts referred to in those paragraphs.

9 Meaning of credit rating

- (1) For the purposes of clauses 2 and 8, **credit rating** means a credit rating that meets the criteria in subclause (2) and that,—
- (a) in the case of a group of closely related counterparties, applies to the entity heading the group of closely related counterparties; or
 - (b) in the case of an individual counterparty (which is not a member of a group of closely related counterparties), applies to the individual counterparty.
- (2) The following criteria:
- (a) a credit rating that applies to—
 - (i) the relevant entity's long term senior unsecured obligations payable in New Zealand, in New Zealand dollars; or
 - (ii) the relevant entity's long term senior unsecured foreign currency obligations:
 - (b) a credit rating given by a rating agency that has been approved by the Reserve Bank under section 80 of the Act.
- (3) If an entity has 2 or more credit ratings that meet the criteria in subclauses (1) and (2) and those credit ratings are not the same, then the lower credit rating applies.

10 Meaning of investment grade credit rating

For the purposes of this schedule, **investment grade credit rating** means a credit rating of BBB- or Baa3 or above, or its equivalent.

Schedule 6

Risk management policies

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1 Categories of risk

Clause 2 applies if, since the date on which the signing of the previous disclosure statement is completed, there has been a material change in the banking group's policies for managing any of the following risks:

- (a) credit risk, including concentrations of credit risk, intra-day credit risk, credit risk to bank counterparties and related party credit risk:
- (b) currency risk:
- (c) interest rate risk:
- (d) equity risk:
- (e) liquidity risk:
- (f) operational risk:
- (g) any other material business risk to which the banking group is exposed.

2 Information about risks

(1) A statement of the nature of the changes in the banking group's policies for managing the risks specified in clause 1.

(2) If, since the date on which the signing of the previous disclosure statement is completed, the banking group has become exposed to a new category of risk specified in clause 1 to which the banking group was not previously exposed, the following information:

- (a) the nature of that risk and the activities of the banking group that caused the risk:
- (b) the methods used to identify and monitor exposure to that risk, including the frequency with which exposures are monitored:
- (c) the systems and procedures for controlling that risk, including (if applicable)—
 - (i) whether exposure limits are employed; and
 - (ii) any policies with respect to collateral or other security; and
 - (iii) any policies on the use of financial instruments to mitigate or hedge risks.

REBECCA KITTERIDGE, Clerk of the Executive Council

Explanatory note

This note is not part of the order, but is intended to indicate its general effect.

This order comes into force on 30 June 2011 and replaces the Registered Bank Disclosure Statement (Off-Quarter—Overseas Incorporated Registered Banks) Order 2008. The purpose of this order is to give legal effect to the current versions of material incorporated by reference in reliance on section 81AA and in accordance with Schedule 3 of the Reserve Bank of New Zealand Act 1989.

This Order in Council is administered in the Reserve Bank of New Zealand.